

MINUTES

January 22, 2015
Board Meeting
City Hall – Council Chambers

Members Present:

Steven Woods.....President
Lisa Jones.....Vice-President
Jeff Mercer.....Secretary
Angela Coy.....Treasurer
John Ditmars.....Member
Mike Denney.....Member

Others Present:

Robert Schafstall..... Legal Counsel
Rhoni Oliver.....Community Development Specialist
Jaime Shilts.....Recording Secretary

Call to Order:

Steve Woods called the meeting to order at 8:00 a.m.

Approval of Minutes:

Lisa Jones made a motion to approve the December 11, 2014 minutes as presented. John Ditmars seconded the motion. The motion carried.

Public Comment:

None.

Committee Reports:

- A. **Communication Committee:** Steve Woods (Next Meeting: TBD) Mr. Woods stated they had not scheduled a meeting yet. Krista Linke is going to give the designer the information from the existing website.
- B. **Finance Committee:** Angela Coy stated they haven't met recently as there is nothing on their agenda.
- C. **Loan and Grant Committee:** Lisa Jones and Mike Denney (Next Meeting: February 11th @ 3:00 pm)
 1. Proposed changes to the RRLF Program- Ms. Jones stated there is confusion with the Loan to Value ratio for the RRLF. The 95% ratio was eliminated as a guideline but was not officially documented. Ms. Linke has continually run into issues with loans. Ms. Jones believes that when the loans changed from secured to unsecured, that is when the requirement was changed. She stated there are loans currently on the books where it was not followed and they are doing fine. She feels comfortable with the recommendation. She stated they have not discussed it regarding commercial loans or for blighted homes. John Ditmars made a motion to waive the loan to value requirement. Lisa Jones seconded the motion. The motion carried.

2. RRLF 2015-01: Stack: Ms. Jones stated the address is 179 S. Home Avenue. They did qualify for a matching grant and their loan amount is \$18,000. The loan closed on January 14th, 2015 and they will start as weather allows.
3. RRLF: 600 S. Main Street-Scott & Cori Brown: Ms. Jones stated the Browns are ineligible to receive the grant as they have received one in the past. The loan amount is \$20,000. The house is a rental property of theirs. Scott Brown would be the general contractor under his Brown Remodeling company.
4. RRLF: 98 Walnut Street-Rob & Jaime Shilts: Ms. Jones the loan amount will be \$18,000 with the \$2,000 grant. Rob Shilts will be act as contractor as he has past experience.
5. RRLF: 70 W. Madison Street-Dustin Royer: Ms. Jones stated the borrower is flipping the house and doing a full restoration on the home and changing it to a single family dwelling. He is anticipating his costs to be \$25,000. He will have \$2,000 for the matching grant. He will also be putting in about \$20,000 on the interior. The property is in his business name. It was recommended the FDC put in a condition that the loan is for 70 W. Madison Street property only and that he obtain the proper permitting for it. Mr. Ditmars questioned if the loan was allowed as the owner is flipping the house. Ms. Jones stated she did not find anything that disqualified him. Mr. Ditmars stated he feels like it is more for financial gain. Ms. Jones stated they have to turn in invoices with the property address listed. Rhoni Oliver stated that Ms. Linke can also write checks directly to the contractor instead of the homeowner. She stated that Mr. Denney or she would also complete an inspection to make sure work is being completed on the property. Lisa Jones made a motion to approve the loan. Jeff Mercer seconded the motion. Jeff Mercer-yes, Angela Coy-yes, Lisa Jones-yes, Steve Woods-yes, Mike Denney-yes, John Ditmars-no. The motion passed 5-1.
6. DFMG: 350 E. Madison Street-Franklin Heritage, Inc: There is no guarantor; it is for Franklin Heritage Architectural Salvage. They are looking to add main entrance doors, storefront windows, repair all masonry, install a glass garage door, and tuckpointing all brick. The total project will cost \$98,000. The matching grant will be \$49,000. They do qualify for the higher grant as they are on a corner. The contractor would be Franklin Heritage. Lisa Jones made a motion to approve the grant. Steve Woods seconded the motion. The motion carried.
7. DFMG: 72 E. Jefferson Street-Mutual Savings Bank (KW Hometown): Ms. Jones stated she is abstaining from voting and discussion as she is employed by them. She removed herself from the room. Mr. Schafstall stated disclosed that she has a professional relationship with the application. Ms. Oliver stated the bank leases the property to Keller Williams. They are going to remove and replace the front façade and include doors and windows. They qualify for up to a \$25,000 grant. They will be starting work in the spring. Drake Masonry will be completing the construction. The current estimate total is \$47,638.00. Mr. Woods made a motion to approve the loan and grant request. The motion carried.
8. DFMG: 18 E. Jefferson Street-Jason Tapp (Greek's Pizzeria & Tapp Room): Ms. Jones stated that Bemis Group purchased the property and will be leasing the property to the restaurant. Jason Tapp will be the guarantor. They want to put signage at the front and rear of the building. The \$9,547 is the sign cost and the grant would be for \$4,773.50. The contractor is Stahley Signs. Mr. Schafstall disclosed a professional relationship with them but he is not involved specifically in the project. Lisa Jones made a motion to approve the grant. Steve Woods seconded the motion. The motion carried.

