

Central State Hospital Local
Redevelopment Authority
The Grove Event Center
April 17, 2019

The Central State Hospital Local Redevelopment Authority met in regular session on Wednesday, April 17, 2019, at 5:00 PM in The Grove Event Center.

Chairwoman, Ms. Fuller called the meeting to order at 5:00pm and made opening remarks. Board expressed no need to go into executive session. Ms. Fuller asked Board Members if they reviewed Board Meeting minutes for February and March and if no changes each month requires its own separate motion and vote to accept.

Members present were Ms. Fuller, Mr. Rowe, Dr. Ferguson, Dr. Martinez, Dr. Stephens, Mr. Walden, Mr. Grant, Dr. Nelson. Members absent were Mr. Vaughn and Mr. Pittman who were both absent due to medical reasons.

February 2019 Minutes

Mr. Walden 1st motion

Dr. Stephens 2nd motion

On aye: Ms. Fuller, Mr. Rowe, Dr. Ferguson, Dr. Martinez, Dr. Stephens, Mr. Walden, Mr. Grant, and Dr. Nelson.

March 2019 Minutes

Mr. Rowe 1st motion

Dr. Stephens 2nd motion

On aye: Ms. Fuller, Mr. Rowe, Dr. Ferguson, Dr. Martinez, Dr. Stephens, Mr. Walden, Mr. Grant, and Dr. Nelson.

Mr. Couch stated he had no opening comments at this time and would like to jump into the body of the agenda by moving to item B, Finance Committee Report, informed the board members the CSHLRA Finance Committee meet prior to the board meeting and asked Dr. Ferguson to give a briefing of financials and discussion during meeting.

Dr. Ferguson reviewed the provided financial report in the board packet informing the board the current total equity as well as profit and loss balance which are in good standings and we have no reason to be concerned at this time. Dr. Ferguson stated the Committee looks forward to getting the Kitchen project active so we can note its progress on our assets and begin gaining income from it.

Mr. Couch asked Board Members to review the Net Book Value of Fixed Assets on page one of their financial statement which states a value of \$7,047,410. Mr. Couch stated although this number is reflected, it is the Auditor's value which was agreed upon between the Authority and the City. Mr. Couch informed the Authority the reason the value is noted as \$7,047,410 is because we currently do not know where to place the value, however, Mr. Couch stated he plans to meet with the Authority's accountant in the coming week to receive guidance. Mr. Couch stated once this information is released by the City, the Authority will place information in the monthly financial reports. Mr. Couch expressed the \$7 million is not in cash but in equity. Mr. Couch noted the Financial Committee did accept all financial findings during the meeting earlier.

Mr. Couch moved to item C, Georgia International Food Center Project Update, referencing last month's special meeting to approve the commitment letter from Byline Bank. Mr. Couch stated he provided, executed and signed the copy of the letter in the board packets as well as a signed SBA guarantee executed by Mr. Bizzarro, Mr. Presley, and Mr. Alford as well as, the closing checklist. Mr. Couch stated a great deal of the requested information is for construction details. Mr. Couch went on to state the Authority also provided information from the audit, liability coverage, as well as the executed lease which will be executed the day of closing so that the Authority can convey the cost. Mr. Couch noted items that need to be completed are the Survey, Environmental Impact Survey which will be certified tomorrow by a local inspector as well as the appraisal, which was recertified at no cost. Mr. Couch noted Dr. Latimore and guest met with him on campus, looked at office space in the Wilkes Building as well as the Kitchen. Mr. Couch asked Mr. Wright to speak regarding the recent Cold Storage Manufacturing meeting.

Mr. Wright informed the Board Cold Storage Manufacturers traveled to Milledgeville for a meeting with Mr. Couch to discuss planning. Mr. Wright stated he feels the meeting was productive and several questions were answered regarding contracts and permits. Mr. Wright stated there are a couple of issues that need reviewing. Mr. Wright also informed the Board CSM stated they would like to begin demolition/ construction on the building June 1, immediately after closing, stating permits are not required for the demolition process. Mr. Wright spoke regarding trade work and subcontracting as well as use of local subcontractors. Mr. Wright stated the only issues noted were insurance and bonding, but he feels the project is on track.

Dr. Nelson asked if the issues noted were the only ones? Mr. Wright responded yes, and the insurance issue has been resolved.

Mr. Rowe asked Mr. Couch to give further details regarding the insurance. Mr. Couch noted Byline Bank has an underwriter who reviews all the projects coverage and has reviewed the current policy and liability coverage. Mr. Couch stated he recently renewed the insurance and provided the renewal to Byline. Mr. Couch also informed the Board that he will initially be insured for \$2.4 million, escalating upon completion to \$14.5 million. Mr. Rowe noted we do not need a lapse in insurance with several parties involved. Mr. Couch agreed.

