



AGENDA

Johnson City Development Authority Board Meeting

Friday, October 27, 2023 @ 8:00 AM
510 Bert St. Johnson City, TN 37604

1. CALL TO ORDER

1.1. Call to Order and Quorum Confirmation: 6/11 of Current Members Required

Commissioners	Term Expires	Present	Absent
Shannon Castillo, Chair	June 30, 2024		
Jack Simpson, Vice Chair	June 30, 2025		
Ernest Campbell, Treasurer	June 30, 2024		
Hank Carr	June 30, 2025		
County Commissioner Jodi Jones	County Commission Seat		
County Commissioner Freddie Malone	County Commission Seat		
Daniel Tackling	June 30, 2026		
City Commissioner Joe Wise	City Commission Seat		
Chris Hyder	June 30, 2026		
City Commissioner Aaron Murphy	June 30, 2024		
Bob Cooper	June 30, 2025		
Patricia Oldham, AICP, TCEcD	Executive Director, non-voting		

1.2. Claim for Member Conflict of Interest

1.3. Additional Action Item to Agenda

2. ADOPTION OF MINUTES

- 2.1. ACTION: Review and Adoption of the Previous Regular JCDA Meeting Minutes
[JCDA September 2023 Meeting Mins](#)

3. PUBLIC COMMENT ON AGENDA

4. AUDIT REVIEW

- 4.1. Audit Review with Melissa Steagall-Jones of Blackburn Childers and Steagall CPA's
(No Attachment)

5. COMMITTEE REPORTS

- 5.1. John Sevier Center Operations Report
[John Sevier Operations Report October 2023](#)
- 5.2. John Sevier Center Disposition Report
[John Sevier Disposition Report 10.27.2023](#)
- 5.3. Downtown Centre and Parking Garage Report
[Downtown Centre and Parking Garage Report October 2023](#)
- 5.4. TIF Advisory Committee Report
[TIF Committee Report 10.27.2023](#)
- 5.5. Human Resources Report
No Report
- 5.6. Finance Committee Report
[JCDA Finance Committee Report October 2023](#)

6. FINANCIALS

- 6.1. ACTION: Johnson City Development Authority General Operating Fund Financial Statement
[JCDA General Fund 10272023](#)
- 6.2. ACTION: Johnson City Development Authority Tax Increment Financing (TIF) Special Fund
Financial Statement
[JCDA Special TIF Fund 10.27.2023](#)
- 6.3. ACTION: John Sevier Center Financials

7. STAFF REPORTS

- 7.1. Main Street America Program Report, in conjunction with Connect Downtown Johnson City Foundation
[Foundation Report 10.27.2023](#)
- 7.2. Executive Director's Report

8. CHAIR REPORT

Comments from the Chairman

9. ADJOURNMENT



Minutes
Johnson City Development Authority
 Friday, September 22, 2023 @ 8:00 AM
 510 Bert St. Johnson City, TN 37604

CALL TO ORDER

The meeting was called to order at 8:00am by Chairman, Shannon Castillo.

Call to Order and Quorum Confirmation: 6/11 of Current Members Required

Commissioners	Term Expires	Present	Absent
Shannon Castillo, Chair	June 30, 2024	X	
Jack Simpson, Vice Chair	June 30, 2025	X	
Ernest Campbell, Treasurer	June 30, 2024	X	
Hank Carr	June 30, 2025	X	
County Commissioner Jodi Jones	County Commission Seat	X	
County Commissioner Freddie Malone	County Commission Seat		X
Daniel Tackling	June 30, 2026		X
City Commissioner Joe Wise	City Commission Seat		X
Chris Hyder	June 30, 2026	X	
City Commissioner Aaron Murphy	June 30, 2024	X	
Bob Cooper	June 30, 2025	X	
Patricia Oldham, AICP, TCEcD	Executive Director, non-voting	X	

Others present:

Sydni Leonard, JCDA Administrative Coordinator

Daniel McIntosh, JCDA Finance Manager

Agenda Item #2.2.1.

Cathy Ball, City Manager
Randy Trivette, Assistant City Manager
Grace Teater, Press
Tricia Korade, Johnson City Resident
Jeff Keeley, Press

Claim for Member Conflict of Interest

None

Additional Action Item to Agenda

An additional item was requested to be added to the agenda by Executive Director, Patricia Oldham. Ms. Oldham and Chairman, Shannon Castillo, recognized Former Chairman, Hank Carr, for his service and dedication to the Johnson City Development Authority during his time as Chairman. Additionally, Ms. Oldham revealed a perpetual plaque recognizing all past Chairman of the organization.

ADOPTION OF MINUTES

ACTION: Review and Adoption of the Previous Regular JCDA Meeting Minutes

Vice-Chair Jack Simpson made a motion to approve the August 25, 2023 regular meeting minutes as presented. The motion was seconded by **Commissioner Chris Hyder**. The motion passed unanimously.

PUBLIC COMMENT ON AGENDA

Chairman Shannon Castillo opened the floor for public comment at 8:04am. There was no public comment on agenda items. Chairman Castillo closed public comment at 8:04am.

COMMITTEE REPORTS

John Sevier Center Operations Report

Finance Manager, Daniel McIntosh, reported the John Sevier Center Operations report by celebrating successes at the John Sevier Center:

- According to LHP and the Harrell Group, the increase in security at the John Sevier Center has lessened the number of weekend reports as there is a consistent presence at the Center.
- Additionally, Mr. McIntosh reported that the Mark Up to Market is in effect, showing an additional revenue increase.
- Elevator doors have been replaced successfully. JCDA and John Sevier Center Staff used the elevators to ensure they were operational and the repair was successful.

Agenda Item #2.2.1.

Mr. McIntosh went on to report that vacancy and turnover increased throughout the month of August, which resulted in additional Capital expenses due to turnover work on units. This amount is due to the amount of flooring and appliance repairs and replacements.