Tax Sale Properties:

- A. Ratification of Purchase Agreements-Mr. Schafstall stated that they did get the deeds for the four parcels that were flooded from the auditor's office. Mr. Woods signed a purchase agreement with Franklin within the last 30 days. He requested that the Board ratify the agreement. John Ditmars made a motion to ratify the agreement. Jeff Mercer seconded the motion. The motion carried. Mr. Schafstall stated they have to file quiet title action, which is a lawsuit with the result being that the judge has cleared the property. Joanna Myers, Senior Planner, has had to ask for an extension of time. Ms. Myers stated they had the signed purchase agreement completed which was forwarded on to the title company. She stated Johnson County Land Title could not provide them with title insurance because the properties were transferred by tax deed. They checked with FEMA and IDHS and they do need it to be done by warranty deed and title insurance. The grant will expire by April 1, 2015. She submitted a formal extension request to IDHS and they are to forward it to FEMA. She will be asking if the legal expenses can be paid for through the grant. They are proceeding by going through the quiet title process, getting the quiet title and then doing the transfer by warranty deed. The city would then take ownership and then complete the demolition. She stated they received demolition bids yesterday. The legal costs will be under \$1,000 for legal ads and filing fees. She is checking to see if the costs can be covered under the grant. She stated she is working with Mayor McGuinness if they don't approve the extension. Ms. Myers stated the four remaining properties all had issues with ownership records so they were not able to be closed on. Mr. Schafstall none of those properties had their property taxes paid either. The FDC stepped in and bought the houses at tax sale. John Ditmars made a motion to allow Rob Schafstall to proceed with the quiet title. Angela Coy seconded the motion. The motion carried.

December Financial Report:

- a. **Balance Sheet**
- b. **Budget vs. Actual**
- c. **Residential Revolving Loan Fund (RRLF)** -Balance remaining is \$449,642.28. Ms. Jones stated there is only room for one more loan.
- d. **Commercial Revolving Loan Fund CRLF**-Balance remaining is overdrawn, there are no requests for any loans. The balance is at \$-193,890.70.
- e. **Downtown Façade Matching Grant (DFMG)**-Balance remain is overdrawn \$-211,333.18_ Mr. Woods clarified that they are not overdrawn at all on any of the accounts, it is just the amount that has been allocated. Ms. Oliver stated there is actually over \$1.5 million left.
- f. **Requests for Proposals (RFP) and Direct Investments (DI)** - Balance remaining is \$783,773.59

Director Report:

Ms. Oliver stated the numbers on the grants and loans today are not included in the financial report balances except the Strack loan. She stated a number of the projects have been moved into repayment. Ms. Oliver stated that Franklin Heritage has \$11,000 remaining on their matching grant. Rob Shilts, FHI, stated they are getting the roof replaced but cannot do so until the weather is good. Mr. Woods stated they were granted an extension. Ms. Oliver stated the Jeff Street Pub and Meg Goss projects are also weather related. Mr. Woods stated there is a group interested in the building at 97 E. Monroe Street but no one has officially asked for anything from the FDC yet.

Additional Items:

- Mayoral Appointment Director Vacancy-Angie Longtin stated the mayor is still working on the appointment.
- Next Regular Board Meeting-February 26, 2015 at 8:00 a.m.

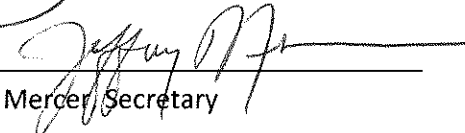
Adjourn:

No further business came before the Directors.

Approved this 26th day of February, 2015:

By: 

Steven Woods, President

Attest: 

Jeffrey Mercer, Secretary