

## **ECONOMIC DEVELOPMENT COMMITTEE**

**August 1, 2000**

**5:00 P.M.**

The meeting of the Economic Development Committee was called to order by Councilman Lively, Chairman, with Councilmen Crockett, Rutherford, Franklin, Hurley, Pierce, Taylor, Hakeem, and Eaves being present. City Attorneys Randall Nelson and Mike McMahan; Management Analyst Randy Burns; and Shirley Crownover, Assistant Clerk to the Council, were also present.

Others present included Mayor Kinsey, Adm. Marcellis, Adm. Boney, and Adm. Mitchell.

### **SOUTHSIDE CORPORATION BOARD OF DIRECTORS**

Chairman Lively turned the meeting over to Mayor Kinsey. Mayor Kinsey stated that the Conference Center was moving forward to be completed early next year; that we have a non-profit corporation in the Southside Redevelopment Corporation with five members, and he thought only three now, and it is getting to the point where Benchmark is making decisions to hire more people, and needs more opportunity to interact with business leaders, and he felt we should expand the Board to seven members—that the City Council would still have a representative, as well as the Mayor's office; that he felt the President of RiverValley should also be included, as well as the Convention and Visitors' Bureau to get input from leaders in the downtown area. He also noted that we are on target to look at finalizing the Bond Issue in September, and we need to get this in place before this. He stated that City Government would have the final say, but it was important to not get bogged down.

Councilman Taylor asked the Mayor to say again who the additional members would represent. Mayor Kinsey responded the President of RiverValley, the President of the Convention and Visitors' Bureau, Carter Street Corporation, as well as a representative of the City Council and a representative of the Mayor's Office. The City Finance Officer is also a member and another member would be a joint appointee of the Mayor and City Council.

Councilman Pierce asked if the County would not be involved. Mayor Kinsey responded that we are financing this on our own, and we are the body to make the decisions. Councilman Pierce asked if CARTA should not be included. Mayor Kinsey agreed that we could pick more but stated he felt it should not get too big.

Councilman Eaves expressed that he felt there should be a representative of the Manufacturing Association and AGC.

Chairman Lively suggested that the Council give authority to the Mayor to increase the Board and come back with the appointees' names, subject to Council approval.

The question again arose as to the number, and Mayor Kinsey stated he thought it should be seven.

Councilwoman Hurley asked if the appointees would be defined by organization. Mayor Kinsey responded that some would be.

Councilman Taylor asked if there was any provision for an at-large consumer on the Board. Mayor Kinsey responded that if he understood what Councilman Taylor was referring to as "at-large consumer" that there could be a minimum of two. Councilman Taylor asked how we reached smaller businesses downtown. Councilwoman Hurley pointed out that it would be large companies that would be using the facility. Mayor Kinsey added that we want to be as successful as possible; that this involves the Trade Center as well as the Convention and Visitors' Bureau; that clearly we could have 30 members and not get everybody.

Councilman Pierce questioned if this would be a controlled Body, and no one else could get in. Attorney Nelson explained that the Board of Directors could change this but not the Council. Mayor Kinsey stated that we could just not tie it to an organization. Attorney Nelson noted that as far as term limits, the Council Chairman and the Mayor are already term-limited.

Mayor Kinsey stated that he felt there should be some representation from Carter St. Corp. and the Convention and Visitor's Bureau.

**On motion of Councilman Franklin, seconded by Councilman Crockett, this will be recommended to the full Council. Chairman Lively verified that it was to increase the number of Board members, and the Mayor is to come back to the Council with the names.**

### **SOUTHERN RAILWAY BUILDING @13<sup>TH</sup> STREET AND MARKET STREET**

Mayor Kinsey stated that this issue was really exciting; that Norfolk Southern Railroad had donated this building at 13<sup>th</sup> Street and Market Street to us; that there had been a considerable amount of interest in the private sector to reuse this building. (He presented a picture, which is made a part of the minute material). At this point he turned the meeting over to Ken Hays and Ann Coulter, stating that we should capitalize on the interest that has been shown in it; that people are ready to move.

Mr. Hays stated that he would try to put this in perspective; that it is across from the St. John's Hotel and the Resource Development Center location; that this is a building that has not been used for ten years; that the railroad had it for sale for four years and for 18 months we have been in the process of working with them to close the deal; that during this time there had probably been six to eight people looking at it. He stated that they propose that this building be a mixed-use development; that we are looking at retail and commercial on the first floor and housing on the top two floors; that all along CNE has had an interest in it—that they want to be a tenant and not the developer. He explained that CNE was interested in being on the ground floor; that it does not have to be CNE; that folks are talking about this. He explained that proposing that it be done as housing is consistent with the Southside Plan. Mr. Hays stated that he thought the Councilmembers would have invitations to join the Board of RiverValley next Thursday. He mentioned that there was a renewed interest in all types of housing downtown; that RiverValley is preparing to get a RFP out and will come back to the City Council in the next two months with a recommendation; that it is now M-1 Zoning, and they want to change it to C-3 Zoning with a Mandatory Referral to declare it surplus and will come back with this in September.

Councilman Eaves verified that CNE has an interest, stating that he thought they were located in the Old State Building. He asked if they would stay there and just expand into this building, noting that the City also has an interest in the Old State Building. Mr. Hays responded that they were looking at relocating and not just expanding. Councilman Eaves asked if PIC was not also located in the Old State Building. Mayor Kinsey responded that the City owns the building and PIC leases it and subleases it to CNE. Mr. Hays noted that CNE wants to get right on a bus line, and they have also had some growth.

Mr. Hays stated that they would handle the RFP, but the City Council has the right to approve the use. He stated that this was a recommendation; that they would make a recommendation to the Council as to what would provide the most activity, as this is in a District that needs activity; that there might be other private uses where the developer could get more money; that it did not have to be CNE.

Councilwoman Rutherford asked if CNE would take the whole first floor. Mr. Hays responded that the first floor would be office, retail, commercial; that CNE potentially could occupy the whole floor; that they are a viable tenant, and we could get public money; that the more activity being generated would score more points.

Councilman Taylor asked about parking. Mr. Hays responded that there is parking space on the lot next to the building, which is south of the building; that it is leased by Norfolk Southern. Councilman Eaves asked if they would turn this lease over to us. Mr. Hays stated that it was not part of their gift to the City—that we have just the building itself and parking would have to be arranged.

Councilwoman Rutherford asked Mr. Hays if they were talking to the people who want to develop apartments. Mr. Hays indicated that there were three different people. She asked if they would be high scale apartments. Mr. Hays indicated that there was more interest in rental versus ownership; that it is in a Historic District. Ms. Coulter added that since it is in a Historical District that rental housing can get credit.

Mr. Hays noted that this was just an informational presentation and no action was needed at this time.

The meeting adjourned at 5:30 P.M.

