



# AGENDA

## Johnson City Development Authority Board Meeting

Friday, February 23, 2024 @ 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  
[January 26, 2024 JCDA Regular Meeting Mins](#)

### 3. COMMITTEE REPORTS

- 3.1. John Sevier Center Operations Report  
[John Sevier Operations Report February 2024](#)
- 3.2. John Sevier Center Disposition Report  
[John Sevier Center Disposition Report February 2024](#)  
[2.8.2024 News Release from LHP](#)
- 3.3. Downtown Centre/Parking Garage Report  
[Downtown Centre and Parking Garage Report February 2024](#)
- 3.4. TIF Advisory Committee Report  
[TIF Advisory Committee Report February 2024](#)  
[Request to Approve TIF Funds, to County Commission \(Updated\)](#)  
[FAC23 005 Revised 117 W Fairview Facade Grant Staff Report - Revision](#)  
[Letter from Johnson City Opportunity Properties](#)
- 3.5. Human Resources Report  
None
- 3.6. Finance Committee Report  
[Finance Committee Report February 2024](#)

### 4. FINANCIALS

- 4.1. ACTION: Johnson City Development Authority General Operating Fund Financial Statement  
[JCDA General Fund Financial Statement 02232024](#)
- 4.2. ACTION: Johnson City Development Authority Tax Increment Financing (TIF) Special Fund  
Financial Statement  
[JCDA Special TIF Fund Financial Statement 02232024](#)
- 4.3. ACTION: John Sevier Center Financials  
[John Sevier Center Financial Statement 02232024](#)

### 5. STAFF REPORTS

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

[Downtown Johnson City Foundation Report 02232024](#)

[Letter to HomeTrust Bank Regarding JCDA and Foundation](#)

[Letter from Connect Downtown Johnson City, Inc. to JCDA](#)

5.2. Executive Director's Report

Administrative Coordinator to the Executive Director - Position Updates

## 6. CHAIR REPORT

Comments from the Chairman

## 7. ADJOURNMENT



**Minutes**  
**Johnson City Development Authority**  
 Friday, January 26, 2024 @ 8:00 AM  
 Langston Centre

**CALL TO ORDER**

Called to order at 8:01am by Chairman, Shannon Castillo.

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

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

**Others Present:**

- Cathy Ball, City Manager
- Randy Trivette, Assistant City Manager
- Grace Teater, Johnson City Press
- Daniel McIntosh, Ellis Group CPAs - JCDA Accountant

**Sydni Leonard, Administrative Coordinator**

**Claim for Member Conflict of Interest**

**Additional Action Item to Agenda**

A motion was made by **Commissioner Hank Carr** to approve the addition of 24-hr weekend security at the John Sevier Center to the Agenda under the John Sevier Operations report. The motion was seconded by **City Commissioner Joe Wise**. The motion passed unanimously.

**ADOPTION OF MINUTES**

**ACTION: Review and Adoption of the November 28, 2023 Regular JCDA Meeting Minutes**

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

**PUBLIC COMMENT ON AGENDA**

**Public Comment on the Agenda**

Chairman Shannon Castillo opened the floor for public comment on the agenda at 8:02am. None present wished to speak. Chairman Castillo closed the floor for public comment at 8:02am.

**COMMITTEE REPORTS**

**John Sevier Center Operations Report**

Executive Director Oldham reported on John Sevier Operations. Items reviewed included roofing evaluations, cutoff valve maintenance, capital expenses, residents and the holiday events, and LHP request for a Mark Up to Market study.

Additionally, the board revisited the 24-hr. weekend security vote as the 90-day provision had expired. A motion was made by **City Commissioner Joe Wise** to extend 24-hr. weekend security at the John Sevier Center through the end of the fiscal year to be revisited on the June 2024 agenda. The motion was seconded by **Commissioner Jack Simpson**. The motion passed unanimously.

**John Sevier Center Disposition Report**

## Agenda Item #2.2.1.

Executive Director Oldham reported that the groundbreaking ceremony at the Tapestry at Roan Hill has been rescheduled to February 8, 2024 at 11:30am.

Assistant City Manager, Randy Trivette, noted that the RFP for the John Sevier Center will be published on Monday, January 29, 2024 and the City will be working with Executive Director Oldham to send the RFP to consultants that the John Sevier Working Group met with in 2023.

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

Executive Director Oldham reported various building updates for the Downtown Centre in regard to ETSU and JCPD leases. A number of repairs have been made on the building in collaboration with Cox Property Management.

Ms. Oldham and other JCDA staff and board members were present at the Commerce, Industry, and Agriculture meeting during the month of January. The CIA Committee approved the TIF request for the Downtown Centre in the amount of \$35,999 to be forwarded to the full Washington County Commission during February's meeting.

### **TIF Advisory Committee Report**

Concerning, the forthcoming tax increment financing request, the Executive Director requested authorization to work with lenders to obtain lending to support the necessary debt request for the John Sevier Center and the Downtown Centre prior to appearing before the Washington County CIA Committee and the Washington County Commission. The loans would be separated into two projects: one that would be used for the roof to be drawn upon during the replacement project, the second one that would be used for the amount that the JCDA has already expended. Both loans are expected to be repaid quickly, inside of six months, with available TIF funds. The debt also would be reported through the State of Tennessee, Comptroller of the Treasury. All legal paperwork would be processed through James Murphy III of Bradley, Nashville.

The motion to approve the pursuit of lending options was made by **Commissioner Malone** and seconded by **Commissioner Carr**. Commissioner Malone requested that it be stated that he was not involved in any lending process or review for the funding, so as to clarify that there would not be any conflict of interest.

A motion was made by **County Commissioner Jodi Jones** to forward the facade grant request for 117 W. Fairview Ave. back to the TIF Advisory Committee for examination of the criteria and definitions between decking/stairs and new construction. The motion was seconded by **City Commissioner Joe Wise**. The motion passed unanimously.

### **Human Resources Report**

## Agenda Item #2.2.1.

Recommendation: Based on the annual review scoring results, the HR Committee discussed recommending the JCDA approve the following compensation and bonus award for the Executive Director:

- Base compensation increased by 3% from \$85,000 to \$87,500 annually beginning January 1, 2024.
- A performance bonus payout of \$4,250 as prescribed by the Executive Director's offer of employment equal to 50% of the bonus potential is paid in the following areas:
  - o Leadership, Professionalism, Work Ethic
  - o Financial Performance & Accountability
  - o Organization and Administration

The motion was made in form of a recommendation from the **Human Resources Committee** to approve the above compensation increase for the JCDA's Executive Director. The motion was seconded by **Commissioner Bob Cooper**. The motion passed unanimously.

### **Finance Committee Report**

Finance Committee Chairman, Freddie Malone, and Ellis Group Representative, Daniel McIntosh, report that the JCDA Finance Committee convened at 12:30PM on January 18, 2024.

Items reviewed in the meeting included:

1. JCDA General Fund Financials November and December
2. JCDA Special Reserve TIF Fund Financials November and December
3. John Sevier Center Financials November and December
4. John Sevier Center Current Cap Expense Rates and FY Projections
5. Tax Increment Financing Request with Debt and Repayment Discussion
6. Downtown Centre

### **FINANCIALS**

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

A motion was made in form of a recommendation from the **Finance Committee** to approve the JCDA General Fund financial statements for November 2023 and December 2023 as presented. The motion was seconded by **Commissioner Jack Simpson**. The motion passed unanimously.

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

**Financial Statement**

A motion was made in form of a recommendation from the **Finance Committee** to approve the JCDA Special TIF Fund financial statements for November 2023 and December 2023 as presented. The motion was seconded by **City Commissioner Joe Wise**. The motion passed unanimously.

