

Jefferson Downtown Development Authority
Tuesday, March 27, 2018 6pm
Jefferson Station Community Room

Members Present

Joel Harbin
Terry Liles
Christine Dalton
Willie Hughey
Les Crane

Absent

Shawn Watson
Mac Gramley

Staff

Diana Norton-Bagwell
Pat Levinge

Guest

1. Call to Order
 - Meeting was called to order by Joel Harbin at 6:04pm

2. Approve Minutes
 - Approval motion was made by Terry Liles, second by Willie Hughey
 - Motion was approved unanimously.

3. Approve Budget Report
 - Joel presented the February report in Pat's absence.
 - Joel: Bank Balance is reconciled thru February 28, 2018 and the balance is \$205,818.55.
 - Joel: The 2016 revenue was \$46,080.96 and the expense was \$29,425.92. The management fee earned is \$4,586.25. The overage for 2016 is \$12,068.79. We have been in contact with CBRE about the overage and Pat is cutting them a check for \$12,068.79.
 - Joel: For 2017, we received \$46,080.96, spent \$33,339.77 and so we will be sending them a check for \$8,099.14 as well.
 - Joel: Because of those overages, and this should not come as any surprise, CBRE says maybe we should readjust the operating expenses we send you every month. I said I agree. There's no sense in us hanging onto your money. Jerri had sent me an email suggesting we lower it to \$2855.00 a month which would put us at \$12,000 less than what they have paid in but would still cover the \$33,339 that we spent in 2017 so that is about where it needs to be, but understanding that if we ever need to increase it, it's only an email away, saying we're running short. I don't think we need a motion to approve that, it's just an issue between us and CBRE. I'm going to move forward and tell CBRE based on two years of numbers that we are good to go.
 - Terry: The difference is because we didn't know what it was going to be a couple of years ago?
 - Joel: Prior to me gaining a better knowledge of the lease and how it worked, there was a different person sitting in this seat and a different person in the CBRE seat and there was a different interpretation of how the operating expense account worked, which I can I could never put my mind around because it truly is like an escrow account.
 - Les: And those numbers are going to go up and down depending on what is going on.

- Joel: It shouldn't be such a difference that we are sending them back \$12K every year. With that said, 2017 will mark the 3rd year in a row that we have sent back money.
- Les: Then the only concern we have going forward is if that escrow account falls short, that CBRE will write us a check for the difference.
- Joel: If any major expenses come up that they don't want to amortize, then they pay it right away. With the parking lot they wanted to stretch that out over a 20 year period and there was some discussion about GAP accounting and paying that back over such a long period of time. It came down to it was our property and we didn't want to pave it and have the payback be over that long of a period of time. Regions then agreed to pay it back over a 3 year period and we made it happen. So there are some expenses that we would have to absorb but we've got the money to do that. But if there is anything that comes up that does not fall into their method of accounting, as far as amortization over a certain number of years, we would just say send us a check and they will do that.
- Joel: Motion was made by Terry, second by Willie. Approved unanimously.
- Joel: Any if you will look at your report all the accounts are reconciled.

4. Committee Reports

a) **Lee Street**

- Joel: Beth nor Shawn made me aware of any issues or repair concerns so I have nothing to report there.
- Contract negotiations...we're right where we were last month. This contract doesn't expire until June of 2020 so the new lease won't start until July of 2020. I think when that gentleman contacted me and said I've been authorized to move forward with this, I don't expect anything until next year.

5. New Business

a) No new Face Grant applications for February

- Joel: If you'll look at your handouts, there is a Façade Grant Application packet. Beth and I met and came up with so many good ideas I can't remember everything we did! We didn't really make a whole lot of changes; if you will recall, the façade grant application had been for \$1000 maximum grant; you put in \$2000 and we give you \$1000. Based off of our financial stability and the fact that \$1000 doesn't go a long way anymore, Beth and I both thought it prudent to move the limit to \$2500. If you have served on this Authority for any length of time you know we just haven't gotten a lot of request lately but obviously there might be more coming and that's great. I think we are positioned well financially to make this increase. You will see in the application we just changed it to where the maximum grant would be \$2500 so if it is a \$4000 façade project, you would only get \$2000 matching grant. If you'll read through the guidelines really fast and see if you have any questions.
- Terry: It says there is a map of the central business district.
- Christine: Is that the center part or the half mile radius?
- Joel: So the Central Business District (CBD) is the going to be defined as the ½ mile radius. It cuts through Real Deals.
- Terry: And up to Jefferson Pizza Kitchen

