MINUTES OF REGULAR MEETING
GOODLETTSVILLE PLANNING & ZONING BOARD

Date: September 9, 1996 Time: 5:00 P.M. Place: City Hall

Present:		Also Present:	
Jim Hitt	Gary Webster	David Wilson	James C. Ford
Bobbie Ann Wilson	Jim Thomas	Claudia Davis	Mike Alsup
Mary Ann Gourley	Jim Galbreath	Jack Tompkins	Steve Snoddy
Pat Lydon	Jim Driver	Charlie Lowe	Kim Vowell
Absent:			
Margaret Wall	John Coombs		

The meeting was called to order by Jim Thomas, Acting Chairman, and prayer was offered by Jim Galbreath. The minutes of the August 5, 1996 meeting were adopted as submitted.

In the absence of the parties involved in Items 1, 2, and 5, the board agreed to begin with Item 3 and consider l, 2, and 5 later in the meeting.

Item 3 (#7.14) to consider the request of James C. Ford for approval of a Site Plan for the Interpretive Center, Moss-Wright Park, Sumner County Tax Map 161, Parcel 3.02.

Staff reviewed. David Wilson noted the board reviewed a previous plan in March and approved the closing of Jackson Road from the park boundary to Caldwell Lane and approved the concept for the interpretive center. This is a revised site plan with several corrections and additions, mostly minor technicalities relating to dimensioning, curbing and landscaping. The more important items include a fire hydrant is needed on the site preferably at the intersection of the entrance road and Caldwell, and the plan does not show a needed left turn lane on Caldwell coming into the site.

Charlie Lowe indicated Ragan Smith has reviewed the plan and recommended thirteen deficiencies which are mostly minor in nature with the exception of the fire hydrant and turn lane. David Wilson added that the board's approval is to authorize the expenditure for public funds. Much of the work on the site will be accomplished with city work crews. Staff has recommended the site plan can be approved with the conditions described above and general approval with the technical details to be accomplished and approved by the staff.

Jim Ford, architect for the plan, said he felt there would be no problem in satisfying the issues recommended.

Jim Driver made a motion for approval of the site plan with the condition the fire hydrant and left turn lane will be added and the other technical issues will be accomplished to meet staff's approval. Mary Ann Gourley seconded the motion and the board unanimously approved.

Item 4 (#10-93) to consider the request of Larry Wynns to release the letter of credit for Ashlin Downs, Sumner County Tax Map 143, Parcel 75.

Staff reviewed. David Wilson noted the infrastructure in this subdivision is complete and the final surface has been applied to the street. Staff indicates additional surveying monuments need to be installed and as builts need to submitted. Charlie Lowe had no additional comments to these deficiencies. Jack Tompkins noted Public Works Director Bill Brasier has communicated to him there are seven other matters to be resolved, including drainage problems adjacent to Lot 1. David Wilson noted he would recommend deferring this release until these needs are resolved and especially any drainage issues.

Jim Thomas, with no objection from the board members, deferred this item.

<u>Item 2 (#19-94)</u> to consider the request of Gresham, Smith and Partners for approval of Final Master Plan of Greens of Rivergate, Davidson County Tax Map 33, Parcel 236.

Staff reviewed. David Wilson noted the purpose of this request is to amend the master plan in order to subdivide this project into two parcels for financing purposes. The amended plan shows proposed dividing lines, density, open space and outdoor living calculations required by the zoning regulations. The landlocked parcel is addressed by easements across each parcel for the benefit of the other parcel. The restrictions grant cross use rights to tenants of each parcel for recreation, open space, access, sidewalks and services. A Declaration of Easements is included with this submitted plan to be recorded. Creation of two separate parcels would make it possible for two separate owners and thus the possibility of two separate management companies for the complex. There are a few recommended changes to the declaration, including the parking lots should be added to the list of areas to be encumbered by cross-use easements. Paragraph 6 should be reworded to address existing public easements for water, sewer and drainage. Wilson noted the city attorney has not had an opportunity to review these issues. Additionally, some language should be added regarding management of the complex should the two parcels have separate ownership.

Steve Snoddy, Gresham Smith, noted this is a phased project and with the completion of Phase 1, the developers now desire to construct Phase 2. Tax Credits for this type project is easier to obtain when the entire project is unincumbered on the same mortgage. It is easier to finance Phase 2 under a different umbrella. He emphasized the intent in this request is for financing purposes and there has never been any intent for this to be two parcels to be individually owned.