John Sevier Center Disposition Report

Overview Timeline: (unchanged from August 2023)

- **July 28, 2023:** HUD 8bb application package submitted to Washington, D.C. HUD headquarters with a recommendation of approval from the local office.
- **October 2023:** The HUD headquarters intends to complete the review by mid-September and then issue a decision letter regarding the 8bb voucher transfer.
- **Early October 2023:** Financing rate lock on HUD loan.
- **Mid December 2023:** Close on all financing to meet December 15 THDA deadline.
- **Mid December 2023:** Construction would be set for mid December, with an assumed 24 month timeline.
- **December 2025:** Begin moving John Sevier Center residents
- The architects and engineers are working to prepare materials with LHP to submit the HUD 221d4 loan application.

Downtown Centre Report

- A: Building Operations and Maintenance Update
- B: Potential Funding Allocation Request Update and TIF Request
- C: ACTION ITEM: Downtown Centre Building Use Requests
- D: ACTION ITEM: Request by the City of Johnson City to Utilize the Downtown Centre to create a new Johnson City Police Department Substation

A. Building Operations and Maintenance Update:

The Johnson City Development Authority resumed possession of the Downtown Centre and Parking Garage on September 1, 2023. Staff coordinated with the Johnson City Police Department and the Northeast State Community College Police Department to transfer the building securely at midnight. Since then, staff and the JCPD have remained in contact to walk through and the building daily, in addition to electronic security measures.

B. Potential Funding Allocation Request Update and TIF Request

During July and August, Finance Committee discussed the ramifications of absorbing the initial Downtown Centre costs and the potential need for utilizing the line of credit to cover some of the monthly costs, in addition to making a TIF request for additional funding that could cover part of the cost. Depending on if a tenant is secured with payment in October, the JCDA will need funding assistance for the parking garage.

C. ACTION ITEM: Downtown Centre Building Use Requests

Agenda Item #2.2.1.

Staff Recommendation: Staff recommends that the Johnson City Development Authority allow the Johnson City Police Department to utilize the facility for one day for personnel training during September, as well as for K-9 handler and K-9 officer training on a date to be specified, pending on determining the necessary insurance coverages or proof of coverage.

A motion was made by **Commissioner Bob Cooper** to approve the use of the Downtown Centre for K-9 training for the Johnson City Police Department. The motion was seconded by **County Commissioner Jodi Jones**. The motion was passed unanimously.

D. ACTION ITEM: Request by the City of Johnson City to Utilize the Downtown Centre to create a new Johnson City Police Department Substation

Staff Recommendation: Staff recommends that the JCDA consider approving the location of the JCPD police station in the Downtown Centre, with final details regarding the agreement to be determined by the JCDA Finance Committee and Operations Committee to meet the board's guidelines, if any are specified, with any final signature being made by the Chairman.

A motion was made by **Commissioner Bob Cooper** to approve the use of the Downtown Centre for a potential substation for the Johnson City Police Department. The motion was seconded by **City Commissioner Aaron Murphy**. The motion was passed unanimously.

TIF Advisory Committee Report

The JCDA TIF Advisory Committee did not meet in September due to a lack of agenda items.

Executive Director, Patricia Oldham, reported that JCDA staff intend to remain in contact with the Commission and the Administration regarding the potential for future TIF requests that may be needed, but also to provide resources regularly regarding redevelopment opportunities.

The next TIF Advisory Committee meeting is on the calendar for October 18, 2023.

Human Resources Report

No Report

Finance Committee Report

Mr. McIntosh noted that the follow items were reviewed in the Finance Committee meeting on September 14:

1. JCDA General Fund Financials

Agenda Item #2.2.1.

2. JCDA Special Reserve TIF Fund Financials
3. John Sevier Center Financials
4. Discussion on capital expenses incurred by John Sevier related to unit turns
5. Discussion on Downtown Centre status and expenses to date
6. TIF request planning related to John Sevier investment

Discussion on many of these items are available in the above reports. Mr. McIntosh reported an additional financial consideration with the John Sevier Center financial statements. The Finance Committee requested that JCDA Staff investigate the presence of an \$11,000 bad debt total. Mr. McIntosh noted that staff is continuing to work with LHP to outline where this debt has accumulated.

FINANCIALS

Johnson City Development Authority General Operating Fund Financial Statement

A motion was made by **Commissioner Hank Carr** to approve the JCDA General Fund Financial Statements as presented. The motion was seconded by **County Commissioner Jodi Jones**. The motion passed unanimously.

Johnson City Development Authority Tax Increment Financing (TIF) Special Fund Financial Statement

A motion was made by **Commissioner Hank Carr** to approve the JCDA Special TIF Fund Financial Statements as presented. The motion was seconded by **Vice-Chairman Jack Simpson**. The motion passed unanimously.

John Sevier Center Financials

A motion was made by **Commissioner Bob Cooper** to approve the John Sevier Center Financial Statements as presented. The motion was seconded by **County Commissioner Jodi Jones**. The motion passed unanimously.

STAFF REPORTS

Downtown Johnson City Foundation Update

Executive Director Oldham reported that the Downtown Johnson City Foundation's Annual Meeting will be held in October to determine the next officers as well as the next steps for the Foundation. Ms. Oldham then asked Administrative Coordinator, Sydni Leonard, to report on ongoing events as well as the early Fall newsletter.

Ms. Leonard reported the features of the early Fall newsletter including new and upcoming downtown businesses, a report on Johnson City Junction Days, historic references, and the West Walnut St. business feature. The newsletter has been well

Agenda Item #2.2.1.

received at ~30% open rate. Ms. Leonard continued to report the ongoing success of DIY Oktoberfest event and the planning of the upcoming Restaurant Week from October 16th through 21st.

Executive Director's Report

CHAIR REPORT

No further report

ADJOURNMENT

The meeting was adjourned at 8:53am by Chairman, Shannon Castillo.

Chair:

Secretary:

These minutes were approved in an open meeting on ___ day of __, ____.

Johnson City Development Authority

John Sevier Center Operations Report

October 2023

1. Roofing Evaluation

LHP had each roof of the John Sevier evaluated by an outside roofing company to determine if replacement or repair was necessary to mitigate water leak issues. The outside contractor determined three of the five roof surfaces need to be replaced and one needed repair. The total estimate for the full scope of work was approximately \$299,000 for a twenty-year guaranteed product. JCDA staff also had an additional company examine the terrace level roof, which has received an estimate as well. Staff will have that company also perform additional evaluations of other roof levels in the coming weeks.

