

KARL N. FLAGG  
MAYOR - COMMISSIONER

MARY LAWSON BROWN  
VICE MAYOR - COMMISSIONER

ALLEGRA KITCHENS  
COMMISSIONER

VERNON MYERS  
COMMISSIONER

JAMES NORWOOD, JR.  
COMMISSIONER



*Regular meeting 2nd and 4th Thursdays each month at 6:00 p.m.*

ELWIN C. "WOODY" BOYNTON, JR.  
CITY MANAGER

BETSY JORDAN DRIGGERS  
CITY CLERK

RUBY M. WILLIAMS  
FINANCE DIRECTOR

GARY S. GETCHELL  
CHIEF OF POLICE

MICHAEL LAMBERT  
CHIEF FIRE DEPT.

DONALD E. HOLMES  
CITY ATTORNEY

## MINUTES CITY OF PALATKA COMMUNITY REDEVELOPMENT AGENCY

Proceedings of a called meeting of Community Redevelopment Agency of the City of Palatka, Florida, held on the 5<sup>th</sup> day of February, 2009.

PRESENT	Karl N. Flagg Allegra Kitchens Vernon Myers James Norwood, Jr. Sam Deputy Harry Eaken	Mayor Commissioner Commissioner Commissioner President, Downtown Palatka, Inc. Main Street Manager
ABSENT	Mary Lawson Brown	Commissioner

Also Present: City Manager Elwin C. Boynton, Jr.; City Attorney Donald E. Holmes; City Clerk Betsy J. Driggers; Assistant City Clerk Karen M. Venables; Planning Director Jim Lee; Assistant Planning Director Debbie Banks; Police Chief Gary Getchell

- 1. CALL TO ORDER:** Mayor Flagg called the meeting to order at 5:30 p.m. and read the following meeting call:

TO MESSRS: MARY LAWSON BROWN, ALLEGRA KITCHENS, VERNON MYERS, JAMES NORWOOD, SAM DEPUTY AND HARRY EAKEN:

You are hereby notified that a meeting of the Community Redevelopment Agency is called to be held at the regular meeting place of the Palatka City Commission, 201 N. 2<sup>nd</sup> Street, Palatka, on Thursday, February 5, 2009 at 5:30 p.m.

A Request for Sponsorship of the 2009 Blue Crab Festival will be heard.

*/s/ Karl N. Flagg*

Karl N. Flagg, MAYOR

The following members acknowledge receipt of a copy of the foregoing notice of a special meeting on the 2<sup>nd</sup> day of February, 2009.

*/s/ Mary Lawson Brown*

COMMISSIONER

*/s/ Allegra Kitchens*

COMMISSIONER

/s/ James Norwood, Jr.  
COMMISSIONER

/s/ Vernon Myers  
COMMISSIONER

/s/ Sam Deputy  
PRESIDENT, Downtown Palatka, Inc.

/s/ Harry Eaken  
MAIN STREET MANAGER

**INVOCATION** – Commissioner Vernon Myers

**PLEDGE OF ALLEGIANCE** – As a group

2. **APPROVAL OF MINUTES** – 12/11/08 – Commissioner Norwood moved to approve the minutes as read. Commissioner Myers seconded the motion, which passed unopposed.
3. **REQUEST FOR Central Business District Tax Increment Funds:** 2009 Blue Crab Festival Sponsorship; up to \$50,000 – City Manager Boynton read his memorandum dated February 2, 2009 into the record (filed) which was included in the agenda package. He said the Blue Crab Festival announced the cancellation of the 2009 festival due to a lack of sponsors and festivals. The City has approached the organizers about reconsidering this cancellation. As a result, the organizers have asked for a sponsorship contribution of \$50,000 to reinstate the festival. It is his recommendation to consider the appropriation of up to \$50,000 from CBD TIF funds provided guidelines and criteria are put in place to control similar requests, so that the City does not find itself in the festival business. His recommendation is as follows:
  1. **That up to \$50,000 is appropriated from the Central Business District TIF funds;**
  2. **That you entrust Staff to insure that all issues are properly addressed;**
  3. **That policies be put in place to minimize future requests from other festivals for sponsorship monies.**

Mr. Boynton noted the existing CRA plan must be amended to include this type of component before they can act on this issue. The revised plan that will come before the Commission in March does include funding for special events as a component. This revised Plan is the result of the work of the CRA CATF, a committee devised to help put a new plan in place.

