



Economic Development Authority

Agenda for November 4, 2020

Call to Order by Chairman

Roll Call

Review and Approval of Minutes from the September 30, 2020 BVEDA Meeting

Reports

1. Officers
2. Committees
3. EDA members

Old Business:

1. Discussion about possible acquisition of the "Town Square" property at 2117 Magnolia Ave.

New Business:

1. Individual review of EDA by-laws
2. Elect officers for Chairman, Vice-Chairman, and Secretary-Treasurer (Economic Development position usually fills this role).
3. Review and approval of Grant Review Team's suggestions for recipients for round two of the Small Business Recovery Grant
4. Lynn Chapman to discuss Opportunity Zones and Opportunity Zone funds

Adjournment

This meeting will be held in a hybrid format both in person and virtually– Please visit the city website at www.buenavistava.org for more information on how to join the meeting virtually via Zoom



Economic Development Authority

MINUTES for September 30, 2020

The Buena Vista Economic Development Authority met on Wednesday, September 30, 2020, beginning at 5:00 p.m. via Zoom

Members Present:

Brent Styler, Chairperson
Lynn Chapman
George Huger
Skye Lowry
Marolyn Cash
John David Gowdy
Leon Barker

Members Absent:

None

Staff Present:

Secretary of EDA, Kristina Ramsey, Economic Development and Marketing Coordinator

Meeting is called to order

Review and Adoption of Minutes

Motion was made by Marolyn Cash to approve the minutes for the September 30, 2020 meeting, seconded by Skye Lowry, carried by the Authority.

Old Business

None

New Business

Review and approval of Grant Review Team's suggestions for recipients of the Small Business Recovery Grant

Chairman Styler requested Kristina Ramsey to share the notes from the Grant Review Team (GRT_). Kristina showed the Authority the excel spreadsheet. Kristina asked George if he would like to start with the question he emailed to the group and then if Skye and Brent would like to take the lead on their thoughts and notes.

George stated that the grant for Vinyl Cuts seemed to be more of a grant for a POS system and asked how it fit into the parameters of the grant. Mr. Styler noted that this is something that would

help her business prosper post-COVID. Skye stated that one thing that was considered is the idea that we want to keep her here in Buena Vista since she is looking to expand in the near future. Skye stated that on her application she mentioned that she estimate losses during shutdown to be for \$8,400. So, the GRT decided to add her lost revenue instead of the full \$10,000 requested. As the purpose of the grant is to recover and soften the blow of COVID on the businesses.

Mr. Styler stated that if she chose to use that for the new system it would be a wash.

George stated that is still goes back to the system, asking if this fits into the grant? George stated that he has no problem with the POS system if it can be justified within the parameters of the grant, but the POS system needs to go away. George stated that the POS system does not seem to fit. Kristina stated that eligible uses of the grant include pivoting to adjust to market conditions and that POS system would fall within that for e-commerce. George agreed and stated understanding.

Leon stated that the wording in the notes needed to be better stated and clarified to state that it is to be used for online sales versus the POS System. Skye stated that this application was on the GRT spent the most time on and she would be happy to discuss and consider the authority's recommendations.

Leon questioned the costs for the new vinyl cutter, computer set up, and part time employees costs fits. George agreed with Leon, stating that he thinks the POS system with online sales activities is COVID related, but other items not. Skye stated that she does have additional capital funding to stay afloat and that she has been doing well the last few months, just the first part of COVID experienced significant losses.

Mr. Barker stated that he personally thinks it would be great if there were funding available to help them build this platform, because it would be great to help them stay in Buena Vista but questions the eligibility within this program.

John asked if the application stated "we would like \$8,300 to cover our losses" would the authority be having this discussion. George answered that he did think so since these programs are to help provide funding to get people through the times. He stated that he doesn't think the program is to replace revenue and that the objective is to help people adapt and pay some of their expenses. John asked if we should then question other applications. Skye stated that others do also have online adjustments and asked if the objection is more for the vinyl cutter and computer. George stated that yes, that is the concern. He does not mind paying rent as that is supporting the business.