**John Sevier Center Financials**

A motion was made in form of a recommendation from the **Finance Committee** to approve the John Sevier Center financial statements for November 2023 and December 2023 as presented. The motion was seconded by **County Commissioner Jodi Jones**. The motion passed unanimously.

**STAFF REPORTS**

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

Executive Director Oldham reported that the transition of both the Main Street Program and Connect Downtown Johnson City Foundation to be administered by the City of Johnson City is ongoing. Ms. Oldham has met with the City's Main Street Director and the Foundation's Treasurer to ensure that all items belonging to the Foundation and the Main Street Program are turned over in time for the 2023 Annual Report due date.

**Executive Director's Report**

Executive Director Oldham thanked the Board for their direction over the past two years. Ms. Oldham noted that she is grateful for their guidance and looks forward to the future.

**CHAIR REPORT**

**ADJOURNMENT**

Meeting adjourned at 9:02am by Chairman Shannon Castillo.

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Chair:



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Secretary:

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

**Johnson City Development Authority**

**John Sevier Center Operations Report**

**February 2024**

**1. Roofing Evaluation**

- Three quotes have been received for replacing five roof surfaces. Commissioners Cooper has spoken with each company about the project. He and Commissioner Campbell are closely comparing the specifications and anticipate having a recommendation by the end of February.
- The JCDA Executive Director will appear before the Washington County Commission February 26 to request tax increment financing funding for the roofing, as part of the overall request for TIF funding for the John Sevier Center and the Downtown Centre.

**2. Update on Cutoff Valve Replacement**

- LHP has received a quote from Allied Piping to replace the water service and pipes to the meter. It would require a scheduled cut-off while the service is switched.
- LHP and JCDA staff are evaluating the timing of the use of reserve funds, as well as any available operational funds so that the project can move forward.
- Staff is requesting that the JCDA allow approximately \$81,640 in capital expenses to be allowed for use from the reserve account, in coordination with LHP's financial team, the JCDA Operations Committee and JCDA Finance Committee. A recommendation is at the end of the report.

**3. U.S. Department of Housing and Urban Development NSPIRE system**

- HUD contacted Ms. Oldham via email to initiate signing into the new NSPIRE inspection system. Andy Brinkman, of LHP, discussed that he believes the email was to bring users into the system to prepare for the new system rollout. Any inspection information would likely be sent to LHP and JCDA would have access through the NSPIRE account.

**4. Property Insurance**

- The insurance company is seeking insurance coverage for a new policy. The current policy has been extended through March.

**Action: John Sevier Center Water Valve Project**

Staff recommends use of available John Sevier Center budget capital expenses for the water cut off replacement project for approximately \$82,000.00 as funds allow, in coordination with LHPs financial staff, the JCDA Finance Committee and JCDA Operations Committee.

**Johnson City Development Authority**

**John Sevier Center Disposition Report**

**January 2023**

The disposition of the John Sevier Center project has moved into its final stage.

**Transfer Approved:**

U.S. Department of Housing and Urban Development approved the transfer of Section 8 vouchers from Project A 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, as stipulated by agreements and HUD.

**Financing Established and Closing Completed:**

The financing and land purchase was completed in December 2023.

**Groundbreaking:**

Groundbreaking for the Tapestry at Roan Hill was held on February 8, 2024. Please see the attached press release from LHP Management as an extensive recapitulation of the event.

**John Sevier Center Residents Move:**

Construction will take approximately 18 to 24 months. Eligible residents move to the new residences in December 2025, depending on construction progress.

**Redevelopment of the John Sevier Center:**

- July 2023 through October 2023 the John Sevier Anchor Block Working Group met to identify the project pathway and the development advisory professionals best suited to assist the JCDA and the City of Johnson City to redevelop the John Sevier Center and the Downtown Centre.
- The City of Johnson City is handling the request for proposal process for a consultant to provide a highest and best use and market study, as an initial phase of an RFQ/RFP process. The RFP call will be issued through the City's procurement process. The results are anticipated six months following firm selection. Executive Director Oldham and Commissioner Cooper are scheduled to meet with City Leadership on February 16, 2024, to discuss recent developments in this process.

**Action requested:** None

**Johnson City Development Authority Meeting: February 23, 2024**



FOR RELEASE: February 8, 2024

CONTACT: Amy Styles, LHP Capital Director of Marketing and Public Relations, (865) 549-7463 or [astyles@lhp.net](mailto:astyles@lhp.net)

**Tapestry at Roan Hill breaks ground in Johnson City**

*Groundbreaking marks milestone in John Sevier Center replacement housing development*

JOHNSON CITY, TN--Today, community leaders, developers, and future residents gathered to celebrate the groundbreaking of Tapestry at Roan Hill, a new affordable housing development designed specifically for older adults aged 62 and over and individuals with disabilities. The development will provide housing for residents currently living at the John Sevier Center, in downtown Johnson City.

Tapestry at Roan Hill will consist of a three-story garden style apartment building offering 145 spacious one-bedroom apartment homes. With its location at 2162 S. Roan Street, residents will have close and convenient access to a major grocer, pharmacy and public transportation.

“Today marks a significant step forward in our city’s commitment to providing safe, secure and affordable housing for all of its citizens,” said Johnson City Mayor Todd Fowler, speaking at the groundbreaking ceremony. “Tapestry at Roan Hill will provide the residents of John Sevier Center with a place they can be proud to call home.”

Tapestry will provide lifestyle amenities geared toward independent seniors such as a community room, business center, and fitness center. The apartment homes will be nicely appointed with luxury vinyl plank flooring, contemporary fixtures, and energy-efficient appliances, including in-room washer and dryer, dishwasher and microwave. Rent will be based on income and will include cable TV and internet.

“We stand here today ready to celebrate the start of construction of beautiful new housing for two of our city’s most vulnerable populations—the elderly and individuals with disabilities,” said Shannon Castillo, Chair, Johnson City Development Authority (JCDA). “This important moment belongs to every one of us.”

--more--

## Agenda Item #3.3.2.

JCDA, LHP Capital and Bristol Development are working with the U.S. Department of Housing and Urban Development (HUD) to facilitate the transfer of the Section 8 HAP contract from John Sevier Center to the new development when finished.

“LHP Capital is proud to partner with Bristol Development, Johnson City, JCDA and our other partners to make this project a reality,” said Alvin Nance, CEO, LHP Development. “Investing in affordable housing is an investment in our community’s future. Together, we are building not just homes, but opportunity, hope and happiness for many families and for many years to come.”

The developers worked closely with the Tennessee Housing Development Agency (THDA) to secure financing for the project. THDA provided \$25 million in tax exempt bonds and approximately \$19 million in Low Income Housing Tax Credits (LIHTC).

"This project has been important to THDA for many years and we're so grateful to be here, breaking ground and getting to see this through," said Katie Moore, Community Outreach Liaison, THDA. "THDA exists to partner with communities and developers to create and maintain sustainable housing, which strengthens Tennessee. This project is such a great example."

Additional financing for the development includes a \$12 million mortgage originated by Walker & Dunlop, a \$6 million loan from the Industrial Development Board of Johnson City, and an additional \$12 million bridge loan provided through First Horizon. As part of the requirements for the development, Tapestry at Roan Hill must remain an affordable housing community for seniors and people with disabilities for the next 30 years.

The contractor for Tapestry is Merit Construction and the architect is Smith Gee Studio. The expected completion date is December 2025. For additional information, visit [www.lhp.net](http://www.lhp.net) and [www.bristoldevelopment.com](http://www.bristoldevelopment.com).

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**About LHP** LHP Capital is a developer and manager of multifamily housing properties with a primary emphasis on affordable housing. Since 1998, the company formerly known as Lawler Wood Housing and rebranded LHP in 2015, has developed 14,707 apartment units at 111 properties in 13 states, completing more than \$1.5 billion in development activity creating safe, secure housing communities. LHP currently manages a portfolio of 50 multi-family properties in six states. The company is headquartered in Knoxville and has an office in Nashville. For additional information, visit [www.lhp.net](http://www.lhp.net).

