



AGENDA

Johnson City Development Authority Board Meeting

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

1. CALL TO ORDER

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

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

1.2. Claim for Member Conflict of Interest

1.3. Additional Action Item to Agenda

2. ADOPTION OF MINUTES

- 2.1. ACTION: Review and Adoption of the Previous Regular JCDA Meeting Minutes
[JCDA Regular Meeting Minutes 082523](#)

3. PUBLIC COMMENT ON AGENDA

4. COMMITTEE REPORTS

- 4.1. John Sevier Center Operations Report
[John Sevier Operations Report September 2023](#)
- 4.2. John Sevier Center Disposition Report
[John Sevier Disposition Report September 2023](#)
- 4.3. ACTIONS: Downtown Centre Report
[Downtown Centre and Parking Garage Report September 2023](#)
- 4.4. TIF Advisory Committee Report
[TIF Advisory Committee Report September JCDA 2023](#)
- 4.5. Human Resources Report (None)
- 4.6. Finance Committee Report
[Finance Committee Report September 2023](#)

5. FINANCIALS

- 5.1. ACTION: Johnson City Development Authority General Operating Fund Financial Statement
[JCDA General Fund 09222023](#)
- 5.2. ACTION: Johnson City Development Authority Tax Increment Financing (TIF) Special Fund Financial Statement
[JCDA TIF Fund 09222023](#)
- 5.3. ACTION: John Sevier Center Financials
[John Sevier Financials 09222023](#)

6. STAFF REPORTS

- 6.1. Downtown Johnson City Foundation Update
[September 2023 Downtown Johnson City Foundation Report including Main Street America](#)
- 6.2. Executive Director's Report

7. CHAIR REPORT

Comments from the Chairman

8. ADJOURNMENT



Minutes

Johnson City Development Authority

Friday, August 25, 2023 @ 8:00 AM
510 Bert St. Johnson City, TN 37604

CALL TO ORDER

Called to order at 8:01am by Vice-Chairman, Shannon Castillo, as Chairman Carr attended via Teams for the first twenty minutes of the meeting.

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

Commissioners	Term Expires	Present	Absent
Hank Carr, Chair	June 30, 2025	Virtually	
Shannon Castillo, Vice Chair (Elected Chair 8/25)	June 30, 2024	X	
Ernest Campbell, (Treasurer 8/25)	June 30, 2024	X	
Bob Cooper	June 30, 2025	X	
Chris Hyder	June 30, 2026	X	
County Commissioner Jodi Jones	County Comm. Seat		X
County Commissioner Freddie Malone	County Comm.Seat	X	
City Commissioner Aaron Murphy	June 30, 2024	X	
Jack Simpson, Vice-Chair 8/25	June 30, 2025	X	
Daniel Tackling	June 30, 2026	X	
City Commissioner Joe Wise	City Comm. Seat	X	
Patricia Oldham, AICP, TCEcD	Exec Dir., non-voting	X	

Others Present:

- Daniel McIntosh, JCDA Finance Manager
- Sydni Leonard, JCDA Administrative Coordinator
- Randy Trivette, Assistant City Manager
- Robert Williams, Honoree for Commissioner Recognition- Former JCDA Board Member
- Tricia Korade, Johnson City Resident

Claim for Member Conflict of Interest

Commissioner Ernest Campbell declared conflict of interest in the decision for the Facade Grant request application from Jon Corbin for 128 and 130 Spring Street. Mr. Campbell stated that he will abstain from that vote, Action Item 7.7.3.

Additional Action Item to Agenda

RECOGNITION OF COMMISSIONERS

Recognition of former commissioner Jim Fickley, past treasurer Seth Thomas, and past chairman Robert Williams

Vice Chairman Shannon Castillo asked Ms. Oldham to begin the recognition of commissioners. Ms. Oldham recognized past chairman Robert Williams, who served the JCDA for at least a decade. On behalf of the membership, she presented him with an award and noted that a resolution in recognition of his service was forthcoming. Chairman Hank Carr, who was present via a Teams call, noted the outstanding commitment and vision exhibited by Williams. Vice-Chairman Castillo also spoke about his example of volunteerism on behalf of Johnson City and how much the JCDA benefitted from his leadership. Former members Jim Fickley and Seth Thomas were not able to attend to be recognized and receive their awards.

PUBLIC COMMENT ON AGENDA

Public comment on Agenda Items for August 25, 2023

Vice-Chair Shannon Castillo opened the floor for public comment at 8:11am. No one requested to comment. Public Comment was closed at 8:11am.

ADOPTION OF MINUTES

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

Commissioner Jack Simpson made the motion to approve the July meeting minutes as presented. The motion was seconded by **Commissioner Bob Cooper**. The motion passed unanimously.

County Commissioner Freddie Malone made the motion to approve the August 14, 2023, Called Meeting minutes as presented. The motion was seconded by **Commissioner Jack Simpson**. The motion passed unanimously.

BY-LAW REVISION

By-Laws Amendment: Election Years

Executive Director Patricia Oldham reported that the proposed by-law revisions were presented to the Board for review at the July 28, 2023, meeting. The revisions, as follow, were reviewed by a representative from Hunter, Smith, and Davis.

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*

Agenda Item #2.2.1.

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.*

The motion was made by **City Commissioner Joe Wise** to approve the by-laws revisions, as presented by staff and prepared by legal counsel. The motion was seconded by **Commissioner Ernest Campbell**. The motion passed unanimously.

ELECTION OF OFFICERS

Nominating Committee Report

Vice-Chair Shannon Castillo presented the Nominating Committee Report and the proposed Officer Slate for August 2023 through 2025, as below:

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)

Election of Officers

There was a recommendation in form of a motion from the **Nominating Committee** to approve the Officer Slate for a two-year term beginning in August 2023 as presented. The motion was seconded by **City Commissioner Joe Wise**. The motion passed unanimously. (Per by laws, the Executive Director serves as Secretary.)

COMMITTEE REPORTS

Newly elected Chairman Shannon Castillo introduced Agenda Section 7.0, Committee Reports, and turned the floor to Executive Director Patricia Oldham for report.

