



AGENDA

Johnson City Development Authority Board Meeting

Friday, March 31, 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
[Call to Order and Confirm Member Quorum March 2023](#)
- 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 Minutes February 24, 2023](#)
[JCDA February 23 2023 Attendance](#)

3. COMMITTEE REPORTS

- 3.1. ACTION: John Sevier Center Operations Report
[John Sevier Operations Report March 2023](#)
[John Sevier TIF Application Discussion March 2023](#)
[Letter on John Sevier Building Renovations](#)
- 3.2. John Sevier Center Disposition Report
[John Sevier Disposition March 2023](#)
- 3.3. Tax Increment Fund Advisory Committee Report
[TIF Committee Update March 2023](#)
- 3.4. ACTION: Downtown Center/Parking Report
[Downtown Centre and Parking Garage Report March 2023 - Updated 3/27](#)
- 3.5. Human Resources Report
[Human Resources Report March 2023 - Updated 3/27](#)

- 3.6. ACTION: Finance Committee Report
[Finance Committee Report March 2023](#)

4. FINANCIALS

- 4.1. ACTION: Johnson City Development Authority General Operating Fund Financial Statement
[JCDA General Fund, Feb. 2023](#)
- 4.2. ACTION: Johnson City Development Authority Tax Increment Financing (TIF) Special Fund Financial Statement
[JCDA- TIF Special Fund, Feb. 2023](#)
- 4.3. ACTION: John Sevier Center Financials
[John Sevier Center, Feb. 2023](#)

5. STAFF REPORTS

- 5.1. Main Street America Program Report, in conjunction with Downtown Johnson City Foundation
[Main Street America Program Report March 2023](#)
- 5.2. Executive Director's Report

6. CHAIR REPORT

Comments from the Chairman

7. ADJOURNMENT

Agenda Item #1.1.1.

1.1 Call to Order and Confirm Member Quorum

The Johnson City Development Authority (JCDA) consists of eleven active members, with no vacant seats. A majority (6 of 11 voting members) is required for quorum in order to conduct business. *

**JCDA By-Laws: Section 23. Quorum*

March 31, 2023 Meeting

Member	Term Expires	Present	Not Present
Hank Carr, Chairman	June 30, 2025 (3 year term)		
Shannon Castillo, Vice Chairman	June 30, 2024 (2 year term)		
Seth Thomas, Treasurer	June 30, 2023 (1 year term)		
Ernest Campbell	June 30, 2024 (fulfill unexpired)		
Jim Fickley	June 30, 2025 (3 year term)		
Commissioner Jodi Jones	County Commissioner Seat		
Commissioner Freddie Malone	County Commissioner Seat		
Commissioner Aaron Murphy	June 30, 2024 (2 year term)		
Jack Simpson	June 30, 2025 (3 year term)		
Robert Williams	June 30, 2023 (1 year term)		
Mayor Joe Wise	City Commission Seat		
Patricia C. Oldham, AICP, TCED	Executive Director- Non-Voting		



Minutes
Johnson City Development Authority
Friday, February 24, 2023 @ 8:00 AM
510 Bert St. Johnson City, TN 37604

CALL TO ORDER

Called to order at 8:05 by Vice-Chairman, Shannon Castillo

Call to Order and Confirmation of a Quorum (6/11)

The regular meeting of the Johnson City Development Authority was called to order at 08:05 by Vice-Chairman Shannon Castillo in the absence of Chairman, Hank Carr. Vice-Chairman Castillo confirmed the presence of a quorum.

Present: S. Thomas, J. Simpson, F. Malone, A. Murphy, J. Fickley, S. Castillo, J. Wise, J. Jones, R. Williams

Absent: Chairman Hank Carr

JCDA Present: D. McIntosh, Finance Manager and P. Oldham, AICP, TCEcD, Executive Director

Others Present: J. Roberts, Johnson City Press

Claim for Member Conflict of Interest

Vice-Chairman Castillo requested that anyone with a conflict of interest please inform the board. Member Ernest Campbell stated that he would abstain from any items that proved to be a conflict of interest with LHP Management member, Alvin Nance, as they served on other boards together.

Additional Action Item to Agenda

None

ADOPTION OF MINUTES

Review and Adoption of the Previous Regular JCDA Meeting Minutes

Commissioner Simpson made the motion to adopt the January 2023 minutes as presented, seconded by City **Commissioner Campbell**. The motion passed with all present in favor.

COMMITTEE REPORTS

John Sevier Center Operations Report

The Executive Director asked the Finance Manager, Daniel McIntosh to present the John Sevier Center Operations Report. He said that there was good news to share. First, the John Sevier Center security is making a difference for the residents and the staff. Thus far the investment has proved to be valuable in a number of ways. Mr. McIntosh continued, saying that the JCDA has applied with the State of Tennessee Board of Equalization for tax-exempt status for the John Sevier Center property tax. It will save approximately \$40,000, if approved. He next noted that the City of Johnson City Utility System calculated the forgiveness of the substantial water bill that had been reoccurring during the summer and fall. Based off the two highest months, the bill was reduced by \$53,499.00, which helped to reduce potential budget shortfall substantially.

Next, he noted that the General Manager, Susan Charlton, has been able to bring the building up to 100% occupancy and has cleared the waiting list to be certain that qualified applicants are available when units become available. She has been doing an excellent job. Commissioner Campbell asked if there had been any subsidized utility payments to support occupancy efforts. McIntosh noted that that was not necessary.

He also reported that the property insurance for the John Sevier Center was renewed and is in effect. Commissioner Campbell asked how much the rate increased. Mr. McIntosh said, 15%, which was much less than it would have been if it was through a specialty company.

The John Sevier Center budget forecast, he reported, had been reviewed frequently this month with LHP as we examined a number of unexpected expenses, such as water, security, and large, unexpected repairs. The current forecast estimates that approximately \$9,000 would remain in June. The Finance Committee and Operations Committee are continuing work together. Vice-Chairman Castillo noted Chairman Carr's email that staff is to be commended for securing insurance.

Commissioner Jodi Jones asked what type of support staff needs from the board and sought clarification for the plans and need for the Operations Committee. Ms. Oldham noted that we will keep the Operations Committee on the calendar so that it will be a standard date available for conversation between LHP and the JCDA. Though it appeared earlier in the summer that the Operations Committee would not have as many items on the agenda, but that changed as problems began to arise with water and some sprinkler system repairs. Commissioner Jones also asked about the level of involvement available for the board to participate at the building and encouraged staff to continue to communicate resident life matters and events, as well.