Agenda Item #3.3.2.

## Johnson City Development Authority

### Downtown Centre Report

February 2024

#### **A. Building Operations and Maintenance Update**

##### **1. Building Updates:**

- JCDA staff has continued to meet with ETSU facilities and Cox Property Management to discuss needed repairs, maintenance, and to familiarize them with operations.
- The Johnson City Police Department has moved into the building.
- ETSU has begun to move classroom furniture into the building.
- JCDA staff is continuing to work with ETSU on transferring various building management matters, such as security and maintenance and the parking garage cleaning.
- Broadband for security cameras is being paid monthly by JCDA, however, staff will be discussing camera access and management with ETSU in February.
- Cox Property Management has continued working with JCDA staff to monitor the building and assist with pending repairs during the transition to ETSU.
  - Their team is pursuing repairs to one of the two boilers, which is expected to be completed by the end of February. Necessary parts delivery has been delayed.
  - Cox Property Management began intermediate parking garage repairs to address leaks into the building. During the storm on 02/12, the initial repairs prevented any water from entering the building in one area, but the area near the elevator will require further repair.

##### **2. Cost Update:**

- Staff anticipates expenses to impact the budget for at least the month of January, due to monthly billing cycles, but also anticipates the December 15 to January 15 first month revenue once invoices are set up through the ETSU and State system.
- East Tennessee State University transferred the utilities. The prorated utility bill amount of \$7,637 has been sent to ETSU.

##### **3. Parking Garage Opening:**

- Staff will be calling a meeting with ETSU in February to examine parking garage operations and shared access.

#### **B. Potential Funding Allocation Request Update and TIF Request**

- A request for use of Tax Increment Funding approval for cameras and security for the Downtown Centre will appear on the Washington County Commission February agenda.
- Staff is proceeding under advisement from Nashville attorney Jim Murphy, of Bradley.

**Action Needed:** None

Johnson City Development Authority Meeting: February 23, 2024

**Johnson City Development Authority**

**TIF Advisory Committee Report**

**February 2024**

- The TIF Advisory Committee meeting met at 8AM, Friday, February 16, 2024.
- The agenda included the returned façade grant request for 117 W. Fairview Ave. and a revision to an existing façade grant application’s project scope at 128 and 130 Spring St.
- On February 15, 2024, Executive Director Oldham received a letter via email from Jon Corbin of Johnson City Opportunity Properties requesting either an extension of the timeline on the proposed project at 128 and 130 Spring Street or a change to the application to omit windows and storefront, leaving the masonry work as the only reimbursement request. Please find the letter attached.
- Additionally, the TIF Advisory Committee discussed the Executive Director’s discussions with James L. Murphy III, attorney with Bradley regarding TIF debt service. The Committee requested that additional correspondence documentation be provided to the Committee via email as well as an attachment in future meetings.
- Staff returned to the Washington County CIA meeting in February to request the amended amount, as approved by TIF Advisory Committee and the JCDA Board in January. The request will appear on the February full Washington County Commission agenda.

**Action Needed:** Yes – Two Items

**Item 1 Recommendation: Façade Recommendation, 117 West Fairview Avenue**

**(Updated)** TIF Advisory Committee recommended in favor of the JCDA providing a \$8,250 primary façade grant for 117 W. Fairview Avenue TIF request.

**Item 2 Recommendation: Façade Application Amendment, 128 and 130 Spring Street**

TIF Advisory Committee recommended in favor of the JCDA approving the reimbursable amount of \$10,000 to Johnson City Opportunity Properties for the primary façade grant masonry work for 128 and 130 Spring Street TIF request.



February 1, 2024



# Request to Approve TIF Funds: John Sevier Center and Downtown Centre Investments

The Johnson City Development Authority requests approval for two projects from the JCDA Tax Increment Financing Special Fund for a Total Amount of: **\$751,382**

### John Sevier Center TIF Request

Capital Improvements **\$315,383**  
Roof Replacements **\$400,000**

**JSC Total \$715,383**

### Downtown Centre TIF Request

Security Camera System **\$35,999**

**DTC Total \$35,999**

## Capital Improvement Results

- Substantially improved the safety & condition of 150 multi-family units, that twice had failed inspections, for seniors & those with disabilities in Washington County;
- Increased federal funding for the property & operations budget, twice;
- Passed required U.S. HUD inspections and improved building life safety;
- Obtained approval for moving federal housing funding to a new multi-family development;
- Continued to prepare & protect the building for residents, investment, & redevelopment.

### Phase 1 Stabilization

JCDA acquired John Sevier Center

Capital investments made to stabilize the building & the financials

Living conditions & safety improved for seniors & those with disabilities in 150 units

### Phase 2 Approvals

JCDA continues to stabilize finances & budget to improve property condition soundness.

U.S. HUD approves moving federal housing funding from John Sevier Center to new development, upon completion.

Developers secure financing & acquire land.

### Phase 3 Construction and Unit Transfer

Construction begins in February 2024

JCDA continues operation of John Sevier Center through 2025

Assess & market John Sevier Center property and surrounding area for redevelopment.

## Tax Increment Finance Funding Utilization

- Funds are not from the regular count budget or assets. The project is not a new funding request.
- These improvements would not occur except for using TIF funding to support and spur investment.
- Tennessee law permitted these funds, also with city and county approval, to be allocated for the Redevelopment Plan (2011) area in downtown Johnson City to advance property redevelopment.
- The increases in property value will benefit the county property tax base long term and solve a highly challenging property redevelopment that impacts the property values and environment downtown.

Johnson City Development Authority  
TIF Advisory Committee

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

**Date:** February 13, 2024 (Revised - Returned by JCDA to TIF Advisory for further review 02/16/24)

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

**046N J 003.00**

**Tax Parcel ID**

**Address:**

**117 West Fairview Avenue**

**Applicant:**

Jessie Shelton

**Owner of Record:**

Jessie Shelton

**Representatives:**

The Philosopher's House-Manager, Ren Allen  
Property Owner, Jessie Shelton

**Occupied/Vacant**

Occupied-Commercial

**Taxes in Full**

Current

**Insurance**

Current

**Redevelopment Plan Area Only**

Yes

**Historic Zoning District**

No

**Historic Zoning Certificate of Appropriateness**

Not required. Email from City.

**Date Issued?**

**Primary Facing Façade Eligible**

**\$8,250.00 (see revised calculations and maximums)**

**Revenue Generating Commercial Property or  
Mixed Use?**

Yes – First Floor Commercial Space/Upper Tea House  
and Community Activity Space



Agenda Item #3.3.4.

The applicant would improve one façade by building a deck and stairs onto the ground level of the Boone Street façade. The primary facade faces Boone Street but is addressed on W. Fairview. The Historic Zoning Commission does not issue a Certificate of Appropriateness since the property is outside the historic zoning overlay boundary. However, in order to be eligible for TIF Façade Program funds, the project must be reviewed by staff to state that it meets the same requirements. City Development Services staff provided an email stating that they did not see any other requirements needed to be met.

