

## **POWELL COMMUNITY IMPROVEMENT CORPORATION (CIC)**

MINUTES - December 20, 2010, 630pm @ Liberty Tavern

Submitted by Sara Marie Brenner, CIC Secretary

1. Call to Order/Roll Call: Called to order by Jim Hrivnak, CIC President at 634pm. Also in attendance were Trustee and City Staff Member Dave Betz, Trustee and CIC Vice-President Dick Brahm, Trustee and CIC Secretary Sara Marie Brenner, City Staff Member Eric Fischer, City Manager Steve Lutz (arrived at 6:54pm) and Trustee and CIC Treasurer Brad Sprague. Trustee Dick Brahm was absent.
2. Approval of Minutes from November 23, 2010: CORRECTION - Only at the end of the year do we need to have GAAP format. Brenner moved to approve as amended, Sprague seconded. Motion carried by unanimous vote.
3. Report of the Treasurer: Payment of \$685 for insurance. Ending balance \$6,659.33. A year end report will be generated according to GAAP. Betz moved to approve, seconded by Hrivnak. Motion carried by unanimous vote.
4. Report of the President or Other Officers: No report.
5. Report of the Trustees or Committees:
  - a. Insurance Committee: Betz presented insurance packet for Hrivnak to sign. General liability coverage and D&O through Erie Insurance with \$685 annual premium. Betz moved to discharge the insurance committee, Sprague seconded. Motion carried by unanimous vote.
6. Unfinished Business
  - a. CIC Website: Fischer explained that the vendor and staff have had one meeting and will be meeting again in early 2011. He will have a stand in logo until the official logo is created. The web site should be up by the end of January 2011 with corrections possible thereafter. The \$50 per hour rate with a ceiling of \$2400 is the rate to which the vendor agreed, according to Fischer.
  - b. CIC Logo: Brenner explained the options available to the Board including logo contests in the community or through universities in the area. Sprague mentioned that any logo contest would need to include the wording of what exactly the CIC does. Brenner explained that to be the intent, including 4-5 sentences about what the CIC does and what our vision is. Betz commented that sometimes you do not receive the number of logos you want to have submitted, and that we need to have a deadline. Hrivnak suggested that we may need to tweak the final logo. The full proposal was submitted by Brenner in writing to the Board.
    - i. Make submission deadline February 15, 2011 to be emailed to Brenner to collect for the February CIC Board meeting. Present at the February CIC meeting and decide by February 28 with an award presented in March at a Council meeting.
  - c. Business Incubator ("BI")
    - i. Construction Update/Timeline: Betz explained that carpet is going down, ceiling grid is up. Should be done in January 2011.
    - ii. Structure and Legal Issues: Betz explained that HDPI does not meet the standards of being a component unit, per the December 20, 2010 email from the City Finance Director, Debra Miller.
    - iii. Management Financial Model: Hrivnak discussed occupancy rate, and mentioned that Sprague's mentioning 75% occupancy as an assumption may be wise. He continued to explain that getting the City to support the incubator financially will be difficult, and it needs to be self-sufficient for day to day funding.

- A. Sprague mentioned that we should have a baseline example of what we think should/could happen, and also a worst case scenario. The City will need to be there to support the worst case scenario in case it happens.
  - B. Hrivnak wondered whether the management costs could be based on how many businesses are in the building. Brenner suggested it could be based on a percentage of revenue. Lutz suggested a commission structure so it is to everyone's benefit to keep the BI full. Brenner suggested that we increase the rent substantially in years 2 and 3 so that the businesses in the BI are paying rent closer to the market rate, and can be ready to move into a space within the City without a financial "shock" of the higher rent. Betz explained that other incubators have a 60 day out clause both for the incubator and the tenant. Discussion continued on various ideas. Betz will go back to HDPI and discuss options.
  - C. Hrivnak would like to receive a scenario assuming that there are very few rental fees for the conference room.
- d. Update on Signed Agreements
- i. AFK Partners, LLC: Betz confirmed this is paid for and done. Company is open.
  - ii. tekOrange Limited: See (ii) above.
  - iii. Giant Eagle: Betz explained that we will receive the payroll data early in 2011. Finance Director Debra Miller will track their payroll amounts in accordance with the agreements. Hrivnak asked when he should approach Council for additional funding. Betz explained that February 2011 is an approximate date. Lutz explained that there is \$25,000-\$30,000 is the budget for CIC.
  - iv. Market at Liberty Crossing: See (iii) above.
- e. Job Creation Incentive Agreement Application: Betz stated that the application is complete and in use. Brenner asked if there is any concern about our attracting too many financial firms. Betz explained that the Stump-Bardash firm's application in today's meeting packet looked at several different sites and chose Powell because of our incentives, and financial firms may be a "quick trend." Fischer mentioned that clustering is not necessarily bad because these businesses feed off of one another.
- f. Inventory of Public and Private Lands: Betz stated there is no update since the last meeting, and this is ongoing.

## 7. New Business

- a. Pending Agreements: Betz explained that Stump-Bardash is in the process of purchasing 180 W Olentangy St. They have hired an architect, and they are currently unsure of which incentive to utilize. There are other possible tenants for the rest of the building, as well. Their payroll is \$1,000,000 and should be growing to \$2,000,000 within the next decade. There is a verbal understanding with Stump-Bardash that an incentive of some type, assuming the application is accurate, will be forthcoming. Discussion continued about the value of this building soon being occupied and its importance to the area.
  - i. There are various options available to Stump-Bardash. Betz explained that from an administration stand point, there is not much of a difference in administering the various options. "Up front" or "over time" loans are available. Hrivnak listed comparisons of the various agreements executed to date, and suggested that the decision be left to Stump-Bardash. Sprague asked whether there is a concern of being put in a box when someone moves into the City expecting an incentive of some type, but moves in before the incentive agreement is finalized. Betz explained the application and decision process, and the fact that there are not any guarantees to the

businesses of approval or of any specific arrangement.

8. Other Business: None
9. Adjourn: Sprague moved to adjourn, Betz seconded. Motion to adjourn carried at 7:41pm. Next meeting is January 25, 2011 at 630pm, location TBD.