



AGENDA REVIEW

For your consideration for the May 21, 2021 board meeting:

Approval of April Board Minutes

Approval of April financials

John Sevier Operations will give update on current building projects

John Sevier Disposition will give update on meeting with LHP

Staff will give updates on projects they are working on.



Agenda

JCDA BOARD OF COMMISSIONERS MEETING

Friday, May 21, 2021 – 8:00 a.m.

Johnson City Memorial Park Community Center

Brent Long, Chair

1. Call to Order/Welcome
2. Roll Call –Hank Carr, Shannon Castillo, Tracy Johnson, Jodi Jones, Brent Long, Freddie Malone, Aaron Murphy, Lindsay Nickels, William Roller, Seth Thomas, Craig Torbett, Robert Williams, and Joe Wise.
3. Approval of April Board Minutes
4. Approval of April Financials
5. Standing Committee Reports:
 - a. John Sevier Center Operating Committee
 - b. John Sevier Center Disposition Committee
6. Chair Report
7. Staff Reports
8. Adjourn



MINUTES

JCDA BOARD OF COMMISSIONERS MEETING

Friday, April 16, 2021 – 8:00 a.m.

Brent Long, Chair

1. **Call to Order/Welcome:** *This is an electronic meeting in accordance with TN Governor Lee's Executive Order No. 51 extending safe, open, and transparent public meetings by electronic means while determinations for how to return to safe, in-person meetings remain ongoing.* The meeting was called to order by Chairman, Brent Long at 8:00am.
2. **Board Members Present**—Hank Carr, Shannon Castillo, Tracy Johnson, Jodi Jones, Brent Long, Freddie Malone, Aaron Murphy, Lindsay Nickels, William Roller, Seth Thomas, Craig Torbett, Robert Williams, and Joe Wise.
Also Present: Barbara Mentgen
Staff Present: Dianna Cantler and Jim Dorton
3. **Approval of March Board Minutes:** Shannon Castillo made a motion to approve the March Board Minutes. The motion was seconded by Seth Thomas. Motion passed.
4. **Approval of March Financials:** Jim Dorton presented the March Financials:
 - ii. The TIF Account balance is: \$1,366,547.16
 - iii. Downtown Centre TIF account balance is: \$201,792.04
 - iv. The JCDA Operating account balance is: \$263,728.79
 - v. The JCDA Savings account balance is: \$193,738.74
 - vi. The John Sevier Reserve account balance is: \$111,973.02
 - vii. The John Sevier Rental account balance is: \$61,594.73
 - viii. The John Sevier Security account balance is: \$33,027.74
 - ix. John Sevier Receivables: \$2,779.00
 - x. Total John Sevier Liabilities and Net Position is: \$4,543,937.09
 - xi. Total year to date revenue for the JCDA is: \$561,114.99
 - xii. Total Year to Date revenue for JSC is: \$760,772.45
 - xiii. Total year to date expenses for JCDA: \$610,344.62
 - xiv. Total year to date expenses for the JSC: \$687,653.51

Craig Torbett made a motion to approve the March financials. The motion was seconded by Robert Williams. Motion passed.

5. Old Business

- a. **Review of Year 1-3 Action Plan:** Brent Long presented the action plan that was discussed in the February workshop and three action steps to successfully complete the six strategic goals. The staff created these objectives to be S.M.A.R.T. goals. Dianna Cantler explained that all three action plans were discussed by the board at the February Strategic Planning Workshop, where staff took notes and added realistic or measurable alterations. Hank Carr suggested that objective one states the John Sevier Center reaches a REAC score goal of 70. Hank Carr also suggested altering the verbiage from requesting to completing a parking study within the district.

Jodi Jones made a motion to approve the action plan with Carr's changes. The motion was seconded by Tracy Johnson. Motion passed.

6. Standing Committee Reports:

- a. **John Sevier Center updates:** Jim Dorton shared that the transition to LHP has gone very smoothly. LHP has successfully put all staffing in place. Charles Gilly from M&M offered to help the JCDA during the transition in relation to the banking. Dianna Cantler shared that she has had two meetings with Alvin Nance from LHP this month to discuss their potential properties and locations that HUD would approve of. Dianna Cantler also shared that she had a meeting scheduled with City Manager Pete Peterson to discuss some gap funding and the Section 108 project which is a loan with developer. Dianna Cantler has also requested a price comparison to be completed by a construction professional on this project. Alvin Nance has also met with the Johnson City Housing Authority to work with them on a \$1,000,000 loan that could come from the Federal Home Loan Bank.

7. **Chair Report:** Brent Long shared that due to the Governors orders, Board meetings will take place in person moving forward and to allot 90 minutes for these meetings.
8. **Staff Reports:** Staff reports can be found in the board packet.
9. **Adjourn:** The meeting was adjourned by Chairman, Brent Long at 8:45am.

ATTEST:

Chair: _____

Treasurer: _____

These minutes were approved in open meeting on this the _____ day of _____, 2021.