- Christine: But we said if it touched a building, we would include the whole building. So that would be a mile.
- Joel: This is not just limited to downtown, it would be all inclusive of that half mile radius.
- Terry: A business that has been in existence for years but never received a façade grant could get one right? Joel: That's right.
- Joel: One of the words we changed....5 bullet points down "Grant awards should not exceed \$2500 in a five year period per business." Originally that was worded "per person" and we felt like it needed to be tied to the business and not the person.
- Joel: Take for example Kay Hardy. She should be eligible for one for Kay's Vintage Pantry and the new business she just opened. It is two separate businesses.
- Joel: There is some language in her, that if we fund this grant, and let's say you close down in a year, we do have some recourse to go back and ask for the money back or at least the prorated portion of the grant. Whether we would do that or not, would be totally at our discretion but we need to have that kind of language in here.
- Willie: How do you prorate that? Joel: over the five year period; it's \$500 a year over 5 years so if you opened and only stayed a year, we could come and ask for the \$2000 back.
- Diana: On bullet point 6 it says you make seek full reimbursement.
- Joel: I think this is addressing a failure to maintain or something like after two years you tear it down because you've changed your mind and don't like it so you're going to rip it down...still in business...and go for a new look.
- Terry: Is there a possibility that a request might not be appropriate?
- Joel: Yes, that's in here
- Diana: Look under qualified projects
- Joel: If it has to go the Historic Preservation Commission (HPC), that would have already been done.
- Terry: I don't mean that I mean if they wanted something lewd on the sign.
- Joel: The City would squash that and we're not required to participate in that. Each application that comes before us, then to the city.
- Joel: Here's the other thing we changed...the project start and completion is to read "within 30 days" and we thought we should make this in accordance with the Certification of Appropriateness (COA). Once the COA is issued you have 12 months to complete the project. We didn't think our grant should supersede the COA time line so we changed it to coincide with the COA timeline.
- Joel: So basically if we award you the grant and you don't complete the project within 12 months, you've got to apply again.
- Terry: What you need to do on the first page is add (COA) after Certificate of Appropriateness so it makes sense on the next page.
- Les: ??????
- Joel: Qualified projects may include façade repairs and restoration, restoration of architectural features, structural stabilization of facades, masonry cleaning (no sandblasting), signage, exterior repainting, exterior walls/materials, awnings and canopies. Ineligible projects include but are not limited to: gutters and

down spouts, roofs, interior improvements of any type, security systems, general maintenance other than painting, personal property or equipment, window or door treatments or yard improvements.

- Les: Door treatments? Diana: Blinds or curtains
- Les: Does that extend to windows? Let's say there is a business downtown that has the big plate windows...if they have deterioration of the framing, is that something that would be covered? If so, that could be a slippery slope of making repairs.
- Diana: Well structural stability, would be to me, a frame of a window. If your window pane is going to fall out, it's not stable.
- Les: Two perspectives...people don't start applying for things that don't need to be applied for and for people that need to have things done to the building that there is an option for them and there is a cost involved with that.
- Joel: I think if somebody came to us and say there was a building and said I really want to turn this into a business but here is what all I need to do on the façade of the building...if they presented a \$10,000 budget, I would say yeah you're eligible for the \$2500 grant.
- Les: We still have the option to the budget and do a line item veto and take off what doesn't qualify. Joel: Yes, absolutely.
- Joel: This is certainly not a "right", it's a "privilege" to apply and even if they met all the guidelines, we still have the right to say we don't want to pay for it. I feel like we would need a justification for that but we don't have to pay for anything.
- Joel: If someone came to us and said "hey, I'm putting in a \$5,000 door...what I've got works but I don't like the color", we may decide no we don't want to fund that.
- Terry: That's not the intent of the grant.
- Diana: If you're looking at clean or historic architecture like it used to and they are trying to restore the look to the building, that should qualify as well.
- Diana: And there aren't a lot of people applying for these grants.
- Joel: The last one I remember was for Steve and Sue Quinn for the bakery.
- Les: We need to offer this to people as a draw to get them to locate downtown. Need to have someone to convey that information up front.
- Terry: I think for the most part, Beth gets in touch with the business owners and let's then know.
- Christine: I think in the downtown area yes but as a business owner outside that area, I didn't know about it. This grant also covers that outer area and Steve always brought that up.
- Diana: So maybe there is a package you create as a DDA, a new business package. Christine: We need to talk about how the information gets disseminated.
- Joel: Beth...give us a definition of the Central Business District.
- Christine: If it was, it wasn't always. I remember thinking "ah, I can get a grant myself." Joel: And you're not in the CBD? Christine: no, right outside. We discussed in the past that the CBD ends at the service station.
- Christine: I remember us discussing if it was actually changed in this application or not. We discussed changing it to incorporating other business as well as the

