

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

The Hillsboro Revolving Loan Fund (RLF) Committee met on August 27, 2018 at 10:00 a.m. in the upstairs conference room of the City Building at 130 North High Street.

CALL TO ORDER

The meeting was called to order at 10:00 a.m.

ROLL CALL/QUORUM

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

MINUTES

The following meeting minutes were approved as presented:

- July 23, 2018 (Regular)

REPORTS

Monthly reports for July/August 2018 were reviewed.

MOTION A motion was made and seconded to approve the monthly reports. Vote: all yeas.

The RLF balance as of August 27, 2018 is as follows:

CDBG	\$76,419.53
-	\$43,949.17 Committed to East Main Critical Infrastructure Project
	\$32,470.36 Available CDBG Balance

UDAG \$139,809.64

MOTION Ms. Hamilton moved, seconded by Mr. Storrs, to approve the monthly reports. Vote: all yeas.

CORRESPONDENCE *No correspondence*

The Committee instructed the Clerk to contact Rick Pitzer regarding the status of his loan payoff for Classics' Diner and his late payments. The Committee would prefer that Mr. Pitzer pay the balance of his loan but do not require that he pays it off. They asked to know Mr. Pitzer's intentions regarding the Classics' Diner loan.

UNFINISHED BUSINESS

Geoff Lowell, Lowell Landscape, was unable to attend the meeting to give the Committee a status report on his loan payments. Mayor Hastings asked if the Committee was willing to foreclose on the property used for security of the loan, owned by Mr. Lowell's father, Bob, if he

should default on his payments. Mr. Storrs asked if the Committee needed to answer to the State of Ohio regarding the loan. The UDAG funds do not require state oversight. Mr. Thompson suggested that Bob Lowell, Geoff's father, be advised of the situation. Ms. Hamilton said that Bob Lowell is aware of the loan status and the problem Geoff is having. The Committee asked the Clerk to send a letter to the senior Mr. Lowell explaining the status of the loan and asking him to attend the next meeting.

NEW BUSINESS

Loan Application – Rachel Reed – Purchase Restaurant

Prior to hearing a loan request from Ms. Reed, Mr. Storrs provided the committee with background information. Rachel Reed wants to purchase Giovanni's Restaurant on North High Street. The restaurant generates a good income but has minimal assets which make it difficult to obtain a traditional bank loan. Mr. Storrs recommended to Ms. Reed that she seek other sources of financing.

Rachel and Jaimie Reed met with the committee and provided an application, personal tax returns, Giovanni's tax returns, and profit-loss statements for the business. Ms. Reed has been working at the restaurant since April 2017. She contacted Grow! Highland and talked to Tracy Evans about obtaining funding through SCDC, an economic development corporation. The purchase price of the restaurant is \$250,000.

The current owner will not finance the sale unless absolutely necessary. The Committee was concerned about the impact the October opening of LaRosa's would have on Giovanni's. They suggested that Reed wait until LaRosa's opens to see if the asking price drops. Mr. Thompson asked Reed if she had other sources of funding. She said she did not have other sources yet but said she was determined to make the purchase happen even if she could not obtain a RLF loan. Mayor Hastings explained that the Revolving Loan Fund money was meant to be used for gap financing and not primary financing. The Committee will follow-up at a later date. Mr. Ventura said he would like to see Reed's plan for dealing with the opening of LaRosa's with the anticipation that it will affect Giovanni's for a while.

DISCUSSION

Mayor Hastings suggested to the Committee that a loan be made to the Hillsboro Area Economic Development Corporation (HAEDC) to purchase the old BP station at the corner of West Main and South West Streets. The price has been lowered and the realtor is also looking for an offer on the side lot east of the BP property. Mr. McKenzie talked with Lykins Oil, owner of the lot, about purchasing the property with an agreement to give Lykins property on Fair Street that is a city right-of-way. Currently Lykins owns a parcel on Fair and Elm but their access to the property requires use of the city right-of-way. The committee discussed the suggestion but no decision was made. Mayor Hastings and Mr. McKenzie have a meeting scheduled in the near future with the Lykins realtor.

ADJOURN

The meeting adjourned at 12:00 p.m. The next regular meeting is scheduled for September 24, 2018.

Drew Hastings, Chairman

Debbie Sansone, Secretary