

Executive Summary - Garden Block Documents

To advance the development of the Garden Theater Block, the URA has agreed to award an exclusive negotiating period to a joint venture comprised of CNNC and the Northside Leadership Conference. The purpose of that exclusive negotiating period will be to enable the CNNC to conduct master planning for the block, conduct an architectural assessment of the historic facades, and obtain a market study to identify economically viable uses.

To achieve that, CNNC must enter into 2 agreements:

1.) Memorandum of Understanding (MOU)

The Basics:

- Who is party to the agreement? URA, CNNC and NSLC. The NSLC is involved at the specific request of the URA.
- What does the MOU do? It lays out the obligations and responsibilities of all 3 parties regarding the Garden Block.
- What does the agreement give to the nbrhd? It gives CNNC and NSLC the exclusive negotiating period, putting the neighborhood in control of planning for the historic core of the block
- What does it require of CNNC? It requires that CNNC and NSLC create a Limited Liability Corp to conduct the architectural assessment, master plan and market analysis.
- How long does this exclusive negotiating period last? Six months, with the ability to extend the agreement if we are making progress.
- How much money is URA contributing? URA is contributing \$25,000 to the master planning and market analysis, and all of the costs of stabilization and water-proofing work.
- How much money is NSLC contributing? NSLC is contributing a total of \$100,000 from the PPND Corridor Grant: \$75,000 for the Garden Block and an additional \$25,000 that we can use to try to preserve the façade of 4 West North Ave, part of the Aiello development.
- How much money is CNNC contributing? CNNC will contribute \$10,000 from its community planning funds. CNNC has raised more than enough for the community planning costs, so it can use some of it to support the Garden Block planning.
- What will be the end product? At the conclusion of the studies we will have an architectural report on the façade stabilization, a master plan for the re-use of the historic buildings and a market analysis that identifies the likely uses and types of businesses that will work here. That enables community and URA to attract developers and/or tenants into the project.

MOU section by section summary:

- Intro: Identifies and describes the parties (URA, CNNC and NSLC), the properties involved (Bradberry, Masonic, Garden, 8 W North and 6 W North), the amounts contributed (\$25,000 for URA, \$85,000 for CNNC-NSLC. NOTE - NSLC has an additional \$25,000 allocated to helping preserve the façade of 4 W North, but that is in Aeillo's development and thus is not a part of the MOU with URA) and that URA is granting a 6 month "exclusive negotiating period."
- Section 1 Market and Master Plan: Requires a market feasibility study and a master plan be conducted by the Joint Venture Entity (JVE) created by CNNC and NSLC and specifies that the studies consider potential uses, value as a community asset, neighborhood context and financial sustainability.
- Section 2 Architectural: Requires the JVE to conduct architectural analysis of the historic facades for the purpose of stabilizing the buildings and preventing further decay. The architect will also advise on Historic Tax Credit eligibility. The URA will pay for the cost of any necessary stabilization.
- Section 3 Construction: After planning and architectural analysis, any construction beyond stabilization work will be decided upon by the parties jointly.
- Section 4 Bldg Preservation: URA retains the authority and responsibility to maintain and preserve the buildings. URA must weigh costs versus the likelihood of re-use of each building, but will confer with the JVE and will try to keep all options open for all structures.
- Section 5 JVE's Activities: Specifies that the JVE will conduct the master planning, explore interim uses of storefront spaces and exterior art, attend meetings with URA and receive information from URA on any inquiries it receives from people or companies interested in any of the properties. At the end of the exclusive negotiating period, URA expects that the JVE will have disposition proposals for the properties.
- Section 6 Other Provisions: Parties must coordinate media releases and PR. The parties will share information about any potential tenants, consultants and developers. Establishes a 6 month timeline.

2.) Operating Agreement for Limited Liability Corporation

The Basics:

- Who is party to the Agreement? CNNC and NSLC
- What does the Agreement do? It sets out the rules for operating and managing this new entity created by CNNC and NSLC, somewhat like the way bylaws govern the operation of a non-profit. It also reserves the major decisions (like buying real estate or incurring debt) to CNNC. A Board of Managers is created to manage the day-to-day affairs of the entity.
- How many Board members and who appoints them? There will be 5 Board Managers, 3 appointed by CNNC and 2 appointed by NSLC. The Board can be expanded to 7, with 4 appointed by CNNC and 3 appointed by NSLC. CNNC will

always have 1 more than half of the Board seats. In addition CNNC and NSLC can set up Advisory Committees to provide additional input and advice to the Board.

- What will the LLC do? It will perform all the tasks required under the MOU with the URA or otherwise to advance the Federal/North development.
- Will the LLC have staff? The plan is to hire a coordinator, but additional funds must be raised for this. Both CNNC and NSLC will devote staff resources to move the project forward. None of the grant funds from CNNC or the PPND Corridor Grant will pay for NSLC staff.
- How much money is NSLC contributing? NSLC is contributing \$100,000 from its PPND Corridor grant.
- How much is CNNC contributing? CNNC is contributing \$10,000 from its planning grant funds.
- Will NSLC have control because it is contributing more funds? No. CNNC will appoint 1 more than half of the LLC Board.

LLC Agreement section by section:

- Article I Definitions: Defines a whole bunch of terms used in the document
- Article II Organization: Establishes basics like name, office, purpose, etc.
- Article III Membership: Establishes CNNC and NSLC as the only Members and prevents them from transferring or encumbering their membership. Other general provisions.
- Article IV Capital Contributions: Establishes rules for the contributions each Member makes to the LLC
- Article V Allocations and Distributions: Defines how profits (if any) or are to be distributed.
- Article VI Management: Establishes the number of Board Managers, how they are selected (by CNNC and NSLC), limits on the Board's authority, how vacancies are to be filled (by CNNC and NSLC), quorum, meetings, committees, etc. Prohibits compensation for members of the Board of Managers.
- Article VII Meetings of Members: Requires the Members (CNNC and NSLC) to conduct a meeting at least once a year and establishes basic rules for meetings.
- Article VIII Indemnification: Protects everyone from liability as best as possible.
- Article IX Taxes: Requires that tax returns be filed and appoints NSLC to be the Tax Matters Partner.
- Article X Books, Records, etc: Requires the LLC to keep books and give a Report to the Members (CNNC and NSLC) annually.
- Article XI Bankruptcy/Dispute Resolution: Establishes rules in case something goes really wrong with CNNC or NSLC
- Article XII Dissolution: Establishes CNNC as the Liquidating Member and sets forth rules for dissolving the corporation when its work is completed.
- Article XIII General Provisions: Miscellaneous stuff that didn't fit anywhere else.

You can view the documents online at the CNNC website.