JOHNSON CITY DEVELOPMENT AUTHORITY

FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION

For the Ten Months Ended April 30, 2021

Johnson City, TN
Kingsport, TN
Greeneville, TN

423.282.4511
423.246.1725
423.638.8516

BCS *Blackburn,
Childers &
Steagall, PLC*
Certified Public Accountants & Consultants

JOHNSON CITY DEVELOPMENT AUTHORITY
STATEMENT OF FINANCIAL POSITION
SUBSTANTIALLY ALL DISCLOSURES AND STATEMENT OF CASH FLOWS OMITTED
April 30, 2021

ASSETS

CURRENT ASSETS

Cash in Bank - TIF Account	\$ 1,244,995.79
Cash in Bank - Operating Account	276,315.95
Cash in Bank - Downtown Centre TIF Fund	201,835.16
Cash in Bank - Savings Account	193,780.14
Due From John Sevier	<u>458,403.00</u>

Total Current Assets	<u>2,375,330.04</u>
----------------------	---------------------

TOTAL ASSETS	<u><u>\$ 2,375,330.04</u></u>
--------------	-------------------------------

JOHNSON CITY DEVELOPMENT AUTHORITY
STATEMENT OF FINANCIAL POSITION
SUBSTANTIALLY ALL DISCLOSURES AND STATEMENT OF CASH FLOWS OMITTED
April 30, 2021

LIABILITIES AND FUND BALANCES

FUND BALANCES

Restricted Fund Balances	
Restricted for Buffalo Street Boardwalk	45,000.00
Restricted for Other Tax Increment Financing Projects	<u>1,409,476.33</u>
Total Restricted Fund Balance	<u>1,454,476.33</u>
Unrestricted Fund Balances	
Unassigned	<u>920,853.71</u>
Total Unrestricted Fund Balances	<u>920,853.71</u>
TOTAL FUND BALANCES	<u>2,375,330.04</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 2,375,330.04</u></u>

JOHNSON CITY DEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES
SUBSTANTIALLY ALL DISCLOSURES AND STATEMENT OF CASH FLOWS OMITTED
For the Ten Months Ended April 30, 2021

REVENUES

Revenues	
Operating Funds	\$ 20,200.00
Lease Revenue	10,000.00
Operating Revenue - City of Johnson City	120,000.00
Sponsorships and Donations	7,500.00
Festival Allocation	15,000.00
Other Income	17,597.69
Interest Income	6,934.54
Miscellaneous Revenue	1,530.31
Founders Park Revenue	375.00
Total Revenues	<u>199,137.54</u>

TIF Revenues	
City of Johnson City Funding	390,091.90
Dividend and Interest Income	3,258.62
Total TIF Revenues	<u>393,350.52</u>

TOTAL REVENUES	<u>592,488.06</u>
----------------	-------------------

EXPENDITURES

Payroll Expenses	
Salaries	100,285.85
Hourly	8,058.23
Total Payroll	<u>108,344.08</u>

Benefits Expenses	
Health Insurance	8,564.20
Workers Compensation Insurance	794.00
Total Benefits	<u>9,358.20</u>

JOHNSON CITY DEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES
SUBSTANTIALLY ALL DISCLOSURES AND STATEMENT OF CASH FLOWS OMITTED
For the Ten Months Ended April 30, 2021

EXPENDITURES (CONTINUED)

Payroll Taxes Expenses	
SS and MC	7,498.28
Unemployment Taxes	196.40
Total Payroll Taxes	<u>7,694.68</u>
Administrative and Operations Expenses	
Meals and Entertainment	452.91
Conference and Education	1,026.95
Marketing and Advertising	2,311.18
Office Supplies	1,366.84
Memberships, Dues and Subscriptions	675.29
Payroll Service Fee	904.40
Other Expenses	378.83
Accounting Fees	5,799.12
Legal Fees	1,816.61
Outside Contract Services	12,650.00
Administrative and Operations - Other	11,139.22
Professional Services - Outside Contract Services	3,600.00
Total Administrative and Operations	<u>42,121.35</u>
Downtown Development Expenses	
New Business Development and Recruitment	5,113.25
Façade Grants	5,000.00
Total Downtown Development	<u>10,113.25</u>
Insurance Expenses	
Directors and Officers Insurance	564.00
General Liability Insurance	1,263.65
Property Insurance	4,315.40
Total Insurance Expenses	<u>6,143.05</u>

JOHNSON CITY DEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES
SUBSTANTIALLY ALL DISCLOSURES AND STATEMENT OF CASH FLOWS OMITTED
For the Ten Months Ended April 30, 2021

EXPENDITURES (CONTINUED)

