

**Downtown Development Authority of Augusta, Georgia**  
**Meeting Minutes**  
**May 9, 2019**

The regularly scheduled meeting of the Downtown Development Authority of Augusta, Georgia was held on May 9, 2019 at 8:30 a.m. at SharedSpace located at 901 Greene Street. Those members in attendance were Jack Evans, Commissioner Fennoy, Rick Keuroglan, Cameron Nixon, Scylance Scott, Jr., DDA Executive Director Margaret Woodard and Legal Counsel Jeb Murray with Natalie McLeod not in attendance. Guests and observers included DDA Office Manager Roxanne Walls, John Snider and Rick Evans of Serotta Maddocks Evans, CPAs (SME), Charles Murdorf of 600 Broad, Avery Spears-Mahoney of North Augusta Forward, Bob Kuhar of Morris Communications, LLC, Damon Cline of The Augusta Chronicle, Camille Price of Augusta Tomorrow and Martine Roberts of Unique Janitorial and Maintenance Service.

Mr. Scott called the meeting to order at 8:31 a.m. and welcomed everyone. Mr. Keuroglan made a motion to accept the May 9, 2019 agenda. Commissioner Fennoy seconded the motion. All were in favor and the motion passed unanimously.

Mr. Scott turned the floor over to Mr. Nixon for approval of the March meeting minutes. Mr. Nixon presented for approval the March 14, 2019 meeting minutes. In the section pertaining to the approval of the 2019 budget, in regards to the COLA increases since a deficit is reflected, Mr. Nixon proposed the following addition: The COLA is included in the 2019 budget so that the DDA employees, who both participate in the City's payroll and benefit plans as if they were city employees, would not incur additional personal expense as a consequence of changes in the City's health insurance plans. Previously, the DDA employees forewent COLA increases so not to adversely impact the DDA budget but the Board wanted those employees to have the same ability to cover the increased health care expenses as other city employees do.

This addition would be inserted after the sentence that reflects net ordinary income in amount of -\$23,071.00.

Mr. Keuroglan made a motion to accept said language and add that to the minutes. Mr. Evans seconded the motion. All were in favor and the motion passed unanimously. With no further additions or corrections, Commissioner Fennoy made a motion to accept the amended minutes. Mr. Keuroglan seconded the motion. All were in favor and the motion passed unanimously.

Mr. Scott turned the floor over to Ms. Woodard for the Treasurer's Report. In the Treasurer's Report, Ms. Woodard presented the March 2019 financials. The balance sheet as of March 31, 2019 reflected the following: total checking/savings in the amount of \$856,173.27; accrued liabilities in the amount of \$36,857.82 for 1<sup>st</sup> quarter salary payback to the city; deferred inflow in the amount of \$812,053.49 for SPLOST Riverwalk funds. The Profit & Loss Budget Performance (DDA Operating) Report reflected the following: total income in the amount of \$17,890.78 which includes a retail recruitment sponsorship in the amount of \$5,000.00 from Auben Realty and March city funding; total expenses in the amount of \$43,183.33 which includes office power in the amount of \$794.33 for January and February and special development (depot) fees in the amount of \$9,850.00 for the Depot site ALTA survey and we

will be reimbursed for that item; net ordinary income in the amount of -\$25,292.55. The Profit & Loss Budget Performance (Consolidated) Report reflected the following: interest income in the amount of \$136.82 and the SPLOST checking interest portion as per the audit is deferred inflow and will be adjusted accordingly; total expense in the amount of \$43,183.33; net ordinary income in the amount of -\$25,162.34.

In the Treasurer's Report, Ms. Woodard also presented the April 2019 financials. The balance sheet as of April 30, 2019 reflected the following: total checking/savings in the amount of \$866,768.16; accrued liabilities in the amount of \$36,857.82 for 1<sup>st</sup> quarter salary payback; deferred inflow in the amount of \$817,253.58. The Profit & Loss Budget Performance (DDA Operating) Report reflected the following: total income in the amount of \$12,891.94 which includes April city funding in the amount of \$12,884.17 and interest income; special development (depot) fees in the amount of -\$9,850.00 which is due to an adjusting journal entry from the audit as the service invoiced was for 2018 but the invoice was received and paid in 2019. The Profit & Loss Budget Performance (Consolidated) Report reflected the following: total income in the amount of \$12,094.40 which includes interest income in the amount of -\$789.77 which are journal entries to reclass SPLOST interest income (2019 1<sup>st</sup> quarter and April 2019) to deferred inflow; net ordinary income in the amount of \$19,503.65. There was nothing out of the ordinary under expenses.