Jim Driver questioned if they never intended to divide this property, it seems they should have known in the beginning that they would have two different financial groups.

Kim Vowell indicated with regard to the tax credit allocation provided through the Tennessee Housing Development Agency, they had to apply for the credits on the first phase with the full intent upon the success of the first phase to also apply for tax credits for the second phase. At that time they did not anticipate how permanent lending comes about. As it turns out, the permanent lender packages several mortgages together and sells them to investors. Those investors do not want to amend their permanent loan at some point in the future. They just want to buy into the deal and that is the deal. They don't want to have some kind of other additional amendment to a permanent loan hanging out there. So, as far as their permanent lender is concerned, they do not want to encumber unimproved property as a part of the permanent lending that applies to the real property and real estate underneath it and they do not want to also encumber additional land that doesn't have anything to do with the value of that permanent loan on the first phase. The lender/investor relationship that they have is where they basically sell paper, they sell these loans to other investors who simply don't want to buy into a deal where there is a cloud on it such as an amendment to bring on additional property into that first original loan. For that reason, they want to have the ability to have a separate loan because of that investor relationship.

Vowell further noted if there were a situation in the future that the developers were unable to receive allocation for tax credits for the second phase, it could became apparent to them from a business perspective that they might need to convey the property to another entity. Regarding the same management company tied in by a long term recorded instrument requiring and guaranteeing that the same management company for the first phase would take on the management of the second phase, the developers are unwilling to do that because of the encumbrance that it puts on them as a business. If someone comes in to buy that property, they are not going to buy into the fact that they have got to use the same management. If you buy property you would want to make that decision yourself. Such a requirement is not an ideal situation. The group does not anticipate any sale of the property and does intend to apply for allocation of credits for the second phase. However, if this does not happen for the developers, then they may have a situation where they would sell the property and those people would come in and would have to follow the same overall master plan and that would be an encumbrance on the property.

Jim Driver noted to Mr. Vowell that he just admitted that the reality of business is that they could feasibly sell the property and would not want to enter into a contract requiring the same management for both parcels. He expressed this poses a serious problem with this division in his opinion. He added he does not know of any other master plan owned by two separate owners. He added there have been tremendous problems with the Greens of Rivergate, directly with the management of the complex. If there were two owners and two management companies to deal with, it seems the problems would be even more complex and difficult to resolve. He noted the management has instituted some changes that are improving the problems.

Kim Vowell, as a representative for the owners, expressed this is something they want to get a handle on but it will take some time for all of the problems to be worked out. He said they did not have an on site manager for some time and there were no background checks made on tenants. This is owner incentive tax credit housing for the Tennessee Housing Agency, housing for the 50-60% below the average median income for this area. There was a run on these apartments to get in these units, attracting numerous undesirable tenants. They are now providing security with off duty police officers at night. He added they are committed to take care of the problems and as of about two months ago, now have an on site manager available 24 hours a day.

David Wilson expressed that he applauds the efforts taken by the management in the past two months, but his concern is prior to that and the efforts that had to be taken to communicate with anyone about the extensive problems the city was experiencing from this complex. Numerous attempts were made to initiate a meeting with the owners to discuss the situation with no reply. Finally, a meeting was held around the first of August but only after the persistent efforts from city officials, not the developer or owner. Therefore, he expressed that he has a great concern about the potential situation that might be created if there were two owners and even two management companies involved with this development.

Kim Vowell said if the property were sold, they could encumber in the contractual obligations in that sale that they would have a right to approve the management company and perhaps the city could have a right to look into the operating contract. He indicated that he would prefer to do that as opposed to obligating the management company to future management of both phases. He further apologized for the difficulty the city has had in their attempts to communicate with the developers. He noted that the development side of the team is thin staff and things are addressed by priority.

Jim Thomas questioned Mr. Vowell if in fact the development of Phase 2 is dependent on financing separate from Phase 1? Vowell replied that the subdivision of the parcels would define Phase 1 for the permanent loan and define Phase 2 separate for financing. Jim Thomas stated that he remembered in the previous presentation of this request the issue was that more attractive financing could be secured if the property is divided. Vowell replied that a more accurate purpose is so that the current financing of Phase 1 would not be amended.

Jim Galbreath questioned if the permanent loan has been closed. Vowell indicated he did not know. Bobbie Ann Wilson questioned why this was not presented before the master plan was originally approved. Kim Vowell said at the time, they were not aware of the permanent lender requirements. There was no intent to not disclose this in the beginning.

