

Revolving Loan Fund Committee
SPECIAL Meeting Minutes –April 27, 2018
130 North High Street – Conference Room

The Hillsboro Revolving Loan Fund Committee met for a special meeting on April 27, 2018 at 2:00 p.m. in the upstairs conference room of the City Building at 130 North High Street.

CALL TO ORDER

Mayor Hastings called the meeting to order at 2:04 p.m.

ROLL CALL

The following members were present: Mayor Drew Hastings (Chair), Mel McKenzie, Safety and Service Director, Amy Hamilton, John Storrs, Steve Thompson, and Steve Ventura. A quorum was met.

MINUTES

REPORTS

CORRESPONDENCE

UNFINISHED BUSINESS

The Committee discussed how Dale Martin changed his plans for the first-floor event center at 137 North High Street. Mr. Martin was already in the process of framing-up office space and obtained a lease for the county domestic violence organization. The Committee as a whole felt that Mr. Martin had not been honest with them during previous discussions and that he may have procured the Revolving Loan Fund loan to obtain a better appraisal on the building. Overall, the committee felt there were trust issues and that it was odd that Mr. Martin changed his plan so quickly after the Committee toured the building in April.

Mr. Martin joined the meeting at 2:20 p.m. to answer questions from the Committee. He said that the upstairs would remain the same as originally planned (event center space). The first-floor office is 6,000 square feet with a separate entrance and the remaining space on the first floor will be an 80-100 seat banquet space. He referred to the contract with Domestic Violence as happening as a fluke and that the guaranteed income from leasing office space would please the bankers. He will not renovate the third floor.

Mr. Martin feels that the plans did not change since the Committee toured the facility. It will still be an event center but the project is costing more than he anticipated and he was worried that an event-center-only would not guarantee the income he needs from the project. The changes he made lowered the cost. Mayor Hastings asked how the cost could be lower when he built-out space for offices and added restroom facilities.

Mr. Martin hopes to open the event facility by the end of they year but if he has no funding from the Revolving Loan Fund he will finish it as he can. The bank loan approved on the building has not closed. He is waiting on an appraisal. The income from the office space will pay for the

building, roof, and façade changes. He already signed a lease with Domestic Violence which allowed for the bank loan. The office must be done by August 1, 2018. Mr. Storrs questioned if the bank loan would be used for the offices and infrastructure. Mr. Martin offered to close the bank loan before the Revolving Loan Fund loan.

After Mr. Martin left the meeting the Committee discussed issues of trust, believing that Mr. Martin should have informed the Committee of the change to the project. Ms. Hamilton felt that no loan payments should be deferred as originally planned since Mr. Martin has income starting August 1. Mayor Hastings said that Mr. Martin did not answer his question how the project cost was lowered by adding office space. Ms. Hamilton said that the effect of the downstairs event space was lost now that the expanse of brick wall will be covered by office space. Mr. Thompson felt that the Revolving Loan Fund loan was used to help Mr. Martin get a bank loan. Mr. Ventura said that nothing felt right about the project. All members felt that it was hard to trust Mr. Martin because he had not been up-front with them. Mr. McKenzie said that no building permit or plans were submitted prior to framing-up the office space and he wondered if Mr. Martin would have submitted plans if the city did not learn of the changes being made.

The Committee felt the closing for the Revolving Loan Fund loan should be stopped until Mr. Martin provided additional information to them. They will ask for the actual cost of the project including changes, the bank loan cost, lease income, and basically all itemized costs for the project as it currently exists with the additional office space and reduced event space. Mr. Thompson did not feel the cost for kitchen equipment that Mr. Martin originally submitted was realistic.

MOTION Ms. Hamilton moved, seconded by Mr. Ventura, to decline the loan until Mr. Martin submits new plans, a copy of the lease, rental costs, actual build-out costs, a letter of approval from the bank, projected income for all spaces, costs of fixtures, and “opening” costs. Vote: all yeas.

NEW BUSINESS

ADJOURN

MOTION The Committee adjourned at 3:15 p.m.

The next regular meeting is scheduled for May 28, 2018.

Drew Hastings, Chairman

Debbie Sansone, Secretary