

ECONOMIC DEVELOPMENT COMMISSION
Thursday, May 3, 2018
Klein Conference Room
1920 South Germantown Road

The regular meeting of the Economic Development Commission (EDC) was held Thursday, May 3, 2018, in the Klein Conference Room. Vice Chairman Steven Levy called the meeting to order at 5:30 p.m.

PRESENT: Bo Adams, Alderman John Barzizza, Jerry Klein, Brian Pecon, Jim Lefler, Ryan Heimke, Steven Levy, and Keith Saunders

GUESTS: Henry Cannon, Nelson Cannon, with Carrefour at Kirby Woods, Montgomery Martin, Contractor, and Mayor Mike Palazzolo

ABSENT: Janie Day, Rick Towne, Sidney Kuehn, Janet Geyer, and Jeremy Park

STAFF PRESENT: Marie Lisco, Economic Development Manager, and Cameron Ross, Director of Economic and Community Development

1. A quorum for tonight's Economic Development Commission meeting was met.

2. Minutes: Approval of Minutes for April 5, 2018:

Chairman Klein stated the first order of business is the approval of the minutes for April 5, 2018. If there were no additions, corrections or deletions to the minutes, he would entertain a motion for approval.

Keith Saunders moved to approve the Economic Development Commission minutes of April 5, 2018, seconded by Jim Lefler. **The motion was passed.**

3. Reports/Monthly/Quarterly:

a) Planning/Small Area Plan - Nodes/Districts:

- i. Central Business District (Smart Code) – The Design Review Commission approved a sign for Trader Joes.
- ii. East Poplar Avenue (at Forest Hill-Irene) – The Design Review Commission approved a sign for a new concept at Village Shops: - Home Centric. It's similar to Home Goods and TJ Maxx.
- iii. West Poplar Avenue District (Smart Code) – MAA moved into the TraVure building on Friday, April 20, and started work Monday, April 23.
- iv. Wolf River – Campbell Clinic groundbreaking for their expansion will be on May 24.
- v. Forest Hill Heights (Smart Code) – Alderman Barzizza and Marie Lisco were at the groundbreaking for the new school. We are nearing completion for the Watermark construction plans. We have seen a lot interest in the last sixty days for new office space, and retail users in the Forest Hill Heights area.

b) Germantown IDB: Ms. Lisco stated the IDB has not met.

c) Germantown Area Chamber of Commerce:

We will have the Chamber report next month when Janie Day returns.

Ms. Lisco noted she thought it would be helpful to review some of the things we talked about at our EDC retreat. Out of the districts that were created with the Economic Development Strategic Plan, the West Poplar Avenue District is one, and is where Carrefour is located.

Mr. Levy asked as far as the Smart Growth overlay, how will that reflect on the zoning map? When you look at the entire City limits of Germantown, our Smart Growth overlay is a small pinpoint area to allow a higher density mixed-use in only those areas.

Ms. Lisco answered that those areas had a small area plan, where the community participated in a charette process along with multiple City departments, and ultimately went to the BMA for approval. The product of the small area plan was an overlay that put into place zoning that enables the concepts that were drawn through the small area plan process to be implemented.

Mr. Ross reviewed the concepts from the West Poplar Avenue District Small Area Plan from 2013.

4. Guests:

Henry Cannon, Nelson Cannon, and Montgomery Martin (contractor), with Carrefour at Kirby Woods made a presentation. Henry Cannon explained that he bought this property 30 years ago, and updated it. We have had some major events such as Miss Kirby Beauty Contest, Aerosmith, and Memphis Symphony, and a lot of community activity inside the building and around the property. Due to changes, I think the sizes of the spaces are not working anymore. Six months before the Smart Growth discussion came about we were assessing what is the best use of this property. City of Germantown and the landowners pulled together and hired the Lawrence Group and prepared a study of the area. I didn't like it, but it made some sense. So we went through the effort of trying to figure out how we could feel good about this plan that the Lawrence Group had prepared. I think it took us a good two or three years just to come up with what we felt was a comfortable situation, and we worked with the staff on the concept. We are trying to keep this quiet because we have existing tenants in place. The plan incorporates everything we will be seeing in the next 20 to 30 years. Nelson Cannon has been working with Pam Beasley on setting up the bike trails. We have a video to show tonight of our plan. We are mixing uses of office, retail, hotel, and residential all in one, and we will keep an activity center in the middle of it.

