



# AGENDA

## Johnson City Development Authority Board Meeting

**Friday, August 25, 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
Hank Carr, Chair	June 30, 2025		
Shannon Castillo, Vice Chair	June 30, 2024		
Ernest Campbell	June 30, 2024		
Jack Simpson	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. RECOGNITION OF COMMISSIONERS

Resolutions in Honor of Commissioner Mr. Jim Fickley, Past Treasurer Mr. Seth Thomas, and Past Chairman Mr. Robert Williams

### 3. PUBLIC COMMENT ON AGENDA

- 3.1. Public Comment on Agenda Items for August 25, 2023

### 4. ADOPTION OF MINUTES

- 4.1. ACTION: Review and Adoption of the Previous Regular JCDA Meeting Minutes  
[JCDA Regular Meeting - July 28, 2023 - Minutes](#)  
[JCDA Called Meeting - August 14, 2023 - Minutes](#)

### 5. BY-LAW REVISION

- 5.1. ACTION: By-Laws Amendment: Election Years  
[By-Laws Recommendation Election Years August 25 2023 JCDA](#)  
[Amendment to Bylaws of JCDA \(003\) HSD](#)

### 6. ELECTION OF OFFICERS

- 6.1. Nominating Committee Report  
[Nominating Committee August 2023 JCDA](#)
- 6.2. ACTION: Election of Officers

### 7. COMMITTEE REPORTS

- 7.1. John Sevier Center Operations Report  
[2023 August Operations Report](#)
- 7.2. John Sevier Center Disposition Report  
[John Sevier Disposition Report August 2023](#)
- 7.3. TIF Advisory Committee Report  
[TIF Advisory Committee Report August JCDA 2023](#)  
[FAC23 003 128 130 Spring Street Corbin Staff Recommendation](#)

- 7.4. Downtown Centre/Parking Report  
[Downtown Centre and Parking Garage Report August 25th 2023](#)
- 7.5. Human Resources Report - No Report
- 7.6. Finance Committee Report  
[Finance Committee Report August 2023](#)

## 8. FINANCIALS

- 8.1. ACTION: Johnson City Development Authority General Operating Fund Financial Statement  
[JCDA General Fund 08252023](#)
- 8.2. ACTION: Johnson City Development Authority Tax Increment Financing (TIF) Special Fund Financial Statement  
[JCDA TIF Fund 08252023](#)
- 8.3. ACTION: John Sevier Center Financials  
[John Sevier Financials 08252023](#)

## 9. STAFF REPORTS

- 9.1. Main Street America Program Report, in conjunction with the Downtown Johnson City Foundation  
[August 2023 Main Street America Report](#)
- 9.2. Executive Director's Report

## 10. CHAIR REPORT

Comments from the Chairman

## 11. ADJOURNMENT



**Minutes**  
**Johnson City Development Authority**  
**Friday, July 28, 2023 @ 8:00 AM**  
**510 Bert St. Johnson City, TN 37604**

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**CALL TO ORDER**

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

The regular meeting of the Johnson City Development Authority was called to order at 8:01am by Chairman, Hank Carr. Chairman Carr confirmed the presence of a quorum.

Present: Jack Simpson, Shannon Castillo, Hank Carr, Jodi Jones, Ernest Campbell, Daniel Tackling, Chris Hyder, Aaron Murphy, Freddie Malone, and Patricia Oldham, AICP, TCEcD (non-voting).

Absent: Joe Wise and Bob Cooper

JCDA Staff Present: Daniel McIntosh, Finance Manager and Sydni Leonard, Administrative Coordinator to the Executive Director.

Others present:

R. Trivette, Assistant City Manager

T. Korade, Johnson City Resident

J. Keeley, Press

G. Teater, Press

J. Smith, Langston Education and Arts Development

B. Hensley, LHP Representative

**Claim for Member Conflict of Interest**

**Welcome New Board Members: Chris Hyder, Bob Cooper, Daniel Tackling**

Chairman Hank Carr welcomed three new board members to the Johnson City Development Authority. Present were new members Daniel Tackling and Chris Hyder. Chairman Carr requested introductions from the new members as well as introductions from other Board members and JCDA Staff.

**Additional Action Item to Agenda**

Executive Director Patricia Oldham requested the following addition to the agenda:

Downtown Improvement Grant (added as 6.6.3)

Allow Staff to apply for Downtown Improvement Grant Funding for facade improvements downtown. Grant is not to exceed \$300,000.

**Vice Chair Shannon Castillo** made the motion to add an action item to the agenda as 6.6.3. The motion was seconded by **County Commissioner Jodi Jones**. The motion passed unanimously.

**ADOPTION OF MINUTES**

**Review and Adoption of the Previous Regular JCDA Meeting Minutes**

There was a motion by **Commissioner Jack Simpson** to approve the June 23, 2023, meeting minutes as presented. The motion was seconded by **Vice Chair Shannon Castillo**. The motion passed unanimously.

**PUBLIC COMMENT**

Chairman Hank Carr introduced the public comment agenda item and requested for those wishing to comment on an agenda item to come forward. There were no public comments or individuals present wishing to speak. **Public Comment closed at 8:10am.**

**COMMITTEE REPORTS**

### **John Sevier Center Operations Report**

Finance Manager, Daniel McIntosh, reported that LHP is working to make repairs as needed to plumbing systems. As a follow-up from the May 2023 meeting, Mr. McIntosh reported receiving the post orders regarding security from LHP and the Harrell Group and passing those along to Chairman Carr earlier this month.

Additionally, Mr. McIntosh reported that an emergency expenditure request was approved by Chairman Carr when one of the cars needed the doors replaced. \$14,500 remains in the elevator modernization fund and the expense for this repair was \$13,500. Chairman Carr signed off on the use of these funds in an emergency capacity to replace the elevator doors for both passenger elevators.

County Commissioner Jodi Jones drew attention to an agenda item from the John Sevier Operations Committee Meeting. Commissioner Jones noted that LHP had made a request for an extension of the time allotted for the Harrell Group's security contract to 24 hrs a day on the weekends. Mr. McIntosh reported that JCDA Staff is looking at the proposal and will return to the Board with a staff recommendation in the near future.

### **John Sevier Center Disposition Report**

Executive Director Patricia Oldham reported that the application for Mark Up to Market was approved by HUD and will go into effect in the Fall of 2023, with funding retroactive to August 1, 2023.

#### **The anticipated timeline for the John Sevier Center Disposition is as follows:**

Early August 2023: Next, the Office of Policy Development and Research must recommend approval before it is sent to the national office HUD headquarters. That is anticipated to occur in August 2023.

October 2023: The HUD review then will take approximately sixty (60) days to review and then issue a decision letter on the 8bb voucher transfer.

December 2023: Financing would be set for closing in early November

December 2023: Construction would be set for December with an assumed 24 month timeline.

December 2025: Begin moving John Sevier Center residents

**TIF Advisory Committee Report**

The TIF Advisory Committee did not meet in the month of July due to the lack of applications submitted.

Executive Director Patricia Oldham reported that JCDA staff is continuing to evaluate the funding spent on the John Sevier Center that would be eligible for a TIF request, as well as additional funding that may be needed to cover upgrades, security infrastructure, and other projects for the Downtown Centre. The Downtown Centre, owned by JCDA, will be turned over from Northeast State Community College on September 1, 2023. Staff will complete the application for submission to the TIF Advisory Committee, which will be more than \$25,000. As a result, if the committee approves the request, the JCDA full board will make a recommendation to the Washington County Commerce, Industry and Agricultural Committee, then the request will be forwarded to the full Washington County Commission.

### **Downtown Centre/Parking Report**

Chairman Hank Carr reported that The Johnson City Development Authority will be taking over the operation of the Downtown Centre from Northeast State on September 1st. Mr. Carr noted that the building has been taken care of and the space still looks well-maintained. Additionally, Mr. Carr drew attention to the JCDA Operating budget for FY24. He reported that the adopted budget does not include the carrying cost of the Downtown Centre. Mr. Carr requested a called meeting in the month of August to address the JCDA FY24 budget to account for the Downtown Centre.

Executive Director, Patricia Oldham, continued to report that the John Sevier Block Working Group has met three times. The City of Johnson City has been included on these conversations by their representatives Alicia Summers and Randy Trivette. The next meeting for the Group is scheduled for August 9th where JCDA Staff plans to host national consultants to explain the nature of the needed redevelopment of both the John Sevier and the Downtown Centre anchor block, the use of parking at Downtown Centre, securing Downtown Centre.

Finance Manager, Daniel McIntosh, reported the immediate carrying cost and needs of the Downtown Centre as Northeast State Community College hands the space back over to the JCDA. Mr. McIntosh reported that the building needs including security cameras, security personnel, any additional insurance, parking lot cleaning, parking lot gates and ticketing options, utility costs, and other potential costs - the most pressing being technology infrastructure to support a wired security system of any kind. Additionally, Mr. McIntosh reported that it is possible that the parking garage portion of the building would not be accessible to the general public until security cameras are installed. The internal elevator would not be available for use due to building closure.

Assistant City Manager, Randy Trivette, reported that the City of Johnson City anticipated a request being made from the JCDA to the City regarding the carrying cost of the building. Mr. Trivette informed the JCDA Board of Commissioners that "a large organization has approached the City about leasing the space for three to four years". Mr. Trivette noted that a national development group should review the John Sevier Center and Downtown Centre as a cohesive unit for redevelopment - a request for clarification was later brought forth by County Commissioner Freddie Malone. Mr. Trivette went on to state that the City of Johnson City acknowledges that the redevelopment of the John Sevier Center and Downtown Centre are a large portion of the strategic planning initiatives for 2024 and the City does not intend to take that from the JCDA. He recommended however, that the City work in partnership with the JCDA rather than only allocating funds to the building.