John Sevier Center Operations Report

Finance Manager Daniel McIntosh reported that maintenance is continuing to repair minor water leaks around the building. Vacancy rate is currently at 94% due to resident turnover. The John Sevier Center financial Statements will reflect this percentage in the coming month. As mentioned in prior meetings, The Harrell Group and LHP have forwarded a recommendation to increase security presence from 16 hours on the weekend (Saturday and Sunday) to 24 hours. Oldham also noted that a related action item would be addressed during the Finance Committee Report under Item No. 7.7.6.

John Sevier Center Disposition Report

Executive Director Patricia Oldham reported that the HUD Mark Up to Market approval has been approved. The revenue generated from that mark up would be retroactive to August 1st, appearing on the September review of the financial statements ending on August 31, 2023, if all the paperwork was completed in time and all the resident signatures were received.

Ms. Oldham noted the updated timeline for the John Sevier Disposition in the packet. HUD would need to approve the Section 8 voucher transfer from the John Sevier Center to the Tapestry, then the loan rate would be set, then the financing would be set in December, which would be very close to the December 15th Tennessee Housing and Development Authority and JCDA/LHP/IDB development agreement deadline. Construction would begin Q4 of 2023 and should conclude by Q4 2025 for residents to move

TIF Advisory Committee Report

The TIF Advisory Committee met on August 16, 2023 in the JCDA Offices at 300 E. Main Street.

The Committee forwarded the following facade grant application recommendations to the full Board:

128 and 130 Spring Street TIF Façade Request

Staff recommended 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 reimbursable grant, to be completed within six months of the award.

A motion was made in form of a recommendation from the Tax Increment Financing Advisory Committee to award Johnson City Opportunity Properties LLC 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 motion was seconded by Vice Chairman Jack Simpson.

Agenda Item #2.2.1.

Commissioner Ernest Campbell abstained from the vote due to conflict of interest. The motion passed with 8 yays, 0 nays, and 1 abstention.

Downtown Centre/Parking Report

Executive Director Patricia Oldham reported that staff completed a walkthrough of the Downtown Centre with Northeast State Community College Administration on August 24, 2023. A variety of desks, speakers, and miscellaneous items were left in rooms across the building. Ms. Oldham reported that custodial staff from Northeast State would make a final sweep of the building before returning the keys to the JCDA, per staff request. Ms. Oldham asked Finance Manager Daniel McIntosh to report on site control.

Mr. McIntosh reported that the life safety transfer for the building is in progress. According to staff discussions with utility companies, JCDA must pay deposits since it is a separate organization and not under the same EIN as the City of Johnson City. Mr. McIntosh continued to report that, after initial cost of the Downtown Center transfer, the JCDA savings account will only safely cover one month of monthly allocation for ongoing cost. County Commissioner Freddie Malone, City Commissioner Joe Wise, and Assistant City Manager Randy Trivette stated that they would make phone calls to BrightRidge and their respective Board members for review of the deposit cost.

Continuing the tabled discussion from the July JCDA meeting, Ms. Oldham reported that as a result of proposed elevator information received by staff during the John Sevier Anchor Block Working Group on July 26, 2023, staff was requesting 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. She recommended that, at minimum, as a first step toward evaluating the viability of the proposed elevator location, that JCDA approve a request for TIF funding to initiate geotechnical services in the vicinity of the proposed elevator, in advance of further review by JCDA.

After discussing the pros and cons of moving forward with the geotechnical work, the possibility of a short term tenant, and the various matters that were still unresolved, **County Commissioner Freddie Malone made a motion to defer** the discussion and recommendation regarding the above motion to the October 27, 2023, meeting. The motion, as presented, was **seconded by City Commissioner Joe Wise**. The motion **passed unanimously**.

Human Resources Report

No Report

Finance Committee Report

A recommendation was made by the **Finance Committee** in form of a motion to the Board to approve an increase in security (Harrell Group) from 16 hrs. on Saturday and Sunday to 24 hrs. for 90 days at an increase of approximately \$2,000 per month. The Committee recommended that there be a re-evaluation of this decision after 90 days. The motion was seconded by **City Commissioner Joe Wise**. The motion passed unanimously.

FINANCIALS

Johnson City Development Authority General Operating Fund Financial Statement

A recommendation from the Finance Committee was forwarded to the Board to approve the JCDA General Fund Financials as presented. A motion was made by **County Commissioner Freddie Malone**. The motion was seconded by **Commissioner Chris Hyder**. The motion passed unanimously.

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

A recommendation was forwarded to the Board to approve the TIF Special Fund Financials as presented. The motion was made by **County Commissioner Freddie Malone**. The motion was seconded by **Commissioner Bob Cooper**. The motion passed unanimously.

John Sevier Center Financials

Mr. McIntosh presented the John Sevier Financials with three notes. He reported that vacancy is up for this month with a 94% occupancy rate. This rate will reflect in utility cost as well as cost for unit turnover. Additionally, this month's financials reflect the cost of repair from a previous water leak that was addressed in the June and July Regular meetings.

A recommendation was forwarded from the Finance Committee to approve the John Sevier Financials as presented. A motion was made by **City Commissioner Aaron Murphy**. The motion was seconded by **County Commissioner Freddie Malone**. The motion passed unanimously.

STAFF REPORTS

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

Executive Director Oldham reported that the Foundation did not meet in August. Staff remains in contact with the Foundation Board members in preparation for the September regular meeting. Ms. Oldham requested that Administrative Coordinator, Sydni Leonard, report about the recent announcement regarding 2023 DIY Oktoberfest.

Ms. Leonard reported that there are currently fifteen participating businesses involved in the DIY Oktoberfest event, with additional establishments requesting involvement. The event is planned for September 16th through October 3rd.

Executive Director's Report

No Additional Report

CHAIR REPORT

No Report

ADJOURNMENT

A motion to adjourn the August 25, 2023, JCDA Regular Meeting was made by **Chairman Shannon Castillo** at 8:52am. The motion was seconded by **City Commissioner Aaron Murphy**. The meeting was adjourned.

