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**MINUTES OF THE
CITY OF NEW SMYRNA BEACH
COMMUNITY REDEVELOPMENT AGENCY
MEETING OF APRIL 6, 2011
CITY COMMISSION CHAMBER, CITY HALL, 210 SAMS AVE.
NEW SMYRNA BEACH, FLORIDA**

19 Chair Charles Belote called the CRA meeting to order at 2:00 p.m.

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Answering to roll call:

**Charles Belote
Doug Hodson
James Kosmas
Chad Schilsky
Thomas Williams
James Peterson**

29 Also present were CRA Director Tony Otte; CRA Project Manager Michelle Martin;
30 CRA Administrative Specialist Claudia Soulie and CRA Attorney Mark Hall. Vice Chair
31 Steve Dennis was absent (excused).

32 Ms. Soulie read FORM 8B MEMORANDUM OF VOTING CONFLICT into record that
33 was filled out by Commissioner Williams at the March 3, 2011 CRA meeting to indicate
34 his conflicting interest in an agenda item pertaining to the Architectural Request for
35 Qualifications. (form attached)

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1. CONSENT AGENDA

- 42 A. Approval of Minutes – Regular CRA Meeting March 3, 2011
43 Special CRA Meeting, March 23, 2011
44 B. Commercial Property Improvement Grant Applications for 300 N. Riverside
45 Dr. – Masonic Lodge
46 C. Residential Property Improvement Grant Time Extensions for 106 and 108 S.
47 Myrtle Ave – Sharon McHenry
48 D. Commercial Property Improvement Grant for Rosedale Buildings at 515
49 Canal Street and 505/507 Canal Street
50 E. Residential Property Improvement Grant 1200 Hill St. – Werner Residence
51 F. Mary Ave Streetscape Project – Time Extension

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Mr. Williams made the motion to approve the consent agenda with all items as presented, seconded by Mr. Schilsky. Motion carried on roll-call vote 6 –0.

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2. PUBLIC PARTICIPATION

In accordance with the City Commission Resolution #11-89, a three-minute limitation will be imposed unless otherwise granted by the CRA Commissioners.

There being none, Mr. Belote closed the Public Participation portion of the meeting.

51 **3. PRESENTATION:**

52 None
53

54 **4. OLD BUSINESS**

55 A. Authorization to Finalize and Execute a contract with HCS, LLC (Holly
56 Smith)
57

58 Mr. Otte stated that at their March 3, 2011 meeting the CRA directed staff to restructure
59 the contract with HCS (regarding the preparation of marketing plans and implementation
60 of a marketing program for the CRA) to include the following:
61

- 62 1. Who the contractor will answer to
- 63 2. A definition of the scope of work
- 64 3. Documentation of hours
- 65 4. What constitutes a conflict of interest
- 66 5. A payment schedule
67

68 Mr. Otte continued that a standard contract form has been used by the CRA in the past for
69 professional services agreements and that staff wished to return to this previous practice,
70 as it ensured that basic contractual concerns were covered. Mr. Otte asked that the CRA
71 vote to authorize staff to finalize the standard contract with those specific elements and
72 forward it to the City Commission for ratification; and that the CRA Chair be authorized
73 to sign the contract upon that ratification.
74

75 Mr. Otte further summarized that:
76

- 77 • the contractor will answer to the City Manager and her designee, the CRA
78 Director;
- 79 • the contractor agreed to an hourly rate of \$58 per hour (not to exceed \$60,000 per
80 year, or about 20 hours per week or 1,040 hours per year). The number of hours
81 will be the basis of the invoices.
- 82 • Payment will be made on a monthly basis
83

84 Mr. Otte continued that it was anticipated that several sections of the standard contract
85 may need to be revised to fit this final contract. Those sections include:
86