### **Human Resources Report - No Report**



### **Finance Committee Report**

Finance Manager Daniel McIntosh reported that LHP submitted a written request to increase salaries for the John Sevier Center FY24 budget by \$681.09. The motion was made **via recommendation from the Finance Committee and** was extended by **County Commissioner Freddie Malone**. The motion was seconded by **County Commissioner Jodi Jones**. The motion passed unanimously.

In addition, Staff consulted with Chairman Hank Carr on an emergency repair to an elevator door that is in disrepair in the John Sevier Center over the past week. Mr. McIntosh reported that Chairman Carr made the authorization under emergency approval to allocate the remaining elevator fund from the Elevator Modernization fund. The quoted amount for the repair for both passenger elevators is \$13,500. An additional affirmation of emergency approval was extended as a motion from **County Commissioner Freddie Malone**. The motion was seconded by **Vice Chair Shannon Castillo**. Motion carried.

Mr. McIntosh further reported that Staff is continuing to solicit bids and aggregate operating costs associated with the Downtown Centre. Two cost categories are being evaluated; the first is necessary operational expense for items like routine maintenance and utility usage. The second cost category is capital improvements for items such as security cameras, parking garage upgrades, and an external elevator. Some items will need immediate funding such as security cameras and operational expenses for the September 1, transition date.

Additionally, Mr. McIntosh and Executive Director Patricia Oldham noted that the public Wi-Fi access for downtown was not calculated in the FY24 JCDA budget due to the fiscal restraint on the budget allocation. Both reported that the Finance Committee directed staff to inform both the City of Johnson City and BrightRidge of the changes. Assistant City Manager, Randy Trivette noted that the City has no plans to allocate funds for full-time, free downtown Wi-Fi to be available to the public, but would consider activation for large events for use of vendors.

### **FINANCIALS**

#### **Johnson City Development Authority General Operating Fund Financial Statement**

**City Commissioner Aaron Murphy** made the motion to adopt the JCDA General Fund Financial Statements as presented. The motion was seconded by **Vice-Chairman Shannon Castillo**. The motion passed unanimously.

## Agenda Item #4.4.1.

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

**County Commissioner Jodi Jones** made the motion to accept the JCDA TIF Special Revenue Fund Financial Statements as presented. The motion was seconded by **Commissioner Jack Simpson**. The motion passed unanimously.

### **John Sevier Center Financials**

**County Commissioner Freddie Malone** made the motion to approve the John Sevier Center Financial Statements for June 2023 as presented. The motion was seconded by **County Commissioner Jodi Jones**. The motion passed unanimously.

### **STAFF REPORTS**

**Main Street America Program Report (administered by Connect Downtown Johnson City Foundation, a 501(c)3 non-profit)**

Tennessee Main Street Board Training and Input Report

Executive Director Patricia Oldham reported that Consultant Dr. Bridget Jones returned a draft report from the Tennessee Main Street Board Strategic Planning Training and Surveys. In preparation for that event, a survey was created by the State of TN and sent to a variety of individuals in the Downtown community. The results of this anonymous survey have been analyzed and included in the draft report. The Downtown Johnson City Foundation Chairman, Tracy Johnson and JCDA staff are reviewing the report to return to Dr. Jones with any comments and suggestions.

Fridays After 5

Administrative Coordinator Sydni Leonard reported that the Downtown Johnson City Foundation's collaborative Fridays After 5 event concluded successfully on July 14th. The Chamber of Commerce Foundation's Young Professionals, the City of Johnson City, the Johnson City Development Authority and the Downtown Johnson City Foundation worked together to execute the event. Visit Johnson City also has provided their support, as well. Chairman Hank Carr congratulated the Staff on a successful event.

Christmas Tree Programming- December 2023

Ms. Oldham updated the Board that the City of Johnson City is handling the sale and management of the Christmas trees that traditionally have been displayed in Founder's Park and in King Commons. The City has contributed enormously throughout all the years, dedicating extensive staff time, energy planning, and marketing. Visit JC also has supported the event through its tourism marketing throughout the region and beyond, helping bring it to a broader audience. The City of Johnson City will be receiving all requests and Downtown Johnson City and the JCDA will direct interested sponsors and tree decorating teams to the appropriate city staff by phone and online.

## **Executive Director's Report**

### **Proposed By-Law Revision (to appear for voting in August meeting):**

Ms. Oldham reported that, in preparation for upcoming officer elections, staff noticed that the election of officers is to occur in even numbered years. The current officers are concluding their two-year terms this August. Staff recommended amending Section 10 of the by-laws, in August, to change the election to occur in odd numbered years. The recommendation is based upon staff research on the history of the by-laws, previous and current terms, and elections. Since ten days is required before any amendment, this report will allow the JCDA to examine the by-laws and the item will be placed on the August agenda. By-laws currently require August elections; therefore, the item will need to be placed in advance of any officer election agenda items. Nominating Committee will meet in the coming weeks to prepare the slate of officers for the August meeting. JCDA Vice-Chair serves as the Chair of Nominating Committee.

### **Current:**

Section 10. Election of Officers. The officers of the JCDA (hereinafter referred to as "Officers") shall be a Chair, a Vice Chair, and a Treasurer. Officers shall be JCDA Commissioners and shall be elected during the regularly scheduled JCDA Board meeting **in the month of August of even-numbered years**. The Nominating Committee (hereinafter defined) shall report its nominations for the Officers during the regularly scheduled meeting in August of the election year. In August, the Chair shall accept additional nominations for Officers from the floor. Any Commissioner of the JCDA may nominate any other Commissioner or himself/herself for any position not prohibited elsewhere in the By-Laws.

### **Proposed:**

Section 10. Election of Officers. The officers of the JCDA (hereinafter referred to as "Officers") shall be a Chair, a Vice Chair, and a Treasurer. Officers shall be JCDA Commissioners and shall be elected during the regularly scheduled JCDA Board meeting **in the month of August of even-odd-numbered years**. The Nominating Committee (hereinafter defined) shall report its nominations for the Officers during the regularly scheduled meeting in August of the election year. In August, the Chair shall accept additional nominations for Officers from the floor. Any Commissioner of the JCDA may nominate any other Commissioner or himself/herself for any position not prohibited elsewhere in the By-Laws.

### **Additional Action Item added as 6.6.2: Downtown Improvement Grant**

At the beginning of the meeting, Executive Director Patricia Oldham requested that an additional action item be added to the agenda to request permission to apply for the Downtown Improvement Grant through the State of Tennessee Department of Economic and Community Development.

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Staff recommends that by August 15, 2023, the JCDA apply for the State of Tennessee Department of Economic and Community Development Downtown Improvement Grant, for reimbursable funding up to \$300,000, with a required match of 25% which can be provided by building façade owners, other funds, or through TIF funds that already are funding façade grants and other downtown improvements. Staff recommends that grant application and administration in collaboration with the First Tennessee Development District, as recommended by State of Tennessee Department of Economic and Community Development.

A motion was made by **Commissioner Jack Simpson** to allow staff permission to apply for the State of Tennessee Department of Economic and Community Development Downtown Improvement Grant. The motion was seconded by **County Commissioner Jodi Jones**. The motion passed unanimously.

**CHAIR REPORT**

**ADJOURNMENT**

Meeting adjourned at 9:01AM by Chairman, Hank Carr.

\_\_\_\_\_  
Chair:

\_\_\_\_\_  
Treasurer:

\_\_\_\_\_  
These minutes were approved in an open meeting on \_\_\_ day of \_\_\_\_, 2021.



## Minutes

### Johnson City Development Authority

Monday, August 14, 2023 @ 12:00 PM  
510 Bert St. Johnson City, TN 37604

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**CALL TO ORDER**

Chairman Hank Carr called the meeting to order at 12:10pm.

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

**Others Present:**

- Daniel McIntosh, JCDA Finance manager
- Sydni Leonard, JCDA Administrative Coordinator
- Cathy Ball, City Manager
- Randy Trivette, Assistant City Manager
- Alicia Summers, Economic Development
- Brent Long, Former JCDA Chairman and Downtown Property Owner

**PUBLIC COMMENT ON AGENDA ITEMS**

Chairman Hank Carr opened the floor for public comment at 12:11pm.

Mr. Brent Long, Johnson City Resident, former JCDA Chairman, and owner of London Living requested to comment. Mr. Long stated that he was a JCDA Commissioner during the acquisition of the John Sevier Center and the management of the Downtown Centre. His attendance at the meeting is prompted by the conversation surrounding the Downtown Centre and “seeing it done well [ . . . ] and done right”. Mr. Long noted being excited as to where downtown is going and growing.

Chairman Hank Carr closed the floor for public comment at 12:11pm.

**EXAMINATION OF THE JOHN SEVIER ANCHOR BLOCK**

**Downtown Centre Report and Recommendation August 14, 2023**

Chairman Hank Carr introduced section 3.1 of the agenda packet, handing the report over to Executive Director, Tish Oldham and Finance Manager, Daniel McIntosh.

Executive Director Oldham began the report by noting that staff has performed due diligence to evaluate the building, as well as vendor quotes and other potential fundamental costs, which are shown in the attached budget estimate compiled by Finance Manager, Daniel McIntosh. She explained that the staff chose to delineate the budget into two expense time frames A) initial transition operations, such as changing locks, utility deposits, IT/broadband installation, and security camera reinstallation; and B) the monthly operational cost to maintain the building. These costs are to ensure that the building has an operational camera system, that all mechanical is maintained, and the building remains in a status quo condition. It also would allow the JCDA and City of Johnson City Board of Commissioners and Administration to see the differences in the upfront and the monthly expenses.

