

VERNON MYERS
MAYOR - COMMISSIONER

MARY LAWSON BROWN
VICE MAYOR - COMMISSIONER

ALLEGRA KITCHENS
COMMISSIONER

PHIL LEARY
COMMISSIONER

JAMES NORWOOD, JR.
COMMISSIONER



¹
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
Called Meeting – October 24, 2013; 5:00 p.m.

Proceedings of a Called meeting of the City of Palatka, Florida Community Redevelopment Agency held on the 24th day of October, 2013.

PRESENT:

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

ABSENT: Vernon Myers Mayor

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: Vice Mayor Brown called the meeting to order at 5:00 p.m. and read the following meeting Call, dated October 19, 2013

TO 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 CRA/City Commission, 201 N. 2nd Street, Palatka, on Thursday, October 24, 2013 to commence at 5:00 p.m.

The purpose of the meeting is to consider the following items:

1. Revisions and approval of the FY 2013-2014 Building Improvement Grant (Big) Program – CBD TIF Funded – tabled on 10/10/24 for revisions
2. Proposed Transformation Project Program Request for Redevelopment Proposals

/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 19th day of October, 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 – Commissioner Norwood

PLEDGE OF ALLEGIANCE – Alex Sharp

1. **PUBLIC COMMENTS** – There were none

2. **CENTRAL BUSINESS DISTRICT:**

REQUEST to Approve Revised Building Improvement Grant (BIG) Program - tabled on October 10, 2013 for revisions – Mr. Czymbor said this was presented at the last CRA meeting. The Board suggested some amendments then, and there have been other amendments proposed since that meeting.

Charles Rudd, Main Street Manager, distributed further changes to the BIG grant document that had been made since the last meeting. He said this should be called the “tenant ready” grant as the purpose is to get properties tenant-ready. There are many spaces that just aren’t ready for use and many times the investment needed causes people to move on. They added provisions for a title search and looked at including recent work done as grant-eligible. They also looked at a tenant-guarantee clause to ensure tenancy within a year of the grant. This is to get vacant commercial space ready for someone to move in. The buildings are fixed assets and they need to make sure they don’t decline over time. They want to encourage a rent-reduction as part of the grant match to help tenants for one to three years. The required grant match was corrected to read 20%. Changes in wording allow work done within the last year to be grant-eligible at the discretion of Main Street and the CRA. They stipulate that just because the work was done there is no guarantee that the grant will be awarded.

Under Grant Criteria, they’ve inserted the words “retail or restaurant only” to encourage retail and restaurant businesses, as the downtown corridor is “office space” heavy. They give extra points for retail or restaurants. They need shops and restaurants. Vice Mayor Brown said anyone who sells goods and services should have access to this grant. Commissioner Kitchens agreed as there are many uses allowed under zoning that are not retail or restaurant. Mr. Rudd said they want to incentivize retail and restaurants. This is done by CRAs around the State. That is their priority. They wouldn’t turn anyone down to move in, but for grant dollars, that’s what they need. Commissioner Leary said if they are going to bring people downtown after 5 pm, they need retail that will stay open past 5 pm and restaurants. It is logical to prioritize those uses. Discussion ensued regarding possible businesses that could come in that tourists will frequent. Mr. Rudd said they have limited funds and they want to focus those in to help meet their goals.

Mr. Rudd noted, at the top of page 2, 2nd paragraph, the evaluation committee did not match the appendix of "definitions" and that has been amended to match. The evaluation committee will rank applicants and present them to the CRA for a final decision. As to page 4, regarding tenant guarantee, they could structure it where they get rid of the window and they can apply when they get a tenant. They eliminated the 90 day deadline, and it's just open for the entire year until the money is gone. He has concerns regarding a tenant guarantee. Some of the buildings are quite large and it may take a while to get a tenant in there.