Nelson Cannon played the video fly-through of the proposed concept.

Chairman Klein stated I think you and your people have done a magnificent job. I know that everybody in this room probably is going to have some questions. Let's open the floor for a few minutes for some questions, if there are any, and I'd like to limit the questions to about three minutes a piece if we could.

Mr. Lefler asked, "What is the timeline?"

Mr. Henry Cannon answered that I hope we would probably start within a year, if we get all the approvals. It will be done in phases due to having existing tenants we need to move around. The first phase I think on the construction time would be 14 to 18 months; somewhere in that neighborhood. Each phase would probably be comparable; probably two or three phases.

Mr. Lefler stated that probably a 5-6 year build out?

Mr. Cannon answered, "Probably."

Dr. Adams asked Mr. Ross about the gain on sales, and property tax along the way. What kind of assumptions/projections/ history do you have that those numbers came from, and you support them?

Mr. Ross answered that as part of the Small Area Plan the fiscal and economic impact analysis was done. That's what the property tax revenue projections were based upon. It looked at square footage, types of uses that could be possible in those square footages based under the Smart Code. So it's pure mixed-use development adding number of multi-family units, number of office square footage, and number of retail. The base scenario was just modeling.

Dr. Adams asked Mr. Cannon that with the residential part having some rental in it, I'm guessing that you're seeing a need for this, and that it's a reasonable thing for the market.

Mr. Cannon responded that, yes, Carrefour is sitting in an area that has the largest workforce in Shelby County, including the hospitals and office space. We are building on the residential side to support young professionals that would be working in these places.

Mr. Levy asked what is the approximate breakdown of the various mix of uses? It would be roughly 100,000 square feet of each? Hospitality would include hotels, etc?

Mr. Cannon answered about 1/3 of each. It's probably 180,000 or 200,000 square feet of retail and hospitality. Yes, hospitality would include hotels. Going back to Mr. Adams' question, that's where we feel like there's a real need for the nicer units that would be in this area for these people working. From the office standpoint, there are no more sites on Poplar. We're in the office area right here. What Germantown needs in this area is a signature office building. We would like to pick up one or two major tenants. The beauty of this plan is that all these things will work together. It even helps the parking ratios out. It's a tremendous tool to create more density with less infrastructure. So, I hope that answers your question.

Dr. Adams said, "Yes. Thank you very much."

Mr. Saunders asked where would you start first?

Mr. Cannon answered at the corner where Macaroni Grill was located. It burned down in 2015. They came to us, and wanted to put the building back up. They said our lease is up in three years, so we need to extend our lease. So we thought about it pretty hard because we had an existing lease on it, and we just said no. Because if we are going the route of this Smart Growth, that would have prevented it totally.

Mr. Saunders stated I agree with you in regard to the Poplar corridor there. You look, really starting from I-240 going east, there is no other space to build any type of signature office building. This is located centrally. It's got good access. I like the concept. I have always liked Smart Growth, and you see more to the point where live, work, and play is the thing that's coming about. I think it's a great project all the way around, and if it turns out to be 50% of what you showed us, it will be a great project.

Alderman Barzizza asked what they would range in monthly rental.

Mr. Cannon answered a one bedroom would have to be around \$1400 due to construction cost.

Mr. Saunders said, yes, and the people who are looking for those types of spaces are looking for the amenities that go along with it, and they're looking at, "I can put \$3,000 a month in a house, and pay

taxes, or I can spend \$2,000 - \$2,500 on 2 bedrooms and come and go as I want.” If you have kids, it’s one thing, but if you don’t, and you’re looking for something you don’t have to take care of...

Dr. Adams stated I think Germantown is boring in a lot ways. I want a place where I can drive, and sit, and eat, and be entertained, and listen to music. When you say retail on the bottom, and amenities, are we looking at this being a place where you can park and go to eat?