Downtown Events and Programs Expenses	
Event Support	1,812.63
Marketing and Advertising	2,188.88
Total Downtown Events and Programs	<u>4,001.51</u>
 Facility and Office Expenses	
Cell and Office Phones	2,384.78
Office Rent	6,500.00
Furniture and Equipment	206.44
Cleaning Services and Supplies	24.38
Computer and IT Support	4,253.27
Internet	9,025.00
Total Facility and Office	<u>22,393.87</u>
 TIF Projects Expenses	
Downtown Centre - Principal	145,342.16
Downtown Centre - Interest	54,165.66
Total Downtown Centre	<u>199,507.82</u>
 Downtown Pavilion - Principal	103,950.00
Downtown Pavilion - Interest	28,638.72
Total Downtown Pavilion	<u>132,588.72</u>
 Model Mill - Principal	60,000.00
Model Mill - Interest	46,530.42
Total Model Mill	<u>106,530.42</u>
 Triple G - Principal	27,272.73
Triple G - Interest	15,204.17
Total Triple G	<u>42,476.90</u>

JOHNSON CITY DEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES
SUBSTANTIALLY ALL DISCLOSURES AND STATEMENT OF CASH FLOWS OMITTED
For the Ten Months Ended April 30, 2021

EXPENDITURES (CONTINUED)

MMM Enterprises - Principal	17,269.87
MMM Enterprises - Interest	9,192.61
Total MMM Enterprises	<u>26,462.48</u>
Other TIF Expenses	1,044.74
Marketing and Advertising - TIF	389.60
Donations - TIF	2,500.00
Downtown Breezeway Project	28,926.71
Total Other Expense - TIF	<u>32,861.05</u>
Total TIF Projects	<u>540,427.39</u>
TOTAL EXPENDITURES	<u>750,597.38</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u><u>\$ (158,109.32)</u></u>

SUPPLEMENTARY INFORMATION

JOHNSON CITY DEVELOPMENT AUTHORITY
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET VS. ACTUAL
SUPPLEMENTARY INFORMATION
SUBSTANTIALLY ALL DISCLOSURES AND STATEMENT OF CASH FLOWS OMITTED
For the Ten Months Ended April 30, 2021

	<u>Current</u>	<u>Annual Budget</u>	<u>Variance</u>	<u>% Budget</u>
REVENUES				
Operating Funds	\$ 20,200.00	0.00	20,200.00	0.0
Lease Revenue	10,000.00	12,000.00	(2,000.00)	83.3
City of Johnson City	120,000.00	135,000.00	(15,000.00)	88.9
Sponsorships and Donations	7,500.00	0.00	7,500.00	0.0
Festival Allocation	15,000.00	15,000.00	0.00	100.0
Other Income	17,597.69	7,182.00	10,415.69	245.0
Interest Income	6,934.54	25,500.00	(18,565.46)	27.2
Miscellaneous Revenue	1,530.31	0.02	1,530.29	0.0
Administrative Fee	0.00	35,070.00	(35,070.00)	0.0
Founders Park Revenue	375.00	7,000.00	(6,625.00)	5.4
Total Revenues	199,137.54	236,752.02	(57,814.48)	84.1
TIF Revenues:				
City of Johnson City	390,091.90	526,998.00	(136,906.10)	74.0
Washington County	0.00	475,000.00	(475,000.00)	0.0
Dividend and Interest	3,258.62	3,500.00	(241.38)	93.1
Total TIF Revenues	393,350.52	1,005,498.00	(612,147.48)	39.1
TOTAL REVENUES	592,488.06	1,242,250.02	(669,961.96)	123.23

JOHNSON CITY DEVELOPMENT AUTHORITY
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET VS. ACTUAL
SUPPLEMENTARY INFORMATION
SUBSTANTIALLY ALL DISCLOSURES AND STATEMENT OF CASH FLOWS OMITTED
For the Ten Months Ended April 30, 2021

	<u>Current</u>	<u>Annual Budget</u>	<u>Variance</u>	<u>% Budget</u>
EXPENDITURES				
Payroll:				
Salaries	100,285.85	100,000.00	(285.85)	100.3
Hourly	8,058.23	22,880.00	14,821.77	35.2
Benefits:				
Benefit Administration	0.00	720.00	720.00	0.0
Health Insurance	8,564.20	10,070.00	1,505.80	85.0
401(K)	0.00	5,000.00	5,000.00	0.0
Workers Compensation Insurance	794.00	0.00	(794.00)	0.0
Payroll Taxes:				
SS and MC	7,498.28	7,512.00	13.72	99.8
Unemployment Taxes	196.40	420.00	223.60	46.8
Administrative and Operations:				
Meals and Entertainment	452.91	500.00	47.09	90.6
Conference and Education	1,026.95	2,000.00	973.05	51.3
Marketing and Advertising	2,311.18	5,000.00	2,688.82	46.2
Office Supplies	1,366.84	600.00	(766.84)	227.8
Memberships, Dues				
and Subscriptions	675.29	1,820.00	1,144.71	37.1
Payroll Service Fee	904.40	600.00	(304.40)	150.7
Other Expense	378.83	600.00	221.17	63.1
Accounting Fees	5,799.12	3,900.00	(1,899.12)	148.7
Legal Fees	1,816.61	7,000.00	5,183.39	26.0
Audit Fees	12,650.00	11,900.00	(750.00)	106.3
Outside Contract Services	11,139.22	500.00	(10,639.22)	2,227.8
Professional Services	3,600.00	0.00	(3,600.00)	0.0
Downtown Development:				
New Business Development				
and Recruitment	5,113.25	5,000.00	(113.25)	102.3
Façade Grants	5,000.00	0.00	(5,000.00)	0.0

