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**MINUTES OF THE
COMMUNITY REDEVELOPMENT AGENCY
SPECIAL MEETING OF JUNE 24, 2009
DEBERRY ROOM 3RD FLOOR
200 CANAL STREET
NEW SMYRNA BEACH, FLORIDA**

Chair Linda DeBorde called the CRA special meeting to order at 2:00 p.m.

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Answering to roll call:

**Linda DeBorde, Chair
Steve Dennis, Vice-Chair
James Kosmas
Douglas Hodson
Thomas Williams
Cynthia Lybrand
Charles Belote**

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Ms. DeBorde called the meeting to order at 2:01PM. Also present were Kevin Fall, CRA Director; Michelle Martin, CRA Project Manager; Noeleen Foster, CRA Coordinator and CRA Attorney Mark Hall. Administrative Specialist Claudia Soulie was absent.

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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.

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Steve Provost, 1805 Beacon Street asked the CRA Commissioners to consider using the CRA owned Florida Avenue lots as a bargaining tool to benefit both the developer and the community as the cost for the land was a significant part of the overall costs. Mr. Provost stated that he had reviewed the current site plan and felt that reducing a part of the hotel from three to two stories; reducing the footprint of the hotel and thus reducing the number of rooms would have a beneficial impact on the community.

Mr. Kosmas commented that Mr. Provost's suggestions made sense, but felt that the City's Planning and Zoning staff and process should handle issues of that nature.

Hearing no further requests, Ms. DeBorde closed the Public Participation portion of the meeting.

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3. NEW BUSINESS

A. CRA Budget Resolution – FY2009/2010

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Mr. Fall stated that the CRA had to propose a budget to the City Commission by July 1st of each year, however the budget workshops had been scheduled for the second week in July.

49 Mr. Fall stated the proposed CRA Fiscal Year 2009/2010 budget had been developed
50 within the City's budget development system and continued that the City's Finance
51 Department provided the estimates and/or projections for all City revenues, including the
52 CRA revenues.

53

54 Mr. Fall stated that within the proposed CRA Fiscal Year 2009/2010 budget, the tax
55 increment contributions received from the County, City and Southeast Volusia Hospital
56 District, had been adjusted downward by twenty-one percent (21%) to reflect preliminary
57 information from the Volusia County Property Appraiser regarding preliminary taxable
58 value estimates. Additional new revenues include lease parking revenue, interest
59 earnings and a transfer from the City general fund. The proposed CRA Fiscal Year
60 2009/2010 budget will be considered and adopted as part of the City of New Smyrna
61 Beach Annual Budget, with public hearings scheduled for September 2009. The proposed
62 CRA Fiscal Year 2009/2010 Budget Resolution would be scheduled for adoption at a
63 future meeting, upon approval of the CRA Fiscal Year 2009/2010 budget by the New
64 Smyrna Beach City Commission.

65

66 Mr. Fall asked that the CRA approve the proposed CRA Fiscal Year 2009/2010 annual
67 budget and provide recommendation to the City Commission for adoption within the City
68 of New Smyrna Beach annual budget approval process.

69

70 Mr. Fall stated that the CRA needed a fulltime administrative assistant, as it was currently
71 sharing this position with the Development Services Department. Mr. Fall continued that
72 the CRA had a vacant Planner position and suggested reclassifying this position to a CRA
73 Program Manager/Mainstreet Coordinator.

74

75 Mr. Dennis suggested renaming the Mainstreet Coordinator as it gave the impression of
76 being limited to Canal Street, which it was not. Mr. Fall agreed with Commissioner
77 Dennis and stated that this position was meant to be the first point of contact for any
78 development interest and to facilitate the process of redevelopment.

79

80 Mr. Dennis suggested shortening the permitting process instead of extending the
81 permitting time.

82

83 Mr. Kosmas suggested having the reclassified position aid the City as well as the CRA
84 and have the City pay a small percentage of the salary. Mr. Fall stated that this was being
85 discussed.

86

87 Ms. DeBorde mentioned that in the past the CRA and the City had worked together and
88 shared staff. Ms. DeBorde felt that the Coordinator was a very important position.