Richard Pope, Deputy Chief of Police, commented from the initial opening up to July 1st, the Police Department received 180 calls for service. This is an extremely excessive amount of calls for one complex this size. It is the perception of the Police Department that the Metro Housing Authority was using the Greens of Rivergate to get rid of their problem tenants. There were several things not in place originally to control the problem tenants getting into these units. The Police Department did not have any input as to who Metro was sending to the Greens. Most of the incidents are domestic altercations or drug activity and fortunately there has not been any shootings. This was supposed to be housing for low income families yet there were two tenants with '95 Lexus automobiles, several with burglar alarms, and people paying very little rent versus the listed rates. Once the meeting was set up with the developers the relationship with the management and Police Department became more comfortable. In his opinion the on site manager is a must. They have implemented records check on prospective tenants through Metro at $25 expense to the tenant. The off duty security of two officers for five hours at night are enforcing any criminal violations as well as the apartment regulations, including a 10:00 curfew. They have had 15 non-renewals, and one tenant has been given a 72 hour notice due to a violent confrontation. The actual eviction took about four weeks. He indicated there is starting to be a more positive feeling from the officers with fewer and less severe calls occurring. Their biggest concern is that the problems continue to decline in the future.

Jim Galbreath questioned and Kim Vowell answered he has been with the company for two years with 26 low income tax credit housing developments. The Greens of Rivergate is the first complex of this type for the actual development group. The W. O. Grisman Company management manages all of the developments, over 5,000 units. In many instances, a situation like this one goes through a staff review but he did not recall ever having to go in and do this type change for this purpose. Regarding legal restrictions that can be made on tenants, a tally of the adverse actions that make them less desirable tenants can be kept to justify not renewing their lease. Having an on site manager, off duty police officer security and background checks are some pro-active steps management can take. He noted he did not know what would happen to this development if this request is denied but strongly encourages that this request be granted.

Mary Ann Gourley asked Mr. Vowell what kind of guarantees would the board have. She thought this board had the assurance from the developers that this would be a quality operated facility when they approved the plan before and it certainly has not been carried out. Mr. Vowell said to the extent of signing a contract he believes the company would be willing to do whatever this board requires.

Jim Thomas noted of the conditions previously mentioned about the Declaration of Easements, he is most concerned with the management issue and the fact that the Declaration has not been reviewed by the city attorney. Jim Driver said it seems it would be in the board's best interest that the city attorney should review the declaration and confer with their legal counsel to come up with some acceptable documentation.

Mary Ann Gourley said she would like to say on record she is very uneasy about this request.

Gary Webster expressed that more investigation should take place on all aspects of this request and especially the legal aspect of the restrictions discussed above.

Jim Hitt noted he has personally not been given any argument to substantiate the need for this to be subdivided.

Jim Driver made a motion to defer this request at least until the October meeting and recommended the city attorney and the legal department for the developers to come up with some kind of management agreement.

Pat Lydon seconded the motion and the board unanimously approved.

<u>Item #1 (19-94)</u> to consider the request of Gresham, Smith and Partners for approval of Subdivision Plat of Lot 5A, Section 2, Rivergate Acres Limited, Davidson County Tax Map 33, Parcel 236.

Due to the action on the previous item, Jim Thomas indicated this item could not be considered unless the Master Plan reached approval and should therefore also be deferred.

Jim Galbreath made a motion to defer, Gary Webster seconded and the board unanimously approved.

<u>Item #5 (#19-94)</u> to consider request to release the bond for the infrastructure for Greens of Rivergate, Davidson County Tax Map 33, Parcel 236.

Staff reviewed. David Wilson indicated the city has been holding a bond securing the water and sewer in this project. All items are now complete with regard to utilities.

Pat Lydon made a motion to release the bond, Jim Hitt seconded the motion and the board unanimously approved.

<u>Non-Agenda Item:</u>

Request for bond extension on Northcreek Boulevard.
Staff reviewed. A new reduced bond amount was accepted from developers was scheduled to expire in early September. The developer has submitted a bond with an extended expiration date of March 1997. The date extension requires the board's approval.

Mary Ann Gourley made a motion to accept the bond extension, Bobbie Ann Wilson seconded the motion and the board unanimously approved.

The meeting was adjourned at 6:25.

Claudia Davis
Claudia Davis, Recording Secretary

James L. Thomas
Jim Thomas, Acting Chairman