JOHNSON CITY DEVELOPMENT AUTHORITY
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET VS. ACTUAL
SUPPLEMENTARY INFORMATION
SUBSTANTIALLY ALL DISCLOSURES AND STATEMENT OF CASH FLOWS OMITTED
For the Ten Months Ended April 30, 2021

	<u>Current</u>	<u>Annual Budget</u>	<u>Variance</u>	<u>% Budget</u>
EXPENDITURES (CONTINUED)				
Insurance:				
Directors and Officers	564.00	1,550.00	986.00	36.4
General Liability	1,263.65	1,600.00	336.35	79.0
Flood	0.00	1,800.00	1,800.00	0.0
Property	4,315.40	3,200.00	(1,115.40)	134.9
Worker's Compensation	0.00	800.00	800.00	0.0
Downtown Events and Programs:				
Event Support	1,812.63	18,000.00	16,187.37	10.1
Marketing and Advertising	2,188.88	0.00	(2,188.88)	0.0
Contingencies and Reserves	0.00	4,805.00	4,805.00	0.0
Facility and Office:				
Cell and Office Phones	2,384.78	2,400.00	15.22	99.4
Office Rent	6,500.00	6,000.00	(500.00)	108.3
Furniture and Equipment	206.44	2,000.00	1,793.56	10.3
Cleaning Supplies	24.38	75.00	50.62	32.5
Computer and IT Support	4,253.27	2,500.00	(1,753.27)	170.1
Internet	9,025.00	6,000.00	(3,025.00)	150.4
Other TIF Projects:				
University Edge	0.00	229,264.00	229,264.00	0.0
Tipton Street	0.00	26,058.00	26,058.00	0.0
Downtown Centre:				
Principal	145,342.16	145,423.00	80.84	99.9
Interest	54,165.66	54,085.00	(80.66)	100.1
Downtown Pavilion:				
Principal	103,950.00	103,950.00	0.00	100.0
Interest	28,638.72	28,639.00	0.28	100.0
Cherry Street:				
Principal	0.00	12,613.00	12,613.00	0.0
Interest	0.00	5,546.00	5,546.00	0.0

JOHNSON CITY DEVELOPMENT AUTHORITY
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET VS. ACTUAL
SUPPLEMENTARY INFORMATION
SUBSTANTIALLY ALL DISCLOSURES AND STATEMENT OF CASH FLOWS OMITTED
For the Ten Months Ended April 30, 2021

	<u>Current</u>	<u>Annual Budget</u>	<u>Variance</u>	<u>% Budget</u>
EXPENDITURES (CONTINUED)				
Model Mill:				
Principal	60,000.00	60,000.00	0.00	100.0
Interest	46,530.42	46,538.00	7.58	100.0
Triple G				
Principal	27,272.73	27,272.73	0.00	100.0
Interest	15,204.17	15,208.00	3.83	100.0
MMM Enterprises				
Principal	17,269.87	17,270.00	0.13	100.0
Interest	9,192.61	9,193.00	0.39	100.0
TIF Capital Projects - Restricted:				
Buffalo Street Boardwalk	0.00	45,000.00	45,000.00	0.0
Other Expense - TIF:				
Other TIF Expenses	1,044.74	0.00	(1,044.74)	0.0
Marketing and Advertising - T	389.60	0.00	(389.60)	0.0
Donations - TIF	2,500.00	0.00	(2,500.00)	0.0
Downtown Breezeway	28,926.71	0.00	(28,926.71)	0.0
TOTAL EXPENDITURES	<u>750,597.38</u>	<u>1,062,811.73</u>	<u>312,214.35</u>	<u>70.6</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (158,109.32)</u>	<u>179,438.29</u>	<u>(357,747.61)</u>	<u>(88.1)</u>

JOHNSON CITY DEVELOPMENT AUTHORITY - JOHN SEVIER CENTER

FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION

For the Ten Months Ended April 30, 2021

JOHNSON CITY DEVELOPMENT AUTHORITY - JOHN SEVIER CENTER
STATEMENT OF NET POSITION
SUBSTANTIALLY ALL DISCLOSURES AND STATEMENT OF CASH FLOWS OMITTED
April 30, 2021

ASSETS

CURRENT ASSETS

Cash in Bank - Reserve Account	\$ 137,929.86
Cash in Bank - Rental Account	68,872.58
Cash in Bank - Security Account	33,374.95
Cash on Hand - Petty Cash	100.00
Tenant Receivables	2,779.00
Prepaid Expenses	<u>5,753.00</u>

Total Current Assets	<u>248,809.39</u>
----------------------	-------------------

PROPERTY AND EQUIPMENT

Land	79,300.00
Building and Improvements	4,424,548.00
Less: Accumulated Depreciation	<u>(184,356.21)</u>

