

VERNON MYERS
MAYOR - COMMISSIONER

MARY LAWSON BROWN
VICE MAYOR - COMMISSIONER

ALLEGRA KITCHENS
COMMISSIONER

PHIL LEARY
COMMISSIONER

JAMES NORWOOD, JR.
COMMISSIONER



MICHAEL J. CZYMBOR
CITY MANAGER

BETSY JORDAN DRIGGERS
CITY CLERK

MATTHEW D. REYNOLDS
FINANCE DIRECTOR

GARY S. GETCHELL
CHIEF OF POLICE

MICHAEL LAMBERT
CHIEF FIRE DEPT.

DONALD E. HOLMES
CITY ATTORNEY

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

MINUTES
CITY OF PALATKA
COMMUNITY REDEVELOPMENT AGENCY
June 27, 2013; 5:00 p.m.

Proceedings of a regular meeting of the City of Palatka, Florida Community Redevelopment Agency held on the 27th day of June, 2013.

PRESENT:

Vernon Myers	Mayor
Mary Lawson Brown	Commissioner
Allegra Kitchens	Commissioner
Phil Leary	Commissioner
James Norwood, Jr.	Commissioner
Alex Sharp	President, Downtown Palatka, Inc.
Karl N. Flagg	Commissioner, Putnam Co. BOCC

Also Present: City Manager Michael J. Czymbor; City Attorney Donald E. Holmes; City Clerk Betsy Jordan Driggers; Finance Director Matthew Reynolds; Fire Chief Mike Lambert; Main Street Manager Charles Rudd, Projects Manager Jonathan Griffith

CALL TO ORDER: Mayor Myers called the meeting to order at 5:00 p.m. and read the following meeting call, dated June 13, 2013:

TO CRA MEMBERS: MARY LAWSON BROWN, ALLEGRA KITCHENS, PHIL LEARY, JAMES NORWOOD, Jr., KARL N. FLAGG AND ALEX SHARP:

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. 2nd Street, Palatka, on Thursday, August 27, 2013 at 5:00 p.m.

The purpose of the meeting is to hold the June 2013 CRA meeting, which is regularly scheduled to be held on the 2nd Thursday of the month, but which was cancelled and called to be rescheduled on the 4th Thursday of the month.

/s/ Vernon Myers
Vernon Myers, MAYOR/Chairman

The following members acknowledged receipt of a copy of the foregoing notice of a special meeting on the 6th day of June, 2013.

/s/ Mary Lawson Brown
COMMISSIONER

/s/ Allegra Kitchens
COMMISSIONER

/s/ James Norwood, Jr.
COMMISSIONER

/s/ Phil Leary
COMMISSIONER

/s/ Alex Sharp
PRESIDENT
DOWNTOWN PALATKA, Inc.

/s/ Karl N. Flagg
PUTNAM COUNTY BOCC
DISTRICT 3 COMMISSIONER

INVOCATION - The Reverend Karl N. Flagg

PLEDGE OF ALLEGIANCE – Commissioner James Norwood

1. **APPROVAL OF MINUTES** – 04/11/13 Regular Meeting – Commissioner Flagg moved to adopt the minutes as read. Commissioner Kitchens seconded the motion, which passed unopposed.
2. **PUBLIC COMMENTS** – There were none.
3. **CBD TAX INCREMENT FUND EXPENDITURES/BUSINESS:**

Recommendation to award a Public Art Contract to Douglas Hays in the amount of \$20,000 for a commissioned piece for the Arts in Public Places Grant – Jonathan Griffiths, Projects/Grants Manager, said Mr. Hayes is present. He is the artist selected as top-ranked submitter on the Call for Artists, and the City Manager was authorized to negotiate a contract with Mr. Hayes for a commissioned piece of work. The contract and location of the piece are included in the agenda package. Commissioner Leary asked if this is 100% grant-funded. Mr. Griffith said this sculpture itself is 100% grant funded. There are other City funds committed to install the piece. Commissioner Leary moved to recommend the award of a Public Art contract to Doug Hays in the amount of \$20,000 for a commissioned piece for the Arts in Public Places Grant. Commissioner Brown seconded the motion, which passed unopposed.

Presentation of Development Agreement Framework with Riverfront Development Group, LLC (RDG) for the redevelopment of the “Century Block” – Mr. Czymbor said he’s requested this item be tabled for this meeting; the proposer was injured in a sports related activity and could not be present. They’ve had several productive discussions in developing the framework of an agreement, which they can produce to the CRA and Commission within the next 7 – 10 days for consideration. This is for the redevelopment of the 100 block property. Commissioner Kitchens moved to table this item. Commissioner Brown seconded the motion, which passed unopposed.

