

Downtown Development Authority of Augusta, Georgia
Meeting Minutes
May 14, 2015

The regularly scheduled meeting of the Downtown Development Authority of Augusta, Georgia was held on May 14, 2015 at 10:30 a.m. at the DDA office located at 936 Broad Street, Suite 107. The meeting time was changed from 8:30 a.m. to 10:30 a.m. to assure a quorum. Those members in attendance were Rick Keuroglian, Natalie McLeod, Cameron Nixon, Scylance Scott, Jr., Executive Director Margaret Woodard, and Legal Counsel Byrd Warlick. Guests and observers included DDA Office Manager Roxanne Walls, Augusta-Richmond County Deputy Administrator Ted Rhinehart, Jack Wilde of Augusta Regional Collaboration, Chris Bird of Global Spectrum, Ian Bridgeforth of Clubhou.se, Coliseum Authority members Brad Usry and Cedric Johnson, Michelle Bennett of Serotta Maddocks Evans, CPAs (SME), Tim Rausch of *The Augusta Chronicle*, David Hutchison of The Book Tavern, Jennifer Bowen and Barry White of the Augusta Convention & Visitors Bureau, Matt Aitken of Sherman and Hemstreet, and Brenda Durant of the Greater Augusta Arts Council.

Mr. Nixon called the meeting to order at 10:31 a.m.

To accommodate schedules the Coliseum Authority update presentation was moved to the beginning of the meeting.

Mr. Nixon introduced Mr. Chris Bird, Global Spectrum general manager for the James Brown Arena and the Bell Auditorium, along with Coliseum Authority members Mr. Brad Usry and Mr. Cedric Johnson for the Coliseum Authority update. Handouts of the presentation were distributed and are in board member books.

AECOM was hired to do a feasibility study for the Coliseum Authority. The study recommends a new arena as a better option.

The James Brown Arena has multiple physical deficiencies particularly compared to modern arenas (premium seating, rigging, quality/quantity of basic amenities). Once the arena has over 4,000 people there is inefficiency in operations with a lack of restrooms and concession stand lines. The annual operating deficit has decreased from approximately \$1.3 million in 2008 to \$650,000. Luxury suites could help reduce the \$650,000 annual operating deficit. National promoters more often than not say the arena does not have enough seats therefore losing out on that act/event. The current arena has 8,500 seats but with large concerts it is about 6,200 seats due to the stage and the lost seats behind it.

The facility recommendations from the feasibility firm are approximately 10,000 maximum seating capacity, premium seating with 14 luxury suites, 10 loge boxes, 500 club seats, approximately 20,000 square feet of exhibit/meeting space along with 2,000

square feet of tenant offices. The cost is approximately \$90 million to \$110 million. A site has not been chosen but should remain in downtown.

The board thanked Mr. Bird, Mr. Usry, and Mr. Johnson for their presentation.

In the absence of Mr. Hadden, Mr. Nixon presented for approval the previous meeting minutes from March 12, 2015. With no additions or corrections, Mr. Nixon asked for a motion to approve. Mr. Scott made the motion. Ms. McLeod seconded the motion. All were in favor and the motion passed unanimously.

In the Treasurer's Report, Ms. McLeod presented the financials for March and April 2015.

The balance sheet as of March 31, 2015 reflected total checking and savings in the amount \$87,589.53. The Profit & Loss Budget Performance (DDA Operating) Report for March 2015 reflected total income in the amount of \$13,018.55 and total expenses in the amount of \$2,106.19.

The balance sheet as of April 30, 2015 reflected total checking and savings in the amount of \$96,099.38. The Profit & Loss Performance (DDA Operating) Report for April 2015 reflected total income in the amount of \$13, 023.22. We are under budget on expenses due to the timing of the salary invoice from the city.

The audit is completed and will be presented later in the meeting.