2. Update on Cutoff Valve Replacement

JCDA Staff is working with LHP to examine alternative processes and procedures for accessing the water cutoff valve. Intermediate measures to cut off the primary supply of water to the building, if needed, can be performed from the curb pit as Johnson City Water Utility confirmed there is a cut off valve on the owner side of the supply line past the meter.

3. Flooring Costs Tied to Unit Turns

After recognizing the unexpected cost overages tied to flooring, LHP inquired with their current flooring vendor and was able to change to a less expensive flooring product that will be sufficient for the next two years of current resident occupancy. LHP has also made bid requests from two other flooring vendors but, as of the meeting time, had not received quotes.

4. Residents

On Thursday, October 5th, LHP held resident meetings at the John Sevier to provide lunch, update residents on the completion of the 8bb HUD transfer and share updated information and architectural renderings of the proposed Tapestry at Roan Hill property. Resident feedback was positive concerning the new proposed property. Residents also communicated continuing concerns about the homeless population, and many expressed a desire for the new facility to be secure.

5. Sump Pump Maintenance

LHP is scheduled to replace one sump pump in October and will bring in outside contractors to evaluate current trench piping and look for further solutions to manage basement surface water.

6. Occupancy Rate

Occupancy rate ending September 2023 was at 96.2 %.

Johnson City Development Authority

John Sevier Center Disposition Report

October 2023

The Section 8bb application to transfer Section 8 vouchers from Project A, the John Sevier Center at 141 East Market Street to Project B, Tapestry at Roan Hill, 2162 South Roan Street, Johnson City, Tennessee, was approved on September 28, 2023. The anticipated construction launch is scheduled for December 2023.

Overview Timeline: (unchanged from August 2023)

- **July 28, 2023**: HUD **8bb application package submitted** to Washington, D.C. HUD headquarters with a recommendation of approval from the local office.
- **September 28, 2023**: The **HUD approved the transfer of Section 8** vouchers from Project A, the John Sevier Center at 141 East Market Street to Project B, Tapestry at Roan Hill, 2162 South Roan Street.
- **October 2023**: Financing **rate lock** on HUD loan.
- **Mid December 2023**: Close on all **financing** to meet December 15 THDA deadline.
- **Mid December 2023**: **Construction** would be set for mid December, with an assumed 24 month timeline.
- **December 2025**: Begin **moving** John Sevier Center residents

Johnson City Development Authority

Downtown Centre Report

October 27, 2023

A. Building Operations and Maintenance Update

The Johnson City Development Authority resumed possession of the Downtown Centre and Parking Garage, 125 East Market Street (E-911), on September 1, 2023.

- Initial utility bills have begun to arrive.
- Broadband fiber optics are serving security services and the newly installed security cameras on each building floor.
- Security services notify Cox Commercial Property Management and the JCDA call list 24/7. Additionally, the JCPD has the new exterior keys, the alarm codes to enter the building and clear the codes. All emergency contacts are in place with Washington County E-911 and the JCFD has Knox Box keys and contacts, also.
- The parking garage structure is being examined for additional needs and repairs, which includes involving additional professionals to assess its existing condition. Parking gates have remained closed during the camera upgrades in the parking garage, per the vote of the JCDA Commission in August. Next the JCDA and staff must determine the use and operation of the parking structure for the public, as well as any modifications that would be necessary.

The project budget has two expenditure two-time frames A) **initial transition operations** and B) **the monthly operational cost** to maintain the building. Having received the initial utility bills and learning about potential maintenance items, we anticipate that additional funding will be needed to support costs in the coming months, including any future parking options.

B. Potential Funding Allocation Request Update and TIF Request

During the summer, JCDA discussed the ramifications of absorbing the initial Downtown Centre costs and the potential need to utilize the line of credit for some monthly costs. Though the line of credit remains available, a tenant is needed. Currently, JCDA staff and City administrators continue to assist a prospective tenant who may be interested in a three-to-four-year lease, but has not made a commitment, as of this report. Without a tenant in place by November, it is likely that the JCDA will need to request funding assistance and will need to examine use of the line of credit.

For reference, the costs discussed at the August JCDA meetings were A) the initial transition operations, which have remained within the anticipated range of up to approximately \$85,000, with an additional ten percent contingency, and B) the ongoing monthly operational costs that were estimated to be within the range of \$14,036 to \$15,992 with an additional ten percent

contingency. These estimates exclude substantial repairs and design or construction costs and currently exclude any revenue potential.

Due to the very limited amount of available capital, the JCDA likely will need to request funding from the Johnson City Commission, through the City Manager, Cathy Ball. Additionally, staff will continue to examine a parallel path toward applying for TIF funding approval for specific, qualified expenditures (such as security equipment) through the JCDA TIF Advisory Committee and, if \$25,000 or above, will be making the request through the Washington County Commission committees and full commission. As costs are examined, further action may be needed by the JCDA Finance Committee with recommendations to the JCDA.

Staff also will seek further information about parking solutions utilized by similar municipal parking facilities, such as ticketed access gates, parking ticketing equipment, and security personnel. The staff is requesting quotes for outsourcing the entire parking garage, from equipment to operation. Until then, the parking garage, without additional ticketing modifications or policy changes, has three options to resume non-revenue generating operation, should the JCDA choose to reopen the garage in its existing condition. None of these include access to the elevator that is internal to the building.

- 1.) The JCDA could operate the parking by providing non-ticketed, non-revenue generating access seven days a week, or on weekends, as a stop gap before completing parking upgrades, Axis Security would simply open and close the parking garage at a cost of \$40 daily/\$280 week/\$1,213 mo./\$14,560 annually. That does not include any on-premises monitoring of the parking garage. There would not be any security personnel on site during parking access hours, per the current budget.
- 2.) If the JCDA chose to provide 24/7 security, the annual cost estimate is \$257,000 for one security personnel. The 24/7 timeframe is utilized in order to show the cost of securing the building without a tenant in place.
- 3.) The parking garage could be operated on specific days and hours for special events, with a fee charged to the event host, with a security company on duty for the duration of the event, and with the proper insurance liability provided to the JCDA.