She noted that due to the quick timing of the turn over, the time it will require to obtain a tenant that generates revenue, the length of time necessary to move through the Tax Increment Financing approval process with the JCDA and then the Washington County Commission and its committees in order to receive funding for items such as the security camera funding requests, and any requests that would be made to the City Board of Commissioners for assistance, the JCDA will need to determine how to address cash flow needs for upfront and monthly costs without current revenue generation.

Ms. Oldham said that Mr. McIntosh's estimates were obtained from a variety of vendors through meetings, discussions, and visits to the site, which he would explain further. She noted that his quotes and the budget could be measured against the recent appraisal, which had similar maintenance costs. The initial costs, as found in the staff report and budget estimate document were stated as: Initial cost - Range: \$73,672 - \$83,508 with 10% contingency

Monthly costs – Range: \$14,036 - \$15,992 with 10% contingency excludes repairs, new construction costs.

Mr. McIntosh continued the report to review the budget and answer particulars about the timing of expenditures. He reviewed the number of necessary items that must be executed through contracts in the coming week in order to have the building systems maintained and operational. He reported that the average utility costs would be \$7100 per month, which were only an estimate as this is a monthly average. Ms. Oldham noted on the budget sheet that the total, not including insurance costs, by estimates presented would be \$66,794 total.

Chairman Carr asked Mr. McIntosh to confirm that Northeast State Community College would be taking the cameras, security, and IT infrastructure and additionally that this was



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to be sure that the Downtown Centre would be a solid operational building, mechanically sound, water source heat pumps throughout the building, 2 boilers, and more.

McIntosh clarified that JCDA had negotiated to pay for the Northeast State Community College IT patch panels in order to save the turnaround time and labor/IT costs to pull all the IT connections again for the entire building. He also stated that immediately JCDA needed to connect fiber, get IT racks, and set up the broadband 50x50 service through a 12-month contract for \$180 per month.

Regardless of occupancy, JCDA still needs all technology in place for security cameras and life safety. Johnson Controls depends on Wi-Fi, Fire, Safety, and Mechanical controls need the internet. Other aspects of the building such as elevators will likely require cellular service. That would be roughly \$10,000 to get everything up and running. Plus, JCDA will need to pay \$1100 for the panels for IT wiring.

Carr pointed out that, in order to open the garage, we have to have cameras. Security and the nature of the garage are what is driving this heavy upfront cost. McIntosh further noted that there are responsibilities such as emptying trash, troubleshooting, cleaning, checking trespassers or damage that Northeast State had been handling.

Ms. Oldham discussed that downtown merchants and employees have been using the garage as approved, therefore, JCDA will need to contact Northeast State Community College to get the list of individuals that are approved to use the garage in order to contact them about how the garage will be under construction. Commissioner Bob Cooper asked if the parking agreement was with Northeast State or the JCDA and if we were obligated to adhere to the agreements. Ms. Oldham noted that the agreements were between the JCDA and Northeast State, but that further clarification would be made by looking at the documents on file.

Chairman Carr asked the Commission and the City Administration present "Do we want to keep the garage open without security cameras in place?" The consensus was No, that the garage would not be open without security. The City Manager noted that it would have to be monitored daily, even if vehicle access is not permitted. Mr. McIntosh said that currently, Axis Security only opens and closes the gates on the weekend. If a car is left in the garage, they call the Johnson City Police Department. Ms. Oldham noted that there would need to be a decision about keeping the garage open or closing it throughout the weekend, as the elevator, which provides ADA access, is closed when the building is closed. The status quo would be to have Axis open and close the gates as in years past with camera access available to the Johnson City Police Department.

The City Manager inquired about the use of the \$120,000 city allocation of funds to the John Sevier Center for security and how those funds would be used for security for the Downtown Centre. Finance Manager McIntosh and Finance Committee Chairman Malone clarified that the allocation was specifically for the John Sevier Center as the cost for

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the Downtown Centre was not considered in the JCDA budget presentation to the City of Johnson City in early February and March.

Chairman Carr noted that there is an additional ask from the John Sevier Operations for additional security, but the city allocation does not include the Downtown Centre.

Overall, the budget for the month-to-month request is approximately \$16,000, with \$50,000 in upfront cost some of which ultimately could be requested from TIF Funding. Commissioner Malone noted that not all costs would be eligible for TIF. The JCDA would make a TIF request, for John Sevier in the amount of \$350,000, which also would appear before the County. The JCDA would request the \$350,000 to prepare a more complete TIF ask to consolidate the John Sevier Center and Downtown Centre. County Commissioner Jodi Jones noted that the combined ask of the full implementation of the parking garage and the John Sevier Center as a whole of the economic development ask for Tax Increment Financing opportunities.

In response to a question regarding the use of TIF funds from City Manager Ball, County Commissioner Freddie Malone clarified that the TIF can reimburse the monies spent for upfront cost or additional costs associated with the Downtown Centre, would not cover the monthly recurring costs.

A motion was made by **Commissioner Ernest Campbell** to address the upfront cost of the Downtown Centre at \$84,000 and \$16,000 monthly, as presented, to be covered by the JCDA reserve account and/or the JCDA line of credit, working with the City of Johnson City on reimbursement for the monthly ongoing cost. This cost does not include the security cost for the Downtown Centre. JCDA Staff have permission to address these costs through the funding outlined above. The motion was seconded by **City Commissioner Joe Wise**. The motion passed unanimously.

Executive Director Oldham introduced the Rothe Architecture elevator proposal to the Board. Currently, the parking garage is not ADA accessible to the street level. An original plan for an external elevator addition to the Downtown Centre was proposed in 2019. JCDA Staff has explored two options alongside the John Sevier Anchor Block Working Group: 1. A stationary elevator design and 2. A modular elevator design.

Staff recommended that the JCDA approve staff to move forward with an application to the TIF Advisory Committee for review in an amount of up to \$24,999 for review of the Rothe Architecture proposal for updated elevator designs, geotechnical services, and additional bids for elevators, as shown in the proposal.

After much discussion amongst the JCDA Board, staff, and City Administrators in attendance, about the timing of an elevator, the current need for an exterior elevator to meet ADA requirements, the need to use the parking garage fully in the next four years before redevelopment would be complete, the role of the parking garage as a highly visible and critical anchor in the development of downtown, and if a developer would rather have their own design, Chairman Carr then guided the JCDA members to a consensus that there

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would be further discussion regarding the elevator at the next JCDA board meeting, due to the length of the meeting.

**CHAIR REPORT**

**ADJOURNMENT**

Meeting adjourned at 1:23PM by Chairman, Hank Carr.

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Chair:

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Secretary:

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These minutes were approved in an open meeting on \_\_\_ day of \_\_\_, \_\_\_\_.

**Johnson City Development Authority**

By-Laws Amendment Recommendation

August 2023

Regular Meeting

In preparation for upcoming officer elections, staff noted that the election of officers is to occur in even numbered years. The current officers are concluding their two-year terms this August. During the Regular July JCDA meeting, staff proposed an amendment to Section 10 of the by-laws, in August, to change the election to occur in odd numbered years. The recommendation is based upon staff research on the history of the by-laws, previous and current terms, and elections. As a follow up action to the agenda item, Chairman Carr requested that the proposed amendment be sent to an attorney for review before being placed on the August agenda. The proposed amendment has been reviewed by Hunter, Smith & Davis. By-laws currently require August elections; therefore, the amendment request has been placed in advance of the Election of Officers agenda item.

**Current:**

***Section 10. Election of Officers.** The officers of the JCDA (hereinafter referred to as "Officers") shall be a Chair, a Vice Chair, and a Treasurer. Officers shall be JCDA Commissioners and shall be elected during the regularly scheduled JCDA Board meeting **in the month of August of even-numbered years.** The Nominating Committee (hereinafter defined) shall report its nominations for the Officers during the regularly scheduled meeting in August of the election year. In August, the Chair shall accept additional nominations for Officers from the floor. Any Commissioner of the JCDA may nominate any other Commissioner or himself/herself for any position not prohibited elsewhere in the By-Laws.*

**Proposed:**

The proposed by-law, as reviewed by Hunter, Smith, & Davis, is as follows:

This Amendment to the By-Laws of the Johnson City Development Authority ("JCDA") (this "Amendment") is adopted and made effective as the 25th day of August, 2023. The Officers and Members of the JCDA have determined that it is in the best interest of JCDA to change the election year for elections of the Officers.

BE IT RESOLVED, that Section 10 of the By-Laws shall be deleted in its entirety and amended and restated as follows:

*The officers of the JCDA (hereinafter referred to as "Officers") shall be a Chair, a Vice Chair, and a Treasurer. Officers shall be JCDA Commissioners and shall be elected during the regularly scheduled JCDA Board meeting in **the month of August of odd numbered years.** The Nominating Committee (hereinafter defined) shall report its nominations for the Officers during the regularly scheduled meeting in August of the election year. In August, the Chair shall accept additional nominations for Officers from the floor. Any Commissioner of the JCDA may nominate any other Commissioner or himself/herself for any position not prohibited elsewhere in the By-Laws. All other sections of the By-Laws remain in full force and effect. This Amendment was adopted by a majority vote of the JCDA Board as of the date first above written.*

**Recommendation:** Staff recommends that the JCDA amend the by-laws, as presented to reflect odd numbered years for the election of officers.