Recommendation to reallocate Funds for the Century Block Clean-Up – Mr. Czymbor said that name hasn’t been officially adopted, but this is what they are referring to as the 100 Block of Reid Street. When they started this process they talked about re-evaluating their past successes and non-successes on the redevelopment of this property. The City owns the property and in order for this to be successful, the City has to be an active participant not only administratively and legislatively, but also financially. They need to clean it up and make it visually more appealing for marketing purposes. Commissioner Flagg asked if it is understood that these buildings are going to be rehabbed and not demolished. Mayor Myers said that decision hasn’t been made yet. They’ve had a response to the RFP to renovate the building. They have taken a lot of different runs at the project; if they want to rehab those buildings, this is their last effort to do so. If this is unsuccessful, he suspects these buildings will be a candidate for demolition. Commissioner Leary said he has always advocated for tearing them down. He doesn’t see how anyone can cost effectively rehab those buildings. He’s willing to let this play out. He thinks in all fairness that staff and everyone have worked very hard to put a contract together on the rehabilitation of the buildings. Commissioner Kitchens said she doesn’t think

cleaning up the buildings is that much of an extra expense; they will have to clean the trash out of the buildings regardless if they are rehabbed or demolished. Commissioner Norwood said he wants to be sure the proposed developer has "skin in the game." He doesn't want to clean them up and then the developer does nothing with them. Commissioner Flagg said his concern is that they keep setting the clock back to zero; at some point in time there has to be a unanimous front that the community sees that indicates what they are going to do. They have had much discussion on whether the buildings can and should be saved. They don't need to continue spending taxpayer dollars on an issue that ultimately they think is something that needs to disappear. They can't tell developers how to spend their money. All they've talked about saving are the façades. The best cleanup for that property is to demolish them. They need to decide whether or not they want to stay on this course.

Commissioner Kitchens said if the developer were here today he could present a plan for redevelopment of these buildings, which seems to be very viable. He does plan to keep the buildings and rehabilitate them inside and out. He's been given time to work out his financing and come back with a solid agreement. Commissioner Flagg said the CRA should consider tabling this item. Mayor Myers said he doesn't believe they should spend money when they don't know whether or not they have a viable project. He believes they should wait on a more definitive agreement with the developer. Three or four months won't make or break this deal. Commissioner Leary agreed and said he'd support anything that gets the City as far as what's required to do to get to demolition. They are required to do certain things to get to that permitting process. He agrees on tabling until August.

Mr. Czymbor said he highly recommends they proceed with the presentation; if they want to table at that point, that's up to the Board. This is one percent of the total rehabilitation cost; that's a small investment in the marketing of this property.

Mr. Griffith said they are talking about four buildings. They will not be mobilizing into the Snow building, but will be into the other 3 buildings. TIF funds are earmarked for the removal of slum and blight, and these buildings qualify for that. The developer is willing to be a partner in the redevelopment of these buildings. The amount, \$26,000, is 1% of the overall development cost and 10% of the annual TIF. It will cost \$130,000 to demolish. This is an investment in the future of the TIF Fund. If anything, those buildings are a negative symbol of the City's redevelopment efforts and sour the forward progress the City has made.

Mr. Griffith said there was an editorial in the newspaper noting the majority is in favor of demolishing the buildings. In the PDN's online poll 25% of responses favored razing the buildings; 40% favored seeking a developer who would rehab the buildings. Their own poll showed 56.3% of respondents favored renovation. This is in excess of the reallocated funds set aside for this. There are some line items that can be transferred to cover this line item. This is just an estimate. There are no labor costs; this will be done with prison crews and staff. Discussion ensued on factors surrounding hazardous material discovery and disposal. Mr. Griffith said if hazardous materials are discovered, they will go back into negotiations with the developer. There was a report made earlier that said no hazardous materials are present. Because of the deteriorating condition of the buildings, they cannot rely on an old report. They will obtain a new report. Commissioner Flagg said they should resolve the question of hazardous materials before they do anything else.

Charles Rudd, Main Street Manger, said they are proposing 1% of the cost of this be borne by the City, and 99% of the cost to the developer. This includes time and materials in marketing and pre-selling, purchase price, architectural and construction expense. Long term this will attract a lot more redevelopment of downtown. They've had many new businesses coming in to downtown and these folks are really counting on the progress and moving this project forward,

as well as the existing and long-standing businesses. They've had over \$8 million in grant funding. These people are all betting on the City to keep this process moving forward. They feel this is a necessary step to help market this space; he needs to pre-sell it to get his financing and make it work. It's a tangible and visible thing they can do to make this happen and shows solidarity with the developer on making this happen. When it's cleaned out and they can show it to potential tenants, that's their "open house."

Mr. Griffith said this involves moving everything out of the building, removing carpets, etc. They want people to be able to "see the vision." Discussion ensued on the amount of the money budgeted for environmental assessment, and liability of City workers who go into these buildings to clean them up. Commissioner Leary noted the Chief Building Official has emphatically stated these buildings need to come down. Mr. Griffith said if a professional engineer comes in and says they are not structurally sound, they will rely on those findings. He has received an estimate of \$2,000 to determine if hazardous materials exist.

