

LPCA Meeting Highlights – September 10, 2014

Our LPCA President, John Goldener, called the meeting to order at 7:20 pm.

John welcomed everyone back from summer vacations, and reviewed tonight's very full agenda.

ACPD Update – Officer Kelly

Officer Kelly reported the following: 1 hit and run, 1 arson, 1 child welfare call, 1 counterfeit call, 2 drunk in public, 6 destruction of property, 13 drunkenness, 9 embezzlement, 2 frauds. He cautioned us to be careful about people walking door to door, selling items. Additionally, there were 2 calls of harassment communication, 7 larceny from autos, 2 liquor offenses (open container), 1 narcotics offense - attendees were surprised to hear that it is illegal to drink a beer on your porch – it is a violation of the open container law but is not enforced - 1 peeping tom offense, 2 domestic assaults, 2 suspicious incidents and 1 trespassing.

Executive Committee Updates

- Remember to renew your membership with the LPCA.
- Clay Park – there were meetings with County representatives over the summer. The park is now designated as a park for practices, which means that it will be maintained by the County on a regular basis. The turf is very ragged, and Arlington Parks and Recreation indicated that Clay Park is scheduled for a complete overhaul. The field will be fixed this year, and the park will be completely overhauled in the next couple of years. When it is not being used by organized sports, people may still have their dogs in that park.
- TJ Process – John provided background on the need for seats, and the lack of transparency in selecting the TJ site for an elementary school. The County Board has put forward a charge, and representatives have been appointed by the County. John is representing the LPCA on this committee to assess the site for the new elementary school. The first meeting is Saturday morning, September 20th and the meetings are open to the public.

Development, Zoning and County Updates

- Aaron provided an update on development. The 10th Street flats were approved by the County Board. 172 units, with some live/work units and one retail space. The Garfield Park building has had vacant retail space, and Westover Market owners will be building out a restaurant and craft beer area on that site. Possibly live music at the site. John mentioned that it turns that corner into an active site and is a small business owned by a local family. They will be presenting at the next LPCA meeting. Aaron encouraged people to get to new establishments, like Mocha. The Merritt Academy daycare is now open, and gives priority to LPCA residents and stated they are committed to being good neighbors to our community. There are also 6 slots for low-income families. The Street Market is now open, and they are committed to make it the store for the neighborhood.
- AACH will be getting a new space, as a result of the 10th Street Flats site plan, with double the space. They will have a lease in perpetuity, and John thanked members of the LPCA for weighing in on behalf of AACH with the developer to provide incentive for the developer to respond.

Administrative Items

- Rich Robinson reported that the Board of Governors is thinking about moving forward with a change to the Trustee structure. The BoG wants to make it transparent, so they wanted to mention it to the LPCA. Rich provided the background of the property and the building, and indicated the Trustee structure was modeled after churches at that time, because they were unable to incorporate or hold properties. A trust was established for Lyon Park with three trustees. Their sole function is to hold the deed to the property. Because the State allows churches and non-profits to now form 501(c)3 status, the BoG is mulling having the three trustees sign the property deeds over to the Lyon Park Community Center, the incorporated entity. There was a question about the line of credit and whether this change was being made as a result of that. Two of the trustees did not want to sign the documents and resigned. Gary Putnam, Larry Mayer and Rich Robinson are the current Trustees. Wendell Brown, who was in attendance at this meeting, was asked why he resigned as Trustee, and he indicated he couldn't sign the loan document because it was putting up the park as collateral.
- The BoG's attorney, Barnes Lawson, has advised the BoG to make this change in regard to having the Trustees sign over the deed. There was a question as to whether the LPCA will vote on this issue. John indicated that the LPCA will not vote – our 5 BoG representatives will represent us on the vote the BoG takes. The BoG meetings are open to the public.
- Larry Mayer presented updates on County activities. There is a new retail action plan that will have an impact on the retail requirements and the development of new projects, like the 10th street flats. Changes to the zoning ordinance are being considered this fall, in particular a few that will impact individual home owners. The noise ordinance was approved this summer. The Airport Authority wants to limit building heights in Rosslyn or Crystal City, so there will be upcoming discussion on that. The “Public Land for Public Good” conversation is also being held publicly, where the County will consider public land for uses such as schools, housing, parks, etc. Everyone is encouraged to keep up to date on these issues.