**AMENDMENT TO THE BY-LAWS  
OF THE  
JOHNSON CITY DEVELOPMENT AUTHORITY**

This Amendment to the By-Laws of the Johnson City Development Authority (“JCDA”) (this “Amendment”) is adopted and made effective as the 25<sup>th</sup> day of August, 2023. The Officers and Members of the JCDA have determined that it is in the best interest of JCDA to change the election year for elections of the Officers.

BE IT RESOLVED, that Section 10 of the By-Laws shall be deleted in its entirety and amended and restated as follows:

The officers of the JCDA (hereinafter referred to as "Officers") shall be a Chair, a Vice Chair, and a Treasurer. Officers shall be JCDA Commissioners and shall be elected during the regularly scheduled JCDA Board meeting in the month of August of odd-numbered years. The Nominating Committee (hereinafter defined) shall report its nominations for the Officers during the regularly scheduled meeting in August of the election year. In August, the Chair shall accept additional nominations for Officers from the floor. Any Commissioner of the JCDA may nominate any other Commissioner or himself/herself for any position not prohibited elsewhere in the By-Laws.

All other sections of the By-Laws remain in full force and effect. This Amendment was adopted by a majority vote of the JCDA Board as of the date first above written.

\_\_\_\_\_  
Name: Hank Carr  
Title: Chairman

ATTEST:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Treasurer

**Johnson City Development Authority**

**Nominating Committee**

**August 2023**

The Johnson City Development Authority Nominating Committee met to organize for the 2023-2025 officer elections to be conducted during the regular August meeting. Per the by-laws, Section 10, the committee is chaired by Vice-Chairman Castillo. The committee has developed the following slate of officers, however, the Chair also may accept additional nominations from the floor, per the by-laws. All those on the slate have accepted their nomination. Committees for 2024 would be created by the Chairman, per the by-laws.

**Officer Slate for August 2023 through 2025**

Chairman Nominee	Shannon Castillo	(Term through July 2024)
Vice-Chairman Nominee	Jack Simpson	(Term through July 2025)
Treasurer Nominee	Ernest Campbell	(Term through July 2024)

## Johnson City Development Authority

### John Sevier Center Operations Report

August 2023

**1. Water Leaks**

No new water leaks have been reported. LHP maintenance is soliciting bids to repair the primary water line near the entry cutoff valve. The line has rusted at an elbow very close to the entry point at the wall and currently has a slow leak. It is a challenging project, because at the water line entry point, exactly what is on the other side of the wall is unknown. Also, it is assumed by position of the water main, that the primary water supply runs under the building lobby before intersecting the primary cutoff valve in question.

**2. Security Presence and Impact**

Security presence continues to be a positive and necessary part of operations. Harrell Group's prior request to increase security from 16 to 24 hours on the weekend is supported by LHP staff. The Harrell Group believes the increased time over weekends will provide a major reduction in reportable incidents. *(See Finance Committee report for further information and a recommendation.)*

**3. Pest Control**

LHP reports that the seminar on July 21<sup>st</sup> on how to control the spread of pests was not well attended, so the company will hand out literature to each resident in August.

**4. Mark Up to Market**

The Mark Up to Market has been approved, via an email notice, and will be paid retroactively through August 1, 2023. The HAP contract and Rent Schedule were sent to HUD for final signature on August 14, 2023, so LHP anticipates receiving the executed documents around August 23. LHP's Andy Brinkman communicated that the HAP lease increases will occur once the official HUD contract is finalized, then the rent increases will be entered into the LHP software, Yardi, to allow reimbursement for back rent.

**5. Occupancy Rate**

The June occupancy rate was 94.0%.

**6. Elevator Door Replacement**

LHP's regional maintenance director anticipates that it will be two weeks before the elevator doors are in stock with Primer elevator company. After this, he anticipates a quick turnaround to get the doors replaced. Cab 2 has been brought back into service, temporarily. Both passenger elevators will have new doors once the work is completed.

**Johnson City Development Authority**

**John Sevier Center Disposition Report**

**Regular August 2023**

As of August 1, 2023, the Section 8bb transfer request to move Section 8 vouchers from Project A, the John Sevier Center at 141 East Market Street to Project B, Tapestry at Roan Hill, 2165 South Roan Street, Johnson City, Tennessee has been recommended by the HUD Atlanta office and forwarded to Washington, D.C. HUD headquarters. The John Sevier Center Project, Section 8 subsidized housing transfer, if approved, would set targeting construction launch in the December 2023.

**Overview Timeline:**

- **Early August 2023:** Confirmed that the Office of Policy Development and Research recommended approval and submitted the **development approval package to Washington, D.C. HUD headquarters.** (LHP and JCDA tracking)
- **October 2023:**The HUD review then will take approximately sixty (60) days to review and then issue a decision letter on the **8bb voucher transfer.** That would be approximately by early October 2023.
- **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.



**Johnson City Development Authority**

**TIF Advisory Committee Report**

**August 2023**

TIF Chairman Freddie Malone led the Tax Increment Advisory Committee meeting on August 14, 2023 at the JCDA offices. Other committee members in attendance included Hank Carr, Shannon Castillo, County Commissioner Freddie Malone, City Commissioner Joe Wise, County Commissioner Jodi Jones, Chris Hyder, and Executive Director, Patricia Oldham, AICP, TCEcD. Others in attendance: Daniel McIntosh, JCDA Finance Manager, Sydni Leonard, Administrative Coordinator, and Jon Corbin, Applicant. The May 2023 minutes were adopted, as meetings were not held in June or July.

In addition to the review of the grant request discussed below, City Commissioner Joe Wise asked that a discussion item be added to the agenda for consideration. In response to Commissioner Wise's request to confirm the meeting and application review process for TIF Façade Grants with a TIF attorney to be certain that the process being followed as required and did not impose any additional meetings than necessary and could be handled most efficiently, the committee asked Ms. Oldham to contact a TIF attorney for an opinion.

Regarding the grant request, Executive Director, Patricia Oldham, AICP, presented the request for façade grant funding to the committee:

**FAC23-003 Façade Improvement Grant Request 128 & 130 Spring Street**

Property co-owner Jon Corbin represented Johnson City Opportunity Properties, Inc. regarding the façade application for 205 and 207 East Main Street. The application requested project funding assistance that would be utilized toward the replacement of storefronts, windows, and emergency masonry repair. The TIF Advisory Committee approved the request for \$10,000 for the primary façade and two street facing sides for \$5,000 each, for a total amount of \$20,000 reimbursement. The property will have first floor commercial space and two second floor residential units. **The TIF Advisory Committee forwarded a favorable recommendation to the Johnson City Development Authority for its review and decision. The staff report and recommendation are attached for review.**

**Recommendation:**

Staff recommends that the JCDA accept the Johnson City Development Authority TIF Advisory Committee's favorable recommendation to award \$20,000 of TIF funding to 128 & 130 Spring Street for a reimbursible grant, to be completed within six months of the award.

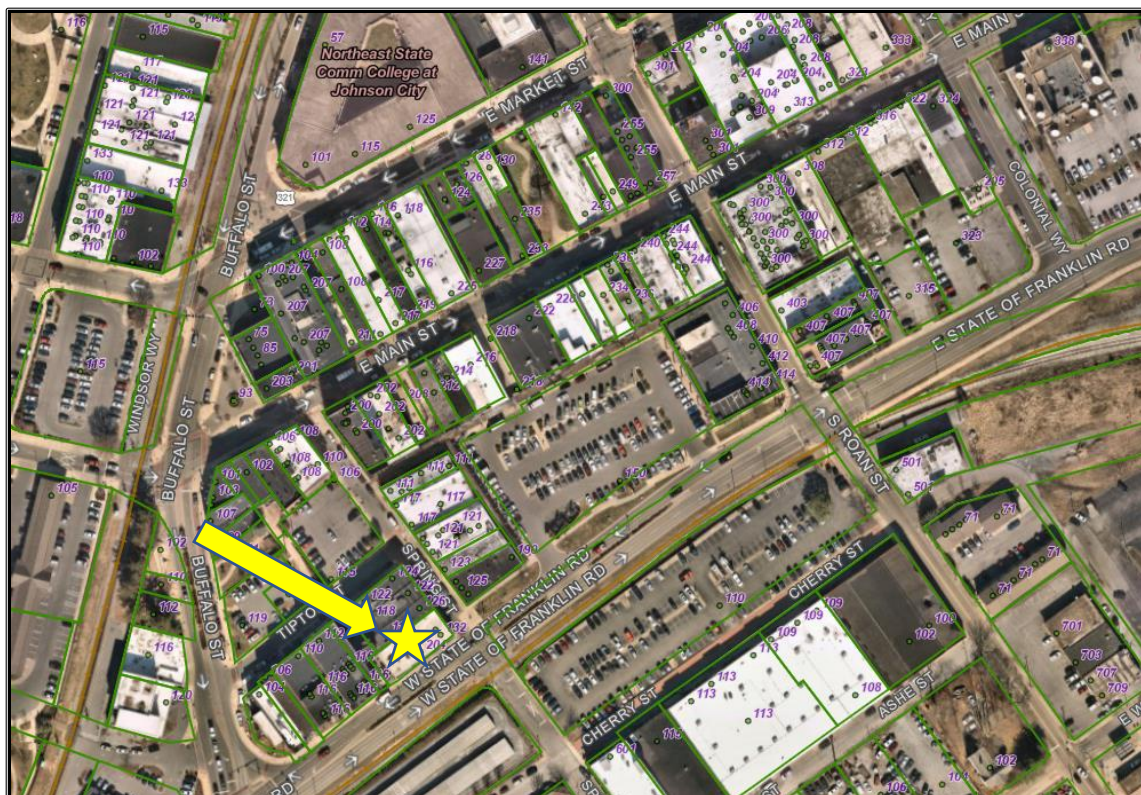
Johnson City Development Authority  
TIF Advisory Committee