Mr. Wright added the Authority will provide the builders risk. Mr. Wright stated the Authority is required to carry general and professional liability because CSM is the designer which is covered under professional liability.

Dr. Nelson asked what the total coverage amount is per incident. Mr. Couch responded \$2 million.

Mr. Walden asked if the occupancy date changed? Mr. Wright responded the contract currently states 6 months (180 days) but this notes only substantial completion and not occupancy. Mr. Wright stated if the timeline is correct, after 6 months of substantial completion it will be 9 months before they are able to occupy.

Mr. Walden asked if Cold Storage Manufacturing worked with FSP in the past? Mr. Couch responded yes.

Mr. Couch stated Mr. Bizzarro is fine with timeline, noting Mr. Bizzarro must phase in work force as well as commissioning the factory. Mr. Couch stated Mr. Wright will act in the same capacity as he did on the Bostick project and be able to update the Board monthly.

Mr. Couch moved to item D, Kialegee Tribe Letter of Intent, stating the group visited previously and they would like to build a hotel conference center. Mr. Couch noted that the letter does not bind or cost the Authority money, it only provides the Authority with 270 days to come to an agreement to make the project happen and allows the Authority to begin conversation with the Kialegee Tribe.

Mr. Walden asked if the Tribe will purchase or lease the acreage? Mr. Couch responded he plans to discuss with the group.

Dr. Nelson asked if we will be the owners of the property? Mr. Couch stated that would be his initial position.

Mr. Grant stated he believes no more time should be wasted because there is so much positive activity occurring, this project would be a distraction. Mr. Grant went on to state after a search of the Tribe he found they've had several economic development projects that were surrounded by controversy. Mr. Grant stated he does not believe a conference center is viable for this tribe without a casino being attached. Mr. Grant went on to note this is something he would not support on the specified property.

Mr. Walden asked if there was a downside of giving Mr. Couch the authority to talk with the group? Mr. Grant responded the downside is it takes away the focus that we can put on to FSP and other projects by diluting Mr. Couch time and the Board's interest.

Dr. Ferguson asked if this is a behavior for this group? Mr. Grant stated he does not know, but he feels this is the nose under the tent.

Mr. Couch stated the Tribe has visited twice as well as hosting several conference calls including on Saturdays. Mr. Couch stated during one conference call they did mention gaming and he confirmed there was no initiative in this session to gain any gaming. Mr. Couch stated discovering their financial wherewithal would be important before he goes further and should table the discussion until details have been provided by the Tribe.

Mr. Walden asked Mr. Couch if he sees this as a distraction? Mr. Couch responded only if I ask for financials and they aren't provided.

Mr. Rowe asked if the Tribe been successful in the past. Mr. Couch responded to date, none.

Mr. Couch stated he provided the Kialegee tribe a proforma at \$126 per room, the Authority provides the land at no cost, and after running the numbers this will be a \$10 million project. Mr. Couch noted he informed the Tribe the land will only carry 30% of the equity, they will be required to have \$2 million in equity to get the financing. Mr. Couch noted he needs direction from the Board.

Mr. Couch asked if item is tabled, he should in good faith return to Tribe with the Authority's concerns and requests.

Dr. Martinez asked if a business model has been provided. Mr. Couch responded they are looking to hire a hotel operator as a partner.

Dr. Nelson stated she does not feel comfortable with the Authority owning/operating a hotel on campus. Dr. Nelson stated it would be best if the group was willing to take most of the liability. Dr. Nelson stated it would be satisfactory if they were able to provide proof the Federal Government was willing to provide them with a specified amount of money to build.

Mr. Walden stated he feels the Authority should give Mr. Couch the authority to seek additional information so that the Authority can feel comfortable in the decision-making process.

Vote to table Kialegee Discussion

Dr. Ferguson 1st motion

Mr. Walden 2nd motion

On aye: Ms. Fuller, Mr. Rowe, Dr. Ferguson, Dr. Martinez, Dr. Stephens, Mr. Walden, Mr. Grant, and Dr. Nelson.

Permission to construct a letter of request from the Kialegee Tribe

Mr. Grant 1st motion

Dr. Stephens 2nd motion

On aye: Ms. Fuller, Mr. Rowe, Dr. Ferguson, Dr. Martinez, Dr. Stephens, Mr. Walden, Mr. Grant, and Dr. Nelson.

Mr. Couch moved to item E, Crisis Center/Broad Street Update, also referred to as the Bradley Project in Broad Street 13. Mr. Couch stated the Southern Crescent Crisis Center has proposed to purchase the building. Mr. Couch informed the board that all basic utilities have been turned on and the building requires a substantial amount of work, but they have a construction company that is able to do so. Mr. Couch noted they have already hired a local staff and are working with local contractors.