Chair:

Secretary:

These minutes were approved in an open meeting on ___ day of ____, 2023.

Johnson City Development Authority

John Sevier Center Operations Report

September 2023

1. Water Leaks and Mitigation

LHP is working with staff to evaluate the potential replacement of the primary cut off valve from the water supply tap, due to the age of and possible wear to the cut off. The initial vendor evaluation noted that since the location of the interior pipes, some perhaps in a wall or a floor, are unclear, further efforts must be made to determine the best approach.

LHP staff reported roof leaks during the recent rains. LHP and staff are working to obtain an initial evaluation and will report back to the JCDA operations committee within the month.

2. Security Presence and Impact

On September 2nd, security presence was increased from 16 to 24 hours on Saturday and Sunday. It is too early to evaluate trend changes, but LHP building management can identify specific incidents wherein the 24-hour presence has been beneficial. JCDA staff has able to meet with Washington County E911 to examine the potential reporting E911 could provide the JCDA to help in evaluating security effectiveness related to dispatch calls tied to the John Sevier property location. Additional information will be available in the coming months.

3. Cap Ex Turn Expense

Capital expenses related to unit turn over have almost met the category budget for the entire year in the first two months. Flooring replacement is the primary driver inside the budget category which was reported at nearly \$17K at the end of August. Staff has requested LHP determine the causes of the unexpected expense and give a plan of how to manage the budget through year end, as well as examine if there are more cost efficient ways to provide

4. Mark Up to Market

The HUD Mark Up to Market increase has taken effect and is reflected in the August 2023 revenue. The annual increase amount is \$146,340 or 8.02%.

5. Occupancy Rate

The August occupancy rate was 96.7%.

6. Elevator Door Replacement

Doors for elevator cab 2 malfunctioned on September 9th temporarily impeding a resident's ability to exit the cab. Cab 2 was taken offline on the 9th and door replacement began September 12. Cab 1 doors were scheduled to be replaced on September 13th. The remaining amount of the original \$400,000 budget allocation provided by the City of Johnson City covered the cost of the replacements.

Johnson City Development Authority

John Sevier Center Disposition Report

Regular September 2023

The Section 8bb application to transfer Section 8 vouchers from Project A, the John Sevier Center at 141 East Market Street to Project B, Tapestry at Roan Hill, 2162 South Roan Street, Johnson City, Tennessee remains under review in Washington, D.C. at HUD headquarters. The John Sevier Center Project, Section 8 subsidized housing transfer, if approved, would set targeting construction launch in the December 2023. LHP anticipates hearing from HUD perhaps by the end of September. Staff will update JCDA Commissioners of any changes during September and October. The next step following an approval would be the HUD loan rate lock, planned for early October.

Overview Timeline: (unchanged from August 2023)

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

Johnson City Development Authority

Downtown Centre Report

September 22, 2023

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

A. Building Operations and Maintenance Update

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

- Utilities have been transferred to the Johnson City Development Authority.
- Broadband fiber optics and all necessary support networking have been transferred. The JCDA chose to invest in maintaining the existing network configuration and cabling, rather than allow elimination of the existing system at the expense of future operational delays and the labor and materials costs to rebuild it. The service is also related to the building's security.
- Security services currently notify the JCDA 24/7 with the additional coordinating effort that the JCPD has the new exterior keys, alarm codes and ability to enter the building and clear the codes, as needed. Knox box keys have been changed. Staff is determining what interior locks will be modified.
- Parking gates have been closed until further notice while projects are underway in the parking garage, per the vote of the JCDA Commission in August. Specific projects have been scheduled for early October.
- The E-911 addresses have been confirmed by the City of Johnson City Development Services, which also sent the official notice to all agencies that 125 E. Market Street is the primary vestibule entry. The building has four addresses total due to multiple points of entry on two streets, Buffalo and E. Market.
- The parking garage structure is being examined for additional needs and repairs, which may include involving additional professionals to assess its existing condition.

The budget for this project is being examined within two expense time frames A) **initial transition operations** (some of which remain in progress), such as changing locks, IT/broadband installation, parking gate modification, and security camera reinstallation; and B) **the monthly operational cost** to maintain the building. These costs are to ensure that the building has the

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appropriate camera network, that all mechanical is maintained, and the building remains in a status quo condition. We now anticipate that additional funding will be needed to address some maintenance items in the coming months, as well, as staff evaluates those.

B. Potential Funding Allocation Request Update and TIF Request

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

During August, staff noted that the FY24 budget will not support the Downtown Centre expenses and that other funding sources are not available to absorb and sustain the costs of maintaining and managing facility. As a reference point, the costs discussed at the August JCDA meetings were A) the initial transition operations that were 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 were estimated to be within the range of \$14,036 to \$15,992 with an additional ten percent contingency. These estimates exclude substantial repairs and design or construction costs and currently exclude any revenue potential. Please note that utility deposits were waived, therefore, some costs were eliminated. However, there may be additional needs. During the September meeting, staff will strive to have current expenditures to date and other anticipated near-term expenses. Due to the very limited amount of available capital, the JCDA likely will need to request funding from the Johnson City Commission, through the City Manager, Cathy Ball. Additionally, staff will continue to examine a parallel path toward applying for TIF funding approval for specific, qualified expenditures (such as security equipment) through the JCDA TIF Advisory Committee and, if \$25,000 or above, will be making the request through the Washington County Commission committees and full commission.

Due to the length of time to proceed with those requests and approvals, the JCDA Commissioners voted in August to utilize limited reserves and if necessary, the line of credit to allow for secure and timely transition of the building in early September, as well as to cover the costs of maintaining an empty building until a tenant is secured and the potential for parking revenue is evaluated. The line of credit was renewed during September.

JCDA staff and City administrators continue to assist a prospective tenant who may be interested a three to four year lease. However, in the interim, the JCDA recognizes that it must pursue revenue and alternatives to cover expenses as well as have assistance for the basic costs to protect and sustain the building interior and the parking decks.