Mr. Nixon thanked Ms. McLeod for the Treasurer's Report. Mr. Nixon asked the board if there were any questions and hearing none he asked for a motion to accept the Treasurer's Report as information. Mr. Scott made the motion. Mr. Keuroglian seconded the motion. All were in favor and the motion passed unanimously.

The March and April 2015 financial reports are in board books.

Ms. Woodard introduced Mr. Ted Rinehart. He is the new deputy administrator for Augusta-Richmond County. Mr. Rinehart previously worked for DeKalb County in a similar role for about 10 years.

In the Director's Report, Ms. Woodard updated the board on the following:

Active Economic Development Projects
Georgia Cities Foundation (GCF) Loans

- The loan for 905 Broad Street (WAGT Building) has been approved by GCF in the amount of \$250,000.
- The loan closing for 1022 Broad Street in the amount of \$185,000 was held on May 6th. All four apartments are leased. The building has two retail spaces and one has been leased.
- Loans for 1033 Broad Street and 1162 Broad Street are in underwriting.

GCF Loan for Board Approval:

- The loan for the Boots Factory located at 912 Ellis Street has been completed and will be presented at today's board meeting for board approval for submission to GCF. Item is on the agenda under new business.

After this loan has been submitted to GCF, we will be placed on hold until previous loans have been paid back as we have reached our maximum.

Other

- The Hive, on 10th Street (former Rooster's Beak location), opened on Friday, May 8th.
- 1002 Broad Street (former O'Donovan's location) along with former Zimmermann Gallery space has been leased for a restaurant to open summer 2015.
- 1033 Broad Street will be a sushi restaurant and expected to be open by June.
- Escape Outdoors is moving to 1243 Broad Street.
- The grand opening for Canalside Apartments is scheduled for June. Without the apartments completed nor touring the apartments, 12 out of the 106 have been pre-leased.

Pilot SPLOST Project

- Electrical Signal Art Project "Art the Box" update to be given at today's meeting under new business.

Downtown Programs

Retail Strategy

- Private sponsorships raised to-date in the amount of \$36,000 which includes \$5,000 from the Augusta Convention and Visitors Bureau to load retail reports on DDA website.
- Retail Strategies has scheduled several meetings on behalf of Downtown Augusta for the May ICSC Conference in Las Vegas.
- Working on two mixed-use projects in various locations with an announcement in the near future.

Other

- Vacant building inventory is completed.
- Downtown historic property values comparison is completed.
- Partnered with ARC (Augusta Regional Collaboration) on available office space and private investment stats.
- Raising \$8,500 from private partners for Housing Demand Feasibility Report with \$2,000 raised to-date.

Grant Projects

James Brown Boulevard Phase I

- Construction is about 50 percent complete with an anticipated completion date of late June.

GRU Day

- This event has been completed for 2015.

Downtown Cleanliness and Parking

- Working with Deputy Administrator Rhinehart on downtown cleanliness.
- Several meetings have been held to discuss next steps regarding parking.

Other

- SB 63 (Beer Jobs Bill) passed
- HB 308 (Historic Tax Credits Bill) passed and the cap is now \$5 million.

The board accepted the Director's Report as information.

A complete copy of the Director's Report is in board books.

Under New Business, Mr. Nixon turned the floor over to Greater Augusta Arts Council Executive Director Brenda Durant for an update on "Art the Box".

The DDA previously approved \$7,000 in SPLOST funds for seven traffic signal boxes on Broad Street to be painted. Golden Paints has agreed to supply the colored paints for the project. The paint order is to arrive this week. Artists have received the base coat. A total of 23 traffic signal boxes will be painted through-out Augusta. The city has cleaned the boxes with artists expected to begin painting this weekend. Boxes have to be completed by the end of the month. The artists have to maintain their boxes for two years.

Ms. Durant thanked the board for their support of the project. Once the boxes are painted, the board is invited for a possible trolley tour to see the 23 boxes around the city. A press conference will be held on June 5th at 600 Broad Street.

The board thanked Ms. Durant for her presentation.