Leon asked if there is a portion of the grant that checks other funding programs. Kristina stated that yes it does.

Mr. Styler stated that his take is, she lost money and we should fund this in some manner to keep her afloat or pivot for alternative sales. Lynn agreed with the comment that her application does not do justice to the desirability about how this can help her business. Lynn stated that she is trying to pivot and she does need to have some sort of inventory control. He stated that this business is an anchor for downtown and that it is important that she pivots to remain open. He stated that he agrees with the need, just needs better justification. John compared this to Huffman auctions. George stated that theirs is more focused. Lynn stated that Vinyl Cuts application does not do their request justice.

Kristina asked what the authority's thoughts were for putting this on the list for next round and request more information. Mr. Styler responded that we should simply give specification for how the money is to be spent. Lynn agreed, stating that we needed to simply change our notes section on

the spreadsheet to be more precise. George agreed and stated that we should reconsider the amount funded.

Leon asked what accountability is required for those who receive funding. Kristina responded that those funded would be required to submit proof of payment and receipts. John suggested considering \$7000 for the amount funded as it matches her specific needs for the system. Marolyn agreed, stating that we need to consider that others will be applying for this as they realize we have program and if we fund this fully then others would question the decision. Leon suggested tabling this application until the next meeting. John disagreed stating that the authority was tasked with distributing this money quickly and the GRT was tasked with evaluating and making the decision. He recommended following the recommendation of the GRT to approve as he does not think they should wait another month. Mr. Styler stated that he agrees with \$7,000. John stated that a POS and pivot to online sales is critical approaching the holidays and a delay could be negative for a key business.

Leon asked how much funds total were allotted to this program. Kristina answered \$50,000. Leon stated that the amount recommended would be 12% of the total.

Skye asked if there would be a way to compromise if we approve the \$3,000 for the pivot, but not the \$3,500 for other items and table those items until we have more information. George and Leon agreed. George stated that he would go for anything where the authority would agree on uses and can justify on the relation to COVID. Leon stated that the notes section should be clarified to indicate the funds are to be used for the sales system and pivoting. Kristina clarified that the notes section was simply notes from the GRT and would be put into more formal language in the award letter. Lynn asked when we would have the next round. Kristina stated that advertising could start soon and would have the same time frame as the first round, giving another month until completion of the next round.

John asked if we plan to discuss each application in such detail as the first application, because other applications are more now than the first. He is curious whether we plan to apply the same amount of scrutiny. Leon stated that they should all have the same amount of scrutiny and the applications with longer lists of uses, should have more detail discuss to determine that they are COVID related. John agreed, then stating that this is reason the GRT was appointed to make those decisions. John stated that he was perplexed as to why the authority would question the decisions they appointed the GRT to make. Leon stated that he was not up to date with the process of the program as it is his first meeting. John apologized for his comments due to the lack of background prior to the meeting. George stated that he is willing to stand by the committee to a point, just felt that the first application needed more clarification. John stated that he does not mind what was discussed on the first application, but if the authority only plans to give her \$3,500 now when the request was \$10,00 and GRT recommendation was \$8,300. He stated that he was comfortable with the \$7,000, but now they would be getting less than businesses that aren't open right now. Lynn stated that he was comfortable with the \$7,000 and rewording. Mr. Styler stated that we may need to be more careful with review of terminology in the future, but the authority should proceed with the \$7,000 for this application. John, Lynn, Lynn, and George agreed.

Lynn stated that he agrees with what the committee recommended and thinks that all of the granted funds will be used well. Lynn thanked the committee for what they have done.

Skye stated that the GRT is happy to have the discussions, which is the reason for the current meeting. Elaborating further on the reason to discuss.