Mr. Nixon made a motion to accept the Treasurer's Report as information. Mr. Keuroglian seconded the motion. All were in favor and the motion passed unanimously.

Mr. Scott turned the floor over to Ms. Woodard for the Director's Report. In the Director's Report, Ms. Woodard updated the Board on the following:

### **Economic Development**

#### **Active**

- 204 13<sup>th</sup> Street – A GCF Loan application will be presented for potential Board approval under new business to today's agenda.

#### **Under Construction**

- 204 13<sup>th</sup> Street/Six loft apartments

#### **Ribbon Cuttings/Grand Openings/Groundbreakings**

- TaxSlayer (945 Broad Street) - Ribbon cutting held March 20<sup>th</sup>.
- EM Andrews Warehouse (941 Ellis Street) – Ribbon cutting held March 28<sup>th</sup>.
- Best Lawyers (SunTrust Building) – Ribbon cutting held May 2<sup>nd</sup>. Also brought 30 new jobs to downtown Augusta.
- Augusta & Co. (1010 Broad Street) – Ribbon cutting to be held on May 10<sup>th</sup> at 5:00 p.m.

#### **Other**

- Working with New Orleans developer for a site under contract at Saint Sebastian/Broad Street/Jones Street area. It will be a strip center with four to six retail sites. They are currently working with Retail Strategies and may have two tenants.

## **Depot Property**

- We are six weeks away from the end of our due diligence period.
- Ms. Woodard has the document matrix which reflects items due by the end of June either from developer, DDA or legal. Mr. Scott and Ms. Woodard met with Mr. Jarvis Sims, interim city administrator, a week ago Friday and have set up a system on how to get the documentation to the proper people. A lot of the information has already been sent to the city. Our goal is to have all of this information to the city in a timely manner so that there is plenty of time for city review and we are not funneling everything at the end of June.
- A conference call is scheduled today with the city team and Bloc Global regarding the bonds and what kind of schedule we are going to put together.
- The May Progress Report from Bloc Global is in Board notebooks.
- We have completed everything we were supposed to do with the exception of an item we will talk about today in closed session.
- Continued interest on the Depot portion of the project. A guest was in at Masters and signed a letter of intent.
- A construction schedule is forthcoming but per the May Progress Report they would like to break ground in September.
- The marina improvements cost estimate has been completed and have met with Mr. Maurice McDowell for possibility of being in the next SPLOST.
- Updated commissioners in legal session on April 30<sup>th</sup>.

## **Pilot SPLOST Project**

- We are expecting an application from SharedSpace for sidewalk improvements.

## **Downtown Programs**

### **Retail Strategy**

- Detailed and confidential May retail update in Board notebooks.
- They are preparing for ICSC in Las Vegas and have multiple meetings set up with prospects while they are there.
- They are also working closely with New Orleans developer Mr. Matt Demeyers.
- They have a couple of prospects they are trying to find spaces for and while in town they met with Mr. Bob Kuhar.
- A music venue is very interested in moving to downtown Augusta and we are currently looking for about 10,000SF for them.

## **Grant Projects**

### **James Brown Blvd. Phase III**

- Team meeting held April 23<sup>rd</sup>.
- We are trying to get right-of-way plans and final construction plans submitted to GDOT by the end of 2019 so the project can go to bid first quarter 2020.

### **Georgia Power Marching Grant Program**

- Georgia Power has given us a check in the amount of \$15,000.00 and an application is forthcoming for Board approval in June.

### Jones Street Alley

- We are working on a TAP Grant that is due June 15<sup>th</sup>.

### Other

- The Board retreat is scheduled for June 13<sup>th</sup> from 8 a.m. to 1 p.m.
- The Red Carpet Tour was a tremendous success for us this year with interest in downtown. Developers and prospects for the Depot were in town.
- We represented SharedSpace at the Historic Augusta Commission meeting on April 25<sup>th</sup> in regards to their parking lot. Mr. Danny Levison (owner) was out of the country and asked us to attend. Meeting held with all city department heads on May 8<sup>th</sup> to work out the issues on that parking lot. The main issue right now is an alley that needs to be abandoned. Mr. Wayne Brown with the Augusta Law Department is working with us on that issue. As of yesterday, all other issues have been taken care of and the Historic Commission approved the parking lot (Certificate of Appropriateness). The only requirement they had was to put the granite curb on Greene Street. We are also working with Mr. Levison on sidewalk improvements in front of his storefront.