- 87 • The penalty for late payments by the City may be removed;
- 88 • The paragraph allowing the City to charge the Contractor for "...additional costs
89 occasioned by the Consultant's failure to fulfill its obligations to the City..." may
90 be removed.
- 91 • The contractor will not be provided office space and a computer
92

93 Mr. Hodson wanted to assure that every precaution had been taken to identify Ms. Smith
94 as an independent contractor and not an employee of the City. Mr. Hall stated that the
95 contract being used had such verbiage in it.
96

97 Mr. Peterson questioned the fact that Ms. Smith was being paid by the hour as he felt that
98 this was an indicator of an employee. Mr. Hall stated that the CRA/City did not dictate
99 her hours or her time schedule so there should be no conflict.

100

101 A brief discussion ensued about the deliverables to be obtained from the contractor and
102 that staff should monitor the progress to ensure timely completion.

103

104 Mr. Kosmas inquired about the 60 day termination provision; who owned the work
105 product and including a provision of a charge back in the event that the IRS or another
106 entity determined her to not be an independent contractor. Mr. Kosmas was informed that
107 the termination provision was negotiated between staff and Ms. Smith; that the work
108 product will be owned by the City/CRA and that an indemnification clause can be added.

109

110 A brief discussion ensued about changing the termination clause to 15 days and the
111 legality of being able to add an indemnification clause. Mr. Hall stated that he preferred
112 a termination clause of 15 days as this was more customary.

113

114 Mr. Williams asked if the contract ended automatically after a one year period and was
115 informed that it did.

116

117 Mr. Schilsky was in favor of changing the termination clause before presenting the
118 contract to the City Commission.

119

120 **Mr. Schilsky made the motion to authorize staff to finalize the contract with a**
121 **termination period without cause of 15 instead of 60 days and the inclusion of**
122 **indemnification language should Ms. Smith be deemed an employee and not an**
123 **independent contractor prior to the contract going to the City Commission for**
124 **ratification; seconded by Mr. Kosmas. Motion carried on roll-call vote 4 -2, with**
125 **Mr. Peterson and Mr. Hodson casting the dissenting votes.**

126

127

128 **5. NEW BUSINESS**

129 **A. Family Spring Expo Funding Request**

130

131 Mr. Otte asked that this item be deferred to a later time in the meeting, as the applicant
132 for this funding request had been delayed and was not present yet. (please see Director's
133 report)

134

135 **B. Commercial Property Improvement Grant Amendment – Large Buildings**

136

137 Mr. Otte stated that the Commercial Property Improvement Grant Program is one of the
138 CRA's most popular programs and that in the last fiscal year 16 individual grants had
139 been awarded. Mr. Otte continued that this program, with its \$10,000 grant funds limit,
140 worked well for exterior revitalization of an individual business. It did not, however,
141 properly address large buildings under one ownership with multiple business
142 storefronts, as the cost of such a renovation could easily exceed \$100,000. The
143 provision of \$10,000 in CRA funds, realistically, was not an incentive to provide such
144 an extensive improvement.

145

146 Mr. Otte asked for discussion on staff's suggestion to include verbiage in the existing
147 grant guidelines that the amount of funding available for a larger building not exceed
148 30% of the cost of the renovation project, with an absolute dollar amount limit of \$50,000
149 per project.

150

151 Mr. Bob Wiley, building owner on Canal Street stated that he had recently renovated the
152 west side of his building and was now planning on improving the east side. He continued
153 that his building currently housed 27 plus tenants who could all apply individually for an
154 exterior improvement grant. In order to facilitate the process of not having to handle
155 multiple applications, Mr. Wiley was asking that provisions be made that the owner of a
156 large building with multiple tenants may submit one application for the entire project.

157

158 Mr. Belote complimented Mr. Wiley for the work on his building so far.

159

160 Mr. Peterson stated that he interpreted the current guidelines to allow Mr. Wiley to apply
161 on behalf on each business in his building.