Mr. Cannon answered, yes, there will be parking garages. It could have an ice skating rink, and outdoor movies. A place for families, and the restaurants should love it.

Dr. Adams said he recently went to Saddle Creek, and parked and walked. It was nice to go to 2-3 stores from one spot.

Mr. Levy stated it’s a very exciting project, but at the end of the day, you have to decide what the market will bear since you’ll be putting in your money and you’ll be at risk. What are you looking for from the City? What kind of support, contribution, or subsidy?

Mr. Cannon answered we definitely want to be part of the City; we’re in Germantown, but stuck out on this finger. I’d like to get more involved, and I think this is a way for us to put our best foot forward and everyone gets involved with us. As far as needing anything else from Germantown, it would be to go through the planning process and the construction details to see what we can do. This is a concept, so we haven’t got all the details. That’s why we’re getting Montgomery Martin involved now, but we have to get through Planning to make sure what we can do.

Mr. Saunders stated hopefully you get more restaurants in Germantown.

After some Q & A from EDC members, Chairman Klein told the Cannon’s that he appreciated all their time and effort. You know I think everybody pretty much had a chance to talk about it tonight. I’m sure as this process continues there’s going to be a lot more conversation from everybody from every side. But to sort of wind this up for the time being, I think we should take a straw vote. How many members of the EDC would be in favor of something like this, if we could get around Resolution 18R03...the moratorium?

Mr. Levy stated the project itself is spectacular, and I think it is exactly what Germantown needs.

Mr. Saunders stated that’s what the Western Gateway was designed for. As far as planning, I think it’s what we have been looking for. I think the moratorium is really more toward the south.

Chairman Klein noted I think you could say it is unanimous for those who are here. I think you need to see something like this going east on Poplar Avenue.

5. New/Old Business:

Ms. Lisco stated from time to time the Memphis Convention Business Bureau holds different events to inform local stakeholders. I know Chairman Klein has been active. They did a strategic plan which took into account recently Germantown and the surrounding areas. One of the directives from their strategic plan was to make data-driven decisions, and they showed all the different resource subscriptions that they have. They shared some stats using 27 different tools to analyze the visitors and tourists coming to the area. They have determined that music, history, and culture pull the greatest share of national visitors to the area. Entertainment District attracts the largest share of regional visitors. They are using that information to inform them about where they need to invest their marketing efforts.

Mr. Ross stated we had the Play like a Champion (PLAC) class on Monday. This is an internal City group. We have one of the members here with us tonight John Hanna, Police Department Dispatcher on the night shift. Mr. Hanna spent all day with us on Monday learning what we do here at Economic and Community Development. We got to walk through the Thornwood construction site and mixed use building on the corner with Spence Ray. He plans on a September ribbon cutting/community party.

Ms. Lisco noted everyone should have their business visit packet with information specific to their district. This packet was emailed out to you, and if you have any questions about your area; please let me know. You are not limited to that area; you are welcome to go anywhere in the City and outside the City. The form is a guide; don't feel like you can't turn it in if it's not completed. The key is the contact information. We can make extra copies of the forms for you anytime.

Ms. Lisco noted the next piece we are going to talk about is "good news". I got some responses from some people. Example: Steven provided a statement about an experience he had with Public Works. We hear these kinds of comments a lot and they are appreciated by the City staff. Jeremy couldn't be here, but he did want to share his contribution on the marketing side. He put together a video on Memphis Oral School for Deaf on Poplar Avenue. I will send the link out to everybody.

Chairman Klein mentioned gorilla marketing does work. My wife and I were in New Orleans three years ago, and went to a restaurant and fell in love with the place. When I got home, I started sending the guy emails, and he told me has never been to Memphis or up north. He and his wife own ten restaurants. They serve breakfast and lunch only. Three weeks ago, he came to Germantown specifically to spend all day here; it started with a simple email. We shall see.

Ryan Heimke stated someone had reached out to inquire about Germantown real estate, for kind of a similar concept as his but without the gym. They have a location in California and are looking to franchise one here. He will follow up with staff.

6. The next EDC meeting will be on Thursday, June 7, 2018, at 5:30 p.m.
7. **Adjournment:** There being no further business, the meeting was adjourned.