Mr. Scott echoed Ms. Woodard's sentiments about the meeting with Mr. Sims and Mr. McDowell. Ms. Woodard will forward the document matrix to the Board. Mr. Nixon asked about the parking consultant. Ms. Woodard says she understands they are down to two consultants and they are in town next week to give presentations.

Mr. Keuroglian made a motion to accept the Director's Report as information. Mr. Nixon seconded the motion. All were in favor and the motion passed unanimously.

Under New Business, Mr. Scott introduced Ms. Avery Spears-Mahoney for the North Augusta Forward presentation. Ms. Woodard has had the opportunity to meet with Ms. Spears-Mahoney while she was working on this plan. Ms. Spears-Mahoney was the director of the DDA in Aiken and came over to North Augusta. The city of North Augusta has been accepted into the Main Street SC Program. A video for Main Street was shown. She spoke about Main Street, mission statement for North Augusta Forward and their objectives. A PowerPoint presentation was also shown. The Board thanked Ms. Spears-Mahoney and she left following her presentation.

Under New Business, Mr. Scott introduced and turned the floor over to Mr. Rick Evans of Serotta Maddocks Evans (SME) for the 2018 DDA audit presentation. Mr. Evans introduced Mr. John Snider. Copies of the audit results, required communications with governance letter and bound final financial statements were distributed with Mr. Snider presenting the items to the Board. It is a clean qualified opinion due to certain properties that are owned by the DDA that are not reflected as assets in the accompanying financials statements due to the inability to determine the fair market value of the properties at the date they were received. Mr. Snider gave appreciation to Ms. Woodard and Mrs. Walls for their cooperation and the opportunity to do this work for the DDA. Ms. Woodard commended Mrs. Walls for her work with the audit. Mr. Nixon asked Mr. Snider if there were any improvements, changes or recommendations to make to our operation to be more efficient or better. Mr. Snider told the Board that if they had recommendations, as they have in the past, they would be in the form of a management recommendation letter. Otherwise, they sometimes can communicate verbally during the process. Year after year there have been

no real changes in the operation of the DDA. Operationally it has been consistent and changes have been implemented from past audits. For this year, SME had no recommendations to improve internal controls. The Board thanked SME for their presentation.

Mr. Nixon made a motion to approve and accept the 2018 DDA audit. Mr. Keuroglan seconded the motion. All were in favor and the motion passed unanimously

Under New Business, Mr. Scott turned the floor over to Ms. Woodard to present for approval a GC (Georgia Cities) Loan for 204 Thirteenth Street, LLC. There will be six loft apartments. The total project cost is \$624,500.00 with loan funds requested in the amount of \$250,000.00. All required documentation has been turned in. They will be putting in twenty percent of their own funds with South State Bank financing eighty percent. The completion date is September 2019 and is already under construction. Loan funds are received after they have a Certificate of Occupancy and funds can be used to pay down the construction loan. They are working with Historic Augusta for tax credits.

Mr. Keuroglan made a motion to approve the GC Loan for 204 Thirteenth Street, LLC. Mr. Nixon seconded the motion. All were in favor and the motion passed unanimously.

Mr. Nixon made a motion to go into closed session to discuss a real estate issue at 511 Reynolds Street (Depot property). Mr. Keuroglan seconded the motion. All were in favor and the motion passed unanimously.

The Board went into closed session at 9:26 a.m.

Mr. Keuroglan made a motion to come out of closed session. Commissioner Fennoy seconded the motion. All were in favor and the motion passed unanimously.

The Board came out of closed session at 9:40 a.m.

Mr. Scott turned the floor over to Mr. Evans who read the following motion to the Board: Based upon the fact that Cadence Bank may finance the Depot project, in order to avoid any appearance of impropriety or conflict of interest, I move that Mr. Cameron Nixon recuse himself from voting on any decisions directly related to the Depot project. Mr. Keuroglan seconded the motion. All were in favor and the motion passed unanimously. Mr. Cameron Nixon is an executive vice president of Cadence Bank.

With no further business to discuss, Commissioner Fennoy made a motion to adjourn the meeting. Mr. Keuroglan seconded the motion. All were in favor and the motion passed unanimously.

The meeting adjourned at 9:42 a.m.

Respectfully submitted,  
Cameron Nixon, Secretary