

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
October 10, 2013 at 5:00 p.m.

Proceedings of a regular meeting of the City of Palatka, Florida Community Redevelopment Agency held on the 10th day of October, 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; Planning Director Thad Crowe; Main Street Manager Charles Rudd, Projects Manager Jonathan Griffith

CALL TO ORDER: Mayor Myers called the meeting to order at 5:00 p.m.

INVOCATION – Commissioner Karl N. Flagg

PLEDGE OF ALLEGIANCE – Commissioner Norwood

- APPROVAL OF MINUTES** – 08/08/13 Meeting – Commissioner Brown moved to adopt the minutes as read. Commissioner Kitchens seconded the motion, which passed unopposed.
- PUBLIC COMMENTS** – There were none.
- CBD TAX INCREMENT FUND EXPENDITURES/BUSINESS:**
REQUEST to Approve Revised Building Improvement Grant (BIG) Program – Mr. Czymbor said one of the Main Street committees worked with Staff who compiled suggestions from all parties, and the CRA, and these proposed changes are in the document before them.

Charles Rudd, Main Street Manager, said the Building Improvement Grant (BIG) has made a huge difference in Downtown. Moving forward they need to refocus this tool in needed areas. Nearly all the space they have available is currently unusable. Some facilities are move-in ready, but others need significant capital to get them move-in ready. They refined this “tool” to be able to use it for this purpose. This has addressed business expansions and ADA compliance, but at this time they want to focus on vacancies. There are tenants out there,

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looking and waiting for useable spaces. They've added a provision for the property owner to reduce the rent for a prospective tenant and use that as a part of the grant match by bringing the rent below "market rate" for up to three years. You can only have one grant open per grant cycle, and they have to complete that grant before applying for another. They are hoping to get a few spaces ready, but there may not be a tenant lined up. If there is a tenant ready they can use the rent subsidy as part of their match. If they use the rent subsidy they have to have a tenant in the building within six months of completion. They have not put a cap on getting a tenant if there is no rent subsidy claimed. When spaces are ready, they rent. Commissioner Norwood and Mayor Myers noted there should be a cap on leaving a building vacant even if they don't use the rent subsidy. Mayor Myers suggested requiring having a tenant in the building within 12 months. Mr. Rudd said they do require a marketing plan to fill the building. Commissioner Norwood said they are using public funds to make improvements on privately owned buildings. There should be a requirement to have the building occupied. Commissioner Leary said they will pay additional taxes due to the upgrade, but agreed they need a time frame. Discussion ensued regarding incentivizing owners to aggressively seek out a tenant, and ways to accomplish this.

Regarding duration of the grant (page 4), Commissioner Kitchens noted there was a time frame on property owners who sell their property. She suggested putting that same clause into a time frame on getting a tenant.

Mr. Sharp concurred with Commissioner Norwood; the CRA shouldn't be handing out these funds unless an applicant a) already has a business in the building or b) has a signed lease for a tenant who will move in once the improvements are completed. This is too complicated to police. This is his strong suggestion. Mr. Rudd said this is the perfect vehicle to fix a property up and get it tenant ready, but even if they advertise this grant today, it will be February before construction will begin. That's six to eight months before a building can be tenant-ready.

Mr. Holmes said he notes a provision for a lien on the property to assure repayment of the lien should it sell within a certain period of time. It's very important to have a title search done on the property; otherwise, the City's lien may be 8th or 10th in line and so far down it won't amount to anything. Pre-recorded mortgages, etc take precedence over the City's lien. The City has had liens wiped out due to defaulted mortgages. This should be an absolute requirement to know the status of the property. A recent example of a tenant already lined up with a business plan which did not materialize comes to mind. It is no more difficult to police repayment requirements than to police whether or not they have a tenant within a certain amount of time.

Commissioner Leary said a business plan is easy to do; a market analysis is more useful. They should tie the duration of repayment to something that shows that they have done some analysis, and that they are actively pursuing a tenant. They need some committee or Staff and the City Attorney bring back criteria on a repayment clause.

Mayor Myers recommended tabling the item. Discussion ensued regarding a plan to move forward. There was concurrence to move forward with a workshop on the repayment item and move forward with discussion on the balance of the changes. Mr. Czymbor concurred and said assuming that this is the only point of contention, he's not sure a workshop would be the best course. If they can get consensus on the rest of it, Staff and Mr. Sharp can come back with a recommendation on this. Commissioner Leary said they need to get this processed streamlined and not take six months to make a decision. Mr. Holmes said the availability of money is important. He asked if there are any provisions for reimbursing an owner who uses his/her own money, secures a tenant, and they request reimbursement? These folks should have the opportunity to ask for reimbursement for his/her own investment. Commissioner Brown said they need to confer with business owners who have been successful downtown.

Commissioner Leary moved to table this item to a time certain prior to the next commission meeting to schedule a workshop to incorporate and discuss further changes. Commissioner Kitchens seconded the motion, which passed unopposed.

PRESENTATION – Catalyst/Transformational Projects Program – Jonathan Griffith said he can discuss this in a workshop setting and at that time they will be able to present a document for consideration. This is just an opportunity for the CRA collectively to advertise annually and allow people to solicit the CRA for redevelopment projects. This sets forth a process with a public hearing similar to the CDBG process. This is a long range process; they may put this into action in around 2 years, but they have been researching what other people have been doing.