C. Agreement with the City of Johnson City to Utilize the Downtown Centre to create a new Johnson City Police Department Substation

The approval of the Johnson City Police Department Substation in the Downtown Centre, conditioned upon review by the JCDA Finance Committee, has continued to move forward. The lease developed by the City of Johnson City is in the process of being reviewed internally and approved. The final agreement will be signed by the Chairman of the JCDA and returned to Assistant City Manager Randy Trivette.

Johnson City Development Authority

TIF Advisory Committee Report

October 2023

The JCDA TIF Advisory Committee did not meet in October due to several individuals traveling. The next TIF Advisory Committee Meeting is being rescheduled to November 8, 2023.

The JCDA staff remains in contact with the Washington County Commission and County Administration regarding the potential for future TIF requests that may be needed. JCDA Staff intends to present the John Sevier TIF application for review at the committee's November meeting. Staff will work with the CIA Committee and other County committees to place the item on the agenda in the coming months.

Johnson City Development Authority

Finance Committee Report

October 2023

The JCDA Finance Committee convened at 8:00 AM on October 25, 2023, at the JCDA office, with Board of Director members Freddie Malone, Ernest Campbell, Shannon Castillo, Jack Simpson, Executive Director Patricia “Tish” Oldham, Finance Manager Daniel McIntosh, and Administrative Coordinator, Sydney Leonard in attendance.

Items reviewed included:

1. JCDA Audit
2. JCDA General Fund Financials
3. JCDA Special Reserve TIF Fund Financials
4. John Sevier Center Financials
5. Discussion on Downtown Centre status and expenses to date
6. Discussion on John Sevier Roof replacement cost
7. Discussion on utilizing positive Pay service with Home Trust Bank

The following is a summary of the meeting and review by the Finance Committee, as related to the JCDA meeting agenda items.

5.1.1 APPROVE SEPTEMBER 2023 JCDA GENERAL FUND FINANCIALS

Summary / Action

The September 2023 JCDA General Fund Financials, as prepared by the David M Ellis Firm, Certified Public Accountants, were reviewed by the Finance Committee with a unanimous recommendation to accept and forward to the JCDA for approval of the financial statement. (Motion Simpson/Castillo) Motion passed.

5.2.1 APPROVE SEPTEMBER 2023 JCDA SPECIAL RESERVE TIF FUND FINANCIALS

Summary / Action

The September 2023 JCDA Special Reserve TIF Fund Financials, as prepared by the David M Ellis Firm, Certified Public Accountants, were reviewed by the Finance Committee with a unanimous recommendation to accept and forward to the JCDA for approval of the financial statement. (Motion Castillo/Simpson) Motion passed.

5.3.1 FORWARD SEPTEMBER 2023 JOHN SEVIER CENTER FINANCIALS

Summary / Action

The September 2023 John Sevier Financials, prepared by LHP, were reviewed by the Finance Committee, and forwarded to the JCDA for review. (Motion Campbell/Castillo) Motion passed.

Additional discussion included:

- The fiscal year 2023 audit for the Johnson City Development Authority was reviewed by the finance committee. Noted in discussion were the corrected findings from the previous year's audit and the one finding for fiscal year 2023 resulting from the negative unrestricted net position reported under the business activities (John Sevier) statement of net position. While the unrestricted net position remained negative, the total net position for the business activities (John Sevier) moved to a positive position with an overall positive change of \$617,069 from last year's position. The Finance Committee approved to forward the audit to the board for review. (Motion Castill/Campbell)
- Downtown Centre expenditures for the month of September reflect an increase over August as more capital improvements were expensed. Expenditures through the September reporting period are still low and under the approved capital and one-month Downtown Centre operating expense budget. Staff shared that utility expense and further capital expenses would begin reporting on the October financials. Staff anticipates the projected monthly carrying costs of the Downtown Centre will meet or exceed the budgeted projections as utilities are consumed and necessary maintenance is completed. The Finance Committee discussed the current strain on the JCDA operating budget and potential further costs, which led them to anticipate asking for a funding allocation from the City to cover the unexpected and ongoing costs to support the Downtown Centre.
- JCDA staff presented the option to add the bank product Positive Pay as an additional internal control with HomeTrust Bank. It would create a routine process in which the bank only pays on checks deposited that correlate to a control list provided by the JCDA, the entity issuing the checks. The finance committee agreed this would be an advantageous internal control measure and encouraged staff to add the Positive Pay option in a time frame that is best suited to the Finance Manager transition and training.

DAVID M. ELLIS

Certified Public Accountant
Member, American Institute of
Certified Public Accountants

Member, Tennessee Society of
Certified Public Accountants

JOHNSON CITY DEVELOPMENT AUTHORITY
GENERAL FUND

FINANCIAL STATEMENTS

For the Three Months Ended September 30 2023

JOHNSON CITY DEVELOPMENT AUTHORITY

GENERAL FUND

BALANCE SHEET

September 30, 2023

ASSETS

Current Assets

Cash

HomeTrust Operating \$ 32,122

Home Trust Savings 139,037

Total Cash 171,159

Rental Security Deposits 600

Due to/From Other Funds 458,403

Due from City of Johnson City 314,221

John Sevier Capital Repair Loan 127,284

Total Current Assets \$ 1,071,667

LIABILITIES

Accounts Payable \$ 397

Deferred Revenue 314,221

Total Liabilities 314,618

FUND BALANCES

Unassigned 757,049

Total Fund Balances 757,049

Total Liabilities and Fund Balances \$ 1,071,667

**JOHNSON CITY DEVELOPMENT AUTHORITY
GENERAL FUND**

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Three Months Ended September 30, 2023**

REVENUE

Operating Revenue - City of JC	\$	85,000
Lease Income - Downtown Centre		2,000
Interest Income		1,502
		88,502
Total Revenue		88,502