Staff will seek further information about parking solutions utilized by similar municipal parking facilities, such as ticketed access gates, parking ticketing equipment, and security personnel. The staff is requesting quotes for outsourcing the entire parking garage, from equipment to operation. Until then, the parking garage, without additional ticketing modifications or policy changes, has three options to resume operation:

Johnson City Development Authority Meeting: September 22, 2023

- 1.) The JCDA could operate the parking by providing non-ticketed, 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 the JCDA chose to provide 24/7 security, the annual cost estimate is \$257,000 for one security personnel. The 24/7 is utilized in order to show the cost of securing the building without a tenant in place.
- 3.) The parking garage could be operated on specific days and hours for special events, with a fee charged to the event host, with a security company on duty for the duration of the event, and with the proper insurance liability provided to the JCDA.

As costs are examined, further action may be needed by the JCDA Finance Committee with recommendations to the JCDA.

C. ACTION ITEM: Downtown Centre Building Use Requests

Staff has been approached by the Johnson City Police Department to utilize the Downtown Parking Facility for various uses. Since the facility is not leased to any other entity currently, staff will be developing a Facility Use Policy for requests for use by for non-JCDA use. However, in the interim, staff is seeking approval from the JCDA for the following two requests, pending consultation with the JCDAs insurance company in advance of the September 22, 2023 meeting.

A request has been made by the City of Johnson City Police Department to utilize the facility on two separate occasions for training while the building does not have a tenant. One request would use the building for one day in late September to JCPD to train officers and allow the team to learn the building, its angles, and layouts. The second request would allow the JCPD K-9 units to train the K-9 officers at the facility. Details about the times and date of that request are in the planning stages.

Item C: Staff Recommendation:

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

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

September 13, 2023, staff met with City of Johnson City Assistant City Manager Randy Trivette and Police Major Dougherty regarding the City's desire to develop a new JCPD substation in the Downtown Centre. The substation would utilize the same area used by security previously. The

Johnson City Development Authority Meeting: September 22, 2023

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area that they would prefer to use is located just inside Market Street main entry vestibule, to the left.

The requested area includes one room that faces the main vestibule. It has a walk-up counter with door that rolls down from the top to enclose the area facing the vestibule. The door to the left of that walk up counter provides access to a hallway, the walk-up counter room, three office spaces, and one former testing room with multiple outlets for computer stations. The area can be locked from the remainder of the building and does not have any access to the adjacent office spaces.

The proposed location would provide a downtown JCPD substation to allow officers on duty downtown a centrally located space to file reports, store bikes, have space to meet together, get out of the weather, and to coordinate downtown safety needs. Additionally, it is possible that the City's new personnel assisting with homeless issues also would be located in the same space to coordinate with officers as needed. The facility would not be occupied at all times, but depending on the needs related to downtown events and situations, the hours could vary. The building also would have signage at the main entry clearly indicating the substation location to the public. The City of Johnson City would prefer to begin using the space in early October.

Any agreement to provide space in the building would need to be signed by the Chairman of the JCDA, with the approval of the board. If the board wishes to approve the substation during the September meeting, but details remain to be finalized, the motion could direct staff to work with the JCDA Finance Committee and JCDA Operations Committee to meet the board's guidelines for approval and signature by the Chairman.

Item D -Staff Recommendation:

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

Johnson City Development Authority

TIF Advisory Committee Report

September 2023

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

Staff attended the August Washington County Commission and will continue to do so on a regular basis. Additionally, staff provided an update on September 7th to the Commerce, Industry, and Agricultural Committee (CIA). The discussion included the revised JCDA approach and focus, the John Sevier physical and fiscal change, TIF projects and outstanding debt, and status of the Downtown Centre. As requested, the presentation was provided as a pdf to the Washington County Attorney's Office as reference for the Washington County Commission.

The JCDA staff intends to remain in contact with the Commission and the Administration regarding the potential for future TIF requests that may be needed, but also to provide resources regularly regarding redevelopment opportunities.

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

Johnson City Development Authority

Finance Committee Report

September 2023

The JCDA Finance Committee convened at 12:30 PM on September 14, 2023, at the JCDA office, with Board of Director members Freddie Malone, Ernest Campbell, Shannon Castillo, Jack Simpson, Executive Director Patricia “Tish” Oldham, Finance Manager Daniel McIntosh, and Administrative Coordinator, Sydni Leonard in attendance.

Items reviewed included:

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

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

5.1.1 APPROVE AUGUST 2023 JCDA GENERAL FUND FINANCIALS

Summary / Action

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

5.2.1 APPROVE AUGUST 2023 JCDA SPECIAL RESERVE TIF FUND FINANCIALS

Summary / Action

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

5.3.1 FORWARD AUGUST 2023 JOHN SEVIER CENTER FINANCIALS

Summary / Action

The August 2023 John Sevier Financials, prepared by LHP, were reviewed by the Finance Committee, and forwarded to the JCDA for review subject to further review of the capital turn expense and bad debt expense year to date. (Motion Campbell/Castillo) Motion passed.

Additional discussion included:

- Actual expenses in the capital expense turn category of the comparative income statement for the John Sevier come to \$22,774 through the end of August 2023. Budgeted for this category for the full year is \$33,500 leaving \$10,726 or 32% remaining to spend over the next 10 months. LHP management anticipated a more stable occupation rate based on last fiscal year trends which is reflected in the fiscal year 2024 budgeted amount. Inside of the capital expense turn category, flooring is the highest expense followed by appliances. LHP management has agreed to evaluate new flooring purchase costs as well as monitor more closely the costs associated with unit turns.
- Downtown Centre expenses for the month of August are minimal. Utility deposits were waived by both BrightRidge electric and Atmos gas saving \$15,000 of up-front costs. Expenses will increase in September as contract and labor costs are incurred, as well as utility expenses. Cost savings from waived utility deposits and a more competitive security camera bid are keeping up-front costs under the anticipated budget amount. However, if the building remains vacant through the calendar year, maintenance, repair, and utility costs likely will surpass JCDA's ability to carry the expense based on its current financial position and revenue allocation, as discussed in the Downtown Centre report in the JCDA September 22 packet.
- The finance committee discussed the option for the staff to submit a TIF request related to JCDA's John Sevier Center investment to the TIF Advisory committee. JCDA's investment in the John Sevier has been occurring since 2020 to improve building safety and resident quality of life. Further investment is anticipated for major projects, such as roofing, that immediately will address current resident quality of life and also will translate directly to the overall future benefit of the investment and future redevelopment.