Robbie Correa and Michael Gagnon, 703 Emmett Street, 118 Dodge Street, said this concerns the Hammock Grove proposal. This falls under that type of incentive. They need to go beyond Putnam County to find potential developers. This is a good mechanism to attract developers. Many are in favor of this process. They'd like to develop this process and bring it back to the CRA. Commissioner Leary said this is something they see in other communities; it's a great planning and revitalization tool. He hopes they can put this together sooner than two years. Mr. Griffith said the Southside would be ready sooner because they have available funds. In the Central Business District projects cost more; they are looking at five years out on that. As to leveraging, they can't leverage Economic Development funds for improvements; they are only for infrastructure. Commissioner Brown suggested approaching private investors. Commissioner Norwood suggested putting a cap on the allocation of these funds so funds are available for other projects. Mr. Gagnon said they don't want to put themselves in a bad position. They look at leveraging for all projects.

UPDATE – Century Block Redevelopment Project

Funds expended to date for the Century Block Clean-Up – Mr. Griffith provided a power point presentation showing photos of the clean-up process. They discovered a door to Reid Street in the Winnegar building. The space next door to the Winnegar building shows a tin ceiling that is in good shape.

Mr. Sharp asked what they did with all the paint they found. Mr. Griffith said they took it to the landfill and properly disposed of it. To date they have around \$16,000 left out of the \$26,000 budgeted for FY2012-13. They are at about 60% complete and are under budget. Commissioner Norwood asked if they received a manifest for the paint. Mr. Griffith said the architect and engineer both said it was not necessary. They received a chain of custody letter. They have not authorized any work on 2nd or 3rd floor of the Moragne or other buildings. They have contracted with UF scientists to test the material as it is removed and prior to disposal. They have run into some unexpected architectural findings. They have a more up to date report done in 2008 by Universal which Mr. Taylor had, which did note some hazardous material. As to the "hazardous material" removal, they could have Universal provide a scope to remove some of the hazardous material, some of which is asbestos and some mastic (glue). They are suspicious of some spaces and they are not moving into those spaces that came back positive for lead based paint.

Century Block Marketing Plan – Joseph C. "Corky" Diamond said the City and Mr. Griffith are taking the proper steps in monitoring and disposing of the hazardous materials. They are 71 days into the process and have their marketing plan in place. They plan to market the lifestyle; there is an incredible lifestyle in Palatka and Putnam County. This is essential to marketing residential upstairs and commercial uses downstairs. He ran down a list of 21 amenities they plan to focus on. The River, boating, sailing, fishing kayaking, golf, eco tourism, Ravines, equestrian, arts, history, tennis, hunting, the College and FloArts, Mulholland House, Water Works, Eco Education Center, paddleboats and scenic beauty, and pending improvements planned to start summer 2014. The market strategy will explain that Palatka (and Putnam

County) is a wholesome community in which to live. Larger metropolitan areas are close by. Without marketing at all they are in negotiation with five separate parties for out 11,000 of the 27,000 sf they have to sell. The interested parties are interested in more space than they have available for sale. Their core business is custom design and build. There are people who have asked them to design different spaces. They are looking at creating a 2,000 sf outdoor space. They are talking with a couple who want 3,000 sf on either the 2nd or 3rd floor. Another party wants all 3000 feet on the bottom floor. They are talking about opening up an "outdoor world" that will include rentals and sales of biking, kayaking and boating sporting equipment. They will continue to engage the community in their marketing efforts. He suggests Riverfront Square as the name of this development. He is taking suggestions on that name.

4. **OTHER BUSINESS/REPORTS**

Small Business Development Center Quarterly Report – Cheryl Lynch, Director – 1100 Reid Street, said she distributed the quarterly report for July, August and September (not filed). There is a lot happening at the SBDC. She appreciates everyone who has been an ambassador for the SBDC. They doubled the size of the resource fair held in July. They had 36 vendors, compared to 18 last year. She's been going to training for international trade; there are two businesses they've identified that could become exporters. She is going through certification for that. She graduated from the Regional Leadership Academy. They went through a new branding and their colors are now red, white and blue. She is working with the Main Street Manager on various Main Street projects and grants.

North Historic District Update – Coenraad van Rensburg, President, PHNNA, 330 N. 3rd Street, said they have no new business at this time. The living history event went very well; they had five schools participate and entertained more than 240 children. They took all the children to the museum and Bronson House. The weather was bad on Sunday; it rained all day. He thanked the Mayor for participating in the opening ceremony on Saturday and noted he fired the cannon. He thanked Ashleigh Boice, the Docent, for providing tours of the Bronson Mulholland house throughout the day on Sunday.

Mayor Myers noted the enactors really enjoy coming to Palatka. Mr. Van Rensburg said they come in on Friday night and are all set up for Saturday and Sunday.

South Historic District Update – Michael Gagnon, President, SHNA, 703 Emmet Street, said 9 homes have sold in the District this year; sales prices are way up. They are planning the Spring Home & Gardens Tour and are planning an all day event. The children's mural project is moving slowly. They expect to hold a dedication in November and hope City representatives will all attend that.

Commissioner Leary asked if they've had any applicants for the Live where you Work program. Mr. Gagnon said they have had no applicants to date.

5. **ADJOURN** – There being no further business to discuss, the meeting was adjourned at 5:50 p.m. upon a motion by Commissioner Kitchens.

ANY PERSON WISHING TO APPEAL ANY DECISION MADE BY THE COMMUNITY REDEVELOPMENT 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
PERSONS WITH DISABILITIES REQUIRING ACCOMMODATIONS IN ORDER TO PARTICIPATE IN THIS MEETING SHOULD CONTACT THE CITY CLERK'S OFFICE AT 329-0100 AT LEAST 24 HOURS IN ADVANCE TO REQUEST ACCOMMODATIONS.