EXPENSE

Salaries	\$	56,456
Office Rent		5,799
Payroll Taxes		4,319
Downtown Centre Expenses:		
Contract Labor IT		2,240
Property and Liability Insurance		2,094
Camera and IT Equipment		5,804
Other Expenses		1,351
Accounting Fees		3,000
Employee Benefits		1,777
Computer/IT Support		1,094
Internet		950
Office Supplies		607
Outside Contract Services		489
Meals & Entertainment		420
Worker's Compensation		394
Cell and Office Phones		377
Bank Fees		355
Legal Fees		310
Payroll Service Fees		293
Transportation/Mileage		136
Conference/Education		110
Legal Advertising		96
Employee Parking		90
Postage and Shipping		66
Printing Services		37
		88,664
Total Expenses		88,664

Excess (Deficiency) of Revenues Over (Under) Expenditures		(162)
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Fund Balances, Beginning of Fiscal Year		757,211
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Fund Balances, End of Three Months	\$	757,049
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**JOHNSON CITY DEVELOPMENT AUTHORITY
BUDGET TO ACTUAL
For the Three Months Ended September 30, 2023**

	September Actual	September Budget	September Variance	Year to Date Actual	Year to Date Budget	Variance
REVENUE						
Operating Revenue - City of JC	\$ -	\$ -	\$ -	\$ 85,000	\$ 85,000	\$ -
Lease Income - Downtown Centre	-	-	-	2,000	2,000	-
Interest Income	496	29	467	1,502	88	1,414
Total Revenue	496	29	467	88,502	87,088	1,414
EXPENSE						
Salaries	16,819	18,432	(1,613)	56,456	55,296	1,160
Office Rent	1,933	1,933	-	5,799	5,799	-
Audit Fees	-	1,333	(1,333)	-	4,000	(4,000)
Payroll Taxes	1,287	1,410	(123)	4,319	4,230	89
Employee Benefits	888	1,650	(762)	1,777	4,950	(3,173)
Internet	(750)	121	(871)	950	362	588
Accounting Fees	1,000	1,167	(167)	3,000	3,500	(500)
Computer/IT Support	315	718	(403)	1,094	2,156	(1,062)
Property Coverage	-	-	-	-	2,125	(2,125)
Outside Contract Services	-	667	(667)	489	2,000	(1,511)
Printing Services	37	150	(113)	37	450	(413)
Miscellaneous	262	124	138	-	375	(375)
Legal Fees	-	167	(167)	310	500	(190)
Furniture and Equipment	-	333	(333)	-	1,000	(1,000)
Cleaning Supplies	-	83	(83)	-	250	(250)
Worker's Compensation	-	450	(450)	394	450	(56)
Employee Parking	30	-	30	90	-	90
Downtown Centre Expenses						
Contract Labor IT	2,240	-	2,240	2,240	-	2,240
Property and Liability Insurance	-	-	-	2,094	-	2,094
Camera and IT Equipment	5,804	-	5,804	5,804	-	5,804
Other Expenses	-	-	-	1,351	-	1,351
Conference/Education	(110)	167	(277)	110	500	(390)
Office Supplies	158	186	(28)	607	500	107
Cell and Office Phones	91	149	(58)	377	448	(71)
Payroll Service Fees	90	117	(27)	293	350	(57)
Legal Advertising	56	42	14	96	125	(29)
Retirement Contributions	-	553	(553)	-	1,659	(1,659)
Bank Fees	35	42	(7)	355	125	230
Transportation/Mileage	(255)	42	(297)	136	125	11
Memberships/Dues/Subscriptions	-	83	(83)	-	250	(250)
Meals & Entertainment	193	83	110	420	250	170
Marketing/Advertising	-	42	(42)	-	125	(125)
Benefits Administration	-	18	(18)	-	55	(55)
Postage and Shipping	66	13	53	66	96	(30)
Total Expenses	30,189	30,275	(86)	88,664	92,051	(3,387)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (29,693)	\$ (30,246)	\$ 553	\$ (162)	\$ (4,963)	\$ 4,801

DAVID M. ELLIS

Certified Public Accountant
Member, American Institute of
Certified Public Accountants

Member, Tennessee Society of
Certified Public Accountants

JOHNSON CITY DEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND - TIF

FINANCIAL STATEMENTS

For the Three Months Ended September 30, 2023

**JOHNSON CITY DEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND-TIF
BALANCE SHEET
September 30, 2023**

ASSETS

Current Assets

Cash

HomeTrust Bank Money Market	\$ 1,954,969
HomeTrust Bank Downtown Centre Fund	205,452
Eastman Credit Union Savings	<u>7</u>

Total Current Assets	<u>\$ 2,160,428</u>
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Total Assets	<u><u>\$ 2,160,428</u></u>
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FUND BALANCES

Restricted for Tax Increment Financing Projects	\$ 2,115,428
Assigned	<u>45,000</u>

Total Fund Balances	<u>2,160,428</u>
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Total Fund Balances	<u><u>\$ 2,160,428</u></u>
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**JOHNSON CITY DEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND-TIF
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Three Months Ended September 30, 2023**

REVENUE	
Interest Income	\$ 21,691
Total Revenue	\$ 21,691
EXPENSE	
Administrative	
Legal Fees	338
Debt Service	
Model Mill - Interest	9,740
Triple G - Interest	2,662
MMM Enterprises - Interest	1,609
Total Expenditures	14,349
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,342
Fund Balances, Beginning of Fiscal Year	2,153,086
Fund Balances, End of Three Months	\$ 2,160,428

Agenda Item #6.6.2.

