

**CARTHAGE INDUSTRIAL DEVELOPMENT CORPORATION  
AUDIT AND FINANCE COMMITTEE MEETING  
OCTOBER 21, 2014**

**Present:** Bruce Armstrong, Robert Gormley, Wayne McIlroy, John F. McHugh

**Absent:** Terry Roche

**Others Present:** Lori Borland

**Call to Order:** 2:45 pm

**Minutes:** None

**REPORTS:**

**a. PARIS Program 5 year budget**

The projected 5 year budget as required by Public Authorities Reporting was prepared by the CIDC Audit and Finance committee for presentation to the CIDC Board of Directors. The committee reviewed the work completed by Bowers and Company. The work included a summary report providing last year's actual budget with actual revenues and expenditures placed in the appropriate categories required by the ABO. The committee completed a line-by-line review and projection of the budget for each year required. Upon motion by Mr. Armstrong and seconded by Mr. McIlroy, it was moved that the proposed 5 year budget be presented to the full Board for approval. Motion passed unanimously.

**b. 253/255 State Street Project**

The committee reviewed the current status of the project including an updated budget projection. It was noted that projects like this have a lot of unknowns associated with their restoration and costs can escalate quickly. In the case of this project it has been determined that the roof requires significant structural repairs and the building contains a substantial amount of Asbestos. Both of these items will significantly increase the cost of the restoration project. It was noted that the property owner has committed \$171,500 to the project and that this is the maximum amount that the project could financially sustain. The committee reviewed the current project budget which includes projections for the added repairs and asbestos abatement. It was noted that there is a financial gap of \$175,000 at this time based on these added costs. The committee discussed the fact that failure to provide assistance will likely result in the loss of this building and the jobs occupied by those working in the commercial space. The committee discussed the fact that it would cost the local taxpayer roughly \$400,000 to demolish the building and restore the adjacent property. In the end this property would become one more hole in the downtown and add to community blight. In the interest of job retention, community enhancement and to lessen the burden of government on the tax payers, who would have to foot the bill for demolition, the committee discussed granting a loan of up to \$175,000 to TLC Real Estate in order to complete the restoration of the property. The term of the loan would be for five years at low interest. The loan and interest would be forgivable if the RARP guidelines and criteria are adhered to; the property is maintained and not sold for a profit, and if the property is sold that the sale includes transference of the obligations of the loan; and taxes and utilities costs remain current, among other requirements. Motion was made by Mr. Armstrong and seconded by Mr. McIlroy to recommend to the full board of the forgivable loan to TLC Real Estate as provided above.

There being no further business, the meeting adjourned at 3:40 pm