Net Property and Equipment	<u>4,319,491.79</u>
----------------------------	---------------------

TOTAL ASSETS	<u><u>\$ 4,568,301.18</u></u>
--------------	-------------------------------

JOHNSON CITY DEVELOPMENT AUTHORITY - JOHN SEVIER CENTER
STATEMENT OF NET POSITION
SUBSTANTIALLY ALL DISCLOSURES AND STATEMENT OF CASH FLOWS OMITTED
April 30, 2021

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	\$ 7,884.45
Due to Other Funds	458,403.00
Notes Payable - Current Portion	384,866.00
Deposits Payable	<u>33,462.21</u>

Total Current Liabilities	<u>884,615.66</u>
---------------------------	-------------------

NONCURRENT LIABILITIES

Long Term Debt, Net of Current Portion	<u>3,662,293.03</u>
--	---------------------

Total Noncurrent Liabilities	<u>3,662,293.03</u>
------------------------------	---------------------

TOTAL LIABILITIES	<u>4,546,908.69</u>
-------------------	---------------------

NET POSITION

Net Investment in Capital Assets	(188,329.00)
Unrestricted	<u>209,721.49</u>

Total Net Position	<u>21,392.49</u>
--------------------	------------------

TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 4,568,301.18</u></u>
------------------------------------	-------------------------------

JOHNSON CITY DEVELOPMENT AUTHORITY - JOHN SEVIER CENTER
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
SUBSTANTIALLY ALL DISCLOSURES AND STATEMENT OF CASH FLOWS OMITTED
For the Ten Months Ended April 30, 2021

OPERATING REVENUES

Rent Revenue	
Rental Income	\$ 209,969.25
Tennant Assistance Payments	637,006.00
Total Rent Revenue	<u>846,975.25</u>
Other Revenue	
Laundry and Vending	6,371.80
Late Charges	1,665.00
Damages and Cleaning	2,011.00
Security Transfers	604.00
Total Other Revenue	<u>10,651.80</u>
TOTAL OPERATING REVENUES	<u>857,627.05</u>

OPERATING EXPENSES

Administration Expenses	
Outside Contract Services	1,225.00
Office Salaries	59,405.36
Office Expenses	5,640.54
Management Fee	56,356.19
Manager's Salary	26,502.95
Legal Expense	1,327.00
Bookkeeper Expenses	34,044.16
Cable	2,372.88
Telephone	1,597.17
Miscellaneous Administration Expenses	8,352.57
Total Administration Expenses	<u>196,823.82</u>
Utilities Expenses	
Gas	273.05
Electricity	23,966.21
Water and Sewer	50,746.61
Natural Gas	1,416.27
Total Utilities Expenses	<u>76,402.14</u>

JOHNSON CITY DEVELOPMENT AUTHORITY - JOHN SEVIER CENTER
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
SUBSTANTIALLY ALL DISCLOSURES AND STATEMENT OF CASH FLOWS OMITTED
For the Ten Months Ended April 30, 2021

OPERATING EXPENSES (CONTINUED)

Operating and Maintenance Expenses	
Maintenance Payroll	61,606.67
Repair Materials	21,324.81
Decorating Supplies	9,015.82
Exterminating Contract	2,842.16
Grounds Contract	13,931.49
Repair Contract	71,794.07
Elevator Maintenance Contract	28,228.11
Decorating Contract	2,661.12
Janitor and Cleaning	4,564.65
Heating and Cooling Repair	7,281.51
Utility Reimbursement Rent	14,660.94
Miscellaneous Operating Expenses	125.40
Total Operating and Maintenance Expenses	<u>238,036.75</u>
Depreciation	<u>92,178.21</u>
Taxes and Insurance Expenses	
Real Estate Taxes	41,756.00
Payroll Tax Expense	11,304.31
Property and Liability Insurance	72,953.25
Workmen's Compensation Insurance	3,653.60
Employee Life Insurance	457.15
Burglary Insurance	342.00
Personal Property Franchise Tax	495.00
Total Taxes and Insurance Expenses	<u>130,961.31</u>
TOTAL OPERATING EXPENSES	<u>734,402.23</u>
OPERATING INCOME (LOSS)	<u>123,224.82</u>

JOHNSON CITY DEVELOPMENT AUTHORITY - JOHN SEVIER CENTER
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
SUBSTANTIALLY ALL DISCLOSURES AND STATEMENT OF CASH FLOWS OMITTED
For the Ten Months Ended April 30, 2021

OPERATING EXPENSES (CONTINUED)

NONOPERATING REVENUES (EXPENSES)

Interest Expenses and Related Debt Costs	(167,545.26)
--	--------------

TOTAL NONOPERATING REVENUES (EXPENSES)	(167,545.26)
--	--------------

Change in Net Position	(44,320.44)
------------------------	-------------

Net Position, Beginning of Fiscal Year	65,712.93
--	-----------

Net Position, End of Fiscal Year	\$ 21,392.49
----------------------------------	--------------