Under New Business, Mr. Nixon on behalf of the nominating committee presented for board approval Mr. David Hutchison to fill the director seat vacated by Mr. Dennis Welch.

Mr. Welch resigned from the board as the licensing board for professional engineers in Georgia has a conflict of interest rule which would prohibit his employer from accepting any more work from the Downtown Development Authority as long as he is a member of the Authority.

Mr. Hutchison is the owner of The Book Tavern and is active downtown. He served on the Downtown Augusta Alliance for four years and has owned his bookstore for over ten years.

Mr. Nixon asked for a motion to recommend Mr. Hutchison to the Commission for approval to fill the vacancy. Ms. McLeod made the motion. Mr. Scott seconded the motion. Mr. Nixon asked if any further discussion. Hearing none all were in favor and the motion passed unanimously.

Under New Business, Ms. McLeod deferred the Georgia Cities Foundation (GCF) loan application for 912 Ellis Street to Ms. Woodard.

Mr. Mark Donahue has purchased 912 Ellis Street and is converting it into 19 one-bedroom apartments. He also acquired the lot which will have 39 off-site parking spaces. The project is \$1.3 million and his GCF loan request is \$250,000. Mr. Donahue used his own equity in the purchase of the building and is also using historic tax credits. First Bank is the lender. After submission of this loan, we will be on hold.

Ms. Woodard asked for a motion to approve the GCF loan application in the amount of \$250,000 for 912 Ellis Street for submission to GCF. Mr. Scott made the motion. Mr. Keuroglan seconded the motion. Mr. Nixon asked if any further discussion. Hearing none all were in favor and the motion passed unanimously.

Under New Business, Mr. Nixon presented for approval the proposal from Cooper Carry for master planning services in the amount of \$14,300 for the Riverwalk RFP.

The DDA designated SPLOST funds in the amount of \$1 million for the Riverwalk. The RFP is to evaluate the existing conditions of the Riverwalk and to evaluate proposed improvements to its functionality and aesthetics. Anticipated improvements include shade structures, additional seating and gathering areas, playgrounds, accessibility from downtown and landscape renovations. The proposal would be paid using designated SPLOST funds. Cooper Carry has also been chosen for the Downtown Concept Plan. Ms. Woodard has met with management from the city's Engineering Department and they have reviewed the proposal and price.

Mr. Nixon asked for a motion to approve the proposal from Cooper Carry. Mr. Keuroglan made the motion. Ms. McLeod seconded the motion. Mr. Nixon asked if any further discussion. Hearing none all were in favor and the motion passed unanimously.

Under New Business, Mr. Nixon introduced Ms. Michelle Bennett, in lieu of Mr. Rick Evans, of SME for the 2014 audit presentation for board approval.

Ms. Bennett presented the summary of audit results, the required communications with governance letter and final financial statements. All three items are in board books.

We have a qualified report due to certain properties that are owned by the DDA that are not reflected as assets in the financial statements due to the inability to determine the fair market value of the properties at the date they were received. The city transferred these properties to the DDA many years ago. We have a clean audit and there is no other modification to the report other than that. The finance committee previously met with Mr. Rick Evans of SME for a draft audit presentation. Mr. Nixon thanked SME for their oversight.

Mr. Nixon asked for a motion to approve the 2014 audit. Mr. Scott made the motion. Mr. Keuroglan seconded the motion. All were in favor and the motion passed unanimously.

The next item on the agenda was closed session. The reason for closing the meeting was the possible acquisition of real estate. Mr. Nixon asked for a motion to go into closed session. Mr. Scott made the motion. Ms. McLeod seconded the motion. All were in favor and the motion passed unanimously.

The board went into closed session at 11:24 a.m.

Mr. Nixon asked for a motion to come out of closed session. Mr. Scott made the motion. Mr. Keuroglan seconded the motion. All were in favor and the motion passed unanimously.

The board came out of closed session at 11:57 a.m.

With no further business to discuss, Mr. Nixon adjourned the meeting.

Respectfully submitted,

Cameron Nixon, Chairman