Leon stated that part of the discussion is due to the amount and if we had more funding we could certainly consider funding it fully. Leon asked how many more applicants we anticipate once word

gets out, stating that there are definitely more than a dozen business in town and if another dozen applies they would average no more than \$1,000 each. Leon stated that these funds should be directly used for COVID recovery and he is considered of overlapping with other programs that have already funded the businesses. Stating that it does not make sense to give them funds to cover something that has already been covered by another program. Leon stated that the scrutiny on his part was the large request and that he does not agree with all expensed being related to COVID. Leon stated that he wants to ensure that the applicants are meeting their COVID related assistance and apologized for the additional scrutiny since he was unaware of the GRT.

Marolyn stated that the application included an area to list the other funding they have received and was taken into consideration during review.

Kristina stated that the program was designed so business that have received other funding could still get assistance should it be needed.

Leon stated that the EIDL program is still open and is a 1%, 30-year loan. Leon noted that the application is short and easy, then the funding is granted to the business. Leon stated that if there are businesses who have not applied for that, it should be a top priority program that we should be assisting them in applying for since it is a short application. Leon stated that his business qualified for \$25,000 and a lot of the businesses would qualify for the same amount. Leon stated that the EIDL is a way to get the business funds if needed.

Kristina answered that the Economic Development department has been assisting with application. Kristina noted that a grant program is more attractive than a loan program to many businesses. However, the department is encouraging businesses to take advantage of available programs and is helping wherever they are able.

Skye asked if future applications could have an area to list the funding they received to breakdown loans vs. grants. Kristina agreed that it will be added.

Lynn noted that this is the largest group of applications we have had among all programs, stating that the group is working on a learning curve. Kristina added that the program has had extensive marketing so each business should be aware of the program. Kristina explained that each business received a mailer to the mailing address, the program was advertised for two weeks in the News Gazette, listed on the city website and social media, and sent via email to businesses. Kristina stated that with the extensive marketing, every business should be aware of the program and take advantage if needed. Kristina stated that she has spoken with other businesses that plan to apply in the next round. Kristina also reminded the authority that the application stated that funds would be dispersed on a first come, first serve basis.

George asked if we know that the Mountain Music café plans to reopen. Kristina answered yes, stating that she has spoken with them and they really want to reopen and plan to reopen with alternative uses such as events, music recording, catering, and more.

Skye encouraged the authority to ask any questions about other applications as they see fit. George asked if the GRT could run down the list quickly and explain uses for each. Skye ran down the list of requests and approved grant amounts, reading the notes for each applicant

George stated that he still questions Mountain Music. Skye stated that there is a specific amount needed for expenses, but additional for pivoting. Skye stated that the GRT is open to discussion on another amount. George stated that if the GRT discussed this, then he agrees with their recommendation.

Marolyn made a motion to approve the Grant Review Team's recommendations for funding amounts. Seconded by John. Carried by the authority.

Discussion about possible acquisition of the "Town Square" property at 2117 Magnolia Ave.

Mr. Styler acknowledged that this discussion is still very open contingent upon discussion within city council, with no formal action having been taken. Kristina noted that she sent the memo prepared by Tom to the Authority. Kristina explained that the city is looking at acquiring the town square property for public open space. Kristina acknowledged that the Department of Community and Economic Development has had conversations with Ed Walker and Jamie Goodin. Kristina noted that during those discussions, the question was asked about whether Mr. Walker would be interested in donating the land to the City, stating that he was not interested in donation as he wants to break even on the investment that has been put into the property. Kristina noted that the department is looking into grant opportunities to fund the property but noted that those do have a timeline that would be later than the Auction date. She expressed that Mr. Walker is very interested in working with the city as he shares the same vision for the property. Kristina noted that Mr. Walker offered 4% financing for 3 years. She explained that should we do this, the hope would be to receive grant funding to pay for the property by the end of those 3 years. Kristina explained that she and Tom have been in discussions with the city manager and city attorney about how to proceed. She explained that a possibility would be going through the EDA, where the city would donate the money to the EDA to purchase the property, then when grant funds are received the EDA would repay the city for the funds used to acquire the property.