DAVID M. ELLIS

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JOHNSON CITY DEVELOPMENT AUTHORITY
GENERAL FUND

FINANCIAL STATEMENTS

For the Two Months Ended August 31, 2023

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

ASSETS

Current Assets

Cash

HomeTrust Operating \$ 34,681

Home Trust Savings 168,541

Total Cash 203,222

Rental Security Deposits 600

Due to/From Other Funds 458,403

John Sevier Capital Repair Loan 137,034

Total Current Assets \$ 799,259

LIABILITIES

Accounts Payable \$ 155

Due to John Sevier Center Security Fund 10,864

Total Liabilities 11,019

FUND BALANCES

Unassigned 788,240

Total Fund Balances 788,240

Total Liabilities and Fund Balances \$ 799,259

**JOHNSON CITY DEVELOPMENT AUTHORITY
GENERAL FUND**

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Two Months Ended August 31, 2023**

REVENUE

Operating Revenue - City of JC	\$ 85,000	
Lease Income - Downtown Centre	2,000	
Interest Income	1,006	
Total Revenue		88,006

EXPENSE

Salaries	\$ 39,637	
Office Rent	3,866	
Payroll Taxes	3,032	
Property Coverage	2,094	
Internet	1,700	
Downtown Centre Expenses	1,351	
Accounting Fees	1,000	
Employee Benefits	888	
Computer/IT Support	781	
Outside Contract Services	489	
Worker's Compensation	394	
Bank Fees	320	
Transportation/Mileage	255	
Cell and Office Phones	233	
Meals & Entertainment	227	
Conference/Education	220	
Payroll Service Fees	203	
Office Supplies	185	
Employee Parking	60	
Legal Advertising	40	
Total Expenses		56,975

Excess (Deficiency) of Revenues Over (Under) Expenditures		31,031
Fund Balances, Beginning of Fiscal Year		757,209
Fund Balances, End of Two Months		\$ 788,240

**JOHNSON CITY DEVELOPMENT AUTHORITY
BUDGET TO ACTUAL
For the Two Months Ended August 31, 2023**

	August Actual	August Budget	August Variance	Year to Date Actual	Year to Date Budget	Variance
REVENUE						
Operating Revenue - City of JC	\$ -	\$ -	\$ -	\$ 85,000	\$ 85,000	\$ -
Lease Income - Downtown Centre	2,000	1,000	1,000	2,000	2,000	-
Interest Income	597	29	568	1,006	58	948
Total Revenue	2,597	1,029	1,568	88,006	87,058	948
EXPENSE						
Salaries	16,819	18,432	(1,613)	39,637	36,864	2,773
Office Rent	1,933	1,933	-	3,866	3,866	-
Audit Fees	-	1,333	(1,333)	-	2,667	(2,667)
Payroll Taxes	1,287	1,410	(123)	3,032	2,820	212
Employee Benefits	888	1,650	(762)	888	3,300	(2,412)
Internet	850	121	729	1,700	242	1,458
Accounting Fees	-	1,167	(1,167)	1,000	2,333	(1,333)
Computer/IT Support	311	718	(407)	781	1,438	(657)
Property Coverage	-	-	-	2,094	2,125	(31)
Outside Contract Services	460	667	(207)	489	1,333	(844)
Printing Services	-	150	(150)	-	300	(300)
Miscellaneous	-	83	(83)	-	167	(167)
Professional Services	-	42	(42)	-	83	(83)
Furniture and Equipment	-	333	(333)	-	667	(667)
Cleaning Supplies	-	83	(83)	-	167	(167)
Worker's Compensation	394	-	394	394	-	394
Employee Parking	30	-	30	60	-	60
Downtown Centre Expenses	1,351	-	1,351	1,351	-	1,351
Conference/Education	110	167	(57)	220	333	(113)
Office Supplies	185	199	(14)	185	397	(212)
Cell and Office Phones	143	149	(6)	233	298	(65)
Payroll Service Fees	90	117	(27)	203	233	(30)
Legal Advertising	-	42	(42)	40	83	(43)
Retirement Contributions	-	553	(553)	-	1,106	(1,106)
Bank Fees	285	42	243	320	83	237
Transportation/Mileage	255	42	213	255	83	172
Memberships/Dues/Subscriptions	-	83	(83)	-	167	(167)
Meals & Entertainment	196	83	113	227	167	60
Marketing/Advertising	-	42	(42)	-	83	(83)
Benefits Administration	-	18	(18)	-	37	(37)
Legal Fees	-	167	(167)	-	333	(333)
Total Expenses	25,587	29,826	(4,239)	56,975	61,775	(4,800)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (22,990)	\$ (28,797)	\$ 5,807	\$ 31,031	\$ 25,283	\$ 5,748

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JOHNSON CITY DEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND - TIF

FINANCIAL STATEMENTS

For the Two Months Ended August 31, 2023

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

ASSETS

Current Assets

Cash

HomeTrust Bank Money Market	\$ 1,948,562
HomeTrust Bank Downtown Centre Fund	204,779
Eastman Credit Union Savings	<u>7</u>

Total Current Assets	<u>\$ 2,153,348</u>
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Total Assets	<u><u>\$ 2,153,348</u></u>
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FUND BALANCES

Restricted for Tax Increment Financing Projects	\$ 2,108,348
Assigned	<u>45,000</u>

Total Fund Balances	<u>2,153,348</u>
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Total Fund Balances	<u><u>\$ 2,153,348</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 Two Months Ended August 31, 2023**