162

163 A brief discussion ensued about tweaking the current program to make concessions
164 allowing the business owner to apply on behalf of his tenants and to consider each side of
165 the building as a different project. The CRA agreed and instructed staff to revise the grant
166 guidelines accordingly. (Note: this directive completed Agenda item 5 B.)

167

168 Mr. Otte introduced Kevin Jameson, the new City Planner who will be dividing his time
169 50/50 between the City's Planning Department and the CRA; as well as Steve Parnell the
170 new CRA Senior Inspector who started April 4, 2011.

171

172 Mr. Otte stated that, per the request of the CRA, the Assistant City Finance Director was
173 present to answer any questions about the budget and Mr. Otte inquired if this topic could
174 be moved ahead of the remaining items on the agenda.

175

176 Mr. Williams stated that he had to leave the meeting early and asked if he could make a
177 motion pertaining to the "Florida Redevelopment Agency – Call for Entries 2011". The
178 CRA agreed. (Further details listed below under C. Florida Redevelopment Agency)

179

180 **Mr. Williams made the motion to approve the suggestions provided by staff;**
181 **seconded by Mr. Peterson. Motion carried on roll-call vote 6 –0.**

182

183 Commissioner Williams left at 3:00 pm.

184

185 D. Financial Report (Reports and Communications)

186

187 Mr. Otte stated that staff was able to create budget expenditures and revenue reports and
188 summarized the information on these reports for the CRA. Mr. Otte continued that staff
189 would be including updated detailed reports in the agenda packet.

190

191 Lorie Bailey-Brown, Assistant Finance Director informed the CRA that she was currently
192 working on the Fiscal Year (FY) 2012 budget. Ms. Bailey-Brown continued that the
193 City's audit report was issued at a recent City Commission meeting and that the actual
194 numbers from last FY would be used to gauge the new FY 2012 budget.

195 A brief discussion ensued about the intergovernmental revenue budget figures in the 2010
196 Annual Report and Ms. Bailey-Brown stated that those figures were comprised of grant
197 revenue from projects.

198

199 C. Florida Redevelopment Agency - Call for Entries 2011

200

201 The FRA award programs honor the best programs and projects in Florida
202 redevelopment and recognize outstanding leadership that has had a beneficial impact
203 on redevelopment.

204

205 A winning entry is an acknowledgment of excellence for the work an organization is
206 doing. All winners will receive a trophy presented at the awards ceremony during the
207 FRA annual conference on October. In addition, all winners will have an opportunity
208 to further showcase their project at a tabletop display at the conference, and will
209 receive a press release with photo. Both winners and applicants will be included in the
210 "Best Book," a publication featuring the "best" in redevelopment, and will receive
211 extra copies to bring back to their community.

212

213 In June of 2010 the CRA authorized staff to submit 5 entries, and for the "2011 Call
214 For Entries" staff's suggestions include:

215

- 216 • FY 2009/10 Annual Report (under Marketing and Communications)
- 217 • Commercial PIG's to include Gnarly Surfbar on Flagler Ave and the Wiley
218 Building on Canal Street (submitted as one item under Creative Organizational
219 Development and Funding)
- 220 • The City's Art Fiesta; Farmer's Market (under Cultural Enhancement)
- 221 • Flagler Dunes Parking lot (under Management Programs/Creative Partnerships)

222

223 All projects, events and programs must have been completed or implemented between
224 September 1, 2008, and June 1, 2010, to be considered for an award. This year's entry
225 deadline is June 3, 2011.

226

227 Please see motion pertaining to this item under B. above.

228

229

230 **6. REPORTS AND COMMUNICATIONS**

231

A. Director's Report

232

233 Mr. Otte thanked the CRA staff on their work on the 2010 Annual Report.

234

235 Mr. Otte stated that he had included a new item in his Director's report that would inform
236 the CRA of actions taken on CRA items by the City Commission. Mr. Otte summarized
237 topics from his April Director's report which included the CRA Wayfinding signage
238 project and announcements about recent and upcoming meetings.

