



MINUTES

January 24, 2019
Board Meeting
City Hall – Council Chambers

Members Present

Kim Minton.....President
Amy Richardson.....Secretary
Angela Coy.....Treasurer
David Bedwell.....Member
Tina Gross.....Member

Others Present:

Krista Linke..... Director of Community Development
Rob Schafstall..... Legal Counsel
Julie Spate..... Recording Secretary

Call to Order:

Kim Minton called the meeting to order at 8:00 a.m.

Approval of Minutes:

Amy Richardson made a motion to approve the December 20th, 2018 minutes as presented. David Bedwell seconded the motion. The motion carried.

New Board Member Nominations and Vote:

Angela Coy nominated Tina Gross. Mr. Bedwell seconded. Passed. Ms. Gross introduced herself as Jeff Mercer's replacement with the Franklin school system.

Election of Officers

- a. President – Kim Minton
- b. Vice President – Steve Woods
- c. Secretary – Amy Richardson

Ms. Coy nominated the above slate of officers. Mr. Bedwell seconded. Passed.

Monthly Reports:

- A. Awareness Committee or Monthly Update:** They have not met.
- B. Finance Committee or Monthly Update:** They have not met. Now that Ms. Gross is on board, they will schedule a meeting. Ms. Coy is receiving a quote from Alerding today for the 2018 audit and tax return. She will e-mail that to everyone.
- C. Loan and Grant Committee or Monthly Update:**
 1. Updated Program Applications – They met last week. Krista Linke presented the updates to the Commercial Façade Matching Grant program with handouts for review showing former and proposed information to be changed. More significant changes included the dollar amount, publicly visible facades vs. street facing, mixed use properties, and moving to a more

competitive process for programming funds. Three rounds of grant awards are proposed with \$100,000 per round totaling the \$300,000 awarded FDC for the year. Ms. Linke identified the criteria that would take precedence among applicants. There is also a desire to see the overall total investment amount be higher than program approved expenditures. The eligibility requirement changes are the same for both Residential and Commercial Revolving Loan Funds as well.

Ms. Linke went on to identify the changes made to the Commercial Revolving Loan Fund program. The application amount has dropped from formerly allowed \$50,000 to \$25,000. The seven-year repayment period remains the same but is now four percent for all seven years rather than the afore two and a half percent for the first three years and four percent for the remaining four years. Improvements must be permanent that add to property value. The closing fee was increased from \$150 to \$300. Permits must be obtained before any draws can be made and no interest is accrued during the nine-month time for allowed draws.

The maximum award amount for the Residential Loan program was reduced from \$20,000 to \$15,000. Rental property loan forgiveness was reduced from 50% to 25%. The interest rate was changed to four percent for the entire loan forgiveness period. The forgivable percentages were decreased. Ms. Linke will provide clean copies of the updated forms after today's discussion.

Ms. Minton highlighted that these changes were discussed at the board retreat. The first round applications can be submitted in February. Ms. Linke reviewed the year's schedule and related details, highlighting site visits, quorums and committee and board meetings.

Ms. Minton reminded that \$100,000 per round is not hard and fast. Depending on applications, it is a flexible amount per round. Ms. Richardson asked if there is a threshold that won't be crossed. Ms. Linke said not at this time, it just depends on the projects.

Rob Schafstall highlighted a typo on the Residential Revolving Loan Fund handout, page 2, number 4. It should read single family residential rather than commercial.

Mr. Bedwell made a motion to approve the updates with housekeeping changes to be made by staff. Ms. Richardson seconded. Passed.

D. Development Committee or Monthly Update:

1. Tax Certificate Properties Update: Quiet title should be received soon for 420 W. Jefferson Street. There are no tax certificate properties for 2019. There are four FDC projects in a row on Jefferson Street. Signs will go up soon.

Ms. Linke spoke to other ways of securing homes since tax properties are not always available. Possibilities include sheriff's sale and proactively calling on homeowners to explain the program and target properties that would benefit from the funding.

December 2018 Financial Reports:

The two 55 W. Madison Street escrow accounts have been completely spent down. Operating funds is still at \$90,000. Accounts receivable still needs to be worked on. There is \$33,144 in residential loans currently in repayment. \$340,413 in commercial loans are in repayment. In June of this year, B2S Labs'

\$200,000 loan will begin repayment. In June of this year there will be a total of \$573,558 of loans in repayment. Some will take up to seven years to complete. There are no missed residential or commercial loan payments and those missed last month were made up this month. Two of the four residential loans were completely spent down and the remaining two are finishing up when the weather turns. Ms. Linke reviewed two Emry loans. The \$61,641 loan has been turned in for repayment. The other loan is nearing completion. They have drawn \$60,679 and have up to \$88,000. They have until the end of January to make all the draws, so hopefully it will also be in repayment as of February 2019.

Another loan is with Thomas Moore and Elissa McKee for 1823, the bakehouse on East Court Street, for \$50,000. They have drawn \$36,990. Mr. Moore has purchased the former Elks Building at 40 North Water Street. They've asked if they may use the balance of their first loan on the Elks property. The Loan and Grant Committee decided to make the recommendation to the board to allow that to happen.

Ms. Coy asked if they filled out an application for the second building. Ms. Linke said with it being the same owner it is all the same financial information and all eligibility requirements under last year's programming would have to be met.

Mr. Bedwell made a motion to approve the transfer of funds. No second was made. Ms. Richardson asked if there was more information on the second project. Ms. Linke said there was, and it was all discussed at Loan and Grant Committee and found to all be eligible. Ms. Coy is concerned about them not going through the newly established competitive process for 2019. Mr. Bedwell puts it at the time of original application. Ms. Coy said the original application was on the first building, not the second. Mr. Bedwell stated that without a second, it should be tabled at this time. Ms. Richardson would also not want to see it spent and the current location if it isn't really needed. Ms. Coy believes they should go through the newly established process for 2019. Mr. Bedwell will communicate the board's decision to Mr. Moore and Ms. McKee.

John Thompson has until the end of February to spend monies for 249 E. Jefferson Street where The Trophy Shop and Pack and Ship moved to. They were approved for a \$50,000 loan and a \$25,000 façade grant. They have been negotiating with an adjoining property owner about being purchased. The outcome is yet to be determined.

Director's Report

1. Revised 2019 Calendar of Meeting Dates – Based on the three rounds of funding, the meeting schedule has significantly been revised. With the proposed change of the March meeting to April 2, the recommendation is to cancel the February and March board meetings and go with January, April, June, September and December. There will still be committee meetings and a board retreat.
2. Grant Agreement with the RDC for 2019 Program Funding (\$300,000) – Jeff Mercer was still listed as President. Since he is no longer president, this agreement is back for approval with the new officers. Ms. Richardson made a motion and Ms. Coy seconded. Passed.
3. Strategic Plan Updates for the April 2nd Board Meeting – Ms. Linke asked all committees to meet at least once before the April meeting so all changes can be finalized at the April meeting.

Public Comment

Rhoni Oliver asked permission to begin work on the annual report. Her goal is to have it completed by the April meeting. Permission was granted.

Ms. Linke reminded of the joint meeting between the RDC and City Council at 6:00pm, Monday, January 28, in the Council Chambers. She also highlighted that the next FDC meeting on April 2nd is a Tuesday.

Adjourn:

No further business came before the Directors. The meeting was adjourned.

Approved this 2nd day of April, 2019:

By: _____

Kim Minton, President

Attest: _____

Amy Richardson, Secretary