**JOHNSON CITY DEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND-TIF
BUDGET TO ACTUAL
For the Three Months Ended September 30, 2023**

	September Actual	September Budget	Variance	Year to Date Actual	Year to Date Budget	Variance
REVENUE						
Interest Income	7,080	417	6,663	21,691	1,250	20,441
Total Revenue	7,080	417	6,663	21,691	\$ 1,250	20,441
EXPENDITURES						
Façade Grants			-			-
Legal Fees	-	833	(833)	338	2,500	(2,162)
Downtown Development - Façade Grants		-			18,750	(18,750)
Model Mill - Interest	-	-	-	9,740	10,384	(644)
Triple G - Interest	-	-	-	2,662	3,042	(380)
MMM Enterprises - Interest	-	-	-	1,609	1,839	(230)
Buffalo Street Boardwalk	-	-	-		11,250	(11,250)
Total Expenditures	-	833	(833)	14,349	47,765	(33,416)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 7,080	\$ (416)	\$ 7,496	\$ 7,342	\$ (46,515)	\$ 53,857

John Sevier Center

Monthly Financial Reports

Balance Sheet
Income Statement

September 30, 2023

John Sevier Center (1415)
Balance Sheet
As of Sep 2023

Accrual YE13

Sep 2023

10/6/2023 7:56

ASSETS

CASH

Current Assets

Cash-Operating	65,263.52
Cash-Petty Cash	100.00
Tenant AR	5,916.90
Allowance Doubtful Accts	(863.58)
AR/AP-HUD	40,215.00
Security Deposits	38,916.13
Prepaid Expenses	6,222.88
Prepaid Insurance	618.00
Replacement Reserve	<u>79,915.07</u>

TOTAL CURRENT ASSETS 236,303.92

FIXED ASSETS

Land	79,300.00
Buildings	5,086,483.00
Furniture for Project Use	34,952.00
Accumulated Depreciation	<u>(469,938.70)</u>

TOTAL FIXED ASSETS 4,730,796.30

OTHER ASSETS

TOTAL OTHER ASSETS 0.00

TOTAL ASSETS 4,967,100.22

John Sevier Center (1415)
Balance Sheet
As of Sep 2023

Accrual YE13

Sep 2023

10/6/2023 7:56

LIABILITIES & CAPITAL

LIABILITIES

Current Liabilities

AP - Operations	4,280.09
AP - Other	16,945.89
AP-Failure to Report Claims	300.00
AP-Failure to Report Repayments	(150.00)
Accrued Wages Payable	8,574.82
Accrued Mgmt Fee Payable	10,552.43
Accrued Interest-1st Mort	14,485.35
Accrued Property Taxes	31,479.01
Accrued Expenses	18,084.17
Accrued Audit Fees	27,912.50
AP-Related Party	2,096.34
Security Deposit	32,374.00
Pet Deposit	1,140.00
Prepaid/Unearned Rent	8,941.77
Prepaid HUD	7,894.00

TOTAL CURRENT LIABILITIES	184,910.37
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OTHER LIABILITIES

Mortgage Payable - 1st	3,818,699.94
Due to Other Funds - JCDA	585,686.50

TOTAL OTHER LIABILITIES	4,404,386.44
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TOTAL LIABILITIES	4,589,296.81
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CAPITAL

Owner Equity	278,231.90
Net Profit (Loss)	99,571.51

TOTAL CAPITAL	377,803.41
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TOTAL LIABILITIES & CAPITAL	4,967,100.22
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John Sevier Center (1415) Comparative Income Statement						
Accrual^YE13						
For the period ending September 30, 2023						
Account	Current Period		Variance	Year-To-Date		Variance
	Actual	Budget		Actual	Budget	
10/6/2023 8:10						
Revenue						
Tenant Rent Revenue	36,661.00	164,340.00	(127,679.00)	109,455.00	480,825.00	(371,370.00)
HUD Assistance	127,679.00	0.00	127,679.00	371,370.00	0.00	371,370.00
Total Gross Potential	164,340.00	164,340.00	0.00	480,825.00	480,825.00	0.00
VACANCY LOSS & CONCESSIONS						
Special Claims Revenue	3,877.00	2,953.25	923.75	5,935.00	8,859.75	(2,924.75)
Apartment Vacancy	(6,012.00)	(4,474.62)	(1,537.38)	(19,739.00)	(13,423.86)	(6,315.14)
Total Vacancy Loss & Concessions	(2,135.00)	(1,521.37)	(613.63)	(13,804.00)	(4,564.11)	(9,239.89)
OTHER INCOME						
Laundry & Vending Revenue	994.99	108.33	886.66	1,203.74	324.99	878.75
Misc Tenant Charges	825.22	600.00	225.22	1,111.68	1,800.00	(688.32)
Late Fees	526.61	333.33	193.28	881.30	999.99	(118.69)
Damages	527.99	281.25	246.74	2,138.57	843.75	1,294.82
Other Income	10,242.13	10,205.75	36.38	30,827.29	30,617.25	210.04
Total Other Income	13,116.94	11,528.66	1,588.28	36,162.58	34,585.98	1,576.60
BAD DEBT						
Bad Debts	0.00	(1,306.59)	1,306.59	(12,187.57)	(3,919.77)	(8,267.80)
Bad Debts - Admin	(1,130.00)	0.00	(1,130.00)	(3,037.00)	0.00	(3,037.00)
Allowance for Bad Debts	0.00	0.00	0.00	0.00	0.00	0.00
Total Bad Debt	(1,130.00)	(1,306.59)	176.59	(15,224.57)	(3,919.77)	(11,304.80)
Effective Gross Income (EGI)	174,191.94	173,040.70	1,151.24	487,959.01	506,927.10	(18,968.09)
Expense						
OPERATING EXPENSES						
UTILITIES						
Electricity	2,048.83	3,160.70	1,111.87	6,978.96	11,744.89	4,765.93
Electricity-Vacants	250.53	0.00	(250.53)	1,081.02	0.00	(1,081.02)
Water	2,116.55	1,735.89	(380.66)	6,814.10	6,323.09	(491.01)
Gas	124.52	131.35	6.83	469.85	491.72	21.87
Sewer	4,691.00	3,688.77	(1,002.23)	13,744.50	13,237.04	(507.46)
Total Utilities	9,231.43	8,716.71	(514.72)	29,088.43	31,796.74	2,708.31