89

90 Ms. Lybrand suggested staff keep time records for time worked outside the CRA
91 boundaries. Mr. Belote asked to receive a general description of the daily activities of the
92 CRA employees.

93

94 Mr. Fall invited any interested Commissioner to shadow the CRA personnel to get an
95 idea of their daily activities/meetings.

96

97 Ms. DeBorde stated that quite a few maintenance duties (mainly blowing off sand on
98 Flagler Ave) that CRA workers were responsible for had been cut, however, the CRA
99 was still paying the same amount in salaries.

100
101 A brief discussion ensued between the CRA Commissioners related to time records of
102 CRA funded employees and a better tracking system of their work schedule in order to
103 comply with auditing regulations.

104
105 Mr. Fall concurred and informed that he was working with the Directors of the Parks &
106 Recreation and the Finance Department.

107
108 Mr. Kosmas asked if, in the interim, Flagler Ave. could be swept on a short-term basis to
109 make it look presentable. Mr. Fall stated that he would send an email to the Public Works
110 Director and Assistance Public Works Director.

111
112 Mr. Fall continued discussing the remaining line items and proposed changes (Pilot Code
113 Enforcement and Pilot Policing Program) that were not yet included in the proposed
114 budget.

115
116 Mr. Kosmas felt, if these programs were to be implemented, there should be a monetary
117 return for the CRA, but was also concerned about the effect this could have on the CRA's
118 positive image.

119
120 Mr. Fall felt that there were no major code violations within the CRA district and stated
121 that the CRA could possibly hire their own Code Enforcement person.

122
123 Ms. Lybrand stated that care should be taken that the Pilot Policing program was not
124 taking on actual police functions.

125
126 Mr. Fall continued discussing the budget detail. Mr. Kosmas inquired about revenues
127 pertaining to the Parking Leases and asked where these fees came from and for the CRA
128 to consider if any charges should be implemented or if the lots should be given away.

129
130 A brief discussion ensued about how the fees were derived. Mr. Fall suggested deferring
131 this discussion until the consultants hired by the CRA had completed their parking study.

132
133 Mr. Dennis inquired about revenues from Volusia County, Mosquito Control and the Port
134 Authority and the recommendation of contributing amounts equal to the City's
135 contributions and asked when and if this recommendation would be implemented. Mr.
136 Fall felt that this would not occur until the 2010/2011 budget.

137
138 Mr. Fall explained the expenditures for the current positions funded by the CRA and how
139 they would change after the two positions were reclassified.

140
141 Mr. Kosmas asked be informed of the salaries of the Maintenance Workers. Mr. Fall
142 stated he would have that information at the next meeting.

143

144 Mr. Belote inquired if the City Manager was going to provide the CRA with a report of
145 the details that comprise the transfers to the City's General Fund.

146

147 Mr. Dennis asked about the Sound System on Canal Street. Mr. Fall stated that a Request
148 for Proposal was going to be released and it could come out of this year's budget.

149

150 Mr. Kosmas noticed a large decrease in the amount budgeted for consultant services. Mr.
151 Fall stated that this amount decreased because the Redevelopment Plan Update (RPU)
152 was almost completed and no new project was scheduled requiring consultant services on
153 such a large scale.

154

155 Ms. Lybrand questioned if the proposed amount would be enough to pay the consultant
156 for the implementation of their RPU, which she felt was very important. Mr. Fall
157 concurred and will make the adjustments

158

159 Mr. Dennis asked if it was appropriate to designate the revenues of several CRA owned
160 properties to go to specific expenditures, line items or projects. Mr. Fall stated that this
161 was a possibility, but at the discretion of the CRA.

162

163 Mr. Fall continued with Capital Outlay/Projects and commented on the Mid-year 2008/09
164 adjustments. Mr. Fall stated that all the projects on the CRA's books were completely
165 funded and that the CRA should think of other projects that could be funded by the
166 2009/2010 funds.