John Sevier Center Disposition Report

Ms. Oldham reported that LHP has continued to track the filing of the formal application to the U.S. Department of Housing and Urban Development to request the transfer of the affordable housing credits from the John Sevier Center to the Tapestry at Roan Hill. The meeting that was to have been held in late January with HUD has not been rescheduled. Staff continues to remain in contact with LHP regarding updates and progress.

TIF Advisory Committee Report - No Report

Human Resources Report

Ms. Oldham reported that a significant number of applications had been received for the Administrative Coordinator position and that she would continue to review candidates and begin the interviewing process quickly. She anticipated having someone in the position by the March meeting.

Downtown Center/Parking Report

The Downtown Centre appraisal report was received February 17, 2023. She said that JCDA had requested further information about the specific use of the building from Northeast State, including the availability and use of the parking garage spaces. President McCord would like the JCDA to provide options to remain on site, even on an interim basis, or provide notification of the intent to not renew the lease. She made the recommendation that that the Finance Committee, and any others so appointed by Chairman Carr, meet to consider the appraisal results and make further recommendations to the JCDA in February or early March. She noted also that JCDA would keep the City of Johnson City informed and involved.

Finance Committee Report

Finance Chairman, Freddie Malone and Finance Manager, Daniel McIntosh reviewed the Finance Committee meeting report and recommendations. The Finance Committee recommended in favor of referring the three financial statements (JCDA General, TIF Special Fund, and John Sevier) for approval to the audit process.

The Committee further discussed that the Johnson City water utility has applied a \$53,499 credit to the utility bill for the John Sevier building and that the bill will be spread across the next four months without charging interest. John Sevier cash flow projections were discussed. The operating projected costs for the remaining fiscal year ending June 2023 included: newly incurred cost of security presence, the utility overage, minus the credit, upcoming roof repairs, a potential fire panel system upgrade, and the monthly payback to JCDA. The newly added reoccurring expenses and unique utility and capital expenses leave an estimated \$9,086 remaining in the John Sevier operating account at fiscal year-end. This amount assumes security costs are ongoing and no other incurred capital expenses beyond those listed above. Additionally, the JCDA application to the State Board of Equalization to have the John Sevier property deemed tax exempt should be processed in about two months, assuming the application is accepted.

Drafts of an amended fiscal year 2023 budget and a draft budget for fiscal year 2024 were presented by to the finance committee for review and discussion. The committee decided that the current year amended budget will be reviewed again before the close of the fiscal year for final approval and adoption by the JCDA board. The fiscal year 2024 draft budget also was reviewed and was to be submitted to the City in March. The committee agreed that once feedback is received from the City, staff would bring a proposed budget to the finance committee and the board.

FINANCIALS

Johnson City Development Authority General Operating Fund Financial Statement

Commissioner Freddie Malone made the motion to adopt the JCDA General Fund Financial Statements, which was seconded by Aaron Murphy. The motion passed unanimously.

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

Commissioner Joe Wise made the motion to accept the JCDA TIF Special Revenue Fund, which was seconded by Jodi Jones. The motion passed unanimously.

John Sevier Center Financials

The motion to accept the John Sevier Center Financial Statements for submission for Audit was made by Commissioner Robert Williams and seconded by Commissioner Jack Simpson.

STAFF REPORTS

Main Street America Program Report, in conjunction with Connect Downtown Johnson City Foundation

Ms. Oldham presented information about the Main Street America program noting that on January 25th, Nancy Williams, Tennessee Main Street Program Director, of the Department of Economic and Community Development and consultant Bridget Jones met at the JCDA office for a strategic planning session with Downtown Johnson City Foundation, Chairperson, Tracy Johnson, Executive Director, Patricia Oldham, and JCDA Finance Manager, Daniel McIntosh. The session addressed the National Main Street America program's revised standards which emphasize the economic development aspects of downtown revitalization. Ms. Oldham shared that Ms. Jones and Ms. Williams focused on economic support for growing small businesses, impacting merchant revenues throughout the year, supporting the readiness and availability of buildings for first floor enterprises, improving pedestrian wayfinding, and how we would directly impact the economic ecosystem for downtown. She also noted that they plan to return to Johnson City to offer training to the board as a follow-up to the planning session.

Additional discussion surrounded the opportunity to apply for specific Main Street America grants through the State of Tennessee that JCDA could combine with other funds and available tax credits to increase the opportunity for adaptive reuse to increase the inventory of available buildings and make improvements to public spaces. The combination of capital from various organizations would place the community at an advantage, rather than acting individually. She said that the Main Street America program renewal letter would be due to the State of Tennessee program by March 1, 2023.

Lastly, Ms. Oldham shared some of the statistics from data collected during research for the Annual Main Street Annual Designation Report. She explained that the organization completed the required self-assessment tool for National Main Street America communities and assess how well the program currently met the new Standards of Performance and Recognition: 1. Broad Based Community Commitment to Revitalization 2. Inclusive Leadership and Organizational Capacity 3. Diversified Funding and Sustainable Program Operations 4. Strategy Driven Programming 5. Preservation-Based Economic Development 6. Demonstrated Impact and Results. The annual work plan also was developed and submitted as part of the report with specific goals, tasks, and deliverables based upon the expectations of the State and National programs and local merchant needs. The report and the work plan were submitted to the State of Tennessee Department of Economic and Community Development on January 31, 2023.

Agenda Item #2.2.1.

ADJOURNMENT

The meeting was adjourned at 9:05 by Vice-Chairman Shannon Castillo with a motion to adjourn by Commissioner Wise, seconded by Jack Simpson.

Chair:

Treasurer:

These minutes were approved in an open meeting on _____ day _____, 2023.

Agenda Item #2.2.1.

1.1 Call to Order and Confirm Member Quorum

The Johnson City Development Authority (JCDA) consists of eleven active members, with no vacant seats. A majority (6 of 11 voting members) is required for quorum in order to conduct business. *

**JCDA By-Laws: Section 23. Quorum*

February 23, 2023 Meeting

Member	Term Expires	Present	Not Present
Hank Carr, Chairman	June 30, 2025 (3 year term)		Electronic
Shannon Castillo, Vice Chairman	June 30, 2024 (2 year term)	Chaired	
Seth Thomas, Treasurer	June 30, 2023 (1 year term)	X	
Ernest Campbell	June 30, 2024 (fulfill unexpired)	X	
Jim Fickley	June 30, 2025 (3 year term)	X	
Commissioner Jodi Jones	County Commissioner Seat	X	
Commissioner Freddie Malone	County Commissioner Seat	X	
Commissioner Aaron Murphy	June 30, 2024 (2 year term)	X	
Jack Simpson	June 30, 2025 (3 year term)	X	
Robert Williams	June 30, 2023 (1 year term)	X	
Mayor Joe Wise	City Commission Seat	X	
Patricia C. Oldham, AICP, TCED	Executive Director- Non-Voting	X	

Organizational:

Daniel McIntosh, Finance Manager

Press:

Jonathan Roberts, Johnson City Press

Johnson City Development Authority

John Sevier Center Operations Report

March 2023

1. **Water Usage**

Water usage has remained normal per billing statements. Last month's statement was approximately \$5,500. LHP will continue to monitor water usage through ongoing maintenance checks.