REVENUE	
Interest Income	\$ 14,611
Total Revenue	\$ 14,611
EXPENSE	
Administrative	
Legal Fees	844
Debt Service	
Model Mill - Interest	9,740
Triple G - Interest	2,662
MMM Enterprises - Interest	1,609
Total Expenditures	14,855
Excess (Deficiency) of Revenues Over (Under) Expenditures	(244)
Fund Balances, Beginning of Fiscal Year	2,153,592
Fund Balances, End of Two Months	\$ 2,153,348

**JOHNSON CITY DEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND-TIF
BUDGET TO ACTUAL
For the Two Months Ended August 31, 2023**

	August Actual	August Budget	Variance	Year to Date Actual	Year to Date Budget	Variance
REVENUE						
Interest Income	7,296	417	6,879	14,611	833	13,778
Total Revenue	7,296	417	6,879	14,611	\$ 833	13,778
EXPENDITURES						
Façade Grants			-			-
Legal Fees	844	833	11	844	1,667	(823)
Downtown Development - Façade Grants		18,750			18,750	
Model Mill - Interest	9,740	10,384	(644)	9,740	10,384	(644)
Triple G - Interest	2,662	3,042	(380)	2,662	3,042	(380)
MMM Enterprises - Interest	1,609	1,839	(230)	1,609	1,839	(230)
Buffalo Street Boardwalk	-	-	-		11,250	(11,250)
Total Expenditures	14,855	34,848	(19,993)	14,855	46,932	(32,077)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (7,559)	\$ (34,431)	\$ 26,872	\$ (244)	\$ (46,099)	\$ 45,855

John Sevier Center

Monthly Financial Reports

Balance Sheet
Income Statement

August 31, 2023

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

Accrual YE13

Aug 2023

9/7/2023 8:02

ASSETS

CASH

Current Assets

Cash-Operating	43,200.35
Cash-Petty Cash	100.00
Tenant AR	3,938.07
Allowance Doubtful Accts	(863.58)
AR/AP-HUD	23,560.00
Security Deposits	37,625.13
Prepaid Expenses	7,466.17
Prepaid Insurance	618.00
Replacement Reserve	<u>58,665.07</u>

TOTAL CURRENT ASSETS 174,309.21

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	<u>(443,447.89)</u>

TOTAL FIXED ASSETS 4,853,644.24

OTHER ASSETS

TOTAL OTHER ASSETS 0.00

TOTAL ASSETS 5,027,953.45

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

Accrual YE13

Aug 2023

9/7/2023 8:02

LIABILITIES & CAPITAL

LIABILITIES

Current Liabilities

AP - Operations	10,202.13
AP - Other	18,675.52
AP-Failure to Report Claims	200.00
AP-Failure to Report Repayments	(100.00)
Accrued Wages Payable	8,143.61
Accrued Mgmt Fee Payable	9,621.45
Accrued Interest-1st Mort	15,002.54
Accrued Property Taxes	27,981.34
Accrued Expenses	16,371.77
Accrued Audit Fees	25,875.00
Security Deposit	30,970.00
Pet Deposit	1,070.00
Prepaid/Unearned Rent	4,448.72
Prepaid HUD	4,361.00

TOTAL CURRENT LIABILITIES 172,823.08

OTHER LIABILITIES

Mortgage Payable - 1st	3,826,750.75
Due to Other Funds - JCDA	595,436.50

TOTAL OTHER LIABILITIES 4,422,187.25

TOTAL LIABILITIES 4,595,010.33

CAPITAL

Owner Equity	391,862.03
Net Profit (Loss)	41,081.09

TOTAL CAPITAL 432,943.12

TOTAL LIABILITIES & CAPITAL **5,027,953.45**

John Sevier Center (1415) Comparative Income Statement						
Accrual^YE13 For the period ending August 31, 2023						
Account	Current Period		Variance	Year-To-Date		Variance
	Actual	Budget		Actual	Budget	
Revenue						
Tenant Rent Revenue	35,127.00	164,340.00	(129,213.00)	72,794.00	316,485.00	(243,691.00)
HUD Assistance	129,213.00	0.00	129,213.00	243,691.00	0.00	243,691.00
Total Gross Potential	164,340.00	164,340.00	0.00	316,485.00	316,485.00	0.00
VACANCY LOSS & CONCESSIONS						
Special Claims Revenue	0.00	2,953.25	(2,953.25)	2,058.00	5,906.50	(3,848.50)
Apartment Vacancy	(4,774.00)	(4,474.62)	(299.38)	(13,727.00)	(8,949.24)	(4,777.76)
Total Vacancy Loss & Concessions	(4,774.00)	(1,521.37)	(3,252.63)	(11,669.00)	(3,042.74)	(8,626.26)
OTHER INCOME						
Laundry & Vending Revenue	108.75	108.33	0.42	208.75	216.66	(7.91)
Misc Tenant Charges	265.00	600.00	(335.00)	286.46	1,200.00	(913.54)
Late Fees	226.43	333.33	(106.90)	354.69	666.66	(311.97)
Damages	0.00	281.25	(281.25)	1,610.58	562.50	1,048.08
Other Income	10,212.41	10,205.75	6.66	20,585.16	20,411.50	173.66
Total Other Income	10,812.59	11,528.66	(716.07)	23,045.64	23,057.32	(11.68)
BAD DEBT						
Bad Debts	(12,187.57)	(1,306.59)	(10,880.98)	(12,187.57)	(2,613.18)	(9,574.39)
Bad Debts - Admin	(1,076.00)	0.00	(1,076.00)	(1,907.00)	0.00	(1,907.00)
Allowance for Bad Debts	0.00	0.00	0.00	0.00	0.00	0.00
Total Bad Debt	(13,263.57)	(1,306.59)	(11,956.98)	(14,094.57)	(2,613.18)	(11,481.39)
Effective Gross Income (EGI)	157,115.02	173,040.70	(15,925.68)	313,767.07	333,886.40	(20,119.33)
Expense						
OPERATING EXPENSES						
UTILITIES						
Electricity	2,379.06	4,178.95	1,799.89	4,930.13	8,584.19	3,654.06
Electricity-Vacants	299.25	0.00	(299.25)	830.49	0.00	(830.49)
Water	2,449.01	2,461.02	12.01	4,697.55	4,587.20	(110.35)
Gas	197.94	193.18	(4.76)	345.33	360.37	15.04
Sewer	6,297.13	5,229.66	(1,067.47)	9,053.50	9,548.27	494.77
Total Utilities	11,622.39	12,062.81	440.42	19,857.00	23,080.03	3,223.03