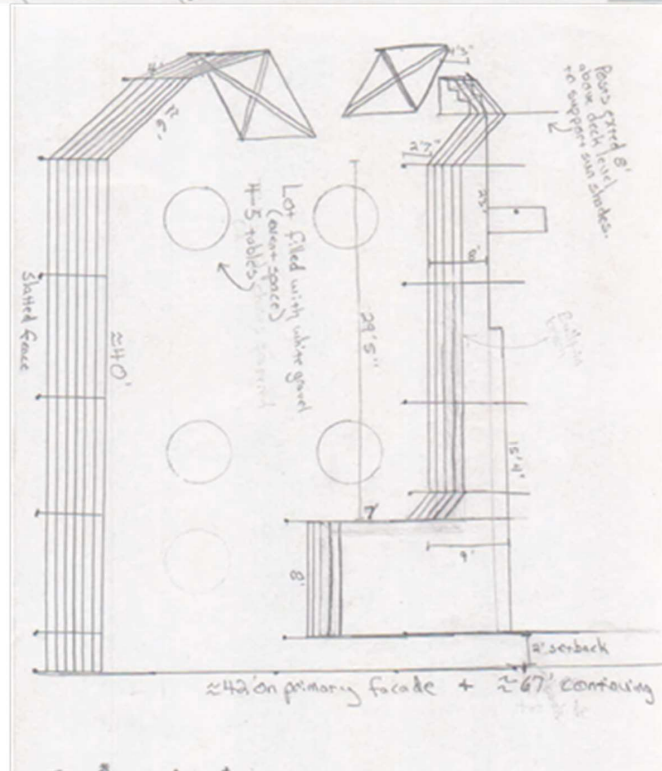
The total cost of the construction would be, as estimated, **\$16,500**. The primary façade is eligible for up a maximum of 50% of the cost, excluding labor by an owner without a second quote, not to exceed \$10,000, therefore, **the allowable amount is \$8,250.00**. Two professional estimates were received with the application.

Façade Area	Estimated Costs (See Max %)*	Maximum %	Mutiplied by Percentage of Reimbursement from Formula	Total final amount eligible for Reimbursement
Primary Façade A (deck/stairs only)	\$16,500	0.5	\$ 8,250.00	\$ 8,250.00
Street Facing Façade B	0	0.25	N/A	0
Street Facing Façade C	0	0.25	N/A	0
<b>Total Costs</b>	<b>16500</b>		<b>Total request =</b>	<b>8250</b>
Primary Facing Façade Up to \$10K				
Street Facing Side Up to \$5K				
*Excludes self labor, unless separate quote obtained	Included	Labor	Two quotes from independent contractors	
Total Job Cost/Investment:	<b>16500</b>			

Deck area for dining on the western side of the building is to amend the primary façade. The project would add a deck and stairs. The request for funding for fencing has been removed.



Agenda Item #3.3.4.



**Recommendation:** Staff recommend approval of the primary façade eligibility amount of \$8,250.00 for the stairs and deck project.





February 15, 2024

Patricia Oldham  
Johnson City Development Authority  
East Main Street  
Johnson City, TN

Dear Tish,

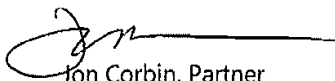
I appreciate your time and consideration in meeting with me on Tuesday. This letter serves as an official request regarding the Facade Grant for 128 and 130 Spring Street for revision of the qualifying budget submitted.

Following our facade grant approval, we ran into delays in completing the masonry and finalizing our engineering. This delay affected our timeline to begin work. We have been able to complete that portion of the facade work within the six-month deadline.

On our contractor's recommendation, the installation of the large plated glass windows should come following the interior demolition. Since we have not received the final approved drawings for the building yet, we will be unable to do the final window work during the six-month deadline for this grant. However, our costs for the masonry work have well been over the 50% qualification in the grant.

I respectfully submit paid invoices of \$93,150 and request that the window qualification be removed from our original facade grant approval.

I have attached several documents for your review and consideration. Please let me know where we go from here.



Jon Corbin, Partner  
Johnson City Opportunity Partners

## **Johnson City Development Authority**

### **Finance Committee Report**

**February 2024**

The JCDA Finance Committee convened at 12:30PM on February 15, 2024, at the JCDA office, with Board of Director members Freddie Malone, Shannon Castillo, Ernest Campbell, Bob Cooper, Jack Simpson, Executive Director Patricia “Tish” Oldham, Sydni Leonard, and representative of the David Ellis, CPA Firm, Daniel McIntosh present virtually.

Items reviewed included:

1. JCDA General Fund Financials November and December
2. JCDA Special Reserve TIF Fund Financials November and December
3. John Sevier Center Financials November and December
4. John Sevier Center Mortgage Loan Due Date Discussion
5. Tax Increment Financing Request with Debt Updates
6. Downtown Centre Expenditures and Lease w/ ETSU Updates

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 JANUARY 2024 JCDA GENERAL FUND FINANCIALS**

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

The January 2024 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 Cooper/Castillo) Motion passed.

#### **5.2.1 APPROVE JANUARY 2024 JCDA SPECIAL RESERVE TIF FUND FINANCIALS**

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

The January 2024 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 Campbell/Cooper) Motion passed.

#### **5.3.1 FORWARD JANUARY 2024 JOHN SEVIER CENTER FINANCIALS**

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

The January 2024 John Sevier Financials, prepared by LHP, were reviewed by the Finance Committee, and forwarded to the JCDA for review. (Motion Cooper/Campbell) Motion passed.

Johnson City Development Authority Meeting: February 23, 2024

## Agenda Item #3.3.6.

Additional matters included:

- John Sevier Center Mortgage Loan Due Date Discussion:
  - The John Sevier Center Mortgage loan will reach maturity in September 2024 with an estimated 3.7 million principal due.
  - Staff informed finance committee they had begun conversations with the bank concerning the maturity date and would continue to work with the bank to develop proposals on how to extend the loan to keep in pace with the disposition and potential property redevelopment.
  - Staff will come back to the finance committee before the end of the fiscal year with proposals on loan extension for review.
  
- Tax Increment Financing Request with Debt Updates:
  - Staff and Daniel McIntosh meet with a banking representative to discuss the need for a short-term loan to facilitate use of TIF funding.
  - Following the meeting, the bank has provided draft loan documents in conjunction with legal review and correspondence from Jim Murphy that outlines loans terms and conditions.
  - Pending final approval from Washington County Board of Commissions for the TIF financing and the short-term loan approval from the JCDA Board of Directors, all components for utilizing TIF funds for John Sevier capital expended, upcoming John Sevier Center roof replacement, and Downtown Centre capital invested are in preparation. ***For further discussion see TIF Committee Report.***
  
- Downtown Centre Expenditures and Lease with w/ETSU Update:
  - Downtown Centre expenditures through January of 2024 are \$69,076.
  - Utility expenditures following the lease initiation with ETSU, effective on December 15, 2023, with pro-ration are \$7,637. Staff will include the pro-rated expenditures on the February invoice to ETSU to recoup cost.
  - As of the meeting, ETSU had not sent payment on the first month's lease invoice. Staff will continue to follow up, to ensure invoice payment commences in accordance with the lease agreement.

