

Jefferson Downtown Development Authority
Tuesday, October 25, 2016 6pm
Jefferson Station Community Room

Members Present

Joel Harbin
Christine Dalton
Tracey Kerlin
Shawn Watson
Willie Hughey

Absent

Steve Quinn
Terry Liles

Staff

Pat Levinge, Treasurer
Beth Laughinghouse

1. Call to Order
 - Meeting was called to order by Joel Harbin at 6:08pm
2. Approve Minutes
 - Approval motion was made by Willie Hughey, second by Tracy Kerlin. Motion was approved unanimously.
3. Approve Budget Report
 - Pat Levinge presented the financials for September.
 - Bank statement is reconciled.
 - Overage of \$13,539.96 YTD
 - Motion made by Christine Dalton, second by Shawn Watson. Motion passed unanimously.
4. Committee Reports
 - a) Lee Street
 - Joel: CRBE was emailed the paving quote that was approved; based on Pat's recommendation, we would expense \$8000, and depreciate \$3000 (over 15 years). CBRE's response was "based on GAP accounting principles they would be depreciating the entire amount of \$11,000 over 15 years at \$63/month.
 - Pat has done some research on a response:
 1. No clear cut definitions of "repair" vs "improvement"
 2. There are some guidelines: an improvement is work that prolongs the life of the property or enhances its value or adapts it to a different use. A repair keeps the property in good working condition.
 - Some of the blogs go on to "attack" the specifics of parking lot repair.
 - Typically repairs of an existing surface can be treated as an expense for tax purposes. Any replacement work would generally be capitalized and depreciated over time thus we would treat the parking lot sealant repair as a expense and capitalize the repavement of the lot. Please note: the tax courts

have recently ruled in favor of tax payers who elect to expense parking lots sealants.

- Pat also found some changes in the IRS regulations as it relates to rental properties. On September 16, 201e the IRS enacted new regulations regarding the classifications of repairs to rental properties as it relates to deductible repairs or capitalized repairs. The IRS has allowed for more lenient definitions of repairs. Specifically repaving parking lots was listed as a repair.
- Pat: I think we have a real good argument that entire amount can be classified as a repair.
- Joel: Which means that would repay the \$11k this year. Meaning that with the \$13K+ overage they have right now, they would have paid for the repairs this year.
- Shawn: As a business owner I could choose to do it either way right? Pat: That is correct. It is a gray area and it's a judgment call. If you change the use of the property or the use of the initial installation it is capitalized. If you are strictly maintaining it to use as a parking lot, it is a repair.
- Joel: If we pulled up the entire paved lot and repaved from scratch, it would be a capitalized project? Pat: Yes. Joel: their lease does allow for capital expenses.
- Joel: So the concern that I have is that is we are only getting \$63/month how many \$11K expenses is it going to take before we don't have any money to pay for projects? Good news...we are making a little money. (our net is \$36K YTD).
- Shawn: The parking lot condition does not prevent them from working and if they do not renew their lease, we would have spent that money that possible could be pulled up for another project.
- Willie: The worse spot is under the canopy right? Shawn: the hole in the curve of the driveway can be patched. I hate to spend the DDa's money past the know "life" of the tenant; will they be there after four years?
- Beth: Jeff Levy sent me an email last week that said someone would be contacting me in a few weeks about installing news lights at the night depository. My questions is at what point do we "push back" on some of the request?
- The plan is for Pat to draft an email outlining the things she found regarding capitalization and depreciation and will forward to the DDA for their approval.

5. New Business

a) Façade Grant Applications

- No new applications October

6. Old Business

a) BBQ

- Joel: thanks to Tracy for a job well done
- Tracy: 114 BBQ tickets and 49 raffle tickets in the jar.
- Iron Pig provided 100 plates;
- Joel: there is a good chance there were tickets sold that people did not pick up the plates. Joel picked up 3 across the street and Leigh picked up 2.
- \$98 is for raffle and \$912 is for BBQ.

- Tracy will follow up with Iron Pig to see if they have any tickets.
- We also need an invoice from Iron Pig. Joel did tell the girl at the counter when he picked up his plate to send us an invoice.
- April Chastain won the raffle.

b) Marketing Material

- Develop a logo (check on the seal...can we use that); see if Diana can develop a logo for the DDA...Beth will check with her
- Need a banner; Vista-print \$20/3x5
- Pens? Beth has pens left over from the "Know Your City" event

c) Winter Wine Fest

- Date: January 28, 2017
- Beth: Are we still a go with this event? Diana has designed the ticket and if this event is a go, we'll get the tickets printed.
- Shawn: We need to wait until Steve is here because he is such a proponent of the event. I wish we could find something a little more fun.
- Tracy: Its fun, it's charming and a great night out for adults. I love it but I don't want to be the only one working on it.
- Beth: remember we have to get the license through the state of Georgia and we have to get the wine through a distributor.
- Beth: if we are still wanting to do this, we need to have people committed to selling the tickets.
- Joel: does this event benefit the DDA? When we did this event the first time, we were broke. We now have revenue streams but I don't want to seem ungrateful.
- Beth: The first year we were trying to move a property and it was almost like an open house.
- Beth: Do you want me to ask Steve if he is interested in heading this up again and bring you something back in November? What do you want me to do? If Steve and I are willing to plan, is everyone willing to sell the tickets? I will talk with Steve and bring you information back to the November meeting.
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d) Bingo

- Steve is supposed to contact Theresa Kinnerly.

e). Grant, Other Items

- Joel: I had said I would follow up with Danny Bivens...will do that before next meeting. (October meeting)

g) Use of Extra Space @ Regions building

- Joel: this is an email I need to send to Regions Bank and I will get that done. (October meeting)

7. Public Input

- None

8. Adjourn

- Motion was made by Christine to adjourn, second made by Tracy . Motion passed unanimously. Meeting was adjourned at 7:05pm.

Respectfully submitted,

Beth Laughinghouse