**Downtown Johnson City Redevelopment Plan Area  
Façade Grant Funding Request**

**Meeting Date:** August 16, 2023

**Staff:** Patricia C. Oldham, AICP, TEcD, JCDA Executive Director

<b>Tax Parcel ID</b>	<b>46 O 020.00</b>
<b>Address:</b>	<b>128 and 130 Spring Street</b>
<b>Applicant:</b>	Jon Corbin
<b>Owner of Record:</b>	Johnson City Opportunity Properties, LLC
<b>Representatives:</b>	Jon Corbin
<b>Occupied/Vacant</b>	Vacant
<b>Taxes in Full</b>	Yes
<b>Insurance</b>	Current
<b>Redevelopment Plan Area Only</b>	No
<b>Historic Zoning District</b>	Yes
<b>Historic Zoning Certificate of Appropriateness Date Issued?</b>	CoA 2022-28, October 25, 2022
<b>Primary Façade Eligible</b>	\$10,000 (see calculations and maximums)
<b>Revenue Generating Commercial Prpoery or Mixed Use?</b>	Yes – First Floor Commercial Space, Second Floor Residential Rental
<b>FEMA FIRM Flood Area?</b>	Yes, Zone AO (47179 C0178D) 09/26/2006



**Property Background:**

The owners have been under an emergency order from the City of Johnson City Code Enforcement Division and Board of Dwelling Standards and Review due to a deteriorated parapet wall with damaged masonry that allowed bricks to fall on the sidewalk and roadways below. The sidewalk and one lane of traffic on State of Franklin Road were closed for a few weeks, as well as the sidewalk on Tipton Street, in order to protect the public and allow scaffolding to be erected. As a result of the emergency order, the applicant was required to begin work with an order from the City and a certificate of appropriateness from the Historic Zoning Commission. At the time, the JCDA was reviewing and revising the TIF application and finance process, therefore the applicant was unable to apply at that time. Therefore, staff has accepted the application for funding, though there is a policy that work must be approved prior to construction. Due to the emergency conditions and the transition in the TIF program, staff is recommending that the application be accepted for funding review. During that time, staff remained in contact with Code Enforcement staff, attended meetings held by the Board of Dwelling Standards Review, maintained contact with the Historic Zoning Commission and read the HZC recommendation packets, and met with the owners in order to remain aware of the project’s proposed and ongoing work.

The work to improve the building façade and address the emergency safety concerns include replacement of the front entries and the addition of replacement windows. The building had a number of windows that had been removed and filled with brick, while other windows were in disrepair and did not suit the architecture and era of the building. The windows along the second floor are being replaced

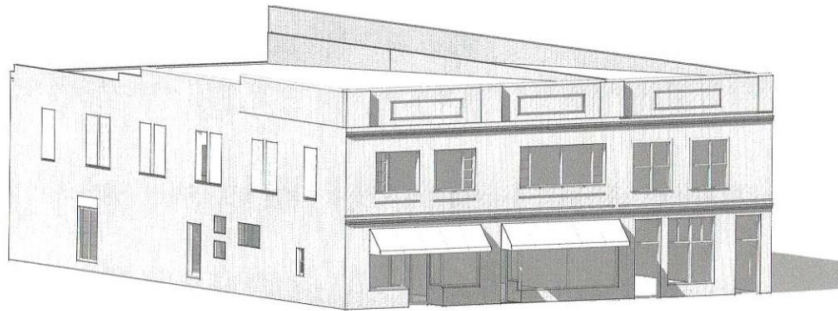
The total cost of the construction has been stated to be \$152,128. The primary façade is eligible for up a maximum of 50% of the cost, not to exceed \$10,000, therefore, the allowable amount is \$10,000. The two street facing sides are eligible for up to 25%, not to exceed, \$5,000, therefore, the allowable amount is \$10,000. The amounts awarded cannot include labor costs.

Façade Area	Estimated Costs (See Max %)*	Maximum %	Mutiplied by Percentage of Reimbursement from Formula	Total final amount eligible for Reimbursement
Primary Façade A	\$ 46,487.00	0.05	\$ 2,324.35	\$ 10,000.00
Street Facing Façade B	\$ 71,731.00	0.25	\$ 17,932.75	\$ 5,000.00
Street Facing Façade C	\$ 33,910.00	0.25	\$ 8,477.50	\$ 5,000.00
<b>Total Costs</b>			Total request =	\$20,000
Primary Facing Façade Up to \$10K				
Street Facing Side Up to \$5K				
*Excludes and labor costs				

**Other funding:** The project also has received funding from the State of Tennessee through the Historic Development Grant.

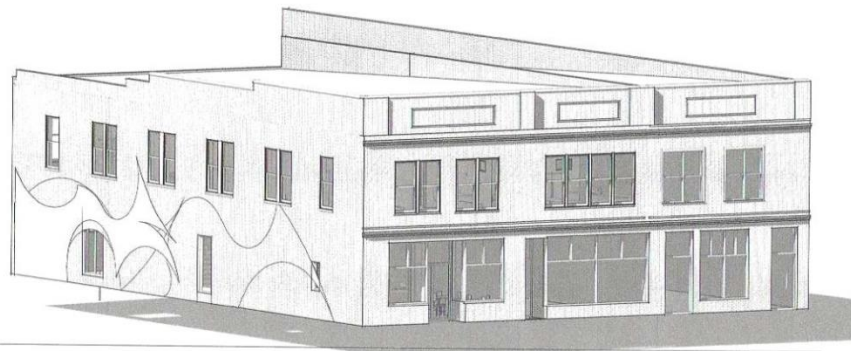
**Captial Investment Benefit and Public Benefit Statements:** The owner noted that the property has been vacant and in disrepair for many years. It is a highly visible building from State of Franklin Street and is the only building in the block that has not received some façade upgrades. The project is anticipated to increast the value of the property tax valuation overall. The building vacancy and lack of investment had allowed the masonry deterioration that required emergency repair. After building investment, three first floor business spaces will be available in addition to two second level residential spaces.

Agenda Item #7.7.3.



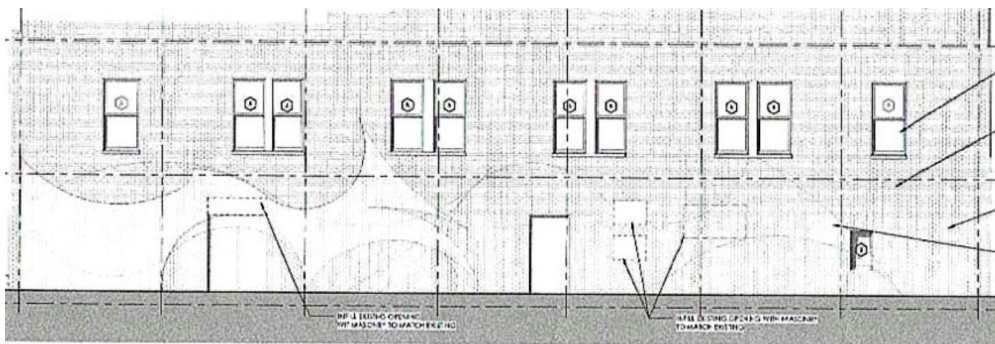
EXISTING PERSPECTIVE

**Existing Perspective: 128-130 Spring St. & State of Franklin Road (back street facing side on next page)**



PROPOSED PERSPECTIVE

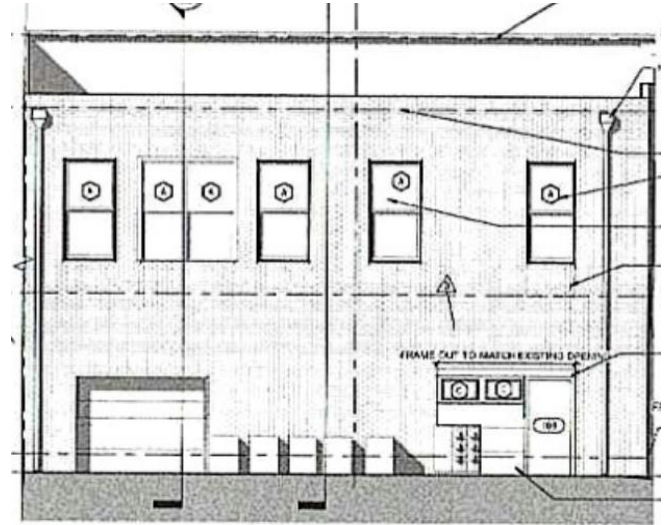
**Proposed Perspectives: Front on Spring Street, Side on State of Franklin Road**



**Rear Street Facing Side Wall (Visible from State of Franklin Road)**



Before window replacement and repairs



After window replacement and repairs

**Staff Recommendation:**

Staff recommends approval of the request for \$20,000 for masonry repairs, new storefronts, with door and window modifications to the primary and street facing side facades of 128 and 130 Spring Street, as presented in the JCDA application and as approved by the Historic Zoning Commission, noting that the construction occurred under an emergency order during the time TIF Façade applications were not open.

## Johnson City Development Authority

### Downtown Centre Report

August 2023  
Regular Meeting

#### Building Operations and Maintenance Funding Allocation Request Update

In that the Johnson City Development Authority is rapidly approaching the September 1 date of taking possession of the Downtown Centre, arrangements with BrightRidge for broadband service and other life safety vendors have been executed following the approvals and direction regarding funding during the called JCDA meeting on August 14. Additional arrangements will continue in the week before the regular meeting.