John Sevier Center (1415) Comparative Income Statement						
Accrual^YE13						
For the period ending September 30, 2023						
Account	Current Period		Variance	Actual	Year-To-Date	
	Actual	Budget			Budget	Variance
10/6/2023 8:10						
CONTRACT SERVICES						
Contract-Exterminating	2,380.00	2,900.20	520.20	5,270.00	8,700.60	3,430.60
Contract-Elevator	2,700.00	950.00	(1,750.00)	3,467.69	2,850.00	(617.69)
Contract-Fire Alarm	521.35	1,849.54	1,328.19	1,736.57	5,548.62	3,812.05
Contract-Plumbing	212.50	300.42	87.92	650.00	901.26	251.26
Contract-Cable TV	5,697.78	8,547.83	2,850.05	17,434.71	25,643.49	8,208.78
Contract-Other	1,663.31	2,151.88	488.57	12,426.41	6,455.64	(5,970.77)
Garbage & Trash Removal	1,366.20	2,734.17	1,367.97	4,697.38	8,202.51	3,505.13
Contract-Security	11,524.95	10,000.00	(1,524.95)	31,178.47	30,000.00	(1,178.47)
Total Contract Services	26,066.09	29,434.04	3,367.95	76,861.23	88,302.12	11,440.89
REPAIRS & MAINTENANCE						
Janitorial Supplies	379.24	721.00	341.76	2,510.12	2,163.00	(347.12)
Maintenance Supplies	1,956.47	1,511.44	(445.03)	4,553.79	4,534.32	(19.47)
Decorating Supplies	0.00	333.33	333.33	1,031.58	999.99	(31.59)
Plumbing Supplies	687.56	1,525.50	837.94	3,627.29	4,576.50	949.21
Electrical Supplies	18.54	493.33	474.79	613.19	1,479.99	866.80
HVAC R & M	166.14	412.83	246.69	166.14	1,238.49	1,072.35
Appliances	517.69	833.33	315.64	2,550.76	2,499.99	(50.77)
Carpentry	0.00	143.75	143.75	1,165.44	431.25	(734.19)
Uniform Expense	294.85	0.00	(294.85)	294.85	0.00	(294.85)
NonRoutine Maintenance	0.00	2,083.33	2,083.33	972.33	6,249.99	5,277.66
Total Repairs & Maintenance	4,020.49	8,057.84	4,037.35	17,485.49	24,173.52	6,688.03
TURNOVER						
Painting & Paint Supplies	308.91	739.58	430.67	1,960.72	2,218.74	258.02
Contract-Janitorial	0.00	125.00	125.00	918.00	375.00	(543.00)
Contract-Paint	0.00	108.33	108.33	918.00	324.99	(593.01)
Total Turnover	308.91	972.91	664.00	3,796.72	2,918.73	(877.99)
ADMINISTRATIVE						
Conventions & Meetings	0.00	100.00	100.00	34.99	300.00	265.01
Office Equipment-Lease & Maint	76.83	66.67	(10.16)	233.30	200.01	(33.29)
Office Supplies	183.33	304.83	121.50	1,465.43	914.49	(550.94)
Postage	70.83	112.50	41.67	357.51	337.50	(20.01)
Telephone/Data/Cable/Answering Svc	570.81	425.00	(145.81)	1,569.25	1,275.00	(294.25)
Legal Exp-Collection/Evictions	527.99	483.33	(44.66)	1,450.29	1,449.99	(0.30)
Misc Admin Expense	268.38	256.17	(12.21)	913.59	768.51	(145.08)
Meals & Entertainment	144.05	215.92	71.87	198.62	647.76	449.14
Computer Expense	989.68	1,168.49	178.81	3,058.33	3,505.47	447.14

John Sevier Center (1415) Comparative Income Statement						
Accrual^YE13						
For the period ending September 30, 2023						
Account	Current Period		Variance	Year-To-Date		Variance
	Actual	Budget		Actual	Budget	
10/6/2023 8:10						
Travel Expenses	0.00	393.83	393.83	38.68	1,181.49	1,142.81
Bank Charges	455.79	308.33	(147.46)	1,161.52	924.99	(236.53)
Dues & Subscriptions	0.00	19.58	19.58	0.00	58.74	58.74
Professional Fees	22.50	0.00	(22.50)	22.50	0.00	(22.50)
Mileage	0.00	375.00	375.00	1,420.28	1,125.00	(295.28)
Total Administrative	3,310.19	4,229.65	919.46	11,924.29	12,688.95	764.66
MARKETING & RESIDENT RETENTION						
Advertising & Marketing	0.00	4.17	4.17	0.00	12.51	12.51
Screening Expense	242.50	366.67	124.17	1,224.50	1,100.01	(124.49)
Tenant Promotions	636.48	541.67	(94.81)	1,331.35	1,625.01	293.66
Total Marketing & Resident Retention	878.98	912.51	33.53	2,555.85	2,737.53	181.68
PERSONNEL						
Office Payroll	2,583.04	3,091.09	508.05	8,415.83	8,075.57	(340.26)
Office Payroll CC	707.24	542.53	(164.71)	1,288.97	1,627.59	338.62
Manager Payroll	5,233.87	6,960.37	1,726.50	17,422.08	17,139.73	(282.35)
Payroll Processing Fees	78.71	117.07	38.36	250.72	351.21	100.49
Repairs & Maint Payroll	8,890.10	11,528.20	2,638.10	30,603.44	29,868.33	(735.11)
Payroll Tax Expense	1,272.82	1,681.38	408.56	4,017.24	4,296.79	279.55
Employee Benefits & Insur	3,882.95	7,373.87	3,490.92	11,775.74	22,121.61	10,345.87
Total Personnel	22,648.73	31,294.51	8,645.78	73,774.02	83,480.83	9,706.81
Total Controllable Operating Expenses	66,464.82	83,618.17	17,153.35	215,486.03	246,098.42	30,612.39
Controllable NOI	107,727.12	89,422.53	18,304.59	272,472.98	260,828.68	11,644.30
AUDIT EXPENSE						
Audit Expense	2,037.50	2,037.50	0.00	6,112.50	6,112.50	0.00
Total Audit Expense	2,037.50	2,037.50	0.00	6,112.50	6,112.50	0.00
MANAGEMENT & BOOKKEEPING						
Management Fees	10,552.43	12,041.71	1,489.28	29,557.48	36,125.13	6,567.65
Total Management & Bookkeeping	10,552.43	12,041.71	1,489.28	29,557.48	36,125.13	6,567.65
TAXES & INSURANCE						
Real Estate Taxes	3,497.67	3,497.67	0.00	10,493.01	10,493.01	0.00