167

168 Ms. Lybrand suggested using some of the new funds for the Flagler Avenue Boardwalk.
169 Mr. Fall concurred.

170

171 Ms. DeBorde asked about the vehicle lease fund. Mr. Fall stated that this was upfront
172 funding for a new program that the City was putting together. Mr. Fall continued that this
173 was a self-contained vehicle lease program, which was responsible for replacement of
174 vehicles.

175

176 A brief discussion ensued about the funds in Capital Outlay and if the overage for the
177 Dunn Lumber project allocation could be transferred to the Flagler Boardwalk project.

178

179 Ms. DeBorde suggested not moving the funds at the moment and to wait until the State
180 has approved the grant. Ms. Lybrand inquired if this would delay the Flagler Boardwalk
181 project and Mr. Fall mentioned that this would not be an issue.

182

183 Mr. Williams inquired about any plans for the Hospital District or the North Causeway.
184 Mr. Fall stated that more specificity was needed on which way to go.

185

186 Mr. Kosmas asked why such a large amount of money was proposed for the
187 redevelopment of Canal Street. Mr. Fall stated that currently a few redevelopment
188 opportunities existed that required the CRA to upfront costs to make them happen. Mr.
189 Kosmas felt that putting aside larger amounts to rectify the parking issues on Flagler and
190 Canal could pave the path for new development.

191

192 Ms. DeBorde clarified that the CRA was to approve the proposed CRA 2009/2010
193 budget. Mr. Dennis inquired if this was a first draft that would be presented to the City
194 Commission. Mr. Fall stated that this proposed budget would be represented to the CRA
195 after it had gone through several budget workshops and commented that the CRA had the
196 authority to amend their budget any time of the year.

197

198 Mr. Williams asked if any funds for projects not spend by the end of this fiscal year
199 would be transferred to the 2009/2010 budget. Mr. Fall stated that the majority of the
200 construction project would move forward.

201

202 Mr. Kosmas inquired about the rules for rolling funds forward several years in a row. Mr.
203 Fall stated that there were some issues with regards to the State law that the City's
204 auditors were researching, but the bottom line was to get the project under contract within
205 the time from fund appropriation and the three (3) year deadline. Mr. Fall continued that
206 he had more detail on this topic at a later time in the meeting.

207

208 **Mr. Dennis made the motion to send the first draft of the proposed budget with the**
209 **specific changes addressed today to the City Commission for their review, seconded**
210 **by Mr. Belote. The motion carried on roll call vote 6 – 0.**

211

212 B. CRA Loan Incentive Agreement – 424 Canal Street (formerly Romesco's)

213

214 Mr. Fall stated that Richard Rosedale, the owner of property located at 424 Canal Street
215 (former Romesco's restaurant site), is proposing to lease property located at 424 Canal
216 Street to a third party tenant for the operation of a restaurant facility.

217

218 Mr. Fall continued that the Owner had requested financial assistance from the
219 Community Redevelopment Agency (CRA) of the City of New Smyrna Beach, for the
220 construction of certain improvements required of the project to comply with the
221 regulations imposed by the City.

222

223 Mr. Fall proposed that the CRA offer a loan incentive to the Owner in the amount of
224 eight thousand dollars (\$8,000) contingent upon the execution of a CRA Loan Incentive
225 Agreement between the City and the Owner, committing the owner to provide for the
226 continual operation of a restaurant facility in exchange for the CRA funding the cost of
227 the improvement.

228

229 Mr. Fall continued that this Loan Agreement shall be valid for a period of three (3) years
230 and had to be renewed annually prior to the issuance of an occupational license for the
231 continued operation of a restaurant facility at 424 Canal Street.

232

233 Mr. Fall recommended the CRA approve a CRA Loan Incentive in the amount of \$8,000
234 to Richard Rosedale, for improvements to property located at 424 Canal Street and direct
235 the CRA attorney to draft a CRA Loan Incentive Agreement to be executed by the City of
236 New Smyrna Beach and the property owner. The CRA/City would secure the placement
237 of a lien on the property in the amount specified in the CRA Loan Incentive Agreement
238 to collateralize the CRA investment.

239

240 Mr. Kosmas was concerned about setting a precedent with this one case, and was in favor
241 of establishing a program for individual property owners to have the same opportunities.
242 Ms. DeBorde agreed.

