

ASM Board Meeting

7 Feb, 2019

Happen's Toy Lab

Attending: Directors Kristen Barker, Caitlin Burnett, Andres Contreras, Eli Garcia, Heather Zoller, Ellen Vera

Community Owners- Dave, Heather Sturgill, Christopher DeAngelis

1. Initial Business

- January Meeting Minutes approved by Board with no changes.

2. Financial Report

- Donations for ASM made to CUCI \$1500 to cover expenses
- No hard figure of the amount that was expensed and unused by CDS Consulting, they will send back unused portion later this month, approx. \$2,000.
- Bank account has approx. \$4,200 in it
- Approximately \$200 short of paying bills that we have incurred. Average book keeping fee per month is about \$400 plus directors and officer's insurance approx. \$69.
- Monthly interest loan payment to LEAF on \$30,000 equity cost in AWG, starting end of March, without changes this would be just under \$1,200

3. Grant

- Healthy Food Financing Initiative for up to \$250k. It is specifically for grocery stores. Discussion about whether or not to apply for the grant. There are restricted grant dollars limited to specific expenses and one time things like market studies. Not for GM costs. 24 months to spend that amount. Restricted to a 12 month period. Needed specific line item in the budget to justify those costs. Deadline to apply is 14 February 2019. Decision: small group will look for appropriate expenditures and develop the submission.

4. Financing Update

- In the last 2 weeks, the project totally shifted as we lost the Finance Fund Lender. A few days later in the same week, PNC determined that they over invested their tax credit deals in 2018, so they stopped all tax credit products for projects that did not get started in 2018. Our NMTC that were allocated by CDF that they had been holding for 2 years were released by PNC for new projects before the next allotments of the NMTCs to reserve their use or lose status. The reason that they mattered significantly is that our project can only service so much debt between 900K and \$1.2 million, so with the loss of the NMTC we have to raise at least \$1.5 million with equity which increases our fundraising projects significantly.
- Nest received a CD Block Grant that they need to use for the community to create jobs and/or affordable housing so that it does not become a loan, which it would if it did not use those funds within a certain amount of time. They need to do a Request for Proposal (RFP) for the property, which could prevent ASM from securing 4145 Apple Street, although NEST is very supportive of ASM. NEST has

discussed options that include keeping ASM as retail on the ground level with possible low income housing above, but not a guarantee.

- Other funding issues: The USDA grant would not be released until May if approved. We have an option of working with different partners on a NMTC for May, but that could be pushed back further pending the government shutdown. Cincinnati Development Fund is reportedly willing to give us the allocated NMTC funds if they receive them. We don't know who will receive the NMTC funds.

5. Options to Present to the Community Discussion

- Not going forward with the project: Sell back equity in AWG of \$30K and pay back institutional loan with LEAF and profusely apologize to the community. Address negative perceptions of projects like these in the community. Lost investments, return grants for equipment. Think about messaging. We need to have reserves for mailing, printing and postage for a member vote required by the bylaws.
- Moving forward with project in the existing site: We would need a robust fundraising plan. Need operating costs in order to do fundraising, including hiring a professional fundraiser. NEST review for RFP is in May. Unlikely to have funds by that timeframe. We need to be at \$1.5 million in 3 months. We could try to be the exclusive tenant or we can be a part of a co-location situation or mixed-used development that would include low income housing.
 - Need to investigate minimum size and potential partners
- Find other sites: Northside Church and CAIN properties for sale or North Bend and Hamilton. We would need to find what AWG minimum SQF needed in store is and also consider co-locating. Follow up needed with them to see viability of a smaller store with greater visibility. Would require all new building process (e.g. engineering and floor plans, building permits, environmental assessments, etc.). Decided that moving to another location beyond these is not an option.

6. Mechanics of Preparing for the Meeting on 20 February with Community Owners

- Discussion about messaging to the community and owners. "We have experienced significant, unexpected setbacks in our financing. We need input from the community to figure out the next steps."
 - Need to inform NEST of messaging as soon as possible.
- Getting the word out: discussed using email, phone calls, text messaging, social media, and interpersonal communication with neighbors.
- Discussed forming committee for the community owner meeting on Feb 20th. KB, HZ, RM, CB, AC, CD in the committee.
- Notes about presentation:
 - We need to assess community support for different options
 - If the community wants to move forward, we need to have an escrow account ready for fundraised dollars.
 - We also need a specific date (end of August) to hit the fundraising goal or money is returned and the project is ended.
 - We would need \$1.5 - \$2 million depending on NMTC
 - We need to look for new partners
 - We need to determine our expenses through August
 - We will need to address audience emotion.
 - We cannot take a vote. Discussion of using stickers as a more private way to provide feedback.

7. Tasks need to be done soon

- Update AWG, LEAF, Green Umbrella because we have a grant with them.
- Discuss update with loaners, city hall contacts, and other major supporters.
- Tasks of GM need to be redistributed.
 - Christopher is not going anywhere before the end of the month, but we need to update AWG. Schedule Christopher and CUCI to figure out the best way forward.
- Heather Sturgill is taking the lead for coordinating phone calls and script.

8. Close out