2. **Tax Exemption Application**

The application remains active and is awaiting review by the state assessor's office.

3. **Roof Repair**

The contractor engaged to repair the uppermost roof is scheduled to begin work the week of March 20th. LHP will document the work with photos for benefit of property insurance renewal later in the year.

4. **Occupancy Rate**

The occupancy rate remains at 100%. Building management continues to work on finding consistent renters. Apartment turnovers also remain high, which increases apartment cap ex costs.

5. **Resident Life**

John Sevier Center building management has continued the tradition of hosting meals at major holidays and hosts other events helpful to the residents. They will begin sharing the event calendar with JCDA staff, who will share with the Board of Directors. The board is welcome to participate in any event, where feasible, such as helping serve food.

6. **Repair Requests and Code Grievance Procedure**

The process of repair requests and code grievances was discussed between LHP and JCDA staff to confirm the process. As building owners, the JCDA is notified of any codes grievances filed with the city. JCDA staff and LHP management have an established communication plan to notify building management of any resident grievances filed and will in return be notified of the resolution status from building management.

7. **Fire System Inspection**

During an annual fire inspection review, the following primary issues were found: the fire panel was not communicating with a few detection units on floors 2 and 3 and the magnetic fire door releases were not working on floors 4, 5, 8, and 10. LHP reported on March 20, the fire panel communication with units on floors 2 and 3 was resolved. LHP is working to resolve all issues identified before the end of March to restore the fire panel communication per Fire Marshall requirements.

8. **Security Updates**

The Harrell Group continues to report instances of trespassers. Security and building management are recognizing that non-resident trespassers are memorizing the security schedule and attempting entry at

Agenda Item #3.3.1.

times security is gone. Because of continued instances of reported trespassing, LHP recommends that security services for the John Sevier Center remain in place. LHP will continue engaging their services through March as granted by board of directors' approval and will await board decision on continued security services after the board of directors meeting on March 31st. The contracted services with the Harrell Group are month to month and not based on a contractual period as reported by LHP.

Johnson City Development Authority

John Sevier Center TIF Potential

March 2023

During the March meeting, the Finance Committee members discussed the significant investments in the John Sevier building that have been made by the JCDA. The organization is striving to repay the JCDA savings monthly, while also paying for the John Sevier Center building maintenance and improvements with respect to both the JCDA and the John Sevier Center budgets. However, the budget for each remains very constrained and the JCDA savings diminished. Finance Committee discussed having JCDA submit an application for TIF funding for at least \$350,000 that will repay a portion of the funds that have been allocated to improve the public safety, health, and welfare of the John Sevier building and the overall environment for its residents and the public.

The JCDA has used the bulk of its savings to improve the John Sevier Center public building project, to prepare for the positive outcome of the HUD REAC inspection, and to meet Mark Up to Market expectations which, in turn, could provide revenue to continue supporting the building and its residents. If not for the investment by the JCDA, the John Sevier building likely would have remained at risk and would not have funds for capital improvements. Therefore, it is reasonable to request funding from the Tax Increment Financing Special Fund.

In a letter issued January 4, 2022, James L. Murphy III, of Bradley Arant Boult Cummings LLP, stated his legal opinion that, "In light of the language of the Redevelopment Plan, the use of accumulated tax increment financing funds by the JCDA to pay for certain renovations to the John Sevier building would be specifically permitted by the Redevelopment Plan." In particular, the Redevelopment Plan authorizes such funds be used for the "necessary interior rehabilitation as well as external modifications to buildings within the Downtown Redevelopment District....The plan further provides, that '(r)ehabilitation includes interior re-configuration according to specific need, upgrading, wiring, enhancing plumbing, roofing repair/replacement, energy efficiency improvements, improved disability access, parking structure enhancements, structural stabilization, security enhancements, improved lighting, upgrading to code, and other improvements for re-use.'"

Recommendation:

Staff recommends that the JCDA Commissioners make a motion to direct staff to apply to the Tax Increment Advisory Committee for funding in April, in order that, if approved, the item would proceed through the appropriate Washington County processes during May and June. The amount to be considered, as discussed by the Finance Committee, would be a minimum of \$350,000, based upon amounts paid to date for significant improvements.

James L. Murphy III

jmurphy@bradley.com

615.252.2303 direct

615.252.6303 fax



January 4, 2022

VIA EMAIL

Dianna Cantler

Executive Director, Interim

Johnson City Development Authority

207 N. Boone Street, Suite 23

Johnson City, TN 37064

RE: Use of Tax Increment Funds

Dear Dianna:

You have asked whether the Johnson City Development Authority (“JCDA”) can use accumulated tax increment financing funds to pay for certain renovations to the John Sevier building so that the building can remain eligible for residents using Section 8 housing vouchers. The tax increment financing funds have been generated from the incremental increase in real property taxes in the portion of downtown Johnson City subject to the Redevelopment Plan for the Downtown Redevelopment District of Johnson City, Tennessee, as amended by the Amendments to Redevelopment and Urban Renewal Plan for the Downtown and Other Identified Redevelopment Districts, and the Amendments to Redevelopment and Urban Renewal Plan for the Downtown and Other Identified Redevelopment Districts (the Redevelopment Plan, as amended being hereinafter referred to as the “Redevelopment Plan”). JCDA was authorized by Tenn. Code Ann. § 13-20-202(c) to exercise redevelopment powers set forth in Tenn. Code Ann § 13-20-201 *et seq.*, which include planning, acquiring land, financing with tax increment revenue and redeveloping blighted areas within the boundaries of the City of Johnson City.

The Redevelopment Plan provides that the objectives of the Redevelopment Plan include the elimination of blighted, deteriorating and dilapidated conditions, the elimination of obsolete and substandard buildings, and the promotion of development opportunities and incentives for private enterprise which create job opportunities and revitalizes commercial, retail, office and residential activities. The Redevelopment Plan authorizes JCDA to use tax increment financing to fund the necessary interior rehabilitation and well as external modifications to buildings within the Downtown Redevelopment District. The Redevelopment Plan provides that “(r)ehabilitation projects . . . include those focused on education, commercial, industrial, housing, retail, open space development, and other projects within the redevelopment district.” The Redevelopment Plan further provides that “(r)ehabilitation includes interior re-configuration according to specified need, upgrading wiring, enhancing plumbing, roofing repair/replacement, energy efficiency improvements, improved disability access, parking structure enhancements, structural stabilization, security enhancements, improved lighting, upgrading to code, and other improvements for re-use.”