**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 Seven Months Ended January 31, 2024**

255 West Summer St.  
Greeneville, Tennessee 37743  
(423) 787-0855 - Fax (423) 639-0124

3865 Fort Henry Dr.  
Kingsport, TN 37663  
(423) 787-0855



**JOHNSON CITY DEVELOPMENT AUTHORITY  
GENERAL FUND  
BALANCE SHEET  
January 31, 2024**

<b>ASSETS</b>		
Cash		
HomeTrust Operating	\$ 45,860	
Home Trust Savings	<u>211,512</u>	
Total Cash		257,372
Current Assets		
Rental Security Deposits	600	
Lease Income Receivable	10,500	
Due to/From Other Funds	458,403	
John Sevier Capital Repair Loan	<u>88,284</u>	
Total Current Assets		<u>557,787</u>
Total Assets		<u><u>\$ 815,159</u></u>
<b>LIABILITIES</b>		
Accounts Payable	\$ 5,960	
Due to JSC Security Fund	<u>20,000</u>	
Total Liabilities		<u>25,960</u>
<b>FUND BALANCES</b>		
Unassigned	<u>789,199</u>	
Total Fund Balances		<u>789,199</u>
Total Liabilities and Fund Balances		<u><u>\$ 815,159</u></u>

**JOHNSON CITY DEVELOPMENT AUTHORITY  
GENERAL FUND  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
For the Seven Months Ended January 31, 2024**

**REVENUE**

Operating Revenue - City of JC	\$	255,000
Lease Income - Downtown Centre		12,501
Interest Income		3,977
		271,478
Total Revenue		271,478

**EXPENSE**

Salaries	\$	110,153
Audit Fees		16,000
Office Rent		13,531
Payroll Taxes		8,493
Downtown Centre Expenses:		
Contract Labor IT		3,580
Property and Liability Insurance		6,286
Camera and IT Equipment		31,062
Contract Labor Property Management		3,032
Contract Labor Others		1,336
Utilities		17,444
Other Expenses		1,663
Accounting Fees		7,429
Employee Benefits		4,441
Insurance - Directors and Officers		3,966
Computer/IT Support		2,373
Internet		1,150
Cell and Office Phones		949
Legal Fees		635
Printing Services		665
Office Supplies		901
Outside Contract Services		564
Payroll Service Fees		642
Meals & Entertainment		622
Worker's Compensation		504
Bank Fees		525
Membership/Dues/Subscriptions		530
Legal Advertising		375
Miscellaneous		423
Employee Parking		150
Postage and Shipping		66
		239,490
Total Expenses		239,490

Excess (Deficiency) of Revenues Over (Under) Expenditures		31,988
Fund Balances, Beginning of Fiscal Year		757,211
Fund Balances, End of Seven Months		\$ 789,199

Agenda Item #4.4.1.

**JOHNSON CITY DEVELOPMENT AUTHORITY  
BUDGET TO ACTUAL  
For the Seven Months Ended January 31, 2024**

	January Actual	January Budget	January Variance	Year to Date Actual	Year to Date Budget	Variance
<b>REVENUE</b>						
Operating Revenue - City of JC	\$ 85,000	\$ 85,000.00	\$ -	\$ 255,000	\$ 255,000	\$ -
Lease Income - Downtown Centre	10,500	-	10,500	12,501	2,000	10,501
Administrative fee	-	-	-	-	30,000	(30,000)
Interest Income	703	29	674	3,977	204	3,773
<b>Total Revenue</b>	<b>96,203</b>	<b>85,029</b>	<b>11,174</b>	<b>271,478</b>	<b>287,204</b>	<b>(15,726)</b>
<b>EXPENSE</b>						
Salaries	11,152	18,432	(7,280)	110,153	129,023	(18,870)
Office Rent	1,933	1,933	-	13,531	13,531	-
Audit Fees	-	1,333	(1,333)	16,000	9,333	6,667
Payroll Taxes	920	1,410	(490)	8,493	9,870	(1,377)
Employee Benefits	-	1,650	(1,650)	4,441	15,550	(11,109)
Internet	50	121	(71)	1,150	846	304
Accounting Fees	-	1,167	(1,167)	7,429	8,167	(738)
Insurance - Directors and Officers	-	-	-	3,966	4,000	(34)
Computer/IT Support	424	718	(294)	2,373	2,696	(323)
Property Coverage	-	2,125	(2,125)	-	6,375	(6,375)
Outside Contract Services	-	667	(667)	564	4,667	(4,103)
Printing Services	37	150	(113)	665	1,050	(385)
Miscellaneous	25	82	(57)	423	550	(127)
Legal Fees	-	167	(167)	635	1,167	(532)
Furniture and Equipment	219	333	(114)	-	2,333	(2,333)
Cleaning Supplies	-	83	(83)	-	583	(583)
Professional Services	-	42	(42)	-	292	(292)
Worker's Compensation	-	-	-	504	450	54
Employee Parking	-	-	-	150	-	150
Downtown Centre Expenses						
Contract Labor IT	-	-	-	3,580	-	3,580
Property and Liability Insurance	-	-	-	6,286	-	6,286
Camera and IT Equipment	-	-	-	31,062	-	31,062
Contract Labor Property Management	629	-	629	3,032	-	3,032
Contract Labor Others	290	-	290	1,336	-	1,336
Utilities	3,368	-	3,368	17,444	-	17,444
Other Expenses	2,096	-	2,096	1,663	-	1,663
Conference/Education	-	167	(167)	-	1,167	(1,167)
Office Supplies	306	167	139	901	1,167	(266)
Cell and Office Phones	91	149	(58)	949	1,044	(95)
Payroll Service Fees	86	117	(31)	642	817	(175)
Legal Advertising	111	42	69	375	292	83
Retirement Contributions	-	553	(553)	-	3,871	(3,871)
Bank Fees	35	42	(7)	525	292	233
Transportation/Mileage	-	42	(42)	-	292	(292)
Memberships/Dues/Subscriptions	150	83	67	530	583	(53)
Meals & Entertainment	79	83	(4)	622	583	39
Marketing/Advertising	-	42	(42)	-	292	(292)
Benefits Administration	-	18	(18)	-	129	(129)
Postage and Shipping	-	32	(32)	66	88	(22)
<b>Total Expenses</b>	<b>22,001</b>	<b>31,950</b>	<b>(13,317)</b>	<b>239,490</b>	<b>221,100</b>	<b>18,390</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 74,202	\$ 53,079	\$ 24,491	\$ 31,988	\$ 66,104	\$ (34,116)

**DAVID M. ELLIS**

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**JOHNSON CITY DEVELOPMENT AUTHORITY  
SPECIAL REVENUE FUND - TIF**

**FINANCIAL STATEMENTS**

**For the Seven Months Ended January 31, 2024**

455 West Summer St.  
Greeneville, Tennessee 37743  
(423) 787-0855 - Fax (423) 639-0124

3865 Fort Henry Dr.  
Kingsport, TN 37663  
(423) 726-2002

**JOHNSON CITY DEVELOPMENT AUTHORITY  
SPECIAL REVENUE FUND-TIF  
BALANCE SHEET  
January 31, 2024**

<b>ASSETS</b>		
Current Assets		
Cash		
HomeTrust Bank Money Market	\$ 2,073,765	
HomeTrust Bank Downtown Centre Fund	208,234	
Eastman Credit Union Savings	<u>1,350</u>	
Total Current Assets		<u>\$ 2,283,349</u>
Total Assets		<u><u>\$ 2,283,349</u></u>
 <b>FUND BALANCES</b>		
Restricted for Tax Increment Financing Projects	\$ 2,238,349	
Assigned	<u>45,000</u>	
Total Fund Balances		<u>2,283,349</u>
Total Fund Balances		<u><u>\$ 2,283,349</u></u>

**JOHNSON CITY DEVELOPMENT AUTHORITY  
SPECIAL REVENUE FUND-TIF  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
For the Seven Months Ended January 31, 2024**

<b>REVENUE</b>		
City of Johnson City Funding	\$	448,429
Interest Income		<u>53,978</u>
Total Revenue		\$ 502,407
<b>EXPENSE</b>		
Administrative		
Legal Fees	\$	338
Downtown Development - Facade Grants		10,000
Debt Service		
Downtown Centre - Principal		162,024
Downtown Centre - Interest		37,483
Downtown Pavilion - Principal		112,200
Downtown Pavilion - Interest		22,008
Model Mill - Interest		19,515
Triple G - Interest		5,346
MMM Enterprises - Interest		<u>3,230</u>
Total Expenditures		<u>372,144</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures		130,263
Fund Balances, Beginning of Fiscal Year		<u>2,153,086</u>
Fund Balances, End of Seven Months		<u><u>\$ 2,283,349</u></u>

Agenda Item #4.4.2.