Mr. Boynton read a letter of support for this request from Wes Larson, President, Chamber of Commerce, on behalf of his Board of Directors (filed). They recommend any profits from the festival should be reinvested into the CRA to be used for the benefit of the TIF district. Mr. Boynton then read an excerpt from the Florida Times Union regarding the favorable impression this event gives to visitors from larger cities. The article referred to Palatka's small-town familiarity and attributes as a "slice of Americana" in the tradition of Norman Rockwell.

Mr. Eaken moved to amend the CRA plan to provide funding for sustainable events so that events that have shown a significant economic impact in the downtown district be qualified to receive CRA TIF funds. Commissioner Kitchens seconded the motion. Mr. Holmes said they do not have the amendment of the CRA plan on the agenda, and in his opinion this amendment was not appropriately noticed. He is not in favor of attempting to amend the CRA plan tonight. He was first asked to address this issue this morning; what research he has done shows there are four essential criteria for use of TIF funds. One of those is that any use be in accord with an established plan. The plan in place today, at the time of this meeting, doesn't contemplate the expenditure they are considering today. They need to amend the plan before they vote to make this expenditure. These are the requirements for the expenditure of TIF funds. He suggested they table this request, agenda a Plan amendment for a future meeting, and then plan a budgetary amendment after that amendment has taken place. This can be done at the same

meeting. Mayor Flagg said they are in agreement that the Festival is worthwhile, but they need to be cognizant of proper procedure. They need to properly notice the amendment.

Mr. Deputy said he has spoken to Mr. Boynton about the criteria. He would like to see the Plan amended in such a way as to be able to entice other events to come to Palatka, that they be able to create new events, or be able to fund present events, so they can pay tipping fees, policy fees, etc. Providing these services are a burden for the City; the City does not receive full reimbursement for these expenses. This would benefit the business district. Some events will never be this size, and aren't designed to be this size. They will never ask for this amount of money, but they may also need money. The plan should be amended to make it proactive to attract events here. Mr. Boynton concurred and said the plan amendments forthcoming in March will include provisions for that. They need to be able to attract events. Mr. Deputy said, for someone with a business in the 600 Block of St. Johns Avenue, if a festival takes place in his block, there is nothing that says that event sponsor can't block his business with a booth. There is no protection written into the Plan that says that event sponsors have to work with merchants. This should be in the City's special events package; it should include a provision that you can't interfere with local business when you stage your event. Mayor Flagg said that can be handled by event organizers and the schematic should reflect that. Thresholds of businesses should not be blocked.

Mayor Flagg asked how soon they can advertise another special meeting, and how soon they will be able to have a proposed revision in their hands. He also noted that an incentive should be provided to have organizers continue to seek sponsors, thus the funding appropriation should specify the amount appropriated should be "up to and not to exceed." Mr. Holmes said the notice requirement states it must be advertised in the newspaper. Mr. Boynton asked if the notice can be provided at the City Commission meeting level, or if it has to be done at the CRA meeting level. He has researched this and believes it can be advertised at the City Commission level. The Commission can approve the concept of the plan amendment without having the actual amendment language in place. The Plan being adopted in March will include this provision. Mayor Flagg said he wants to know what section and subsection this particular revision will go into prior to the adoption of a revision. Mr. Holmes said the City Commission, which is the governing body, is the body that has to amend the Plan. They can satisfy the technical aspect of the statute by advertising the amendment at the City Commission level. The amendment of the redevelopment plan has to be consistent with the Comprehensive Plan, per the Supreme Court's recent decision. At the very least, the Planning Department has to offer an opinion to whatever body amends the Plan that the amendment is consistent with the Comprehensive Plan.