SUPPLEMENTARY INFORMATION

JOHNSON CITY DEVELOPMENT AUTHORITY - JOHN SEVIER CENTER
SCHEDULE OF REVENUES AND EXPENSES - BUDGET VS ACTUAL
SUPPLEMENTARY INFORMATION
SUBSTANTIALLY ALL DISCLOSURES AND STATEMENT OF CASH FLOWS OMITTED
For the Ten Months Ended April 30, 2021

	Current	Annual Budget	Variance	% Budget
REVENUES				
Rent Revenue	\$ 209,969.25	210,830.00	(860.75)	99.6
Tenant Assistance Payments	637,006.00	632,470.00	4,536.00	100.7
Other Revenue	10,651.80	9,560.00	1,091.80	111.4
TOTAL REVENUES	857,627.05	852,860.00	4,767.05	100.6
EXPENSES				
Administrative:				
Outside Contract Services	1,225.00	0.00	(1,225.00)	0.0
Advertising	0.00	990.00	990.00	0.0
Office Salaries	59,405.36	54,710.00	(4,695.36)	108.6
Office Expenses	5,640.54	4,810.00	(830.54)	117.3
Management Fee	56,356.19	62,000.00	5,643.81	90.9
Manager's Salary	26,502.95	26,530.00	27.05	99.9
Legal Expense	1,327.00	2,200.00	873.00	60.3
Audit Expense	0.00	3,730.00	3,730.00	0.0
Bookkeeper Expenses	34,044.16	20,000.00	(14,044.16)	170.2
Cable	2,372.88	2,210.00	(162.88)	107.4
Telephone	1,597.17	1,510.00	(87.17)	105.8
Miscellaneous Administration Expense:	8,352.57	1,180.00	(7,172.57)	707.8
Utilities:				
Gas	273.05	490.00	216.95	55.7
Electricity	23,966.21	25,440.00	1,473.79	94.2
Water and Sewer	50,746.61	36,250.00	(14,496.61)	140.0
Natural Gas	1,416.27	1,220.00	(196.27)	116.1
Operating and Maintenance:				
Maintenance Payroll	61,606.67	68,060.00	6,453.33	90.5
Grounds Supplies	0.00	330.00	330.00	0.0
Repair Materials	21,324.81	23,350.00	2,025.19	91.3
Decorating Supplies	9,015.82	7,180.00	(1,835.82)	125.6
Exterminating Contract	2,842.16	3,000.00	157.84	94.7
Grounds Contract	13,931.49	3,370.00	(10,561.49)	413.4
Repair Contract	71,794.07	4,370.00	(67,424.07)	1,642.9
Elevator Maint Contract	28,228.11	27,920.00	(308.11)	101.1
Decorating Contract	2,661.12	1,680.00	(981.12)	158.4
Janitor and Cleaning	4,564.65	2,910.00	(1,654.65)	156.9
Heating and Cooling Repair	7,281.51	5,030.00	(2,251.51)	144.8

JOHNSON CITY DEVELOPMENT AUTHORITY - JOHN SEVIER CENTER
SCHEDULE OF REVENUES AND EXPENSES - BUDGET VS ACTUAL
SUPPLEMENTARY INFORMATION
SUBSTANTIALLY ALL DISCLOSURES AND STATEMENT OF CASH FLOWS OMITTED
For the Ten Months Ended April 30, 2021

	<u>Current</u>	<u>Annual Budget</u>	<u>Variance</u>	<u>% Budget</u>
EXPENSES (CONTINUED)				
Utility Reimbursement Rent	14,660.94	17,720.00	3,059.06	82.7
Operating Expenses	0.00	1,500.00	1,500.00	0.0
Miscellaneous Operating Expenses	125.40	0.00	(125.40)	0.0
Depreciation	92,178.21	0.00	(92,178.21)	0.0
Taxes and Insurance:				
Real Estate Taxes	41,756.00	0.00	(41,756.00)	0.0
Payroll Tax Expense	11,304.31	12,950.00	1,645.69	87.3
Property and Liability Insurance	72,953.25	78,816.06	5,862.81	92.6
Workmen's Compensation Insurance	3,653.60	4,110.30	456.70	88.9
Employee Life Insurance	457.15	340.00	(117.15)	134.5
Employee Life Insurance	342.00	342.00	0.00	100.0
Personal Property Franchise Tax	495.00	495.00	0.00	100.0
Interest Expenses and Related Debt Cost	167,545.26	0.00	(167,545.26)	0.0
TOTAL EXPENDITURES	<u>901,947.49</u>	<u>506,743.36</u>	<u>(395,204.13)</u>	<u>178.0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (44,320.44)</u>	<u>\$ 346,116.64</u>	<u>\$ 399,971.18</u>	<u>(12.8)</u>