LPCA Elections

- Larry was voted on as the Civic Federation as our representative, and Michael O'Connor is out alternate.
- Robbie Brehaut (membership) and Rich Robinson (Sergeant-at-arms) were thanked for their years of service, as they will be stepping down from their current positions and from their years of service to the community.
- Slate for LPCA Executive Committee:
 - John Goldener, President
 - Aaron Schuetz, VP of Development
 - Vacant (to be appointed by the Executive Committee), Sargent at Arms (counting votes, keeping order and a member of the executive committee) will now have a Neighborhood Conservation responsibility
 - Bess Zelle, VP of Neighborhood Conservation
 - Natalie Roy, VP of Programs and Newsletter Editor
 - Bill Anhut, Treasurer
 - Kathleen McSweeney, Secretary/Historian
 - Krista Abbott, Membership

- Larry Mayer, At Large Position
- Elliott Mandel, At Large Position
- The slate was unanimously approved by the members present.
- Slate for Board of Governors representatives:
 - John Goldener
 - Sue Robinson
 - Bill Anhut
 - Adam Rasmussen
 - Elizabeth Sheehy
 - Steven Keller volunteered to serve from the floor
- There was a question of taking nominations from the floor. There were also questions of moving the vote to the end of the meeting. John indicated that as president, he will keep the agenda as it was announced. He did take the nomination of Steven Keller from the floor.
- Each candidate provided a brief statement for their candidacy.
- Ballots were distributed, and only paid members were encouraged to vote, as per the LPCA by-laws.
- The ballots were counted after the meeting, and the following results were released to the listserv by John Goldener on September 11, 2014:
- **LPCC Board of Governors Representatives**
(by direct ballot, listed as percentage of votes cast, first four listed are appointed for the current term):
 - Bill Anhut (appointed, 23%)
 - Elizabeth Sheehy (appointed, 23%)
 - Sue Robinson (appointed, 23%)
 - Adam Rasmussen (appointed, 22%)
 - *Steven Keller* (not-appointed, 9%)

Note: LPCA bylaws specify that four of the five positions are filled by direct election, and one appointed by the LPCA President. John Goldener will continue to fill the appointed position.

LPCC Renovation Project Updates

John provided background on the roles of the LPCA, the Board of Governors and the Women's Club. The ownership of the park and the community center belongs to all residents of Lyon Park. If you own a home here, you own a piece of the park and the community center. The Board of Governors is the governing and decision making entity, composed of 5 reps from the LPCA and 5 from the Women's Club.

LPCC Presentation – Sue Robinson and Bill Anhut

Sue Robinson presented on the status of the community center renovation project. The renovation is designed to last another 80 years. Our current center has issues that need to be resolved. In April 2009, the BoG outlined a public process for the renovation, which included a steering committee that was first the renovation committee, and became the building committee. A pre-design workshop was held and open to the entire community, with at least 50 members of the community. In November, 2009, we had a presentation to the community, and the LPCA voted on the design 64-10.

Community members were surveyed and interviewed, and reviewed the answers. They spent another 2 years of meetings to design using the ideas submitted by the community. There were updates at LPCA and BoG meetings. For the past 18 months, the community has been kept up-to-date on the progress through meetings and the newsletter. ADA bathrooms, accessible kitchen to replace the sagging kitchen are all part of the design. A sunroom to connect the building to the park, and to make the park directly accessible from the interior of the building, were built into the design based on feedback and requirements from the community.

Brian Harner and Leo Sarnier, the LAB Architects, provided a brief walk-through of the functional features. The design looked at removing the stage to better accommodate functions. The kitchen does not meet code, and is settling and has some structural issues. The ADA accessibility, storage, safety, egress are all important upgrades to make the building more accessible. Respecting the original main structure of the building was important, and the sunroom provides a new life for the building to open to the park.

How much will it cost? \$900,000-1 million is now the range for the renovation. Time has increased the cost, as well as the permit time, costs and changes required from the County over the past few years. The BoG has been frugal with the donated funds. The building committee will be conducting value engineering with the architects, but will be true to the community vision.

How are we paying for it. The BoG has \$475,000 in hand. The line of credit for \$600,000 will be taken by Cardinal Bank. The construction is expected to take from 8-9 months, but they are anticipating up to a year. Alternative sites for community events will be considered. Will hire an owner's representative, and an accountant.