Agenda Item #3.3.1.

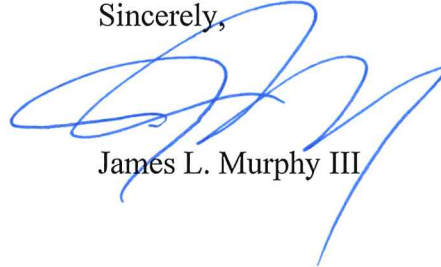
Dianna Cantler

January 4, 2022

Page 2

In light of the language of the Redevelopment Plan, the use of accumulated tax increment financing funds by JCDA to pay for certain renovations to the John Sevier building would be specifically permitted by the Redevelopment Plan.

Sincerely,



James L. Murphy III

JLM

Johnson City Development Authority

John Sevier Disposition Update

Since August, JCDA and LHP have continued to work on the application for the U.S. HUD transfer of affordable housing credits, per 8(bb) Section 8, tax credit documents, and loan documents. During March, staff worked with LHP to examine key provisions of the City of Johnson City Comprehensive Plan 2020 and Bridge Plan, as well as adopted Elements (Land Use and Housing) to show how the plans met the need for a Concerted Community Revitalization Plan (CCRP) definition and twelve criteria from public meetings and input to specific statements regarding housing types and land use. The JCDA Executive Director and Alvin Nance of LHP, in coordination with the City of Johnson City Interim Planning Director, worked to provide the necessary specific documentation and correspondence by the March 13, 2023, deadline.

2022 October/November	2023 First Quarter	2023 Spring	2023 Fall/Winter
<ul style="list-style-type: none"> • November 2022 LHP and JCDA submitted the 8(bb) Section 8 transfer application to U.S. Dept. of HUD to start 12 Month Review • October 6th tenant input meeting held. Comments, meeting minutes, and sign in sheets to be submitted at end of 30-day notice period as submitted to Owner A (JCDA) 	<ul style="list-style-type: none"> • HUD meeting on January 25, 2023, regarding 8bb transfer. • January 19, 2023 City Commission approved the issuance of tax exempt bonds from the Tennessee Housing Development Authority (THDA). THDA must provide LHP the credit award and bond allocation before HUD approval on the 8bb. • January 25, 2023 Meeting is be rescheduled by U.S. HUD for February. 	<ul style="list-style-type: none"> • LHP submits firm loan application. • March 9, 2023: JCDA and LHP submit documentation to THDA regarding the requirements to have a Concerted Community Revitalization Plan (CCRP) 	<p>Close on the transaction and break ground on Tapestry at Roan Hill</p>
<p>U.S. HUD 12 mo. Review of 8 (bb) Section 8 Transfer Application from Owner A to Owner B</p>			

Johnson City Development Authority

Tax Increment Fund Advisory Committee Report

March 2023

The Johnson City Development Authority TIF Advisory Committee will be called to meet April 19th, (unless there are significant scheduling conflicts) in order to fit within the other committees scheduled that week. The JCDA by-laws require the following composition for the TIF Advisory Committee:

A. Tax Increment Advisory Committee:

*The Tax Increment Fund Advisory Board shall be composed of **the JCDA Chair, two JCDA Commissioners appointed by the Chair, the City Commission Representative, one additional City Commission appointee, the County Commission Representative and one additional Washington County appointee.** Duties and Responsibilities of the Advisory Committee shall be to review all Tax Increment Redevelopment Agreements and make recommendations to the JCDA Board on the TIF Agreements. The JCDA Board may enter into a Redevelopment Agreement recommended by the Advisory Board through a majority vote. The JCDA Board shall require a 2/3 vote to override the recommendation of the Advisory Board.*

(Please note that the updated agreement with the County required that any project exceeding \$24,999 must be referred to the County CIA Committee and then the Washington County Commission.)

Staff will provide additional information at the JCDA March 31 meeting regarding appointees and the program rollout.

Johnson City Development Authority

Downtown Centre Report

March 2023

Staff has continued to coordinate conversations with interested parties regarding the Downtown Centre lease by Northeast State and the need for parking. Northeast State received the 2023 appraisal report for their review. They provided further information about the specific use of the building, particularly space fronting Market Streets.

The JCDA Finance Committee has discussed the appraisal, the use of the building, the parking use, and the timing of the John Sevier Center redevelopment. A meeting has been set for the second week of April in order to meet the schedules of City Manager Ball and President McCord. President McCord would like the JCDA to provide options to remain on site, even on an interim basis, or provide notification of the intent to not renew the lease.

Additionally, staff has been examining the current operation of the parking garage, what operations problems may be occurring, modifying replacement signs to best reflect parking opportunities, and how to increase the visibility of the opportunity to park in the garage.

Recommendation:

Staff recommends that the JCDA Commissioners make a motion to allow staff and the Finance Committee the latitude to negotiate a rate and building use proposal with Northeast State during April and to report back to the full board during the May meeting with the final lease rate, terms, and conditions for final approval. The JCDA also will keep the City of Johnson City informed and involved in the discussions.

Johnson City Development Authority

Human Resources Report

March 2023

On March 20, 2023, Ms. Sydni A. Leonard began as the Administrative Coordinator to the Executive Director. Her willingness and ability to make timely and helpful contributions during the first week immediately impacted the productivity, partnerships, and collaborations within the office and among the team. Her salary was set in keeping with the 2023 budget approved by the board.

Ms. Leonard was selected from among a large number of applicants for an interview and from among ten finalists for the position. Each finalist was very qualified for the position and Ms. Leonard's particular experiences and interests provided an excellent match for the unique mission and responsibilities of the JCDA and the Downtown Johnson City Foundation.

Johnson City Development Authority

Finance Committee Report

March 2023

The JCDA Finance Committee convened at 12:30 PM on March 24, 2023, at the JCDA office, with Board of Director members Hank Carr, Freddie Malone, Jack Simpson, Ernest Campbell, Executive Director Patricia “Tish” Oldham, and Finance Manager Daniel McIntosh in attendance. Absent from the meeting was member Seth Thomas.

Items reviewed included:

1. JCDA General Fund Financials
2. JCDA Special Reserve TIF Fund Financials
3. John Sevier Center Financials
4. Costs of renewing John Sevier security
5. John Sevier Payback Revision and pay back to TIF funds
6. John Sevier Center TIF Project

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 THE JCDA GENERAL FUND FINANCIALS

Summary / Action

The February 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 Cambell/Simpson) Motion passed.

4.1.2 APPROVE THE JCDA SPECIAL RESERVE TIF FUND FINANCIALS

Summary / Action

The February 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 Malone/Carr) Motion passed.