**John Sevier Center
REAC Project Checklist**

Project	Midpoint of Estimated Cost Range	Actual Finished Cost	Underway?	Est. % Complete	Status
Drywall/plaster repair in Common Areas and Stairwells	\$27,500				CK Construction to do work
Replace stained ceiling tile in common areas and units	\$25,000				
Clean and/or replace sprinkler heads	\$25,000				Johnson Controls to do work
Replace tub surround in 20 Units	\$12,500				
Repair concrete on laundry room and replace flooring	\$12,500				
Repair water leaks	\$11,500				
Remove 2nd floor decking and repair roof leaks	\$12,500				Tri State Roofing
Replace leaking Iron Sewer Pipes	\$5,000				
Add drip pans and sensors to room water heaters	\$1,000		Yes	30%	Materials are in house, installations being made in house
Implement PM program for large Switchgear	\$5,000				
Inspect all electrical distribution equipment installed prior to 1985	\$5,000				
Install Evacuation signs near each elevator door	\$1,300		Yes	10%	Architect engaged to prepare floor drawings and install signs
Reposition 5-8 lighted exit signs for proper display	\$2,500				
	<u>\$146,300</u>				

April Staff Reports

Dianna Cantler, Interim Executive Director

This month's focus has been directed to discussions with LHP Development on site selection and funding plan. You will hear in today's meeting the plan that they are working on.

I have presented to the City Commission twice this month, once on the board's accomplishments, goals and budget request. Jim and I also had the opportunity to share the project process for the John Sevier project, including the steps needed for a passing REAC score, funding models for the new building and what the future might look like for the John Sevier revitalization.

As part of the discussion on financing gap for the new housing development, I have spent time educating myself on the Section 108 program offered through HUD. This tool has been used by other city's when working with a private developer on public housing projects. My research included a phone call with the Director of Community Development for the City of Knoxville and an online webinar through HUD.

The Governor passed a \$5 million Historic Rehab Grant in the FY21 budget. Several property owners in Johnson City should be able to utilize this grant. I sent emails and have had discussions with multiple property owners on this grant and how they can be proactive now to request the funding once the application opens up. This grant is a great incentive to the property owners who are just sitting on buildings and waiting for tenants. Each grant is 30% of the rehabilitation costs, up to \$300,000 and can be stacked with the 20% National Historic Tax Credit.

I have met with two new developers interested in this market this month and several discussions with people considering new businesses. I also have met with BrightBridge, a CDFI provider and FTDD regarding their loan programs and how new business owners can access the funds.

I am still working with two specific requests for TIF, but both are still working on proformas towards their projects.

I also attended a workshop provided by the City through MTAS on facilitating public meetings. I hope by next month we will be set up on the City's iCompass service and will be able to place all documents and agendas on the site for easy accessibility.

In June, I will be taking the Historic Real Estate Finance Certification training offered through the National Development Council. This 30 hour class is a systematic look at the real estate development process from the perspective of lenders, developers, investors and economic developers. I am able to get this at a subsidized rate of \$250 because we are an accredited Main Street program. Typically, the course is \$1,425.

Jim Dorton, Finance and Operations Manager

The April financial closing went smoothly. Financial results for the month of April were well off the budget because we did not receive the budgeted \$475,000 TIF payment from Washington County. Had the payment been made, the JCDA would have been near budget for the month of April and better than budget for Year-to-Date.

Dianna has prepared a draft budget for the 2021/22 year for preliminary planning purposes with the city, to which I provided input.

TIF loan payments for Triple G, MMM and Model Mill and Cherry Street due on May 1 were processed and delivered. The annual TIF payments for University Edge and JC Ventures/Tipton Street are being processed now for payment in the first week of June.

New insurance was placed on the Downtown Center during the month.

LHP Management LLC took over the management of the John Sevier on April 1, and the first 6 weeks have run smoothly, although there are a few start up issues. New staff has been hired for the office and maintenance. We are in discussions with LHP to clarify staff roles since things run differently under LHP compared with the former managers. There are a number of areas that are still being absorbed such as accounts payable and new the leasing software. The M&M finance manager worked with us under contract for the month of April to aid in the transition, which helped smooth out start-up issues.

The goal of making all critical facilities improvements in time for the next REAC inspection is still a high priority. Many projects are underway and we believe that we will have time to complete the work before the next REAC inspection is scheduled. We must achieve a passing score in order to move ahead with the redevelopment goals. The budget for the repairs is not yet finalized, but we are confident that the range will be \$125K - \$175K. We will be working over the next two weeks to finalize the project cost in order to present the budget to the operations committee and board.

Lindsey Jones, Marketing Manager

JCDA-

This month our campaign DowntownNOW for business recruitment continues. So far 3 of 6 vacant properties featured have been leased! I still have a big line up of properties and business success stories to release. When this campaign started, we were releasing two videos per week. With new downtown events ramping up, I have reduced this to one per week.

This month we also wrapped up two of our ETSU Internship programs. Sara and Nicole have been so awesome to have around our offices. Through another program at ETSU, we were able to retain one of our interns for the summer. Sara met several criteria's needed in order to receive CARES funding for seasonal employment. Through this program, ETSU will be paying Sara to work in our offices, as she completes 600 hours. Sara's first day in this new program will be May 24. She will work 20-25 hours per week.