239

240 Mr. Otte commented that Ms. Martin, CRA Project Manager had included a CRA Project
241 status report as well as a summary of the Capital Improvement Projects to keep the CRA
242 updated. Ms. Martin was working in conjunction with Ms. Bailey-Brown on a program to
243 properly track each project and its expenditures.

244 Mr. Belote inquired about the City Commission's decision to interview the three
245 architectural firms shortlisted for selected projects requiring architectural services,
246 including the Washington St Business Incubator. Mr. Otte stated that this would take
247 place on April 20, 2011 and that this will be a public meeting.

248
249 Mr. Schilsky asked for an update on the proposed hotel. Mr. Otte stated that the deadline
250 for the Developer to comply with all required items is 4/26/2011 and that the
251 representatives for the hotel project were very optimistic to be able to meet this deadline.

252
253 Mr. Kosmas commented on the fact that the City Commission directed the City Attorney
254 to research the cost to acquire insurable title for the Brannon Center property as the first
255 step in following suggestions in the CRA Master Plan Update for the development of a
256 hotel on the site. Mr. Kosmas continued that this action had prompted several emails
257 which appeared to have the consensus that a decision had already been made to put a
258 hotel on this site and that the CRA should take certain actions. Mr. Kosmas clarified that
259 the CRA had not been presented any type of proposal for this site and stated that he
260 would like to involve the proposed Marketing Coordinator in this process.

261
262 Mr. Kosmas inquired about the City Commission appointing a committee to review the
263 proposal received in response to the AOB Request for Proposal (RFP) of which one
264 member is a representative from the CRA to be appointed by its Chair person. Mr.
265 Belote, with the consensus of the CRA nominated Chad Schilsky to serve on the review
266 committee. All agreed.

267
268 Mr. Kosmas stated that he had contacted the owner of a building on Canal Street about
269 restoring the wall exposed after a recent demolition of an adjoining building. Mr. Kosmas
270 continued that this property owner was not in a financial position to undertake any type
271 of improvement and suggested starting some kind of community effort for donations and
272 volunteers. Mr. Otte will check into that.

273
274 Mr. Belote stated that the representative for the "Family Spring Expo" agenda item had
275 arrived and that this topic deferred earlier in the meeting can now be addressed.

276
277 FAMILY SPRING EXPO: Mr. Otte stated that staff was approached by Kerry-Anne
278 Purkiss asking for CRA funding for the First Annual Family Spring Expo to be held at
279 the Brannon Center on June 11, 2011 and asked Ms. Purkiss to address the CRA.

280
281 Ms. Purkiss apologized for having been delayed and thanked the CRA for their time.
282 She felt that this event will be an opportunity for small businesses to put their products
283 and services in front of hundreds of families and was requesting CRA funding in the
284 amount of \$4,095 for advertising, flyers and banners, which represented about 31% of
285 the overall event budget.

286
287 The CRA had questions about Ms. Purkiss' organization, its Board of Directors; if this
288 type of event was fundable by the CRA based on the enabling legislation and the
289 estimated cost of certain items listed for reimbursement. Mr. Hall felt that funding this
290 event would be an allowable expense, but suggested that the applicant get with staff to
291 address the concerns raised by the CRA pertaining to proper filings with the IRS;

292 Articles of Incorporation; Board of Directors and clarifying how this event will be an
293 economic generator for the community.

294

295 Mr. Otte stated that staff felt that funding this event will be worthwhile, especially since
296 the CRA can advertise its business incubator program at the event.

297

298 The applicant and staff duly noted all comments and concerns and stated that they will
299 bring this item back before the CRA at the next meeting.

300

301 Hearing no further comments, Mr. Belote entertained a motion to adjourn.

302

303 **ADJOURNMENT**

304

305 **A motion was made to adjourn; all agreed. Meeting adjourned at 3:38 pm.**