Bill Anhut provided a financial overview. He provided some stats: we have been doing this for 6 years, we have raised \$552,000 and spend about \$100,000 on design costs. We have about a \$50,000 budget per year to operate the center and the park. We rent out the community center, and we need to keep the income stream going to maintain the property. The current gross revenue is about \$50,000. The costs are higher on the construction than we had planned, so the BoG went to several banks to obtain a line of credit. We average \$69,000 per year in fundraising. A court order will allow us to encumber the property for purposes of improvements, and when the loan is repaid, the lien will be removed. The asset is \$4 million, and Cardinal Bank agreed to extend a line of credit. An individual appraiser indicated that per the deed, the bank cannot take the property. Cardinal Bank agreed to extend the loan, but insists that the deed be recorded so that our community cannot go out and take out another loan and make Cardinal Bank subordinate to another loan.

It is an 11 year loan. During the first year, during construction, we can begin drawing on the loan at any point we need to during the construction. We are using past history to prove that the full amount of the loan can be repaid in 8 years. Per Cardinal Bank, if we were to default on the loan, they would work with us to restructure the loan.

LPCA Financial Review Committee (minutes below taken by Aaron Schuetz while Kathleen presented)

Kathleen's presentation:

Committee members: Evan, Kevin, Amit, Bill,

Bill knows everything. We're grateful.

Presentation showing documents:

Development business plan (cash and income 2009-14), these documents were submitted to Cardinal Bank.

1. Loan documents
2. Credit line deed of trust
3. Budget and operating statements
4. Lyon Park deeds.

Costs presented. The BoG is hoping for final numbers this week.

Discrepancy in donated dollars (\$412k comes from direct donations + 80k from the BoG and \$50k from the LPCA)

Credit line is signed, doesn't require usage.

February would be time to start drawing the line of credit.

Fundraising would be around \$550k required to pay off the loan

We believe numbers are very good, assumptions are good, but a few questions...

Net income is low, only a few thousand in net income.

Community event income \$9341, average per year.

Net fundraising the last few years \$68,802

Totals about \$80k per year raised. Average

Cardinal is good with that historical data.

Includes escrow during construction of \$50k to help cover payments.

No study done regarding rent costs.

Assumes we'll maintain fundraising. Concern that this is a big assumption. \$550k is a lot for the community to borrow.

We don't have a professional fundraising plan.

If making minimum payments, there is a balloon payment of \$372K at the end of the eleven year loan.

Assumption: Cardinal Bank has no intention of to take property. Would like "guarantee" from the bank.

Recommendations:

- 1) Professional fundraising consultant
- 2) Fundraising plan

- 3) Detailed assessment of the projection for income and expenses
- 4) Guarantee from Cardinal Bank.

CONVERSATION AND WRAP-UP

John asked how we should proceed, given the late hour. Members indicated they wanted to continue for this evening. There were a variety of questions:

- Is the financial report just the opinion of the people on the committee? Yes.
- Who asked them to look at these documents and create this report? The LPCA president wanted an independent set of eyes on the numbers for this project, and wanted that result to inform the membership.
- There was a question of buy-in of the whole community. How is that being measured? Will another vote be taken? Will a vote about moving forward on a million dollar renovation be taken? There have already been several votes taken and documented by the community over the years. The bulk of the planning for this renovation occurred between 2008 and now by a group of people in the community. The BoG will be voting on moving forward, and the LPCA is represented by 5 people on the BoG.
- One attendee mentioned that she is concerned about the amount, and won't donate because she doesn't have a "share" in the park. She was corrected, per the deed, every household has a share in the park, which is why maintaining and improving it is a community effort. This is about building community, and ensuring that the park may be used by the next several generations, as we have been able to enjoy it because of the actions taken by the community to create it in the 1920's.
- The financing is a straw-man, some commented. We don't have a park if the small group of people who maintain it stop doing so. This is a community and we need everyone to be engaged and participate.
- There was a statement that we should take nothing for granted in relation to the promises from the bank, and we need to have as much as possible in writing. Some asked if a letter that outlines the understanding regarding the deed and the disposition of the park from a real estate attorney would suffice. The group seemed split, with some saying we need something in writing, and others indicating that the most useful assurance would be that from the bank.
- A year ago, one member thought the renovation costs were too high. He believes that the committee has worked hard, should be trusted and the community will never let the park or the community center be taken over by the bank.

The meeting was adjourned at 10 pm, with a promise from John Goldener that he will set another meeting date in the next two weeks for us to continue the discussion.

Respectfully submitted by Kathleen McSweeney, LPCA Secretary