During the called meeting, the JCDA, staff discussed and the City Manager, Cathy Ball and Assistant City Manager, Randy Trivette, discussed that necessary funds are not in the FY24 budget and other funding sources are not available to absorb and sustain the costs of maintaining and managing the Downtown Centre. Due to the very limited amount of available capital, the JCDA will need to request assistance from the Johnson City Commission, through the City Manager, Cathy Ball. The JCDA stated that it will need to apply 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. Due to the length of time to proceed with those requests and approval, the JCDA Commissioners voted to utilize limited reserves and if necessary, the line of credit to allow for secure and timely transition of the building in early September and to cover the costs of maintaining an empty building until a tenant is secured and the potential for parking revenue is evaluated. Currently, the City Administration estimates that a prospective tenant has contacted them about leasing the building for three to four years, but that it is likely that there will not be a firm commitment for another few months. In the interim, the JCDA recognizes that it must pursue revenue and alternatives to cover expenses or have assistance for the basic costs to protect and sustain the building interior and the parking decks.

Staff continue to pursue the necessary punch list of items that must occur to accept the building and arrange for the transfer of IT and life safety related systems. They are examining the budget as two expense time frames A) **initial transition operations**, such as changing locks, utility deposits, IT/broadband installation, and security camera reinstallation; and B) **the monthly operational cost** to maintain the building. These costs are to ensure that the building has an operational camera system, that all mechanical is maintained, and the building remains in a status quo condition. Additional discussions regarding parking facility operation costs are ongoing, but the current budget is limited to maintaining the weekend opening and closing of the parking garage by Axis Security, an approximately \$500 monthly cost for only opening and closing the garage entry gates.

## Agenda Item #7.7.4.

Weekday parking operation is being evaluated and based upon the consensus of the JCDA at the called meeting, the garage will not be operational until all construction, upgrades, and camera upgrades are completed. Other necessary parking upgrades that remain under review include ticketed access gates, parking ticketing equipment, and security personnel, which are shown in a separate planning stage, Phase One B Transition Needs.

Parking option costs include:

1.) If JCDA chose to operate the parking by providing unticketed, non-revenue generating access seven days a week 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 24/7 security is provided, the annual cost estimate is \$257,000 for one security personnel. 3.) The staff is requesting quotes for outsourcing the entire parking garage, from equipment to operation.

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. (The discussion is found in the minutes of the called meeting, as well as the Finance Committee report.) As a reference point the costs discussed at the last meeting were A) the initial transition operations that are estimated to be within the range of \$73,672 to \$83,508 with an additional ten percent contingency, and B) the ongoing monthly operational costs that are 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 do not include any revenue potential.

### **Downtown Centre Parking Elevator Access and Exterior Elevator Due Diligence**

The discussion regarding a due diligence study and design by Rothe Architects + Planning for an exterior elevator was deferred for discussion at the regular meeting due to various concerns about the timing of a potential tenant, what a developer may need long term, but also because further discussion of the need for ADA access and the importance of access to a high quality parking solution in downtown was needed.

During recent meetings of the John Sevier Downtown Centre working group, discussions regarding the overall need for the parking garage in relationship to the John Sevier Center, as well as its potential use, have involved how to increase a sense of security at the Downtown Centre and coordinate the use of public use of parking at Downtown Centre. The group has been examining the 2019 external elevator design concept, but also an alternative construction model that would utilize a new modular elevator design. In the 2019 drawings it proposed a glass, lighted, external elevator on the Downtown Parking Garage to allow for highly visible elevator access that allows first floor to fourth floor public access to the garage when access to the interior elevator is closed during non-office operating hours. It also would resolve the lack

Johnson City Development Authority Meeting: August 25, 2023

## Agenda Item #7.7.4.

of ADA access after-hours. The committee recommended that the JCDA examine a proposal from Rothe Architecture + Planning, which designed and bid the original elevator design. Yet, at the called JCDA meeting on August 14, further discussion revolved around whether the proposal was premature. It was noted that the proposal also would allow for due diligence that would enable the JCDA and others to determine the value of the proposed plans to the long-term gains of the parking garage and the downtown area overall.

The proposal includes a full project scope, but in particular, would update 2019 drawings for the proposed external elevator for the Downtown Centre Parking Garage, as well as architectural drawings for an alternative design using a new modular elevator design, including architectural, structural engineering, MEP (mechanical/electrical/plumbing) engineering, and geotechnical engineering. A \$2,000 deposit would be due, with subsequent fees billed monthly or when the project is complete. Per the TIF Guidelines TIF, funding would be requested for proposed scope of services for review by the TIF Advisory Committee in September, then if approved, would return to JCDA for a vote at the regular September 22, 2023, meeting, unless combined as part of a larger funding request. The JCDA already has invested the design, thus the proposed study would allow for an update and determine if a less expensive and more timely option is available, in addition to having further information about geotechnical conditions at the proposed elevator location.

**ACTION:** As a result of elevator information received by staff during the John Sevier Anchor Block Working Group on July 26, 2023, staff requests a decision regarding submitting a TIF application for a maximum of \$24,999 toward the architecture and engineering service proposal by Rothe Architecture and Planning, as attached, related to the due diligence external elevator design and evaluation for the optimal use of the parking garage and its design. Staff recommends, at minimum, approval to request TIF funding to initiate geotechnical services in the vicinity of the proposed elevator to provide more information about the construction environment.



## Johnson City Development Authority

### Finance Committee Report

August 2023

The JCDA Finance Committee convened at 12:30 PM on August 17, 2023, at the JCDA office, with Board of Director members Freddie Malone, Ernest Campbell, Shannon Castillo, Executive Director Patricia “Tish” Oldham, Finance Manager Daniel McIntosh, and Administrative Coordinator, Sydni Leonard in attendance. Attending virtually were Chairman Hank Carr and Commissioner Jack Simpson.

Items reviewed included:

1. JCDA General Fund Financials
2. JCDA Special Reserve TIF Fund Financials
3. John Sevier Center Financials
4. Discussion on increasing John Sevier security from 16 to 24 hours on Sat./Sun.
5. Discussion following the JCDA called meeting concerning Downtown Centre funding
6. Discussion concerning aged vendor invoices.

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

#### **4.1.1 APPROVE JULY 2023 JCDA GENERAL FUND FINANCIALS**

##### **Summary / Action**

The July 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 Castillo/Campbell) Motion passed.

#### **4.1.2 APPROVE JULY 2023 JCDA SPECIAL RESERVE TIF FUND FINANCIALS**

##### **Summary / Action**

The June 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/Campbell) Motion passed.

**4.1.3 FORWARD JULY 2023 JOHN SEVIER CENTER FINANCIALS**

**Summary / Action**

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

Additional discussion included:

- Staff relayed the request from the Harrell Group, which was supported by LHP, to increase security from 16 hours to 24 hours on Saturday and Sunday. The financial impact, at the current hourly security rate, will increase weekly security costs by \$500. Due to the potential benefit to the John Sevier Center, recommendations from Harrell Group, LHP, and JCDA staff, the Finance Committee is recommending to the JCDA Commissioners that security be increased to 24 hours daily on the weekend for a period of 90 days. (Motion Campbell/Castillo) Motion passed. (*See John Sevier Operations report for further information.*)
- Discussion concerning the upcoming cost associated with the Downtown Centre focused on the potential of utility deposits being waived, status of the line of credit, and the current position of JCDA savings once upfront costs and one month of operating costs are realized. Staff are pursuing conversations with both the utility companies and the city, but at the time of the meeting, no deposit waivers had been granted. The finance committee instructed staff to ensure the line of credit with Home Trust Bank is renewed, as in August 2023 it matures at a full year. The JCDA savings projection, after all the upfront costs and first month's operational cost, reduces from an estimated \$122,000 to a range of \$44,000 to \$60,000. Staff recommends that the cash reserve should not fall below \$50,000, if possible, and to seek other financing sources to carry the Downtown Centre cost while it is not under lease contract.
- In June 2023, a vendor turned in six aged invoices totaling \$2,580, four of which dated back to 2021. Staff reviewed the accounting ledgers from the invoice time frame and determined that the invoices were unpaid and that invoices were not on file. Because of the age of the invoices, the Finance Committee directed staff to pay the two invoices from 2022 and use their discretion in either negotiating with the vendor over the 2021 invoices or electing to pay them to close the outstanding payables. (Motion Malone/Castillo) Motion passed.