John Sevier Center (1415) Comparative Income Statement						
Accrual^YE13						
For the period ending September 30, 2023						
Account	Current Period		Variance	Actual	Year-To-Date	
	Actual	Budget			Budget	Variance
10/6/2023 8:10						
Property & Liability Insu	6,178.16	7,049.00	870.84	18,534.48	21,147.00	2,612.52
Workers Compensation Insu	309.00	262.83	(46.17)	926.67	788.49	(138.18)
License & Permits	55.00	175.00	120.00	110.00	175.00	65.00
Taxes-Other	165.00	41.67	(123.33)	165.00	125.01	(39.99)
Total Taxes & Insurance	10,204.83	11,026.17	821.34	30,229.16	32,728.51	2,499.35
TOTAL NON-CONTROLLABLE OPERATING	22,794.76	25,105.38	2,310.62	65,899.14	74,966.14	9,067.00
TOTAL OPERATING EXPENSES	89,259.58	108,723.55	19,463.97	281,385.17	321,064.56	39,679.39
NET OPERATING INCOME	84,932.36	64,317.15	20,615.21	206,573.84	185,862.54	20,711.30
NON-OPERATING EXPENSES						
Depreciation	9,217.81	0.00	(9,217.81)	27,653.43	0.00	(27,653.43)
Cap Ex- Appliances	1,400.19	500.00	(900.19)	5,648.05	1,500.00	(4,148.05)
Cap Ex-Unit Flooring	0.00	1,166.67	1,166.67	16,734.47	3,500.01	(13,234.46)
Cap Ex-Electrical	0.00	291.67	291.67	0.00	875.01	875.01
Cap Ex-Plumbing	0.00	166.67	166.67	0.00	500.01	500.01
Cap Ex-HVAC	0.00	666.67	666.67	1,791.64	2,000.01	208.37
Cap Ex-Upgrades-Building	1,335.90	0.00	(1,335.90)	10,648.20	255,000.00	244,351.80
Mortgage Interest-1st	14,485.35	14,475.07	(10.28)	44,519.18	43,522.31	(996.87)
Interest - Other	2.69	0.00	(2.69)	7.36	0.00	(7.36)
Total Non-Operating Expenses	26,441.94	17,266.75	(9,175.19)	107,002.33	306,897.35	199,895.02
NET INCOME	58,490.42	47,050.40	11,440.02	99,571.51	(121,034.81)	220,606.32
CASH FLOW ITEMS						
Deposits-RR	21,250.00	21,250.00	0.00	63,750.00	63,750.00	0.00
Releases-RR	0.00	(63,750.00)	(63,750.00)	0.00	(63,750.00)	(63,750.00)
Principal Pmts-1st Mortga	8,050.81	8,545.87	495.06	24,549.88	25,540.89	991.01
JCDA Pmts	9,750.00	9,750.00	0.00	29,250.00	29,250.00	0.00
Depreciation	(9,217.81)	0.00	9,217.81	(27,653.43)	0.00	27,653.43
TOTAL CASH FLOW ITEMS	29,833.00	(24,204.13)	(54,037.13)	89,896.45	54,790.89	(35,105.56)
Net Income after Cap Ex and DS	28,657.42	71,254.53	(42,597.11)	9,675.06	(175,825.70)	185,500.76

**Downtown Johnson City Foundation, Inc 501 (c)3
and Main Street America Program Updates**

On behalf of the Downtown Johnson City Foundation, staff coordinated the 2023 DIY Oktoberfest with participating downtown establishments. The number of participating establishments increased from 2022, allowing for additional foot traffic downtown from September 16th through October 3rd. Participating bars and breweries reported a number of patrons donning their doors for Oktoberfest.

2023 Restaurant Week was October 16th through October 22nd. The event was driven by the participating restaurant establishments who choose to offer specials during the week. Staff encouraged establishments to add their specials to their own social media, while the Downtown Johnson City website restaurant week page featured the links to the participating establishment's website or social media. A press release about the week was sent out and picked up by at least three local news outlets that wrote stories promoting the event. Each day, staff created an individualized social media feature in groups of three and four restaurants to give individual attention and promotion to each business. Staff intend to check-in with participating businesses to gauge interest and success of this event.

Staff are continuing to fully execute social media channels and digital media on behalf of the Downtown Johnson City Foundation and the Johnson City Development Authority to support downtown events produced by a wide variety of merchants. The final quarterly newsletter will be released November 1st with a focus on November events, Shop Small Saturday, and various fall activities and news. Additionally, staff remains diligent in intentionally promoting West Walnut Street businesses during the construction. Due to the number of upcoming holiday events, a one page "Downtown in December" edition of the newsletter will be released between Thanksgiving and the start of the month of December.

The Downtown Johnson City Foundation, Inc. 501 (c)3, per by laws, elected officers at their October Annual Meeting that was held on October 18, 2023. The newly elected officers are Alex Bomba, Chairman; Kenny Shafer, Vice-Chairman; and Tracy Johnson, Treasurer.

Staff are working with the Foundation on a number of upcoming activities for the remainder of the calendar year. Additionally, staff continues to maintain the National Main Street Accreditation in preparation for the report due in January that will be a requirement for a renewal of the program for the community in 2024.

The Downtown Johnson City Foundation was proud to host and support the State of Tennessee Department of Economic and Community Development representatives for the National Main Street program from October 10th to October 12th. At the request of the State of Tennessee, Main Street Managers and Executive Directors from across the state were able to tour a new and growing Main Street program in Elizabethton as well as tour a thriving, established program in Downtown Johnson City. Owners, employees, and members of Spark Plaza, Founder's Forge, and The Generalist were among the State's most requested stops throughout their trip. Lora and Bradley Eshbach, Stephanie Penley, and David Nelson spoke to Main Street Directors about the importance of investing in downtown and collaborating with local merchants. Many of the attendees complemented restaurants, retailers, and downtown progress throughout their visit. Johnson City was the host site for the Main Street Directors training on October 12th.