

Redevelopment Commission of the City of Greenville
Meeting Minutes
Tuesday, May 1, 2018
Greenville, North Carolina

Present:

- | | | |
|---|---|--------------------------|
| <input checked="" type="checkbox"/> Judy Wagner | <input checked="" type="checkbox"/> Kevin Howard | <input type="checkbox"/> |
| <input type="checkbox"/> Michele Connors | <input checked="" type="checkbox"/> Sharif Hatoum | |
| <input checked="" type="checkbox"/> Patricia Dunn | <input checked="" type="checkbox"/> Alan Brock | |

Absent:

- | | | |
|---|--|--------------------------|
| <input type="checkbox"/> Judy Wagner | <input type="checkbox"/> Kevin Howard | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> Michele Connors | <input type="checkbox"/> Sharif Hatoum | |
| <input type="checkbox"/> Patricia Dunn | <input type="checkbox"/> Alan Brock | |

Staff:

- | | |
|---|---|
| <input type="checkbox"/> Will Bell (City Council Liaison) | <input checked="" type="checkbox"/> Betty Moseley |
| <input type="checkbox"/> Kenneth Graves | <input checked="" type="checkbox"/> Shyla Boskey |
| <input type="checkbox"/> Donald Phillips | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> Christian Lockamy | |
| <input checked="" type="checkbox"/> Jared Stalling | |
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I. Welcome

II. Roll Call

III. Approval of Meeting Minutes from February 7, 2018

Motion was made by Ms. Wagner and seconded by Mr. Hatoum to approve the meeting minutes from August 1, 2017 as presented. Motion carried unanimously.

IV. Time for Science Update

Mr. Stalling introduced Ms. Emily Jarvis, Executive Director for A Time for Science. In April of 2017, the Redevelopment Commission entered into a one year contract with A Time for Science that outlined reports and program benchmarks that must be presented annually.

Annual Report & Program Benchmarks:

- Fundraising: Must raise \$60,000 by May 1, 2018.
- On-site Attendance: Monthly average attendance at facility will surpass 300 non-affiliated visitors per month by May 1, 2018.
- Program Participation: Monthly average participation in programs will surpass 300 non-affiliated participants per month by May 1, 2018.

- CPA Compilation Statement (audit): Depicting financial statements for previous 12 months of operations.

Results for Annual Report & Program Benchmarks

- Fundraising: Raised \$71,688.26 to date.
- On-site Attendance: Average attendance of 947 per month.
- Program Participation: Average attendance of 627 per month.
- CPA Compilation Statement (audit): CPA report by Page & Smith was presented as requested.

Ms. Jarvis stated that the \$71,688.26 was for programmatic revenue for 2017. In 2017 \$176,912 was received in grants, \$13,395 in sponsorships, and \$33,933 from personal contributions.

So far, in 2018 \$53,940 has been received in personal contributions, \$4,550 in sponsorships, \$14,923 in the bank, \$22,000 in grants, and \$12,480 programmatic income.

Mr. Hatoum commented that he was pleased with the accomplishments and was happy Ms. Jarvis was leading the charge.

Ms. Dunn asked how many field trips were received from schools.

Ms. Jarvis replied very few only because the facility is not large enough to house a large group as is done in other locations. Majority of the large groups go to the facility in Grifton. However, to utilize this facility (in Greenville) a grant has been received from Vidant Medical. Every Friday, the Boys & Girls Club of Jarvis Memorial come over in the afternoons for the Get Healthy, Get Outdoors program. Staff teaches about nutrition and takes the children to the Community Gardens where they learn about healthy foods. This space is used for home schooled children. But a bus load of children would be hard to control in the small environment. A grant has been applied for to finish the back section. Once it is complete, large groups will be able to attend.

Mr. Hatoum asked how finishing the back section would impact the facility size-wise.

Ms. Jarvis replied that in Grifton, all the programs are outside. So this will be indoors and a different experience.

Ms. Dunn asked if they had connected with the children at the Intergenerational Community Center.

Ms. Jarvis replied not yet; it is being discussed.

Mr. Hatoum asked when they expected to hear something regarding the grant to finish the building.

Ms. Jarvis replied that the grant will be accepted for review in July. The turnaround is pretty quick. If granted, we should have the funds in one year.

Ms. Jarvis introduced the board members of A Time for Science.

Ms. Wagner asked whom they were speaking to for the grant.

Ms. Jarvis replied that she had submitted the grant to the SECU foundation.

V. **Discussion on Small Business Plan Competition**

Mr. Lockamy gave a brief history of the Small Business Plan Competition. In 2008 the Small Business Plan Competition was formed. Eligible areas were the Center City Redevelopment Area and the West Greenville Revitalization Area. The purpose was to provide an incentive to small business owners to create or expand businesses within the Center City - West Greenville Redevelopment Areas. There have been 38 recipients since 2008. Of the 38, 15 located in West Greenville, and 23 located in Center City. 25 of the 38 businesses are still operation.

Current Eligibility Guidelines:

- Existing or start-up small businesses that are primarily located, or intend to locate within the boundaries of the Center City - West Greenville Redevelopment Areas.
- For-profit business whose tangible net worth is not in excess of \$7.5 million.
- Average net income after Federal income taxes (excluding any carry-over losses) for the preceding two completed fiscal years is not in excess of \$2.5 million.
- Businesses must be registered with the North Carolina Secretary of State's Office.
- Must meet city code and zoning requirements
- City/County taxes for any business or individual requesting grant funds cannot be delinquent.