243
244 A brief discussion ensued about using the current Property Improvement Grant program
245 to aid business owners, placing the lien at the beginning of the loan term instead of the
246 end, interest payments made by owner and existing fire codes not being enforced.

247
248 Mr. Dennis was concerned with spending this amount of money and suggested a reverse
249 loan with a balloon payment at the end, with the business owner required to pay the
250 whole amount back.

251
252 Mr. Kosmas wanted to know by what criteria the CRA would award the funds.

253
254 Mark Hall, CRA Attorney, suggested continuing this discussion until the next meeting,
255 when the owner and the tenant could be present.

256
257 **Mr. Dennis made the motion to defer this topic until the next Regular CRA meeting**
258 **in July and to authorize staff and the CRA Attorney to work with the applicants to**
259 **streamline the current proposal, seconded by Mr. Hodson. The motion carried on**
260 **roll call vote 6 – 0.**

261
262 The Commissioners suggested finding a similar program from another CRA and to
263 include specific criteria to avoid future misinterpretation of what this program was
264 intended for.

265
266 Mr. Williams would like a definition on what constituted a hardship and what the debt
267 services on the building was. Mr. Williams was in favor of this program being district
268 specific and not site specific.

269
270 Ms. DeBorde felt that if possible, the CRA should be able to fill some of the vacant stores
271 in the spirit of redevelopment.

272
273 C. Commercial Sales Contract – 300 Block of Magnolia Street (Sides’s
274 properties)

275
276 Mr. Fall asked the Commissioners to bring this item back at the next regular CRA
277 meeting in July.

278
279 **Mr. Hodson made the motion to defer this topic until the next Regular CRA meeting**
280 **in July, seconded by Mr. Williams. The motion carried on roll call vote 6 – 0.**

281
282 Ms. Lybrand would like staff to talk to the hospital to see if they had any interest in the
283 properties.

284
285 Mr. Kosmas wanted to make sure that the CRA would be provided all the pertinent
286 information before being asked to make a decision.

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REPORTS AND COMMUNICATIONS

A. Director's Report (verbal)

- Mr. Fall stated that staff has distributed a technical Memorandum from Glatting Jackson (Consultants doing the CRA Redevelopment Plan Update) explaining their progress and commented that the consultant would be present tonight's Canal Street Merchant meeting.
- Mr. Fall stated that Volusia County required the CRA to justify the fact that it was acting according to the Statute pertaining to the large fund balance. A City hired auditor drafted a report that was still being finalized. Mr. Fall asked the CRA Commissioners to review this draft report for possible additions.
- Mr. Fall asked the CRA for a consensus to move the next regular CRA meeting from July 1, 2009 to July 8, 2009. The Commissioners agreed to check their calendars.
- Mr. Fall stated staff had received authorization from the City to apply for a DEP grant, which would allow the CRA to clean up the former Dunn Lumber property without any out-of-pocket costs. Mr. Fall continued that the next steps would be to gauge market interest/end use and to issue a Request for Proposal. Mr. Fall commented that there had been interest in bringing a passenger rail back into the City. The CRA, by consensus, agreed to have staff draft up a general RFP for a variety of uses, including verbiage for special consideration for a rail theme.

B. Commissioners Reports

Mr. Kosmas stated he felt that a lot of great ideas were being proposed for the Christmas season. Also, he was very impressed with Glatting Jackson and their integral knowledge of New Smyrna Beach.

Mr. Belote did not want staff lose track of reinstalling the FDOT turn lane on US1. A brief discussion ensued about what type of work was being planned for this area by FDOT. Mr. Fall will keep Mr. Belote informed.

Mr. Dennis agreed with Mr. Kosmas about the great ideas for the Christmas season and also stated that he got reappointed for another term.

Ms. DeBorde thanked Mr. Fall and staff for their diligent work during the tough last few months.

Mr. Fall informed the CRA that he would be taken some personal time next week, but would always be available via cell phone.

C. Correspondence

None

ADJOURNMENT

Mr. Dennis made the motion to adjourn, all agreed. Meeting adjourned at 3:50 pm.