Mr. Boynton said he can bring forth the amendment language, which can be attached to the existing plan; the new plan will already include this language. Regarding notice, Mr. Holmes said seven days is the minimum notice they have been working with. After further discussion, Mr. Eaken withdrew his previous motion to amend the CRA Plan. Commissioner Kitchens withdrew her second. Commissioner Norwood moved to table the request for funding from Blue Crab Festival to a time certain of February 17, 2009 at 4:00 p.m. and to place consideration of the plan amendment on the same agenda prior to the funding request. Commissioner Myers seconded the motion, which passed unopposed. There was concurrence to place the adoption of the Plan amendment on the City Commission agenda on February 26, and afterwards take up the matter of the sponsorship during the same meeting.

Mayor Flagg asked if there are any issues with the \$50,000 sponsorship request. Commissioner Norwood said Mr. Deputy had addressed his concerns regarding being inclusive of all festivals, and not just one festival. The Azalea Festival had similar difficulties and took a

one-year hiatus. Mayor Flagg said the record should reflect the precise criteria, as they will be setting precedent with these actions. They don't want any accusations of discrimination. Each case should be decided on its own merits. Budget oversight and competitive bidding of services is crucial. They want to encourage use of local vendors if at all possible, but not to the extent that quality is compromised.

Commissioner Kitchens said you cannot pay for services, such as a police officer, with TIF funds. It can be used for other things, which can free up money to pay for police services. Mr. Deputy said the statute says it can be used for "innovative" things and festivals are innovative. Commissioner Kitchens said you can't use it to pay salaries. Mr. Deputy said there are festivals wherein staff is paid; they don't want to use TIF funds to subsidize salaries. The criteria should be more specific.

Commissioner Myers asked if \$50,000 is a maximum amount for any event. Mr. Boynton said Blue Crab organizers are seeking sponsors; this money will be used as a last resort. They need a guarantee of the availability of a certain amount of money in order to start booking vendors and entertainment. They may not need any of this money. The Commission will be presented with a budget, and they will work with Blue Crab organizers to maximize revenue and minimize cost. Commissioner Kitchens noted the present special events ordinance states the City has the right to look at their books, so that is already covered.

Wes Larson, President, Putnam County Chamber of Commerce, said in his letter to the Commission, and in Mr. Eaken's motion, they spoke of sustainable events that have made a significant contribution to Downtown Palatka. They aren't talking about a newcomer. This is a special instance. The return on this \$50,000 investment is \$4.2 million, which goes directly into Palatka's economy. The festival may even be able to repay that money. The Putnam County Tourist Development Council is available to give grants to any new festival that proves worthy for a grant. Anyone that can put together a grant application has a viable source of funding. He'd prefer not to see the CRA Plan tied up in worrying about nickel and dime funding. That issue is better saved for the CRA Plan revision. Mr. Deputy said it was his understanding that TDC money had to be spent on advertising an event outside the County. Mr. Larson said it is not limited to that; you can use it for insurance, printing, and a host of other expenses. They do require advertising outside the County. The criteria are clearly spelled out on the grant application package. Those festivals with proven track records are also eligible for funding. The smaller events are already taken care of. This situation is an anomaly and is a long-term image issue for Palatka. There are people from outside Putnam County who already have plans to attend this festival and aren't aware it's been cancelled. This is a good investment in the community.

**ADJOURN** - There being no further business to discuss, the meeting was adjourned at 6:15 p.m. upon a motion by Commissioner Kitchens.

ANY PERSON WISHING TO APPEAL ANY DECISION MADE BY THIS AGENCY WITH RESPECT TO ANY MATTER CONSIDERED AT SUCH MEETING WILL NEED A RECORD OF THE PROCEEDINGS, AND FOR SUCH PURPOSE MAY NEED TO INSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED. FS 286.105