Commissioner Kitchens said she doesn't want someone to get a grant, hold the building for three years, and then sell it. There is still no tenant. Commissioner Brown said people have been known to get grants and then turn around and sell their properties. Mr. Holmes said unless you are doing general maintenance to a building, obtaining a grant to make a building tenant-ready requires you to make a prediction on the tenant and the use. This would require you to be a mind-reader. Unless it's for general maintenance that would have to be done on the building regardless of the tenant, like putting a roof on a building, you'd almost have to have a tenant lined up. If the idea is to let people improve their building in a general sense, it wouldn't matter, but if the idea is to make a building suitable for a particular type of tenant, that's another matter. Mr. Rudd said sometimes you have to get the bathrooms and interior ready for any type of use. That is the intent of the grant. A specific tenant can make whatever modifications need to be made.

Mr. Rudd said on that same page, a clause was added to specify the rental subsidy would be returned, not to exceed 25% of the total project cost/grant award.

Discussion ensued regarding liens and mortgages. Mr. Holmes said they want to secure and guarantee a pay-back should the property be sold. The City will have a "lien" on the property for the three years; however, a superior lien such as a mortgage would render the city's lien moot. Recently a property was foreclosed on that had so many liens on the property, the City's lien amounted to nothing when the property was foreclosed. He recommends assigning points for equity in the property, taking into account all liens and judgments. A title search will reveal those liens. There was consensus to award points for having a tenant in hand. Mr. Holmes suggested moving the entire tenant concept over to the evaluation criteria so that someone who has a tenant has an advantage over those who don't. As to the window of opportunity, Mr. Rudd said currently the grant cycle is open for 90 days; at that time they would rank the applicants and bring them to the CRA for award. A question was asked as to the total number of individual owners downtown, Mr. Rudd said he does not know that number.

Regarding point distribution, Mr. Sharp questioned why they would give someone who gets their marketing plan from SBDC 15 points. This penalizes anyone who has experience and does their own business plan. Mr. Rudd said they want to reward someone who utilizes the service, which they support. All they have to do is run their plan through the SBDC. Discussion ensued over point distribution for SBDC, title and equity points, and points for strength of business capitalization, etc. Discussion ensued regarding the difference between marketable title and clear title. Mr. Holmes asked if you can apply if you have possession of the property by lease; Mr. Griffith said you can apply with the permission of the property owner. Mr. Holmes said if you say you have to have a marketable title or consent/permission from the marketable title holder, that would suffice. He'd put all the lien criteria into the evaluation criteria. He'd hate to kick someone out due to having a tax lien.

Commissioner Leary asked that Mr. Holmes and Mr. Rudd get together and work this out. He'd like to see this come back as quickly as possible. Commissioner Flagg said that the points for consistency with the Comp Plan and CRA Plan should be the same.

Discussion ensued regarding funds available for those who have office and service space. Mr. Rudd said this year they want to focus on providing funds for retail and restaurant uses. Commissioner Leary said there are other grants available through SBA. Mr. Rudd said there are façade grants available. Vice Mayor Brown said they want to make sure funds are available for all types of businesses downtown.

Commissioner Leary moved to approve the grant for advertising and bring the points system back for approval. Commissioner Flagg seconded the motion, which passed unopposed.

DISCUSSION – Proposed Transformational Project Request for Redevelopment Proposals – Mr. Griffith said this is a new program for all three CRA districts. The transformation project incentive program is to provide some up-front capital or a return on equity for a developer. This could offer annual payments derived from the additional increment for a specific property and offer up-front capital to cover site preparation. This could be used for mixed use renovation projects or single-family infill projects. An example was provided of multi-family housing on a space in the South Historic District. This is an incentive that can be given to the developer after the project is completed in lieu of tax relief.

Mr. Czymbor said this is an additional tool for development they want in the community. The amount of incentive offered would vary depending upon the development. This isn't ready for adoption, but this is another alternative they can provide for redevelopment. Mr. Griffith said this could be used for any project that provides revitalization. The CRA could approve or disapprove any project. There is a prescribed application process and fee as there will be increased scrutiny of applications. Commissioner Kitchens said she'd like to see the power point presentation in the agenda packet when this comes back to the CRA. There was consensus to bring this back to the CRA after further development.

3. **OTHER BUSINESS/REPORTS** – There were none
4. **ADJOURN** – There being no further topics to discuss, the Workshop meeting was adjourned at 6:55 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