John Sevier Center (1415) Comparative Income Statement						
Accrual^YE13 For the period ending August 31, 2023						
Account	Current Period		Variance	Actual	Year-To-Date	
	Actual	Budget			Budget	Variance
9/7/2023 8:11						
CONTRACT SERVICES						
Contract-Exterminating	425.00	2,900.20	2,475.20	2,890.00	5,800.40	2,910.40
Contract-Elevator	0.00	950.00	950.00	767.69	1,900.00	1,132.31
Contract-Fire Alarm	521.36	1,849.54	1,328.18	1,215.22	3,699.08	2,483.86
Contract-Plumbing	312.50	300.42	(12.08)	437.50	600.84	163.34
Contract-Cable TV	5,853.01	8,547.83	2,694.82	11,736.93	17,095.66	5,358.73
Contract-Other	1,553.81	2,151.88	598.07	10,763.10	4,303.76	(6,459.34)
Garbage & Trash Removal	1,329.49	2,734.17	1,404.68	3,331.18	5,468.34	2,137.16
Contract-Security	10,539.63	10,000.00	(539.63)	19,653.52	20,000.00	346.48
Total Contract Services	20,534.80	29,434.04	8,899.24	50,795.14	58,868.08	8,072.94
REPAIRS & MAINTENANCE						
Janitorial Supplies	1,038.03	721.00	(317.03)	2,130.88	1,442.00	(688.88)
Maintenance Supplies	1,185.47	1,511.44	325.97	2,597.32	3,022.88	425.56
Decorating Supplies	1,031.58	333.33	(698.25)	1,031.58	666.66	(364.92)
Plumbing Supplies	1,894.55	1,525.50	(369.05)	2,939.73	3,051.00	111.27
Electrical Supplies	94.59	493.33	398.74	594.65	986.66	392.01
HVAC R & M	0.00	412.83	412.83	0.00	825.66	825.66
Appliances	256.59	833.33	576.74	2,033.07	1,666.66	(366.41)
Carpentry	387.37	143.75	(243.62)	1,165.44	287.50	(877.94)
NonRoutine Maintenance	0.00	2,083.33	2,083.33	972.33	4,166.66	3,194.33
Total Repairs & Maintenance	5,888.18	8,057.84	2,169.66	13,465.00	16,115.68	2,650.68
TURNOVER						
Painting & Paint Supplies	824.83	739.58	(85.25)	1,651.81	1,479.16	(172.65)
Contract-Janitorial	0.00	125.00	125.00	918.00	250.00	(668.00)
Contract-Paint	0.00	108.33	108.33	918.00	216.66	(701.34)
Total Turnover	824.83	972.91	148.08	3,487.81	1,945.82	(1,541.99)
ADMINISTRATIVE						
Conventions & Meetings	34.99	100.00	65.01	34.99	200.00	165.01
Office Equipment-Lease & Maint	0.00	66.67	66.67	156.47	133.34	(23.13)
Office Supplies	58.78	304.83	246.05	1,282.10	609.66	(672.44)
Postage	98.54	112.50	13.96	286.68	225.00	(61.68)
Telephone/Data/Cable/Answering Svc	389.71	425.00	35.29	998.44	850.00	(148.44)
Legal Exp-Collection/Evictions	622.80	483.33	(139.47)	922.30	966.66	44.36
Misc Admin Expense	505.56	256.17	(249.39)	645.21	512.34	(132.87)
Meals & Entertainment	50.00	165.92	115.92	54.57	431.84	377.27
Computer Expense	1,016.09	1,168.49	152.40	2,068.65	2,336.98	268.33
Travel Expenses	0.00	393.83	393.83	38.68	787.66	748.98

John Sevier Center (1415) Comparative Income Statement						
Accrual [^] YE13 For the period ending August 31, 2023						
Account	Current Period		Variance	Actual	Year-To-Date	
	Actual	Budget			Budget	Variance
9/7/2023 8:11						
Bank Charges	320.76	308.33	(12.43)	705.73	616.66	(89.07)
Dues & Subscriptions	0.00	19.58	19.58	0.00	39.16	39.16
Mileage	594.33	375.00	(219.33)	1,420.28	750.00	(670.28)
Total Administrative	3,691.56	4,229.65	538.09	8,614.10	8,459.30	(154.80)
MARKETING & RESIDENT RETENTION						
Advertising & Marketing	0.00	4.17	4.17	0.00	8.34	8.34
Screening Expense	639.00	366.67	(272.33)	982.00	733.34	(248.66)
Tenant Promotions	211.92	541.67	329.75	694.87	1,083.34	388.47
Total Marketing & Resident Retention	850.92	912.51	61.59	1,676.87	1,825.02	148.15
PERSONNEL						
Office Payroll	3,171.64	2,432.47	(739.17)	5,832.79	4,984.48	(848.31)
Office Payroll CC	128.27	542.53	414.26	581.73	1,085.06	503.33
Manager Payroll	6,954.34	4,965.54	(1,988.80)	12,188.21	10,179.36	(2,008.85)
Payroll Processing Fees	78.80	117.07	38.27	172.01	234.14	62.13
Repairs & Maint Payroll	11,262.76	8,948.44	(2,314.32)	21,713.34	18,340.13	(3,373.21)
Payroll Tax Expense	1,418.38	1,275.81	(142.57)	2,744.42	2,615.41	(129.01)
Employee Benefits & Insur	2,158.81	7,373.87	5,215.06	7,892.79	14,747.74	6,854.95
Total Personnel	25,173.00	25,655.73	482.73	51,125.29	52,186.32	1,061.03
Total Controllable Operating Expenses	68,585.68	81,325.49	12,739.81	149,021.21	162,480.25	13,459.04
Controllable NOI	88,529.34	91,715.21	(3,185.87)	164,745.86	171,406.15	(6,660.29)
AUDIT EXPENSE						
Audit Expense	2,037.50	2,037.50	0.00	4,075.00	4,075.00	0.00
Total Audit Expense	2,037.50	2,037.50	0.00	4,075.00	4,075.00	0.00
MANAGEMENT & BOOKKEEPING						
Management Fees	9,621.45	12,041.71	2,420.26	19,005.05	24,083.42	5,078.37
Total Management & Bookkeeping	9,621.45	12,041.71	2,420.26	19,005.05	24,083.42	5,078.37
TAXES & INSURANCE						
Real Estate Taxes	3,497.67	3,497.67	0.00	6,995.34	6,995.34	0.00
Property & Liability Insu	6,178.16	7,049.00	870.84	12,356.32	14,098.00	1,741.68
Workers Compensation Insu	309.00	262.83	(46.17)	617.67	525.66	(92.01)