**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 One Month Ended July 31, 2023**

**JOHNSON CITY DEVELOPMENT AUTHORITY**  
**GENERAL FUND**  
**BALANCE SHEET**  
**July 31, 2023**

ASSETS

Current Assets

Cash

HomeTrust Operating \$ 50,308

Home Trust Savings 177,945

Total Cash 228,253

Rental Security Deposits 600

Due to/From Other Funds 458,403

John Sevier Capital Repair Loan 146,784

Total Current Assets \$ 834,040

LIABILITIES

Accounts Payable \$ 2,769

Due to John Sevier Center Security Fund 20,000

Total Liabilities 22,769

FUND BALANCES

Unassigned 811,271

Total Fund Balances 811,271

Total Liabilities and Fund Balances \$ 834,040

**JOHNSON CITY DEVELOPMENT AUTHORITY  
GENERAL FUND**

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
For the One Month Ended July 31, 2023**

**REVENUE**

Operating Revenue - City of JC	\$ 85,000	
Interest Income	409	
Total Revenue		85,409

**EXPENSE**

Salaries	\$ 22,818	
Property Coverage	2,094	
Office Rent	1,933	
Payroll Taxes	1,746	
Accounting Fees	1,000	
Internet	850	
Computer/IT Support	467	
Payroll Service Fees	114	
Conference/Education	110	
Cell and Office Phones	90	
Bank Fees	35	
Meals & Entertainment	31	
Employee Parking	30	
Outside Contract Services	29	
Total Expenses		31,347

Excess (Deficiency) of Revenues Over (Under) Expenditures		54,062
Fund Balances, Beginning of Fiscal Year		757,209
Fund Balances, End of One Month		\$ 811,271

**JOHNSON CITY DEVELOPMENT AUTHORITY**

**BUDGET TO ACTUAL**

**For the One Month Ended July 31, 2023**

	July Actual	July Budget	July Variance
<b>REVENUE</b>			
Operating Revenue - City of JC	\$ 85,000	\$ 85,000.00	\$ -
Lease Income - Downtown Centre	-	1,000	(1,000)
Interest Income	409	29	380
<b>Total Revenue</b>	<b>85,409</b>	<b>86,029</b>	<b>(620)</b>
<b>EXPENSE</b>			
Salaries	22,818	18,432	4,386
Office Rent	1,933	1,933	-
Audit Fees	-	1,333	(1,333)
Payroll Taxes	1,746	1,410	336
Health Insurance	-	1,650	(1,650)
Internet	850	121	729
Accounting Fees	1,000	1,167	(167)
Computer/IT Support	467	718	(251)
Property Coverage	2,094	2,125	(31)
Outside Contract Services	29	667	(638)
Employee Parking	30	-	30
Office Furnishings	-	333	(333)
Conference/Education	110	167	(57)
Office Supplies	-	199	(199)
Cell and Office Phones	90	149	(59)
Payroll Service Fees	114	117	(3)
Miscellaneous	-	418	(418)
Retirement Contributions	-	553	(553)
Bank Fees	35	42	(7)
Memberships/Dues/Subscriptions	-	83	(83)
Meals & Entertainment	31	83	(52)
Marketing/Advertising	-	84	(84)
Legal Fees	-	167	(167)
<b>Total Expenses</b>	<b>31,347</b>	<b>31,951</b>	<b>(604)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ 54,062</b>	<b>\$ 54,078</b>	<b>\$ (16)</b>

**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 One Month Ended July 31, 2023**

**JOHNSON CITY DEVELOPMENT AUTHORITY  
SPECIAL REVENUE FUND-TIF  
BALANCE SHEET  
July 31, 2023**

ASSETS

Current Assets

Cash

HomeTrust Bank Money Market	\$ 1,956,308
HomeTrust Bank Downtown Centre Fund	204,086
Eastman Credit Union Savings	<u>7</u>

Total Current Assets	<u>\$ 2,160,401</u>
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Total Assets	<u><u>\$ 2,160,401</u></u>
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FUND BALANCES

Restricted for Tax Increment Financing Projects	\$ 2,115,401
Assigned	<u>45,000</u>

Total Fund Balances	<u>2,160,401</u>
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Total Fund Balances	<u><u>\$ 2,160,401</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 One Month Ended July 31, 2023**

REVENUE	
Interest Income	\$ 7,315
Total Revenue	\$ 7,315
EXPENSE	
Administrative	
Legal Fees	506
Total Expenditures	506
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,809
Fund Balances, Beginning of Fiscal Year	2,153,592
Fund Balances, End of One Month	\$ 2,160,401

**JOHNSON CITY DEVELOPMENT AUTHORITY  
SPECIAL REVENUE FUND-TIF  
BUDGET TO ACTUAL  
For the One Month Ended July 31, 2023**

	Actual	Budget	Variance
<b>REVENUE</b>			
Interest Income	\$ 7,315	\$ 417	\$ 6,898
Total Revenue	\$ 7,315	\$ 417	\$ 6,898
<b>EXPENDITURES</b>			
Administrative			
Legal Fees	506	833	
Debt Service			-
Buffalo Street Boardwalk	-	11,250	(11,250)
Total Expenditures	506	12,083	(11,577)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 6,809	\$ (11,666)	\$ 18,475

# John Sevier Center

## Monthly Financial Reports

Balance Sheet  
Income Statement

**July 31, 2023**

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

Accrual YE13

Jul 2023

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**ASSETS**

CASH

Current Assets

Cash-Operating	69,751.18
Cash-Petty Cash	100.00
Cash-Restricted Reserve	22,915.07
Tenant AR	16,609.58
Allowance Doubtful Accts	(863.58)
AR/AP-HUD	10,919.00
Security Deposits	36,891.13
Prepaid Expenses	6,720.29
Prepaid Insurance	618.00

TOTAL CURRENT ASSETS 163,660.67

FIXED ASSETS

Land	79,300.00
Buildings	4,650,395.00
Furniture for Project Use	34,952.00
Misc Fixed Assets	532,445.13
Accumulated Depreciation	(434,230.08)

TOTAL FIXED ASSETS 4,862,862.05

OTHER ASSETS

TOTAL OTHER ASSETS 0.00

**TOTAL ASSETS** 5,026,522.72

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

**Accrual YE13**

**Jul 2023**

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**LIABILITIES & CAPITAL**

LIABILITIES

Current Liabilities

AP - Operations	18,853.52
AP - Other	16,389.11
AP-Failure to Report Claims	150.00
AP-Failure to Report Repayments	(50.00)
Accrued Wages Payable	5,501.01
Accrued Mgmt Fee Payable	9,383.60
Accrued Interest-1st Mort	15,031.29
Accrued Property Taxes	24,483.67
Accrued Expenses	9,058.95
Accrued Audit Fees	23,837.50
AP-Related Party	6,789.66
Security Deposit	30,118.00
Pet Deposit	1,150.00
Prepaid/Unearned Rent	5,370.52
Prepaid HUD	11,277.00

TOTAL CURRENT LIABILITIES 177,343.83

OTHER LIABILITIES

Mortgage Payable - 1st	3,834,772.81
Mortgage Payable - 2nd	605,186.50

TOTAL OTHER LIABILITIES 4,439,959.31

TOTAL LIABILITIES 4,617,303.14

CAPITAL

Owner Equity	391,862.03
Net Profit (Loss)	17,357.55

TOTAL CAPITAL 409,219.58

**TOTAL LIABILITIES & CAPITAL 5,026,522.72**

John Sevier Center (1415) Comparative Income Statement						
Accrual^YE13 For the period ending July 31, 2023						
Account	Current Period		Variance	Year-To-Date		Variance
	Actual	Budget		Actual	Budget	
Revenue						
Tenant Rent Revenue	37,667.00	152,145.00	(114,478.00)	37,667.00	152,145.00	(114,478.00)
HUD Assistance	114,478.00	0.00	114,478.00	114,478.00	0.00	114,478.00
Total Gross Potential	152,145.00	152,145.00	0.00	152,145.00	152,145.00	0.00
VACANCY LOSS & CONCESSIONS						
Special Claims Revenue	2,058.00	2,953.25	(895.25)	2,058.00	2,953.25	(895.25)
Apartment Vacancy	(8,953.00)	(4,474.62)	(4,478.38)	(8,953.00)	(4,474.62)	(4,478.38)
Total Vacancy Loss & Concessions	(6,895.00)	(1,521.37)	(5,373.63)	(6,895.00)	(1,521.37)	(5,373.63)
OTHER INCOME						
Laundry & Vending Revenue	100.00	108.33	(8.33)	100.00	108.33	(8.33)
Misc Tenant Charges	21.46	600.00	(578.54)	21.46	600.00	(578.54)
Late Fees	128.26	333.33	(205.07)	128.26	333.33	(205.07)
Damages	1,610.58	281.25	1,329.33	1,610.58	281.25	1,329.33
Other Income	10,372.75	10,205.75	167.00	10,372.75	10,205.75	167.00
Total Other Income	12,233.05	11,528.66	704.39	12,233.05	11,528.66	704.39
BAD DEBT						
Bad Debts	0.00	(1,306.59)	1,306.59	0.00	(1,306.59)	1,306.59
Bad Debts - Admin	(831.00)	0.00	(831.00)	(831.00)	0.00	(831.00)
Allowance for Bad Debts	0.00	0.00	0.00	0.00	0.00	0.00
Total Bad Debt	(831.00)	(1,306.59)	475.59	(831.00)	(1,306.59)	475.59
Effective Gross Income (EGI)	156,652.05	160,845.70	(4,193.65)	156,652.05	160,845.70	(4,193.65)
Expense						
OPERATING EXPENSES						
UTILITIES						
Electricity	2,551.07	4,405.24	1,854.17	2,551.07	4,405.24	1,854.17
Electricity-Vacants	531.24	0.00	(531.24)	531.24	0.00	(531.24)
Water	2,248.54	2,126.18	(122.36)	2,248.54	2,126.18	(122.36)
Gas	147.39	167.19	19.80	147.39	167.19	19.80
Sewer	2,756.37	4,318.61	1,562.24	2,756.37	4,318.61	1,562.24
Total Utilities	8,234.61	11,017.22	2,782.61	8,234.61	11,017.22	2,782.61