John asked how much the down payment would be for the owner financing. Kristina said she was unsure but would double check and get back with everyone. Mr. Styler said when he spoke to the city manager, he did not allude to a down payment.

Lynn stated, in the interest of full disclosure, that he plans to bid on this property if/when it goes to auction. He noted that he would not be in a position to provide an opinion and recused himself. John asked Lynn what his planned use would be. Lynn explained that he is working on an Opportunity fund within the city and would use this property as capital investment for the fund. He explained that he would likely not do anything too major right away but would likely do something similar to what it was before as a gathering place, hot dog stand, gazebos, etc. with the idea of having something to attract people to the downtown.

Skye asked Kristina, she asked if there would be a contract drawn up that would give certain guidelines or if it would just be contingent upon getting a grant. Kristina answered that there would certainly be legal documents prepared that would have specific guidelines with some flexibility.

Leon asked what Ed Walker originally paid for the property. Kristina answered that she did not know off the top of her head but could get the price to share with the authority. Mr. Styler echoed Kristina.

Leon stated that he understands that Mr. Walker wants to break even, asking if \$95,000 is his break even point. Kristina explained that when talking about breaking even, Mr. Walker alluded to breaking even on the entire portfolio, not specifically this one property.

Leon expressed that Mr. Walker leaving this project is a significant issue and leaves him curious. He asked what he found so objectionable about the city that he wanted to just wash his hands and walk away.

Mr. Styler interjected noting that the discussion need not be about Ed Walker and his actions with the Go BV project. He stated that we are talking about whether we will want to be a conduit for the city if they find the wherewithal for purchasing this property for city use. Mr. Styler explained that discussing the finer details was not a priority at this point.

Leon noted that it would be a strategic property. He explained that across from the library has genuine character and iconic and the property being integrated into the city would have benefits. He also noted that the price seems reasonable. Leon stated that he would like to have a discussion about the next steps following Ed Walkers departure. Kristina responded that they have discussed this at length internally and she would be happy to have a further discussion about this at a later date.

Marolyn stated that she believes this property welcomes itself to so many uses for the city and that it would be a nice gathering spot. She explained Ed Walker's vision for the property when he first purchased it. She stated that it needs to be beautiful and an area that says "welcome to Buena Vista". She proclaimed that the city needs to own it.

George asked what city council thinks. Kristina explained that this will be discussed at the city council meeting the next day. Kristina explained that Deidra Dryden spoke at the last council meeting and that city council seemed to be in agreement. She noted that there was an overall positive response from council and the city manager.

Skye asked if the EDA was willing, as a conduit, to proceed. She noted that she agrees with everyone else in their thoughts that the city has a vested interest in acquiring and developing this property.

Mr. Styler explained that the financial aspect has to be something that the city has to account for with the right parameters in place.

George asked if a vote was required. Kristina answered that it was just a discussion to gauge their interest prior to further discussion.

Mr. Styler explained that no action has been taken and discussions are just being started.

Kristina explained that it would be a perfect opportunity for the community and city council involved in the development. She noted that involvement from the community and city council would be valuable to overall community development.

Skye asked for Tom to be involved in further discussion for the town square. John agreed.

John asked Kristina if she knew how many properties had gone under contract from Ed Walker's portfolio. Kristina answered that the information has not been shared but noted that the former Ford Dealership has sold. Mr. Styler responded that he knows of people interested and looking to sign on two other properties.

Other Updates

Kristina reminded the authority of the Ethic course for FOIA that Dawn Wheeler has shared with them. Kristina explained that the course is quick and stated that it was a requirement for everyone on the board. Mr. Styler noted that everyone should have this in their inbox.

Adjournment – 6:13 PM

Approved: _____
Brent Styler, Chairman