4.1.3 FORWARD THE JOHN SEVIER CENTER FINANCIALS

Summary / Action

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

Additional discussion included:

- Operations management at LHP is recommending continued security services at the John Sevier Building. The cost of these services continues at a rate of approximately \$10,200 a month. Cash flow projections provided by LHP that take into account the security cost, ongoing operations cost, JCDA payback, and known capital expenses do support an ability to continue security services from an expense view point. Cash flow ending the fiscal year remains well below budgeted expectations, but at current projections is at a positive cash amount. The finance committee is recommending to the board that security services continue for another 90-day or three-month period to be re-evaluated in June 2023. (See also John Sevier Operations Report) **(Motion to recommend expenditure: J. Simpson, F. Malone-Carried)**
- The current approved budgeted payback amount from the John Sevier to the JCDA is \$25,000 a month. In November, the board approved splitting the \$25,000 each month to pay back the line of credit and increase depleted JCDA savings. The pay back reduces the line of credit to a \$0 amount in March. The current recommendation is to reduce the payback amount from the John Sevier to \$20,000 and allocate it towards paying back a TIF Due to liability that was created from the FY22 audit findings and moving any net remaining pay back into savings. The TIF Due to liability is \$53,606 which will be completely paid back net of \$6,394 by the end of June. The reduction of payback to \$20,000 for April through June will return a total of \$15,000 for John Sevier operational costs currently burdened by security expenses. **(Motion to Recommend per staff memo recommendation: E. Campbell, F. Malone-Carried)**
- Since the purchase of the John Sevier Center by the JCDA in 2019 over 1.2 million dollars has been invested in the property through purchase costs and building upgrades which includes the \$385,000 elevator costs provided by the city. The finance committee advised that the JCDA apply for \$350,000 from TIF funds as reimbursement against John Sevier expenses. This reimbursement would divide the share of the financial burden required to keep the facility operationally sound between Johnson City, the JCDA, and tax increment funding.

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 Eight Months Ended February 28, 2023

**JOHNSON CITY DEVELOPMENT AUTHORITY
GENERAL FUND
BALANCE SHEET
February 28, 2023**

ASSETS

Current Assets

Cash

HomeTrust Operating	\$	68,978
Home Trust Savings		<u>95,689</u>

Total Cash		164,667
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Rental Security Deposits		600
Johnson City Elevator Fund		385,600
Due to/From Other Funds		458,403
John Sevier Capital Repair Loan		<u>241,433</u>

Total Current Assets		<u><u>\$ 1,250,703</u></u>
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LIABILITIES

TIF Repayment	\$	53,606
Accounts Payable		633
Line of Credit		<u>15,000</u>

Total Liabilities		<u>69,239</u>
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FUND BALANCES

Unassigned		<u>1,181,464</u>
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Total Fund Balances		<u>1,181,464</u>
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Total Liabilities and Fund Balances		<u><u>\$ 1,250,703</u></u>
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**JOHNSON CITY DEVELOPMENT AUTHORITY
GENERAL FUND**

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Eight Months Ended February 28, 2023**

REVENUE

Operating Revenue - City of JC	\$	255,000
Festival Allocation		15,000
Lease Income - Downtown Centre		8,000
Miscellaneous Income		400,162
Interest Income		252
Total Revenue		678,414

EXPENSE

Salaries	\$	134,020
Audit Fees		15,000
Payroll Taxes		10,158
Office Rent		10,132
Accounting Fees		8,225
Health Insurance		7,394
Internet		6,800
Computer/IT Support		6,758
Outside Contract Services		5,720
Property Coverage		5,492
Office Furnishings		5,097
Directors and Officers Insurance		3,966
Conference/Education		2,685
Flood Policy		1,460
Office Supplies		1,296
Cell and Office Phones		1,183
Payroll Service Fees		1,068
Retirement Contributions		875
Miscellaneous		499
Worker's Compensation Insurance		397
Memberships/Dues/Subscriptions		317
Bank Fees		275
Meals & Entertainment		209
Marketing/Advertising		99
Legal Fees		78
Total Expenses		229,203

Excess (Deficiency) of Revenues Over (Under) Expenditures		449,211
Fund Balances, Beginning of Fiscal Year		732,253
Fund Balances, End of Eight Months		\$ 1,181,464

JOHNSON CITY DEVELOPMENT AUTHORITY

BUDGET TO ACTUAL

For the Eight Months Ended February 28, 2023

	Year to Date Actual	Year to Date Budget	Variance
REVENUE			
Operating Revenue - City of JC	\$ 255,000	319,276	(64,276)
Festival Allocation	15,000	15,000	-
Lease Income - Downtown Centre	8,000	8,000	-
Miscellaneous Income	400,162	3,850	396,312
Interest Income	252	1,067	(815)
	<hr/>		
Total Revenue	678,414	347,193	331,221
EXPENSE			
Salaries	\$ 134,020	\$ 165,033	(31,013)
Audit Fees	15,000	38,350	(23,350)
Payroll Taxes	10,158	13,600	(3,442)
Office Rent	10,132	10,132	-
Accounting Fees	8,225	9,333	(1,108)
Health Insurance	7,394	7,057	337
Internet	6,800	4,000	2,800
Computer/IT Support	6,758	6,584	174
Outside Contract Services	5,720	6,000	(280)
Property Coverage	5,492	-	5,492
Office Furnishings	5,097	7,500	(2,403)
Directors and Officers Insurance	3,966	600	3,366
Conference/Education	2,685	1,650	1,035
Flood Policy	1,460	1,800	(340)
Office Supplies	1,296	2,000	(704)
Cell and Office Phones	1,183	1,867	(684)
Payroll Service Fees	1,068	933	135
Retirement Contributions	875	4,333	(3,458)
Miscellaneous	499	1,789	(1,290)
Worker's Compensation Insurance	397	1,400	(1,003)
Memberships/Dues/Subscriptions	317	800	(483)
Bank Fees	275	333	(58)
Meals & Entertainment	209	200	9
Marketing/Advertising	99	1,667	(1,568)
Legal Fees	78	3,333	(3,255)
Downtown Development	-	44,300	(44,300)
Downtown Events/Programs	-	12,825	(12,825)
	<hr/>		
Total Expenses	229,203	347,419	(118,216)
<hr/>			
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 449,211	\$ (226)	\$ 449,437

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 Eight Months Ended February 28, 2023

**JOHNSON CITY DEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND-TIF
BALANCE SHEET
February 28, 2023**

ASSETS

Current Assets

Cash

HomeTrust Bank Money Market	\$ 1,583,582
HomeTrust Bank Downtown Centre Fund	202,524
Eastman Credit Union Savings	<u>7</u>