mile radius, this side of the Pizza Kitchen but not the other side. Whatever this application says, I know we talked about changing it.

- Joel: If the CBD is defined as the smaller area, maybe we need to say downtown.
- Christine: I just remember thinking I could apply but I wasn't in the area.
- Joel: The application can be updated so I think what I would ask for is there any discussion on increasing the limit to \$2500?
- Christine: I think we should increase it but it doesn't mean we have to go up to that just because someone's project is that big.
- Joel: Would anyone like to make a motion to that effect?
- Terry made the motion, second by Willie. Approved.

b) **Create a 501c3 arm of the DDA**

- Joel: I have emailed the attorney that the town of Braselton uses for various DDA issues. He came back and said I can do this for you but it's kinda' out of my area of expertise. Most of my client use an accountant to do this. He also gave me the name of someone with the city of Suwanee that is a client of his that he knew had just gone through the application for a 501c3 and I've got her name and number. I will continue the quest and will reach out to her and will talk with Pat as well.
- Willie: The city attorney can't do it?
- Joel: I'm sure any attorney can do it but they are going to charge you for it. I think what he was graciously letting us know is hey I can do this for you but you don't want to pay me to do it.
- Willie: I was thinking if the Jefferson city attorney does it...
- Joel: He's going to charge us.
- Willie: Wouldn't it be...? I don't think he would be as high as a Suwanee attorney.
- Joel: It's someone that works for the city of Suwanee that works for the DDA there; we're not asking them to do it, we're asking them for them to tell us what they did because they just went through the process. Honestly, it might be something we can do through LegalZoom.
- Willie: When we did one for our church, I think Jefferson city attorney did ours.
- Joel: There has been some pushback from the city attorney but that could have been from previous leadership of the city (city managers) who didn't feel like we needed a 501c3 but that was when there wasn't a complete understanding of the DDA was and what they do.
- Terry: It doesn't hurt to reach out to that person in Suwanee.
- Les: It seems if it's more of a conversation with the IRS so the CPA sounds more appropriate unless you want to use a tax attorney which is going to cost you.
- Joel: I think a CPA should be able to guide us.
- Les: You have to establish a corporation which means you need a federal ID number.
- Joel: The DDA operates under...I don't think we have a federal ID number.
- Les: We would need to establish an organization under the state.
- Joel: It's got to be a different name..it can't be the same Jefferson DDA. We could come up with Jefferson Downtown whatever.

- Les: We establish an 501c3 and then go back to the IRS and say hey we've established ourselves as a 501c3 and then they have steps that are a little more complicated and I think that's where a CPA can help.
- Joel: I think we've got to prove to them we qualify as a non-profit organization. I think once we learn the steps of what to do it's probably not as hard as we're making it. There is some annual reporting that will have to be done, but again that goes back to the accountant. I'll continue to work on that.

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c) **Revolving Loan Fund**

- Joel: I've got nothing on the RLF unless somebody wants to continue that discussion from the last meeting.
- Les: I think we were waiting on Beth to contact other organizations and come back with some ideas.

6. Old Business

a) **Bathroom Project**

- Joel: Strike the bathroom project off the agenda.

b) **DCA financial registration**

- Joel: I have no idea.
- Diana: She didn't give me any information on this.
- Joel: The DCA is the Department of Community Affairs and we're suppose to report some information to them each year but Pat needed some information from the year before she took over and Priscilla was going to help get that information.

7. Public Input

- None

8. Adjourn

- Motion was made by to adjourn by Terry, second made by Christine . Motion passed unanimously. Meeting was adjourned at 6:45pm.

Respectfully submitted,

Diana Norton-Bagwell