**JOHNSON CITY DEVELOPMENT AUTHORITY  
SPECIAL REVENUE FUND-TIF  
BUDGET TO ACTUAL  
For the Seven Months Ended January 31, 2024**

	January Actual	January Budget	January Variance	Year to Date Actual	Year to Date Budget	Variance
<b>REVENUE</b>						
City of Johnson City Funding	\$ -	\$ -	\$ -	\$ 448,429	\$ 450,000	\$ (1,571)
Interest Income	9,048	417	8,631	53,978	2,917	51,061
<b>Total Revenue</b>	<b>9,048</b>	<b>417</b>	<b>8,631</b>	<b>502,407</b>	<b>\$ 452,917</b>	<b>49,490</b>
<b>EXPENDITURES</b>						
Legal Fees	-	833	(833)	338	5,833	(5,495)
Downtown Development - Facade Grants	-	-	-	10,000	37,500	(27,500)
Debt Service						
Downtown Centre - Principal	-	-	-	162,024	155,230	6,794
Downtown Centre - Interest	-	-	-	37,483	44,277	(6,794)
Downtown Pavilion - Principal	-	-	-	112,200	109,725	2,475
Downtown Pavilion - Interest	-	-	-	22,008	25,167	(3,159)
Model Mill - Interest	-	-	-	19,515	20,811	(1,296)
Triple G - Interest	-	-	-	5,346	6,108	(762)
MMM Enterprises - Interest	-	-	-	3,230	3,692	(462)
Buffalo Street Boardwalk	-	11,250	(11,250)	-	33,750	(33,750)
<b>Total Expenditures</b>	<b>-</b>	<b>12,083</b>	<b>(12,083)</b>	<b>372,144</b>	<b>442,093</b>	<b>(69,949)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 9,048	\$ (11,666)	\$ 20,714	\$ 130,263	\$ 10,824	\$ 119,439

# John Sevier Center

## Monthly Financial Reports

Balance Sheet  
Income Statement

January 31, 2024



<b>John Sevier Center (1415)</b> Balance Sheet As of Jan 2024		
Accrual YE13	Jan 2024	2/6/2024 15:03

**ASSETS**

CASH	
Current Assets	
Cash-Operating	127,697.67
Cash-Petty Cash	100.00
Tenant AR	2,149.60
Allowance Doubtful Accts	(863.58)
AR/AP-HUD	10,373.00
Security Deposits	41,487.13
Prepaid Expenses	6,371.51
Prepaid Insurance	618.00
Replacement Reserve	164,915.07
TOTAL CURRENT ASSETS	352,848.40
FIXED ASSETS	
Land	79,300.00
Buildings	5,086,483.00
Furniture for Project Use	34,952.00
Accumulated Depreciation	(506,809.94)
TOTAL FIXED ASSETS	4,693,925.06
OTHER ASSETS	
TOTAL OTHER ASSETS	0.00
<b>TOTAL ASSETS</b>	<b>5,046,773.46</b>

John Sevier Center (1415) Balance Sheet As of Jan 2024		
<b>Accrual YE13</b>	<b>Jan 2024</b>	2/6/2024 15:03

**LIABILITIES & CAPITAL**

LIABILITIES

Current Liabilities	
AP - Operations	19,768.11
AP - Other	16,537.44
AP-Failure to Report Claims	558.00
AP-Failure to Report Repayments	(458.00)
Accrued Wages Payable	7,681.56
Accrued Mgmt Fee Payable	10,638.41
Accrued Interest-1st Mort	14,834.74
Accrued Property Taxes	45,469.69
Accrued Expenses	6,329.23
Accrued Audit Fees	14,262.50
Security Deposit	32,110.00
Pet Deposit	1,170.00
Prepaid/Unearned Rent	6,007.41
Prepaid HUD	4,262.00
<b>TOTAL CURRENT LIABILITIES</b>	<b>179,171.09</b>

OTHER LIABILITIES

Mortgage Payable - 1st	3,785,194.71
Due to Other Funds - JCDA	546,686.50
<b>TOTAL OTHER LIABILITIES</b>	<b>4,331,881.21</b>
<b>TOTAL LIABILITIES</b>	<b>4,511,052.30</b>

CAPITAL

Owner Equity	278,231.90
Net Profit (Loss)	257,489.26
<b>TOTAL CAPITAL</b>	<b>535,721.16</b>

<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<b>5,046,773.46</b>
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John Sevier Center (1415) Comparative Income Statement						
Accrual^YE13 For the period ending January 31, 2024						
2/7/2024 6:36						
Account	Actual	Current Period Budget	Variance	Actual	Year-To-Date Budget	Variance
Revenue						
Tenant Rent Revenue	35,830.00	164,340.00	(128,510.00)	252,125.00	1,138,185.00	(886,060.00)
HUD Assistance	128,510.00	0.00	128,510.00	886,060.00	0.00	886,060.00
<b>Total Gross Potential</b>	<b>164,340.00</b>	<b>164,340.00</b>	<b>0.00</b>	<b>1,138,185.00</b>	<b>1,138,185.00</b>	<b>0.00</b>
<b>VACANCY LOSS &amp; CONCESSIONS</b>						
Special Claims Revenue	1,106.00	2,953.25	(1,847.25)	14,900.00	20,672.75	(5,772.75)
Apartment Vacancy	(4,675.00)	(4,474.62)	(200.38)	(36,637.00)	(31,322.34)	(5,314.66)
<b>Total Vacancy Loss &amp; Concessions</b>	<b>(3,569.00)</b>	<b>(1,521.37)</b>	<b>(2,047.63)</b>	<b>(21,737.00)</b>	<b>(10,649.59)</b>	<b>(11,087.41)</b>
<b>OTHER INCOME</b>						
Laundry & Vending Revenue	184.15	108.33	75.82	1,828.01	758.31	1,069.70
Misc Tenant Charges	1,175.53	600.00	575.53	3,341.28	4,200.00	(858.72)
Late Fees	202.74	333.33	(130.59)	1,222.58	2,333.31	(1,110.73)
Damages	0.00	281.25	(281.25)	5,213.86	1,968.75	3,245.11
Other Income	12,105.67	10,205.75	1,899.92	73,663.52	71,440.25	2,223.27
<b>Total Other Income</b>	<b>13,668.09</b>	<b>11,528.66</b>	<b>2,139.43</b>	<b>85,269.25</b>	<b>80,700.62</b>	<b>4,568.63</b>
<b>BAD DEBT</b>						
Bad Debts	(4,530.65)	(1,306.59)	(3,224.06)	(20,310.77)	(9,146.13)	(11,164.64)
Bad Debts - Admin	(852.00)	0.00	(852.00)	(8,494.00)	0.00	(8,494.00)
Allowance for Bad Debts	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Bad Debt</b>	<b>(5,382.65)</b>	<b>(1,306.59)</b>	<b>(4,076.06)</b>	<b>(28,804.77)</b>	<b>(9,146.13)</b>	<b>(19,658.64)</b>
<b>Effective Gross Income (EGI)</b>	<b>169,056.44</b>	<b>173,040.70</b>	<b>(3,984.26)</b>	<b>1,172,912.48</b>	<b>1,199,089.90</b>	<b>(26,177.42)</b>
<b>Expense</b>						
<b>OPERATING EXPENSES</b>						
<b>UTILITIES</b>						
Electricity	2,459.71	3,233.34	773.63	15,408.19	23,399.68	7,991.49
Electricity-Vacants	470.30	0.00	(470.30)	2,861.51	0.00	(2,861.51)
Water	2,006.49	1,879.75	(126.74)	14,921.20	20,934.90	6,013.70
Gas	156.99	248.21	91.22	1,166.53	1,577.71	411.18
Sewer	4,223.12	3,937.69	(285.43)	30,825.70	45,805.58	14,979.88
<b>Total Utilities</b>	<b>9,316.61</b>	<b>9,298.99</b>	<b>(17.62)</b>	<b>65,183.13</b>	<b>91,717.87</b>	<b>26,534.74</b>