Total Current Assets \$ 1,786,113

Accounts Receivable

TIF Repayment	<u>53,606</u>
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Total Accounts Receivable 53,606

Total Assets \$ 1,839,719

FUND BALANCES

Restricted for Tax Increment Financing Projects	\$ 1,794,719
Assigned	<u>45,000</u>

Total Fund Balances 1,839,719

Total Fund Balances \$ 1,839,719

**JOHNSON CITY DEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND-TIF
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Eight Months Ended February 28, 2023**

REVENUE		
City of Johnson City Funding	\$	459,597
Interest Income		<u>8,250</u>
Total Revenue		\$ 467,847
 EXPENSE		
Administrative		
Legal Fees		155
Debt Service		
Downtown Centre - Principal		155,230
Downtown Centre - Interest		44,277
Downtown Pavilion - Principal		109,725
Downtown Pavilion - Interest		25,167
Model Mill - Interest		31,238
Triple G - Interest		9,175
MMM Enterprises - Interest		<u>5,545</u>
Total Expenditures		<u>380,512</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures		87,335
Fund Balances, Beginning of Fiscal Year		<u>1,752,384</u>
Fund Balances, End of Eight Months		<u><u>\$ 1,839,719</u></u>

**JOHNSON CITY DEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND-TIF
BUDGET TO ACTUAL
For the Eight Months Ended February 28, 2023**

	Actual	Budget	Variance
REVENUE			
City of Johnson City Funding	\$ 459,597	425,120	34,477
Interest Income	8,250	2,500	5,750
Total Revenue	467,847	\$ 427,620	40,227
EXPENDITURES			
Legal Fees	155	2,625	(2,470)
Debt Service			-
Downtown Centre - Principal	155,230	150,545	4,685
Downtown Centre - Interest	44,277	48,962	(4,685)
Downtown Centre-Other	-	3,700	(3,700)
Downtown Pavilion - Principal	109,725	103,950	5,775
Downtown Pavilion - Interest	25,167	28,639	(3,472)
Model Mill - Interest	31,238	34,903	(3,665)
Triple G - Interest	9,175	11,406	(2,231)
MMM Enterprises - Interest	5,545	6,894	(1,349)
Buffalo Street Boardwalk	-	33,750	(33,750)
Total Expenditures	380,512	425,374	(44,862)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 87,335	\$ 2,246	\$ 85,089

John Sevier Center

Monthly Financial Reports

Balance Sheet
Income Statement

February 28, 2023

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

Accrual YE13

Feb 2023

3/8/2023 11:12

ASSETS

CASH

Current Assets

Cash-Operating	99,507.97
Cash-Petty Cash	100.00
Cash-Restricted Reserve	8,515.07
Tenant AR	8,009.25
Allowance Doubtful Accts	(2,073.87)
AR/AP-HUD	13,045.00
Security Deposits	32,649.13
Prepaid Expenses	4,921.21
Prepaid Insurance	900.00
	165,573.76

TOTAL CURRENT ASSETS

FIXED ASSETS

Land	79,300.00
Buildings	4,650,395.00
Furniture for Project Use	34,952.00
Accumulated Depreciation	(388,141.03)
	4,376,505.97

TOTAL FIXED ASSETS

OTHER ASSETS

TOTAL OTHER ASSETS	0.00
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TOTAL ASSETS

4,542,079.73

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

Accrual YE13

Feb 2023

3/8/2023 11:12

LIABILITIES & CAPITAL

LIABILITIES

Current Liabilities

AP - Operations	18,139.35
AP - Other	85,429.53
Accrued Wages Payable	5,856.41
Accrued Mgmt Fee Payable	10,367.24
Accrued Interest-1st Mort	13,721.69
Accrued Property Taxes	6,927.29
Accrued Expenses	8,494.01
Accrued Audit Fees	1,120.84
AP-Related Party	5,292.57
Insurance Events Accrued	(1,125.39)
Security Deposit	29,434.00
Pet Deposit	2,100.00
Prepaid/Unearned Rent	3,919.68
Prepaid HUD	4,753.00

TOTAL CURRENT LIABILITIES 194,430.22

OTHER LIABILITIES

N/P - Operating	183,402.97
N/P-Entity	902,032.52
Mortgage Payable - 1st	3,876,841.85

TOTAL OTHER LIABILITIES 4,962,277.34

TOTAL LIABILITIES 5,156,707.56

CAPITAL

Owner Equity	(338,832.43)
Net Profit (Loss)	(275,795.40)
TOTAL CAPITAL	(614,627.83)

TOTAL LIABILITIES & CAPITAL 4,542,079.73

**John Sevier Center (1415)
Comparative Income Statement**

Accrual^YE13
For the period ending February 28, 2023

3/8/2023 11:18

Account	Actual	Current Period Budget	Variance	Actual	Year-To-Date Budget	Variance
Revenue						
Tenant Rent Revenue	27,015.00	152,145.00	(125,130.00)	243,799.00	1,154,280.00	(910,481.00)
HUD Assistance	125,130.00	0.00	125,130.00	910,481.00	0.00	910,481.00
Total Gross Potential	152,145.00	152,145.00	0.00	1,154,280.00	1,154,280.00	0.00
VACANCY LOSS & CONCESSIONS						
Special Claims Revenue	0.00	1,115.67	(1,115.67)	4,331.00	8,925.36	(4,594.36)
Apartment Vacancy	(706.00)	(3,380.83)	2,674.83	(31,749.00)	(27,046.64)	(4,702.36)
Total Vacancy Loss & Concessions	(706.00)	(2,265.16)	1,559.16	(27,418.00)	(18,121.28)	(9,296.72)
OTHER INCOME						
Other	0.00	0.00	0.00	1,116.50	0.00	1,116.50
Laundry & Vending Revenue	98.33	66.67	31.66	2,341.30	533.36	1,807.94
Misc Tenant Charges	678.76	324.17	354.59	4,472.43	2,593.36	1,879.07
Late Fees	291.12	476.33	(185.21)	2,761.09	3,810.64	(1,049.55)
Damages	0.00	721.67	(721.67)	2,378.44	5,773.36	(3,394.92)
Other Income	66.59	250.00	(183.41)	1,514.45	2,000.00	(485.55)
Total Other Income	1,134.80	1,838.84	(704.04)	14,584.21	14,710.72	(126.51)
BAD DEBT						
Bad Debts	375.00	(293.81)	668.81	(20,733.52)	(2,350.48)	(18,383.04)
Bad Debts - Admin	(830.00)	0.00	(830.00)	(9,771.07)	0.00	(9,771.07)
Allowance for Bad Debts	0.00	0.00	0.00	5,294.09	0.00	5,294.09
Total Bad Debt	(455.00)	(293.81)	(161.19)	(25,210.50)	(2,350.48)	(22,860.02)
Effective Gross Income (EGI)	152,118.80	151,424.87	693.93	1,116,235.71	1,148,518.96	(32,283.25)
Expense						
OPERATING EXPENSES						
UTILITIES						
Electricity	2,201.48	2,537.84	336.36	20,781.88	24,705.09	3,923.21
Electricity-Vacants	283.28	0.00	(283.28)	3,990.28	0.00	(3,990.28)
Water	3,550.44	1,635.64	(1,914.80)	40,670.47	16,237.95	(24,432.52)
Gas	187.33	142.14	(45.19)	1,719.07	1,199.95	(519.12)
Sewer	8,148.49	3,275.40	(4,873.09)	92,940.97	35,322.82	(57,618.15)