Earlier this week, I went on WJCW to talk about many things involving our downtown district, the ever growing vibrancy of our downtown, new businesses, and what we do here at the JCDA.

Connect Downtown JC-

This month we are in the competition phase of the Dog Park Dash Grant Application. This grant was mentioned in my prior two staff reports, and will end on May 31. The Boyd Foundation set a goal in

2018 to make TN the most pet friendly state in the US. To do so, they have awarded communities with grants to develop dog parks in their district. CDJC applied for this grant on April 12. If awarded this grant (\$25,000- \$100,000), with City approval and use of land, a dog park will be developed in our walkable downtown district. Awardees should be notified June-July 2021. With this grant, we would have until 2024 to develop and open the dog park. In order to gain community support for this grants competition, we are collecting letters of support (handwritten, email, or online form), and hosting 3 events in downtown - WoofStock, YeeHaw 4 PAWs, and collection site at University Edge.

With the Design Committee, we have also began designing new signage in downtown along with City Communications staff and Public Works. The first sign is in the downtown square parking lot, and the other sign is located on the corner of Buffalo St and State of Franklin, known as the old Blue Plum Village sign. The Design committee will meet again on 5/13 to further discuss these projects.

With the Marketing Committee, I am ready to kick off Fridays After 5 this summer! This free summer concert series, is going to invite many residents and visitors downtown to support our local businesses and nonprofits. To fund this event, I set a goal of \$25,000 in sponsorship to collect. I am happy to share that I have collected \$100 short of \$40,000 in event sponsorships!! By having these extra funds, I was able to book more well-known bands, and add additional perks to our series.

This month I also attended the virtual National Main Street Conference. During this week-long event, I attended 9 sessions, which were very beneficial to my position here at the JCDA and working the Connect Board.

These sessions consisted of: More Effective Marketing, Lessons Learned in Livability, The Role of Placemaking, Power of Placemaking, Marketing Strategies to Reach Consumers During a Pandemic, Downtown Brand Experience, Equity and Public Space, and Using Social Media for Good.

To raise funds for Connect Downtown Johnson City, I launched new merchandise to sell this month. I started this with just a pre-sale in order to properly pay for the items without moving funds from Connect. So far we have collected \$1,900 in preorder sales. These items will also continue to be sold at FA5, online, and displayed in a downtown property window as well.

Key Results	Overall Objectives	Monthly Priorities	Date Started	Deadline	Challenges
John Sevier Property Management and Disposition	<ul style="list-style-type: none"> •Monthly meeting with management •Ongoing conversation regarding future development with LHP 	<ul style="list-style-type: none"> •Property management on REAC budget and timeline •Present financing plan to Pete Peterson and City Commission •Disposition to receive LHP proposal in May •LHP to present at Board meeting 	ongoing	•	•Short timeline
Business Recruitment-Redevelopment and Leasing of first floor space	<ul style="list-style-type: none"> •Work with City Strategic Plan (economic development) to guide JCDA's efforts •Plan campaign to promote available space in downtown utilizing open storefront windows and online videos 	<ul style="list-style-type: none"> •Respond to requests for information from interested business/potential investors •Monthly meeting with ED entities in the City to focus on strategic initiatives •Educate property owners on new Historic Rehab Grant 	•Grant announced in May, open in July?	• 7 first floor spaces leased by end of FY22	•Historic Rehab Grant limited to \$5M, get interested property owners qualified quickly

Organization Health	<ul style="list-style-type: none"> •Develop budget needed to achieve the mission •Ongoing intentional communication with all stakeholders 	<ul style="list-style-type: none"> •Presented accomplishments, goals and budget to City Commission 	<ul style="list-style-type: none"> • Ongoing 	<ul style="list-style-type: none"> •Email blast to Board •Monthly email blast to community stakeholders 	
Downtown Center	<ul style="list-style-type: none"> •Keep in contact with director at NE State, communicating changes that might affect them •Future options for use of space •Promote use of garage on weekends and with business owners •Accessibility to parking garage for public 	<ul style="list-style-type: none"> •Parking garage now open on weekends, research combination lock for staircase door •Promote garage permits to downtown business owners for 2021 once street work complete 	<ul style="list-style-type: none"> • Ongoing 	<ul style="list-style-type: none"> •Remind downtown businesses to renew or request a parking permit (once streetwork complete) 	
TIF Facilitation	<ul style="list-style-type: none"> • Educate property owners on how to design projects • Facilitate TIF and façade grant opportunities. • Establish a positive majority of the County Commission to support future projects • Work on future of TIF projects past sunset date 	<ul style="list-style-type: none"> •Currently working with two projects on W. Walnut Street •TIF and façade grants are ongoing 	<ul style="list-style-type: none"> • Ongoing 	<ul style="list-style-type: none"> • 	

Progress Report from prior month:

- Continuing to work with LHP on REAC inspection budget and timeline for new project
- Evaluated applicants for CO.STARTERS
- Researched Section 108 program through HUD
- Began sharing with property owners the Historic Rehab Grant and met with State officials concerning timeline

See also staff reports in board packet for details