John Sevier Center (1415) Comparative Income Statement						
Accrual^YE13 For the period ending January 31, 2024						
2/7/2024 6:36						
Account	Actual	Current Period Budget	Variance	Actual	Year-To-Date Budget	Variance
<b>CONTRACT SERVICES</b>						
Contract-Exterminating	350.00	2,900.20	2,550.20	8,615.00	20,301.40	11,686.40
Contract-Elevator	1,927.81	950.00	(977.81)	8,095.50	6,650.00	(1,445.50)
Contract-Fire Alarm	1,307.13	1,849.54	542.41	7,071.48	12,946.78	5,875.30
Contract-Plumbing	0.00	300.42	300.42	1,630.00	2,102.94	472.94
Contract-Cable TV	6,945.04	8,547.83	1,602.79	44,949.73	59,834.81	14,885.08
Contract-Other	2,923.66	2,151.88	(771.78)	27,629.21	15,063.16	(12,566.05)
Garbage & Trash Removal	1,028.78	2,734.17	1,705.39	11,168.46	19,139.19	7,970.73
Contract-Security	12,995.11	10,000.00	(2,995.11)	87,264.88	70,000.00	(17,264.88)
<b>Total Contract Services</b>	<b>27,477.53</b>	<b>29,434.04</b>	<b>1,956.51</b>	<b>196,424.26</b>	<b>206,038.28</b>	<b>9,614.02</b>
<b>REPAIRS &amp; MAINTENANCE</b>						
Janitorial Supplies	1,321.22	721.00	(600.22)	5,861.65	5,047.00	(814.65)
Maintenance Supplies	215.50	1,511.44	1,295.94	6,477.05	10,580.08	4,103.03
Decorating Supplies	0.00	333.33	333.33	1,031.58	2,333.31	1,301.73
Plumbing Supplies	669.13	1,525.50	856.37	9,135.91	10,678.50	1,542.59
Electrical Supplies	355.53	493.33	137.80	2,426.18	3,453.31	1,027.13
HVAC R & M	27.32	412.83	385.51	2,043.55	2,889.81	846.26
Appliances	345.54	833.33	487.79	4,146.10	5,833.31	1,687.21
Carpentry	153.25	143.75	(9.50)	2,389.91	1,006.25	(1,383.66)
Uniform Expense	0.00	0.00	0.00	763.09	1,039.00	275.91
NonRoutine Maintenance	0.00	2,083.33	2,083.33	972.33	14,583.31	13,610.98
<b>Total Repairs &amp; Maintenance</b>	<b>3,087.49</b>	<b>8,057.84</b>	<b>4,970.35</b>	<b>35,247.35</b>	<b>57,443.88</b>	<b>22,196.53</b>
<b>TURNOVER</b>						
Painting & Paint Supplies	853.40	739.58	(113.82)	3,721.27	5,177.06	1,455.79
Contract-Janitorial	0.00	125.00	125.00	1,101.00	875.00	(226.00)
Contract-Paint	0.00	108.33	108.33	1,284.00	758.31	(525.69)
<b>Total Turnover</b>	<b>853.40</b>	<b>972.91</b>	<b>119.51</b>	<b>6,106.27</b>	<b>6,810.37</b>	<b>704.10</b>
<b>ADMINISTRATIVE</b>						
Conventions & Meetings	0.00	100.00	100.00	159.80	600.00	440.20
Office Equipment-Lease & Maint	61.22	66.67	5.45	556.23	466.69	(89.54)
Office Supplies	273.90	304.83	30.93	2,157.84	2,133.81	(24.03)
Postage	94.19	112.50	18.31	815.16	787.50	(27.66)
Telephone/Data/Cable/Answering Svc	761.11	425.00	(336.11)	4,369.19	2,975.00	(1,394.19)
Legal Exp-Collection/Evictions	0.00	483.33	483.33	2,334.29	3,383.31	1,049.02
Misc Admin Expense	218.84	256.17	37.33	1,650.93	1,793.19	142.26
Meals & Entertainment	216.37	215.92	(0.45)	414.99	1,511.44	1,096.45
Computer Expense	1,050.18	1,168.49	118.31	7,352.32	8,179.43	827.11

John Sevier Center (1415) Comparative Income Statement						
Accrual^YE13 For the period ending January 31, 2024						
2/7/2024 6:36						
Account	Actual	Current Period Budget	Variance	Actual	Year-To-Date Budget	Variance
Travel Expenses	0.00	393.83	393.83	119.07	2,756.81	2,637.74
Bank Charges	484.01	308.33	(175.68)	2,985.22	2,158.31	(826.91)
Dues & Subscriptions	235.00	19.58	(215.42)	235.00	137.06	(97.94)
Professional Fees	0.00	0.00	0.00	243.08	0.00	(243.08)
Mileage	569.85	375.00	(194.85)	3,086.51	2,625.00	(461.51)
<b>Total Administrative</b>	<b>3,964.67</b>	<b>4,229.65</b>	<b>264.98</b>	<b>26,479.63</b>	<b>29,507.55</b>	<b>3,027.92</b>
<b>MARKETING &amp; RESIDENT RETENTION</b>						
Advertising & Marketing	217.53	4.17	(213.36)	280.53	29.19	(251.34)
Screening Expense	370.50	366.67	(3.83)	3,239.00	2,566.69	(672.31)
Tenant Promotions	587.64	541.67	(45.97)	4,082.40	3,791.69	(290.71)
<b>Total Marketing &amp; Resident Retention</b>	<b>1,175.67</b>	<b>912.51</b>	<b>(263.16)</b>	<b>7,601.93</b>	<b>6,387.57</b>	<b>(1,214.36)</b>
<b>PERSONNEL</b>						
Office Payroll	2,864.42	3,166.00	301.58	19,560.56	19,436.68	(123.88)
Office Payroll CC	373.01	542.53	169.52	3,614.80	3,797.71	182.91
Manager Payroll	6,225.61	5,680.55	(545.06)	41,742.06	40,208.30	(1,533.76)
Payroll Processing Fees	0.00	117.07	117.07	584.85	819.49	234.64
Repairs & Maint Payroll	12,706.19	11,652.72	(1,053.47)	76,602.49	71,832.64	(4,769.85)
Payroll Tax Expense	1,628.54	1,596.98	(31.56)	10,615.36	10,254.35	(361.01)
Employee Benefits & Insur	4,247.12	7,373.87	3,126.75	28,753.75	51,617.09	22,863.34
<b>Total Personnel</b>	<b>28,044.89</b>	<b>30,129.72</b>	<b>2,084.83</b>	<b>181,473.87</b>	<b>197,966.26</b>	<b>16,492.39</b>
<b>Total Controllable Operating Expenses</b>	<b>73,920.26</b>	<b>83,035.66</b>	<b>9,115.40</b>	<b>518,516.44</b>	<b>595,871.78</b>	<b>77,355.34</b>
<b>Controllable NOI</b>	<b>95,136.18</b>	<b>90,005.04</b>	<b>5,131.14</b>	<b>654,396.04</b>	<b>603,218.12</b>	<b>51,177.92</b>
<b>AUDIT EXPENSE</b>						
Audit Expense	2,037.50	2,037.50	0.00	14,262.50	14,262.50	0.00
<b>Total Audit Expense</b>	<b>2,037.50</b>	<b>2,037.50</b>	<b>0.00</b>	<b>14,262.50</b>	<b>14,262.50</b>	<b>0.00</b>
<b>MANAGEMENT &amp; BOOKKEEPING</b>						
Management Fees	10,638.41	12,041.71	1,403.30	75,588.24	84,291.97	8,703.73
<b>Total Management &amp; Bookkeeping</b>	<b>10,638.41</b>	<b>12,041.71</b>	<b>1,403.30</b>	<b>75,588.24</b>	<b>84,291.97</b>	<b>8,703.73</b>
<b>TAXES &amp; INSURANCE</b>						
Real Estate Taxes	3,497.67	3,497.67	0.00	24,483.69	24,483.69	0.00