**John Sevier Center (1415)
Comparative Income Statement**

Accrual^YE13
For the period ending February 28, 2023

3/8/2023 11:18

Account	Actual	Current Period Budget	Variance	Actual	Year-To-Date Budget	Variance
Total Utilities	14,371.02	7,591.02	(6,780.00)	160,102.67	77,465.81	(82,636.86)
CONTRACT SERVICES						
Contract-Exterminating	2,300.00	500.00	(1,800.00)	11,200.00	4,000.00	(7,200.00)
Contract-Elevator	1,430.00	3,956.33	2,526.33	29,500.05	31,650.64	2,150.59
Contract-Fire Alarm	628.47	628.75	0.28	8,256.90	5,030.00	(3,226.90)
Contract-Plumbing	0.00	347.17	347.17	1,028.75	2,777.36	1,748.61
Contract-Cable TV	0.00	3,375.00	3,375.00	0.00	27,000.00	27,000.00
Contract-Other	1,553.81	2,874.83	1,321.02	27,916.81	22,998.64	(4,918.17)
Garbage & Trash Removal	1,533.16	1,287.92	(245.24)	11,126.46	10,303.36	(823.10)
Contract-Security	10,980.39	766.67	(10,213.72)	21,283.21	6,133.36	(15,149.85)
Total Contract Services	18,425.83	13,736.67	(4,689.16)	110,312.18	109,893.36	(418.82)
REPAIRS & MAINTENANCE						
Janitorial Supplies	567.59	369.63	(197.96)	5,520.58	2,957.04	(2,563.54)
Maintenance Supplies	1,172.82	1,467.45	294.63	7,949.44	11,739.60	3,790.16
Decorating Supplies	0.00	333.33	333.33	1,366.56	2,666.64	1,300.08
Plumbing Supplies	3,969.52	1,251.30	(2,718.22)	13,753.52	10,010.40	(3,743.12)
Electrical Supplies	0.00	354.00	354.00	956.09	2,832.00	1,875.91
HVAC R & M	444.73	416.67	(28.06)	3,946.15	3,333.36	(612.79)
Appliances	659.33	244.42	(414.91)	5,166.75	1,955.36	(3,211.39)
Carpentry	(12.28)	9.67	21.95	423.03	77.36	(345.67)
Uniform Expense	31.61	0.00	(31.61)	1,002.18	500.00	(502.18)
NonRoutine Maintenance	0.00	2,047.08	2,047.08	1,692.30	16,376.64	14,684.34
Total Repairs & Maintenance	6,833.32	6,493.55	(339.77)	41,776.60	52,448.40	10,671.80
TURNOVER						
Painting & Paint Supplies	140.42	668.19	527.77	4,051.30	5,345.52	1,294.22
Contract-Janitorial	0.00	0.00	0.00	825.00	0.00	(825.00)
Contract-Carpet Cleaning	0.00	10.75	10.75	0.00	86.00	86.00
Contract-Paint	0.00	0.00	0.00	675.00	0.00	(675.00)
Total Turnover	140.42	678.94	538.52	5,551.30	5,431.52	(119.78)
ADMINISTRATIVE						
Conventions & Meetings	0.00	825.00	825.00	7.41	885.00	877.59
Office Equipment-Lease & Maint	220.77	70.58	(150.19)	520.96	564.64	43.68
Office Supplies	164.62	304.84	140.22	2,277.32	2,438.72	161.40
Postage	490.47	59.65	(430.82)	1,065.30	477.20	(588.10)
Telephone/Data/Cable/Answering Svc	709.13	170.00	(539.13)	6,364.12	1,360.00	(5,004.12)
Legal Exp-Collection/Evictions	599.50	245.42	(354.08)	3,527.86	1,963.36	(1,564.50)

**John Sevier Center (1415)
Comparative Income Statement**

Accrual^YE13
For the period ending February 28, 2023

3/8/2023 11:18

Account	Current Period			Year-To-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Misc Admin Expense	477.61	174.75	(302.86)	2,038.15	1,398.00	(640.15)
Meals & Entertainment	0.00	215.92	215.92	745.17	1,727.36	982.19
Computer Expense	993.98	626.90	(367.08)	8,403.40	5,015.20	(3,388.20)
Travel Expenses	0.00	393.83	393.83	49.48	3,150.64	3,101.16
Bank Charges	165.78	184.58	18.80	2,457.32	1,476.64	(980.68)
Dues & Subscriptions	0.00	0.00	0.00	235.00	0.00	(235.00)
Professional Fees	0.00	1,000.00	1,000.00	124.11	8,000.00	7,875.89
Mileage	901.34	249.42	(651.92)	2,850.31	1,995.36	(854.95)
Total Administrative	4,723.20	4,520.89	(202.31)	30,665.91	30,452.12	(213.79)
MARKETING & RESIDENT RETENTION						
Advertising & Marketing	0.00	2.58	2.58	40.00	20.64	(19.36)
Screening Expense	424.50	317.17	(107.33)	2,454.00	2,537.36	83.36
Tenant Promotions	120.18	375.00	254.82	4,717.72	3,000.00	(1,717.72)
Total Marketing & Resident Retention	544.68	694.75	150.07	7,211.72	5,558.00	(1,653.72)
PERSONNEL						
Office Payroll	572.06	2,892.87	2,320.81	19,205.21	23,354.16	4,148.95
Office Payroll CC	0.00	542.53	542.53	2,055.87	4,340.24	2,284.37
Manager Payroll	5,851.64	3,454.49	(2,397.15)	44,234.62	29,664.83	(14,569.79)
Payroll Processing Fees	88.62	117.07	28.45	765.77	936.56	170.79
Repairs & Maint Payroll	11,456.90	9,872.45	(1,584.45)	92,612.08	80,144.72	(12,467.36)
Payroll Tax Expense	1,396.66	1,269.61	(127.05)	11,863.33	10,412.14	(1,451.19)
Employee Benefits & Insur	5,171.42	7,373.87	2,202.45	41,108.24	58,990.96	17,882.72
Total Personnel	24,537.30	25,522.89	985.59	211,845.12	207,843.61	(4,001.51)
Total Controllable Operating Expenses	69,575.77	59,238.71	(10,337.06)	567,465.50	489,092.82	(78,372.68)
Controllable NOI	82,543.03	92,186.16	(9,643.13)	548,770.21	659,426.14	(110,655.93)
AUDIT EXPENSE						
Audit Expense	560.42	560.42	0.00	1,120.84	4,483.36	3,362.52
Total Audit Expense	560.42	560.42	0.00	1,120.84	4,483.36	3,362.52
MANAGEMENT & BOOKKEEPING						
Management Fees	10,367.24	10,232.94	(134.30)	77,481.11	81,863.52	4,382.41
Total Management & Bookkeeping	10,367.24	10,232.94	(134.30)	77,481.11	81,863.52	4,382.41

