

Economic Development Incentive Committee

April 13, 2021

Meeting Minutes

Call To Order

Chairman Al Nickles called the meeting to order at 2:05pm. Meeting was held virtually via Microsoft Teams. The following members were present constituting a quorum: Paul Koch, Brendan Heil, and JaMarcus Hampton. Also present were: Community Development Director Jonathan Holody, City Commission Liaison Naomi Twine, and clerk Kristen Barone.

Approval of March 9, 2021 Meeting Minutes

Mr. Koch made a motion to approve the minutes as submitted and Mr. Heil seconded. All members were in favor of the motion.

Program Financial Update

Mr. Holody stated that there is about \$250,000.00 in total outstanding commitments. After subtracting that number from the 2020 carryover and 2021 allocation, that leaves \$153,092.00 left in grant funds to disburse. Mr. Koch asked if there are limits in the grant agreements on how long the grant funds can be held for. Mr. Holody said that there are completion dates listed in the grant agreements. Mr. Nickles stated that in the past there has been discussion regarding setting a timeframe since there have been some projects that have been on hold for a long duration of time. He said he would recommend just reaching out to applicants after a period of time has lapsed to see if the project is still going to happen or not and then discuss the situation with the committee.

Review of Applications Received

- **HDT Operating Co LLC**

Mr. Holody stated that the first application on the agenda is for HDT Operating Co LLC, who does business as HD Tony's Restaurant. HD Tony's was opened in 2010 on West Water Street. The company is looking to capitalize on the Shoreline Drive project and do some additions and renovations, including masonry restoration, a new retractable awning, new sign, new deck, and a new dugout bar. Window replacement is also something they would like to do but at a later date. The owner of this company has made significant investments at this location since opening the restaurant about 10 years ago and has not received any grant funding from the City thus far. The company is requesting \$33,450.00 in grant funds, which would be 10% of the project costs. Mr. Holody stated that while this is slightly smaller than the typical cutoff for substantial redevelopment, this is a major undertaking for the company, and he believes is a reasonable request given the investment this company has made over the many years. Mr. Heil made a motion to recommend the request to City Commission for approval and

Mr. Nickles seconded the motion. All voting members were in favor of the motion except for Mr. Koch who abstained from this vote.

- **The Maca Root Juice Bar & Eatery, LLC**

Mr. Holody stated that Maca Root Juice Bar & Eatery opened in 2018 in the rear of the Paddle and Climb building. At that time the company received a grant in the amount of \$7,000 from the Economic Development fund. Expansive growth in sales has led the company to relocate a new location. The company has secured a five year lease for the new location at 216 E. Water Street. Improvements at this location include extensive interior renovations and exterior upgrades including outdoor furniture, plantings, and lighting. These improvements will cost the business \$42,081.22. Staff recommend a grant in the amount of \$10,000.00, which will need to go to City Commission for further approval. Mr. Heil made a motion to recommend the request to City Commission for approval and Mr. Koch seconded the motion. All voting members were in favor.

- **Wake Up and Waffle, LLP**

Mr. Holody stated that this is a female-owned family business that started last year and is a tenant of the Marketplace at the Cooke. The business started in 2020, but is looking to expand through the purchase and installation of new equipment. The equipment includes hand-held computers, a stand mixer, and a three compartment sink, which is required for a liquor license. Total expansion costs come to \$15,450.06. Funding is typically limited to 60% of total project costs. Staff recommend a grant of \$9,000.00. Mr. Koch stated that he has always thought that funding 60% is a little much. He said he thinks that the owners that are profiting from the business should put in more than what the City provides. He said he would feel more comfortable granting 40% in this case. Mr. Hampton stated that he agrees and made a motion to approve a grant in the amount of \$6,000.00 and Mr. Koch seconded. Mr. Koch then made a motion to amend that motion to approve a grant for 40% of total project costs and up to \$6,000.00 so that way if the business owners decide that they cannot afford to purchase one of the items on their list due to not receiving the grant amount they wanted, they can still purchase some things and still receive some assistance. Mr. Hampton seconded the motion. All voting members were in favor.

Other Business

Mr. Hampton stated that he would like to see other businesses applying for these grants other than those that are located in the downtown area and also more minority owned businesses. He asked if there were ways that the committee and staff could help promote this opportunity to those businesses. Mr. Koch stated that he believes the members of the committee are the biggest advocates of the program as they are familiar with it. He said that he mentions it to people he works with at the bank if he thinks they qualify. Ms. Twine stated that she thinks that

just putting a flyer up at local churches, barber shops, etc. where minority communities gather, would be something that would not cost much and could get the word out there. However, she agrees that the committee members should spread the word the best they can to people they know and already do a good job at that.

Next Meeting

May 11, 2021

Public Participation/Comments

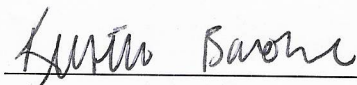
Sharon Johnson sent an email on April 13th asking staff to read the following into the record: "The ED grant guidelines state: Economic Development funds cannot pay for projects completed before grant approval and notice of award. Some of the projects listed in today's agenda have already been started and are near completion. How is it a grant can be approved for projects that have been started already or near completion? Should there be a change in the guidelines to offer these grants before the project begins? It seems that these businesses have taken for granted that they are going to get a grant. Many businesses depend on bank loans which require the city grants as gap financing. How do grants happen after the fact? Please explain and should the guidelines be changed to reflect that no grants will be given out if the project is already started?"

Mr. Koch stated that he believes the intent is to not start a project and then come ask for a grant years later. However, there might be businesses that think they are able to finance a project on their own so they get started and then run into problems where they need financing, so he believes that may be why there is no hard line on when projects start. Mr. Nickles stated that he agrees that there should be guidelines but also some flexibility.

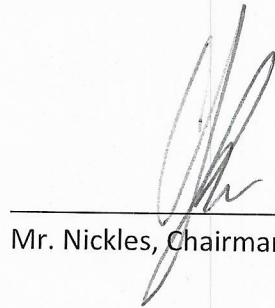
Meeting Adjournment

Mr. Nickles made a motion to adjourn the meeting. The meeting ended at 2:49pm.

APPROVED:



Kristen Barone, Clerk



Mr. Nickles, Chairman