

**Revolving Loan Fund Committee**  
***SPECIAL Meeting Minutes –May 30, 2018***  
**130 North High Street – Conference Room**

The Hillsboro Revolving Loan Fund (RLF) Committee met for a special meeting on May 30, 2018 at 11:00 a.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 11:06 a.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 met to discuss changes to the plans for the Hillsboro Orpheum project approved on April 2, 2018 for Dale Martin at 137 North High Street. Mr. Martin changed his plans to utilize approximately half of the space on the first floor for office space for the county domestic violence office. The original plan dedicated the entire first floor to event space. Mr. Martin did not inform the Committee of his change of plans. Ms. Hamilton said that she was surprised that Mr. Martin felt that the project had not really changed. Mayor Hastings said that having government offices in 6,000 sf of the first floor would not encourage economic development as originally planned with an event center. Mr. Ventura questioned why Mr. Martin was not up-front with the committee and now wonders if Mr. Martin will change the project again once he has the RLF money.

Mr. Storrs said that all of the funding needed to finish the project should be procured so that the project is not stopped or changed again. He did feel that the banquet center space was being jeopardized as a result of the office space. Mr. Thompson said that Jill Reid is designing the kitchen and will operate her catering business from the event center. It was not known if she had a contract or how much she would be paid. Mr. Thompson reiterated earlier concerns that the budget for the kitchen equipment was not realistic.

Ms. Hamilton said that even though she participates in the discussion, she would abstain from any vote on the matter because her bank is involved with the project. It is estimated that Mr. Martin's payments for a bank loan and the RLF loan combined would be approximately \$2,000 per month. That cost does not include insurance, utilities, taxes, etc. and there were questions that Mr. Martin could have a cash-flow problem. Parking is also expected to be a problem. Mayor Hastings suggested that the loan proceed with the condition that it is secured and that Mr. Martin's bank loan is secured before he receives RLF funds.

Mr. Storrs said it could be beneficial to use the inspection process much like a bank would use when funds are dispersed as a draw. Mr. Martin will be required to show his progress for each draw. There would be a draw schedule. In the event that Mr. Martin does not continue with the

event center space, the RLF would not have given all of the money. The committee preferred this idea and asked that a letter be drafted to explain how he will be reimbursed for improvements instead of being paid up-front.

The committee further discussed their concerns. Mr. Storrs, said that, as a banker, he feels if the committee is not comfortable with the individual they should consider not lending the money. Mr. Ventura said he was not comfortable with the level of trust from Mr. Martin. Mr. McKenzie said that if Mr. Martin backs-out of the event center altogether the RLF committee no longer has a loan that promotes economic development. He asked for reassurance that both floors would be event centers. Lack of parking was also discussed. The committee discussed whether to pursue this loan or to make the funds available to someone else. The event center would be a “plus” to the uptown but there were questions that after the loan was made would Mr. Martin change the plan again.

Mr. Storrs said that what Mr. Martin is doing fits the scope of uptown revitalization and suggested that maybe the first consideration of his loan was too loose. He further suggested that there be loan security, reimbursement with draws with inspection of the project progress, and that he verifies what he has spent. Mr. Storrs’ biggest concern is that he runs short of funds before the project is finished. The bank-funded work and the RLF-funded work will be treated as two separate projects.

**MOTION** Mr. Ventura moved, seconded by Mayor Hastings, to rescind the initial April 2, 2018 decision to loan Mr. Martin \$100,000 and ask Mr. Martin to re-apply for a loan knowing that it must be collateralized, all permits must be approved, the loan will be issued on a “draw” basis, a parking plan will be included, the bank loan will be closed first, and the RLF committee will work in conjunction with the bank to assure that the RLF reimbursement is not for the same work reimbursed by the bank. Vote: Mayor Hastings, yes; Mr. McKenzie, yes; Mr. Thompson, yes; Mr. Ventura, yes; Mr. Storrs, yes; and Ms. Hamilton abstained from voting.

## **NEW BUSINESS**

## **ADJOURN**

**MOTION** At 12:16 pm, Mr. Storrs moved, seconded by Mr. Thompson, to adjourn.  
Vote: all yeas.

The next regular meeting is scheduled for June 25, 2018.

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Drew Hastings, Chairman

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Debbie Sansone, Secretary