**John Sevier Center (1415)
Comparative Income Statement**

Accrual^YE13
For the period ending February 28, 2023

3/8/2023 11:18

Account	Actual	Current Period Budget	Variance	Actual	Year-To-Date Budget	Variance
TAXES & INSURANCE						
Real Estate Taxes	3,692.50	3,692.50	0.00	29,067.86	29,540.00	472.14
Property & Liability Insu	12,356.38	6,357.75	(5,998.63)	46,054.63	50,862.00	4,807.37
Workers Compensation Insu	450.00	232.44	(217.56)	9,616.33	1,859.52	(7,756.81)
License & Permits	0.00	180.00	180.00	285.00	345.00	60.00
Franchise & Excise Tax	0.00	15.77	15.77	0.00	126.16	126.16
Taxes-Other	0.00	37.50	37.50	462.00	300.00	(162.00)
Total Taxes & Insurance	16,498.88	10,515.96	(5,982.92)	85,485.82	83,032.68	(2,453.14)
TOTAL NON-CONTROLLABLE OPERATING	27,426.54	21,309.32	(6,117.22)	164,087.77	169,379.56	5,291.79
TOTAL OPERATING EXPENSES	97,002.31	80,548.03	(16,454.28)	731,553.27	658,472.38	(73,080.89)
NET OPERATING INCOME	55,116.49	70,876.84	(15,760.35)	384,682.44	490,046.58	(105,364.14)
NON-OPERATING EXPENSES						
Depreciation	9,217.81	0.00	(9,217.81)	73,742.48	0.00	(73,742.48)
Cap Ex-Appliances	2,919.03	672.50	(2,246.53)	10,205.26	5,380.00	(4,825.26)
Cap Ex-Unit Flooring	4,609.62	2,916.67	(1,692.95)	30,100.00	23,333.36	(6,766.64)
Cap Ex-Plumbing	1,084.06	483.75	(600.31)	3,260.31	3,870.00	609.69
Cap Ex-HVAC	1,791.64	466.92	(1,324.72)	5,658.30	3,735.36	(1,922.94)
Cap Ex-Upgrades-Furniture/Fixtures	0.00	0.00	0.00	2,573.47	0.00	(2,573.47)
Cap Ex-Upgrades-Building	0.00	0.00	0.00	412,387.99	0.00	(412,387.99)
Mortgage Interest-1st	13,721.69	15,220.06	1,498.37	120,007.13	121,144.87	1,137.74
Interest - Other	236.98	0.00	(236.98)	2,542.90	0.00	(2,542.90)
Total Non-Operating Expenses	33,580.83	19,759.90	(13,820.93)	660,477.84	157,463.59	(503,014.25)
NET INCOME	21,535.66	51,116.94	(29,581.28)	(275,795.40)	332,582.99	(608,378.39)
CASH FLOW ITEMS						
Principal Pmts-1st Mortga	7,828.07	7,833.29	5.22	63,202.03	63,311.93	109.90
Principal Pmts-2nd Mortga	0.00	25,000.00	25,000.00	0.00	150,000.00	150,000.00
Depreciation	(9,217.81)	0.00	9,217.81	(73,742.48)	0.00	73,742.48
TOTAL CASH FLOW ITEMS	(1,389.74)	32,833.29	34,223.03	(10,540.45)	213,311.93	223,852.38
Net Income after Cap Ex and DS	22,925.40	18,283.65	4,641.75	(265,254.95)	119,271.06	(384,526.01)

March 2023
Main Street America Program
Administered by the Downtown Johnson City Foundation, Inc. 501 (c) 3

Since 1985, the JCDA has administered the Main Street America program as part of its collaborative revitalization efforts and as directed by the adopted Johnson City Comprehensive Plan 2020, the Bridge Plan, and the Downtown Revitalization Element. The Downtown Johnson City Foundation, as the JCDA's non-profit arm, has most recently coordinated the program; one of 45 accredited programs in Tennessee. It is intended to be inclusive of multiple stakeholders, with input and leadership among merchants, citizens, organizations using the principles of the National Main Street America program in conjunction with the State of Tennessee Main Street program through the Department of Economic and Community Development. For more general information and videos about the program: www.Mainstreet.org.

Annual Main Street Letter for recertification

During March, the Executive Director and City Manager Ball met to discuss a number of matters, including the Main Street America program. This month, the required recertification letter for Tennessee Main Street America, signed by Mayor Fowler, the City Manager, the Downtown Johnson City Foundation, Inc. Chairperson, Tracy Johnson, and the Executive Director, was sent to the State of Tennessee Department of Economic and Community Development which coordinates the program in partnership with the National Main Street American program.

Additionally, an annual work plan was developed with specific goals, tasks, and deliverables based upon the expectations of the State and National programs and local merchant needs including the following accreditation elements of the National Main Street Program, as below:

1. *Broad Based Community Commitment to Revitalization*
2. *Inclusive Leadership and Organizational Capacity*
3. *Diversified Funding and Sustainable Program Operations*
4. *Strategy Driven Programming*
5. *Preservation-Based Economic Development*
6. *Demonstrated Impact and Results*

Upcoming matters:

Upcoming items to be discussed by the Downtown Johnson City Foundation related to training, events, and activities that will need to include board of director discussion, some of which will need further merchant input and collaboration:

- Board of Directors training and new project based structure;
- Close out of the Placemaking Grant with the State of Tennessee;
- Alternative management of Fridays After 5 and Christmas tree sales for Candyland Christmas;
- In response to merchant requests, placing a focus on smaller merchant centered events in the core of the downtown;
- Sip Shop and Stroll: Spring event ticket sales and event support;
- Quarterly events and planning;
- Participation with other organizations for the benefit of downtown Johnson City.