John Sevier Center (1415) Comparative Income Statement					
Accrual^YE13 For the period ending July 31, 2023					
Account	Current Period		Variance	Year-To-Date	
	Actual	Budget		Actual	Budget
8/4/2023 13:18					
CONTRACT SERVICES					
Contract-Exterminating	2,465.00	2,900.20	435.20	2,465.00	2,900.20
Contract-Elevator	767.69	950.00	182.31	767.69	950.00
Contract-Fire Alarm	693.86	1,849.54	1,155.68	693.86	1,849.54
Contract-Plumbing	125.00	300.42	175.42	125.00	300.42
Contract-Cable TV	5,883.92	8,547.83	2,663.91	5,883.92	8,547.83
Contract-Other	9,209.29	2,151.88	(7,057.41)	9,209.29	2,151.88
Garbage & Trash Removal	2,001.69	2,734.17	732.48	2,001.69	2,734.17
Contract-Security	9,113.89	10,000.00	886.11	9,113.89	10,000.00
<b>Total Contract Services</b>	<b>30,260.34</b>	<b>29,434.04</b>	<b>(826.30)</b>	<b>30,260.34</b>	<b>29,434.04</b>
REPAIRS & MAINTENANCE					
Janitorial Supplies	1,092.85	721.00	(371.85)	1,092.85	721.00
Maintenance Supplies	1,411.85	1,511.44	99.59	1,411.85	1,511.44
Decorating Supplies	0.00	333.33	333.33	0.00	333.33
Plumbing Supplies	1,045.18	1,525.50	480.32	1,045.18	1,525.50
Electrical Supplies	500.06	493.33	(6.73)	500.06	493.33
HVAC R & M	0.00	412.83	412.83	0.00	412.83
Appliances	1,776.48	833.33	(943.15)	1,776.48	833.33
Carpentry	778.07	143.75	(634.32)	778.07	143.75
NonRoutine Maintenance	972.33	2,083.33	1,111.00	972.33	2,083.33
<b>Total Repairs &amp; Maintenance</b>	<b>7,576.82</b>	<b>8,057.84</b>	<b>481.02</b>	<b>7,576.82</b>	<b>8,057.84</b>
TURNOVER					
Painting & Paint Supplies	826.98	739.58	(87.40)	826.98	739.58
Contract-Janitorial	918.00	125.00	(793.00)	918.00	125.00
Contract-Paint	918.00	108.33	(809.67)	918.00	108.33
<b>Total Turnover</b>	<b>2,662.98</b>	<b>972.91</b>	<b>(1,690.07)</b>	<b>2,662.98</b>	<b>972.91</b>
ADMINISTRATIVE					
Conventions & Meetings	0.00	100.00	100.00	0.00	100.00
Office Equipment-Lease & Maint	156.47	66.67	(89.80)	156.47	66.67
Office Supplies	1,223.32	304.83	(918.49)	1,223.32	304.83
Postage	188.14	112.50	(75.64)	188.14	112.50
Telephone/Data/Cable/Answering Svc	608.73	425.00	(183.73)	608.73	425.00
Legal Exp-Collection/Evictions	299.50	483.33	183.83	299.50	483.33
Misc Admin Expense	139.65	256.17	116.52	139.65	256.17
Meals & Entertainment	4.57	215.92	211.35	4.57	215.92
Computer Expense	1,052.56	1,168.49	115.93	1,052.56	1,168.49
Travel Expenses	38.68	393.83	355.15	38.68	393.83

John Sevier Center (1415) Comparative Income Statement						
Accrual^YE13 For the period ending July 31, 2023						
Account	Current Period		Variance	Year-To-Date		Variance
	Actual	Budget		Actual	Budget	
Bank Charges	384.97	308.33	(76.64)	384.97	308.33	(76.64)
Dues & Subscriptions	0.00	19.58	19.58	0.00	19.58	19.58
Mileage	825.95	375.00	(450.95)	825.95	375.00	(450.95)
<b>Total Administrative</b>	<b>4,922.54</b>	<b>4,229.65</b>	<b>(692.89)</b>	<b>4,922.54</b>	<b>4,229.65</b>	<b>(692.89)</b>
<b>MARKETING &amp; RESIDENT RETENTION</b>						
Advertising & Marketing	0.00	4.17	4.17	0.00	4.17	4.17
Screening Expense	343.00	366.67	23.67	343.00	366.67	23.67
Tenant Promotions	482.95	541.67	58.72	482.95	541.67	58.72
<b>Total Marketing &amp; Resident Retention</b>	<b>825.95</b>	<b>912.51</b>	<b>86.56</b>	<b>825.95</b>	<b>912.51</b>	<b>86.56</b>
<b>PERSONNEL</b>						
Office Payroll	2,661.15	2,552.01	(109.14)	2,661.15	2,552.01	(109.14)
Office Payroll CC	453.46	542.53	89.07	453.46	542.53	89.07
Manager Payroll	5,233.87	5,213.82	(20.05)	5,233.87	5,213.82	(20.05)
Payroll Processing Fees	93.21	117.07	23.86	93.21	117.07	23.86
Repairs & Maint Payroll	10,450.58	9,391.69	(1,058.89)	10,450.58	9,391.69	(1,058.89)
Payroll Tax Expense	1,326.04	1,339.60	13.56	1,326.04	1,339.60	13.56
Employee Benefits & Insur	5,733.98	7,373.87	1,639.89	5,733.98	7,373.87	1,639.89
<b>Total Personnel</b>	<b>25,952.29</b>	<b>26,530.59</b>	<b>578.30</b>	<b>25,952.29</b>	<b>26,530.59</b>	<b>578.30</b>
<b>Total Controllable Operating Expenses</b>	<b>80,435.53</b>	<b>81,154.76</b>	<b>719.23</b>	<b>80,435.53</b>	<b>81,154.76</b>	<b>719.23</b>
<b>Controllable NOI</b>	<b>76,216.52</b>	<b>79,690.94</b>	<b>(3,474.42)</b>	<b>76,216.52</b>	<b>79,690.94</b>	<b>(3,474.42)</b>
<b>AUDIT EXPENSE</b>						
Audit Expense	2,037.50	2,037.50	0.00	2,037.50	2,037.50	0.00
<b>Total Audit Expense</b>	<b>2,037.50</b>	<b>2,037.50</b>	<b>0.00</b>	<b>2,037.50</b>	<b>2,037.50</b>	<b>0.00</b>
<b>MANAGEMENT &amp; BOOKKEEPING</b>						
Management Fees	9,383.60	12,041.71	2,658.11	9,383.60	12,041.71	2,658.11
<b>Total Management &amp; Bookkeeping</b>	<b>9,383.60</b>	<b>12,041.71</b>	<b>2,658.11</b>	<b>9,383.60</b>	<b>12,041.71</b>	<b>2,658.11</b>
<b>TAXES &amp; INSURANCE</b>						
Real Estate Taxes	3,497.67	3,497.67	0.00	3,497.67	3,497.67	0.00
Property & Liability Insu	6,178.16	7,049.00	870.84	6,178.16	7,049.00	870.84
Workers Compensation Insu	308.67	262.83	(45.84)	308.67	262.83	(45.84)



John Sevier Center (1415) Comparative Income Statement						
Accrual^YE13 For the period ending July 31, 2023						
Account	Current Period		Variance	Year-To-Date		Variance
	Actual	Budget		Actual	Budget	
License & Permits	55.00	0.00	(55.00)	55.00	0.00	(55.00)
Taxes-Other	0.00	41.67	41.67	0.00	41.67	41.67
Total Taxes & Insurance	10,039.50	10,851.17	811.67	10,039.50	10,851.17	811.67
TOTAL NON-CONTROLLABLE OPERATING	21,460.60	24,930.38	3,469.78	21,460.60	24,930.38	3,469.78
TOTAL OPERATING EXPENSES	101,896.13	106,085.14	4,189.01	101,896.13	106,085.14	4,189.01
NET OPERATING INCOME	54,755.92	54,760.56	(4.64)	54,755.92	54,760.56	(4.64)
NON-OPERATING EXPENSES						
Depreciation	9,217.81	0.00	(9,217.81)	9,217.81	0.00	(9,217.81)
Cap Ex- Appliances	2,480.29	500.00	(1,980.29)	2,480.29	500.00	(1,980.29)
Cap Ex-Unit Flooring	10,664.95	1,166.67	(9,498.28)	10,664.95	1,166.67	(9,498.28)
Cap Ex-Electrical	0.00	291.67	291.67	0.00	291.67	291.67
Cap Ex-Plumbing	0.00	166.67	166.67	0.00	166.67	166.67
Cap Ex-HVAC	0.00	666.67	666.67	0.00	666.67	666.67
Cap Ex-Upgrades-Building	0.00	255,000.00	255,000.00	0.00	255,000.00	255,000.00
Mortgage Interest-1st	15,031.29	14,539.76	(491.53)	15,031.29	14,539.76	(491.53)
Interest - Other	4.03	0.00	(4.03)	4.03	0.00	(4.03)
Total Non-Operating Expenses	37,398.37	272,331.44	234,933.07	37,398.37	272,331.44	234,933.07
NET INCOME	17,357.55	(217,570.88)	234,928.43	17,357.55	(217,570.88)	234,928.43
CASH FLOW ITEMS						
Deposits-RR	0.00	21,250.00	21,250.00	0.00	21,250.00	21,250.00
Principal Pmts-1st Mortga	8,477.01	8,481.43	4.42	8,477.01	8,481.43	4.42
Principal Pmts-2nd Mortga	9,750.00	9,750.00	0.00	9,750.00	9,750.00	0.00
Depreciation	(9,217.81)	0.00	9,217.81	(9,217.81)	0.00	9,217.81
TOTAL CASH FLOW ITEMS	9,009.20	39,481.43	30,472.23	9,009.20	39,481.43	30,472.23
Net Income after Cap Ex and DS	8,348.35	(257,052.31)	265,400.66	8,348.35	(257,052.31)	265,400.66

**Main Street America Program Report**

**Administered by the Downtown Johnson City Foundation, Inc 501 (c)3**

**August 2023**

The Downtown Johnson City Foundation did not meet in the month of August. The next scheduled meeting for the Foundation is October's Annual Meeting. Staff are working with the Foundation on a number of upcoming activities for the remainder of the calendar year. Additionally, Staff is continuing to maintain the National Main Street Accreditation in preparation for the report due in January.