Application Rounds & Funding:

- Submissions are typically accepted twice a year with due dates of July 1st and December 1st.
- Awards will typically be made within ninety days of submission.
- Up to four awards of \$15,000, or 10% of the total business investment with a cap of \$30,000 (whichever is greater) may be made at the sole discretion of the Redevelopment Commission in each grant cycle.

Examples of Eligible Uses of Grant Funds:

- Working capital or operating funds
- Purchase of equipment, commercial use vehicles or machinery
- Improvements to owner occupied property
- Leasehold improvements
- Expansion of business services or products
- Other uses considered according to business plan

Mr. Hatoum asked if the requirements could include a lease going in.

Mr. Lockamy replied that currently the applicant is required to produce a lease before getting any money.

Mr. Hatoum stated that from his experience, having the lease prior to awards was helpful because it showed that the applicant understood the conditions of the lease. Often, it is not understanding the responsibility of the leaser that crushes small businesses.

Ms. Wagner agreed that the lease would be helpful information.

Application & Submission Process:

- Mandatory enrollment in at least three small business seminars (SBTDC, SBC, or similar business seminars offered by another local organization).
- Each individual owner of 20% or more of the business must sign the application and associated documents.
- If a submitting application is found to be incomplete the applicant will have one week to turn in all missing information.
- Existing companies must submit profit/loss statements, federal income tax statements, 3-year projections, and other financial documents as necessary to demonstrate compliance with small business and other eligibility requirements.
- New companies will be required to provide personal tax records from the previous year, and 3-year projections.
- Fully completed submissions turned in by the deadline will receive an interview by a selection subcommittee made up of City staff and Redevelopment Commission members (sub-committee).
- During this interview, the sub-committee provides general feedback to the applicant.
- After the interviews, the sub-committee will make recommendations to the RDC on which businesses to award.
- All submitting entities will receive notification as to their status.
- First time applicants not selected are required to wait a minimum of six months before applying again.
- If the applicant is not selected upon their second submission, they must wait twelve months before resubmitting.

Disbursement of Grant Funds:

- Those applicants selected for the business plan award will be required to accept the grant award via the signing of a promissory note within thirty days of award notification.
- Funds must start to be utilized for the purpose described in the business plan within six months of grant acceptance.
- A 3-year compliance period for this program begins with the date on which the funds are accepted.
- Following the disbursement of funds, recipients will be required to certify each year on or near the anniversary of grant acceptance that they continue to use the granted funds in accordance with their business plan proposal.
- The RDC will not make awards to the same business enterprise within a thirty-six month period.
- Applicants who are awarded the grant are asked to attend the next month's Redevelopment Commission meeting to present their project and officially accept the grant.

Ms. Dunn requested more detail regarding the three year compliance period.

Mr. Lockamy explained that the SBP was initially started with bonds funds. Once those funds were expended, the City found an opportunity to use HUD funds. SBP guidelines are changed to accommodate the requirements of CDBG HUD funds.

Ms. Wagner asked how staff determined which business to report on each year.

Mr. Lockamy replied that on the application was a list of ways to report. Originally, staff monitored the usage of the funds closely, however, due to the guidelines having such a broad level of usage, there has not been a lot of scrutinizing.

Application Scoring Criteria:

- Cash flow – Evidence that the business venture is or will bring in more revenue than expenditures.
- Credit History – Demonstration of responsible use of credit either as individuals or for their business ventures. Applicant/s should not have any active liens or judgments.
- Equity - Level of equity brought by applicant/s to the project. Includes cash, real estate, equipment or inventory.
- Employees - The number of full-time or part-time, low and moderate income employees that the proposed business intends to hire. Income includes any employees whose total annual income in the previous tax year did not exceed 80% of the area median income.
- Experience - Applicant's level of experience with the specific business type as well as other general employment, educational and management experience.

Mr. Hatoum asked if businesses had to have a certain number of employees to get the \$30,000 award.

Mr. Lockamy replied that it may have been a rule earlier in the program, but he is not familiar with it.

Mr. Hatoum stated that he loved this program and wished there were more funds.

Mr. Lockamy stated that at this ten year juncture, we are in a pivotal moment in time. We are looking for ways to move it forward.

Ms. Wagner asked if HUD money was still available.

Mr. Lockamy replied no. HUD funds were used during the recession when the City was low on money. HUD has too many strings attached to their funding for it to be practical for small business use. For example, to use HUD funds, staff had to monitor hiring restrictions, such as low income residents or people living in certain areas.

Ms. Wagner stated that she was excited to see what's happening in the Dickinson Avenue area. She hopes City Council will continue to approve this program.

VI. Report from Secretary

Mr. Lockamy stated that there were no expenses to report.

VII. Public Comment Period

No comments were received.

VIII. Commission Member Comments

Ms. Dunn asked about the status of the theatre.

Mr. Lockamy replied that they are saying it may be end of May or June for completion.

Mr. Hatoum asked if the \$100 per day penalty was going to be waived.

Mr. Lockamy replied that the manager would have to answer that question. There was a 120 day grace period. The City Manager will revisit the issue at the end of the grace period.

Ms. Wagner asked when funds would be available for the small business plan completion.

Mr. Lockamy replied that the July 1st cycle will be delayed for two months for revisions to the guidelines. The revisions will go to City Council in August.

IX. Adjournment

Motion was made by Mr. Hatoum and seconded by Ms. Wagner to adjourn the Redevelopment Commission meeting at 5:55 pm. Motion carried unanimously.

Respectfully submitted,

Signature on file

Jared Stalling,
Economic Development Project Coordinator