John Sevier Center (1415) Comparative Income Statement						
Accrual^YE13 For the period ending August 31, 2023						
Account	Current Period		Variance	Actual	Year-To-Date	
	Actual	Budget			Budget	Variance
9/7/2023 8:11						
License & Permits	0.00	0.00	0.00	55.00	0.00	(55.00)
Taxes-Other	0.00	41.67	41.67	0.00	83.34	83.34
Total Taxes & Insurance	9,984.83	10,851.17	866.34	20,024.33	21,702.34	1,678.01
TOTAL NON-CONTROLLABLE OPERATING	21,643.78	24,930.38	3,286.60	43,104.38	49,860.76	6,756.38
TOTAL OPERATING EXPENSES	90,229.46	106,255.87	16,026.41	192,125.59	212,341.01	20,215.42
NET OPERATING INCOME	66,885.56	66,784.83	100.73	121,641.48	121,545.39	96.09
NON-OPERATING EXPENSES						
Depreciation	9,217.81	0.00	(9,217.81)	18,435.62	0.00	(18,435.62)
Cap Ex- Appliances	1,767.57	500.00	(1,267.57)	4,247.86	1,000.00	(3,247.86)
Cap Ex-Unit Flooring	6,069.52	1,166.67	(4,902.85)	16,734.47	2,333.34	(14,401.13)
Cap Ex-Electrical	0.00	291.67	291.67	0.00	583.34	583.34
Cap Ex-Plumbing	0.00	166.67	166.67	0.00	333.34	333.34
Cap Ex-HVAC	1,791.64	666.67	(1,124.97)	1,791.64	1,333.34	(458.30)
Cap Ex-Upgrades-Building	9,312.30	0.00	(9,312.30)	9,312.30	255,000.00	245,687.70
Mortgage Interest-1st	15,002.54	14,507.48	(495.06)	30,033.83	29,047.24	(986.59)
Interest - Other	0.64	0.00	(0.64)	4.67	0.00	(4.67)
Total Non-Operating Expenses	43,162.02	17,299.16	(25,862.86)	80,560.39	289,630.60	209,070.21
NET INCOME	23,723.54	49,485.67	(25,762.13)	41,081.09	(168,085.21)	209,166.30
CASH FLOW ITEMS						
Deposits-RR	42,500.00	21,250.00	(21,250.00)	42,500.00	42,500.00	0.00
Principal Pmts-1st Mortga	8,022.06	8,513.59	491.53	16,499.07	16,995.02	495.95
JCDA Pmts	9,750.00	9,750.00	0.00	19,500.00	19,500.00	0.00
Depreciation	(9,217.81)	0.00	9,217.81	(18,435.62)	0.00	18,435.62
TOTAL CASH FLOW ITEMS	51,054.25	39,513.59	(11,540.66)	60,063.45	78,995.02	18,931.57
Net Income after Cap Ex and DS	(27,330.71)	9,972.08	(37,302.79)	(18,982.36)	(247,080.23)	228,097.87

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

September 2023



On behalf of the Downtown Johnson City Foundation, staff has coordinated the 2023 DIY Oktoberfest with participating downtown establishments. The number of participating establishments has increased from 2022, which will allow for additional foot traffic downtown from September 16th through October 3rd when participants can pick up a postcard at one of the downtown breweries or pubs. The establishment will stamp the participant's postcard, indicating the purchase of one drink. If a participant orders a drink from six participating pubs or establishments, then they can leave their postcard with the bartender to be entered in a random drawing for a prize. Additional information may be found by visiting the Downtown Johnson City website: <https://www.downtownjc.com/oktoberfest> or by contacting Sydni Leonard at leonard@downtownjc.com.

The artwork for Restaurant Week also has been developed for 2023. The event is driven by the participating restaurant establishments who choose to offer specials during the week. Staff will be encouraging establishments to add these specials to their own social media, while the Downtown Johnson City website will revise the restaurant week page to feature the links provided by the participating establishments. Further information will be release by the restaurants and through a press release from Downtown Johnson City Foundation.

Staff is continuing to fully execute social media channels and digital media on behalf of the Downtown Johnson City Foundation and the Johnson City Development Authority in order to support downtown events produced by a wide variety of merchants. Ms. Leonard's efforts to increase engagement with seasonal newsletter <https://www.jcdatn.org/news> continues to show results with an increasing open rate and readership. A targeted effort to work with Walnut Street businesses remains underway, including a standing feature section in the newsletter.

The Downtown Johnson City Foundation, Inc. 501 (c)3, per by laws, will elect officers at the October's Annual Meeting. Staff is working with the Foundation on a number of upcoming activities for the remainder of the calendar year. Additionally, staff continues to maintain the National Main Street Accreditation in preparation for the report due in January that will be a requirement for a renewal of the program for the community in 2024.