Mr. Couch moved to item F, Depot Circle 95 Update stating Dr. Wright and the CSHLRA have come to an agreement on terms for the Depot 95 Circle. Mr. Couch noted a survey is currently being completed and Dr. Wright is paying fair market value and will be closing very soon. Mr. Couch stated after the Depot 95 closing, he looks forward to working on the closing for the Museum.

Mr. Walden asked what does "Circle 95" consist of? Mr. Couch responded the Imagination Cottage and it excludes the Depot and the operational land needed.

Dr. Wright noted, April marks two years that she has been operating out of the Cottage. Dr. Wright went on to note the Cottage has been taken from a condemned space to a full use space and is excited to now move on to the renovations on the Depot. Dr. Wright noted The Just Imagine Cottage will provide a summer program for young adults

Mr. Couch moved to item G, EWAC/TRIMAX medical update stating he recently spoke to Dr. Williams and Mr. Johnson (CSHLRA point of contact). They will be presenting an offer by the end of April to buy the EWAC Building. Mr. Couch stated they are looking to employ 75 people in a 50-separate single-bed private rehab environment. Mr. Couch asked Board to reference a handout that could explain the financing process with the facility. Mr. Couch stated he and Mr. Pittman spent an evening in Macon with Dr. Williams and Mr. Johnson discussing details surrounding the project. Mr. Couch went on to state they have a business model and plan to invest close to \$2 million.

Mr. Couch moved to item I, Wilkes Building and the Post 33 update stating he spoke to Dr. Price two weeks ago and we tentatively plan to close July 15th on the land at the intersection of the Bypass and 49 which gives Post 33 time to relocate to the Wilkes Building. Dr. Price does not want to do an interim lease and State Properties as well as State Patrol are fine with Dr. Price's wishes. Mr. Couch stated he is not sure on the construction time on Post 33 on Carl Vinson Road but guessed it could be between 18 to 24 months. Mr. Couch noted Post 33 will share the Wilkes Building with FVSU.

Mr. Walden asked how much expense we will have in preparing the Wilkes building for Post 33 and FVSU. Mr. Couch responded we will need to replace the heating and air conditioning system but plans to triple net lease and pass the expense on to the State Patrol.

Mr. Couch proceeded to item J, City Budget Request noting the executive committee attending the City Council Meeting last night and it was noneventful when the CSHLRA request was presented. Mr. Couch stated the Authority received a few questions from Ms. Danzy and Ms. Brenda. MR. Couch noted he provided the City Council with updated financials and is expecting a good response.

Mr. Couch moved to item K, the rebranding initiative, and asked Mr. Walden to brief the board.

Mr. Walden stated the Authority is working with Mrs. Andrews regarding rebranding in two areas, website design and signage. The first signage project will be the refacing of the sign at the entry of Swint Avenue. Mr. Walden provided a sample document of the image that will replace the current sign. Mr. Walden also noted that Mrs. Andrews provided an update on the website design during a meeting prior to the Board Meeting. Mr. Walden went on to state that the signage itself will cost \$4200 which is the second cheapest of three bids but most professional of all three. Mr. Walden asked the board to make a motion to authorize Mr. Couch to move forward with a contract and provide payment to Mrs. Andrews.

Dr. Nelson asked if the \$4200 is only for the signage and not for website productions, letterhead or any other products. Mr. Walden stated we have a current contract with Mrs. Andrews that covers all other items noted but excludes signage. Mr. Walden noted lighting and landscape is a part of the signage as well. Mr. Walden did note that the Vinson Highway signage will be more expensive due to no signage previously existing.

Dr. Ferguson 1st motion

Dr. Martinez 2nd motion

On aye: Ms. Fuller, Mr. Rowe, Dr. Ferguson, Dr. Martinez, Dr. Stephens, Mr. Walden, Mr. Grant, and Dr. Nelson.

Mr. Couch moved to item L, Phase 2 Property updates, stating he will provide a detailed update during next board meeting. Mr. Couch noted they are completing the survey on the kitchen currently. Mr. Couch noted that Byline bank has agreed to use Waddell and Associates as the closing agents.

Mr. Couch circled back to item H, Surplus Property, stating May 15 is the current date to finalize plans on sale of items at the Lawrence Building. Mr. Couch asked Mr. Simpson to elaborate on some details surrounding the auction.

Mr. Simpson stated it was discussed that the items would be divided into pods and sold.

Mr. Couch wanted to recognize Mr. Simpson, Mr. Wright, Mr. Reynolds, and Mrs. Giles.

Ms. Fuller adjourned meeting at 5:59PM

Dr. Stephens 1st motion

Mr. Rowe 2nd motion

On aye: Ms. Fuller, Mr. Rowe, Dr. Ferguson, Dr. Martinez, Dr. Stephens, Mr. Walden, Mr. Grant, and Dr. Nelson.