John Sevier Center (1415) Comparative Income Statement						
Accrual^YE13 For the period ending January 31, 2024						
2/7/2024 6:36						
Account	Actual	Current Period Budget	Variance	Actual	Year-To-Date Budget	Variance
Property & Liability Insu	4,737.16	7,049.50	2,312.34	40,365.12	49,344.00	8,978.88
Workers Compensation Insu	309.00	262.83	(46.17)	2,162.67	1,839.81	(322.86)
License & Permits	0.00	0.00	0.00	110.00	285.00	175.00
Taxes-Other	0.00	41.67	41.67	317.00	291.69	(25.31)
<b>Total Taxes &amp; Insurance</b>	<b>8,543.83</b>	<b>10,851.67</b>	<b>2,307.84</b>	<b>67,438.48</b>	<b>76,244.19</b>	<b>8,805.71</b>
<b>TOTAL NON-CONTROLLABLE OPERATING</b>	<b>21,219.74</b>	<b>24,930.88</b>	<b>3,711.14</b>	<b>157,289.22</b>	<b>174,798.66</b>	<b>17,509.44</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>95,140.00</b>	<b>107,966.54</b>	<b>12,826.54</b>	<b>675,805.66</b>	<b>770,670.44</b>	<b>94,864.78</b>
<b>NET OPERATING INCOME</b>	<b>73,916.44</b>	<b>65,074.16</b>	<b>8,842.28</b>	<b>497,106.82</b>	<b>428,419.46</b>	<b>68,687.36</b>
<b>NON-OPERATING EXPENSES</b>						
Depreciation	9,217.81	0.00	(9,217.81)	64,524.67	0.00	(64,524.67)
Cap Ex-Appliances	0.00	500.00	500.00	10,116.28	3,500.00	(6,616.28)
Cap Ex-Unit Flooring	3,888.59	1,166.67	(2,721.92)	31,714.84	8,166.69	(23,548.15)
Cap Ex-Electrical	0.00	291.67	291.67	0.00	2,041.69	2,041.69
Cap Ex-Plumbing	0.00	166.67	166.67	4,600.00	1,166.69	(3,433.31)
Cap Ex-HVAC	0.00	666.67	666.67	6,511.64	4,666.69	(1,844.95)
Cap Ex-Upgrades-Building	7,899.78	0.00	(7,899.78)	18,547.98	255,000.00	236,452.02
Mortgage Interest-1st	14,834.74	14,344.23	(490.51)	103,576.74	101,096.11	(2,480.63)
Interest - Other	7.37	0.00	(7.37)	25.41	0.00	(25.41)
<b>Total Non-Operating Expenses</b>	<b>35,848.29</b>	<b>17,135.91</b>	<b>(18,712.38)</b>	<b>239,617.56</b>	<b>375,637.87</b>	<b>136,020.31</b>
<b>NET INCOME</b>	<b>38,068.15</b>	<b>47,938.25</b>	<b>(9,870.10)</b>	<b>257,489.26</b>	<b>52,781.59</b>	<b>204,707.67</b>
<b>CASH FLOW ITEMS</b>						
Deposits-RR	21,250.00	21,250.00	0.00	148,750.00	148,750.00	0.00
Releases-RR	0.00	0.00	0.00	0.00	(127,500.00)	(127,500.00)
Principal Pmts-1st Mortga	8,187.40	8,676.23	488.83	58,055.11	60,049.65	1,994.54
JCDA Pmts	9,750.00	9,750.00	0.00	68,250.00	68,250.00	0.00
Depreciation	(9,217.81)	0.00	9,217.81	(64,524.67)	0.00	64,524.67
<b>TOTAL CASH FLOW ITEMS</b>	<b>29,969.59</b>	<b>39,676.23</b>	<b>9,706.64</b>	<b>210,530.44</b>	<b>149,549.65</b>	<b>(60,980.79)</b>
<b>Net Income after Cap Ex and DS</b>	<b>8,098.56</b>	<b>8,262.02</b>	<b>(163.46)</b>	<b>46,958.82</b>	<b>(96,768.06)</b>	<b>143,726.88</b>

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

On January 23, 2024, Executive Director Patricia Oldham received a letter from the Treasurer of Connect Downtown Johnson City, Inc. stating that the Foundation Board met in a called meeting to amend their by-laws, removing the ties between the Johnson City Development Authority and Connect Downtown Johnson City, Inc. Please find the aforementioned letter attached.

Additionally, on January 23, 2024, Executive Director Oldham provided a letter to HomeTrust Bank, on behalf of the Johnson City Development Authority, removing Connect Downtown Johnson City, Inc. from the financial purview of the JCDA and removing the JCDA Executive Director's name from all Foundation financial accounts.



January 23, 2024

HomeTrust Bank  
ATTN: Ivy Painter  
1907 N. Roan Street  
Johnson City, TN 37601

Re: Removing Connect Downtown Johnson City, Inc from Johnson City Development Authority Accounts

Dear Ivy Painter and HomeTrust Bank:

Effective January 23, 2024, Connect Downtown Johnson City, Inc. is no longer affiliated with the Johnson City Development Authority thus, the Connect Downtown Johnson City, Inc. financial account must be removed from the Johnson City Development Authority purview effective immediately.

Authorized users Alex Bomba, Kenny Shafer, and Tracy Johnson should remain as these individuals will continue to remain in their roles as officers for Connect Downtown Johnson City, Inc. For questions or concerns regarding financial matters for Connect Downtown Johnson City, Inc., please contact Treasurer Tracy Johnson at 423-282-5400 or by email at [tjohnson@inspirebusinessinteriors.com](mailto:tjohnson@inspirebusinessinteriors.com). Please anticipate receiving a letter from Connect Downtown Johnson City, Inc. with updated by-laws reflecting this change.

Please contact me with any questions that you have by phone at 423-342-3540 or email at [oldham@thejcda.org](mailto:oldham@thejcda.org).

Sincerely,

A handwritten signature in blue ink that reads 'Patricia C. Oldham'. The signature is fluid and cursive, with a large loop at the end.

Patricia C. Oldham, AICP, TCEcD  
Executive Director

Cc:

Shannon Castillo, Chair of the Johnson City Development Authority

Alex Bomba, Chair of Connect Downtown Johnson City, Inc.

Kenny Shafer, Vice-Chair of Connect Downtown Johnson City, Inc.

Tracy Johnson, Treasurer of Connect Downtown Johnson City, Inc.





Connect Downtown Johnson City, Inc.

PO Box 1851  
Johnson City, TN 37605

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Johnson City Development Authority  
300 E Main Street Suite 102  
Johnson City, TN 37601  
Attn: Tish Oldham and Board of Directors

January 24, 2024

To Whom it May Concern:

At a called meeting on January 23, 2023, our board voted to sever administrative ties with the Johnson City Development Authority including the position of Executive Director. It is our understanding from this point forward all administrative duties for our private 501(c)3 not for profit will be the sole responsibility of the Connect Downtown Board of Directors.

Please use this letter as proof to remove access from any and all bank accounts, software accounts that are held for CDJC, any memberships or subscriptions that may be affiliated with Connect Downtown Johnson City and any other administrative functions necessary.

Thank you for providing help to our organization for the last several years!

Sincerely,

A handwritten signature in black ink that reads "Tracy Johnson". The signature is written in a cursive, flowing style.

Tracy Johnson  
Secretary/ Treasurer

CC: Cathy Ball, Lindsey Jones