Christy Sanford, 312 Dodge Street, said a structural study has already been done. It is reasonable to believe that anyone trying to market property would clean it up. It is not Code compliant. The City should lead by example. The presentation made by Mr. Griffith and Mr. Rudd was eloquent and logical.

Commissioner Brown said for as long as she's been on the Commission they've talked about doing something. They have finally taken a step forward. They need to do something now. Commissioner Kitchens concurred and said the Commission had stated it would do its part by doing this clean up during the workshop meeting where Mr. Diamond presented his project. Commissioner Leary said he thought Mr. Diamond's proposal and project was phenomenal; he just has doubts as to the economic feasibility. The cleanup was not proposed last month. The market is for new condominiums, not rehabbing old property. He's supportive of giving Mr. Diamond every opportunity to do this.

Mr. Holmes said he's not arguing in favor or against; however, the City does not have an agreement with Mr. Diamond. All they have are thoughts and concepts. If they do move forward, the factor wouldn't be that they have a contract with Mr. Diamond, but that they want to move forward with redevelopment of this property. Mayor Myers said if the City is spending \$26,000, and the developer is unable to get his project together, this money won't reduce the demolition expense of \$130,000. He's all for saving old buildings. If Mr. Diamond can't put this project together, the buildings should be demolished.

Michael Gagnon, 320 Emmett Street, said he's hearing demolition. Mr. Diamond has a lot of money in this project already. The City owns the buildings and has not maintained the buildings over the past 20 years. It is not Code Compliant. They need to use this money to clean it up. It's the City's responsibility to clean it up.

Alternatives were discussed. Commissioner Kitchens related the history of the purchase and negligence of the City in not maintaining the buildings.

Coenraad Van Rensburg, 312 N. 4th Street, said the issue is not whether they will be abating environmental hazards; the abatement process will come regardless of what they do with the buildings. The issue is whether or not the City is going to clean up its property. The buildings can't be shown as they are now.

Commissioner Leary moved to recommend approval of the expenditure with the contingency that a developer contract/agreement be in place with the Developer no later than July 18.

Commissioner Norwood seconded the motion. After discussion, Mr. Czymbor said the goal and his hope is to move this project forward.

Roberta Correa, 118 Dodge Street, said they need to move forward. Other historic cities have saved their buildings. They only had one respondent to the empty lot parcel, so an empty lot doesn't attract more developers. The City needs to be a partner and not wait.

There being no further discussion or comment, a vote was called for and the motion passed on majority vote, opposed by Commissioner Kitchens.

Commissioner Brown said there are other alternatives the Commission has not taken advantage of. They find reasons not to do what they need to do. If Mr. Diamond doesn't do this, then the people who want to see the buildings saved need to take that project on. Mayor Myers said they have worked hard to get the Hampton Inn project moving forward, and this is forward progress. Commissioner Kitchens said she voted "no" on this as two weeks is not enough time to give Mr. Diamond to get the contract together.

4. OTHER BUSINESS/REPORTS

Small Business Development Center Quarterly Report – Cheryl Lynch, Director 1100 Reid Street, said she is reporting on the first quarter and highlights on the 2nd quarter. She met with Congressman DeSantis regarding the Dodd-Frank Act and other issues affecting small businesses. She was advised of things coming down the pipe. There have been some bank-buy outs locally which will help with those restrictions. She annotated activities of the SBDA, including workshops and a banking lunch-and-learn. As of the end of this quarter she will have exceeded the amount of counseling hours she did all of last year. They've had six business starts to date and will have a seventh tomorrow. The 2nd Annual Small Business Resources Fair is scheduled for July 16 from 11 am to 1 pm at St. Johns River State College. They will hold another start-up workshop the day after, and will hold a leadership workshop on the 23rd to help business leaders improve morale amongst their employees. She hopes these will be well attended. Mr. Czymbor asked that she forward a copy of her written report to the CRA members.

North Historic District Update – Coenraad van Rensburg, President, PHNNA, 310 N. 3rd Street said the living history event is coming up in September; they have secured funding for advertisement. They have roughly half their money budgeted for the TIF-HIP program. They are also working on an agenda for capital improvements. They want decorative posts for the signage. They are looking at options to address abandoned and foreclosed properties.

South Historic District Update – Michael Gagnon, President, SHNA, 703 Emmett Street, said they've had two recent sales in the District and there is another pending. They've made outside and/or inside improvements to several houses on Emmett Street and a house on Dodge Street, and are starting one on Kirby Street

5. ITEMS FOR DISTRIBUTION ONLY – the following items were distributed:

- a. Conlee-Snyder Mural Committee Budget Request FY 2013-14
- b. Proposed FY 2013-14 Budget

6. ADJOURN – There being no further business to discuss, the meeting was adjourned at 6:00 p.m. upon a motion by Commissioner Flagg.