

## MINUTES

### SPECIAL MEETING - COMMUNITY REDEVELOPMENT AGENCY BOARD (CRA)

May 6, 2009

Minutes of the Special Meeting of the Community Redevelopment Agency Board of The City of Daytona Beach, Florida, held on Wednesday, May 6, 2009 at 5:00 p.m., in the Commission Chambers, City Hall, 301 South Ridgewood Avenue, Daytona Beach, Florida.

1. Roll Call.

Commissioner Richard Shiver	Present
Commissioner Pamela Woods	Present
Commissioner Shiela McKay-Vaughan	Present
Commissioner Robert Gilliland	Present
Commissioner Derrick Henry	Present
Commissioner Cassandra Reynolds	Present
Mayor Glenn Ritchey	Present

Also Present:

James V. Chisholm, City Manager  
Marie Hartman, City Attorney  
Letitia LaMagna, Assistant City Clerk

2. Commissioner McKay-Vaughan led the invocation.
3. Commissioner Shiver led the Pledge of Allegiance to the Flag.
4. Approval of Minutes of the March 4, 2009, Regular Community Redevelopment Agency Board Meeting, as individually read.

It was moved by Commissioner Henry to approve the March 4, 2009, Regular Community Redevelopment Agency Board Minutes. Seconded by Commissioner Gilliland. The motion passed 7-to-0 with the breakdown as follows:

Commissioner Shiver	Yea
Commissioner Woods	Yea
Commissioner McKay-Vaughan	Yea
Commissioner Gilliland	Yea
Commissioner Henry	Yea
Commissioner Reynolds	Yea
Mayor Ritchey	Yea

5. AGENDA APPROVAL

James V. Chisholm, City Manager read the Agenda changes:

Item No. 7 – Expenditure amount is \$2,708,857 (including closing costs).

It was moved by Commissioner Henry to approve the Agenda with changes. Seconded by Commissioner Gilliland. The motion passed 7-to-0 with the breakdown as follows:

Commissioner Shiver	Yea
Commissioner Woods	Yea
Commissioner McKay-Vaughan	Yea
Commissioner Gilliland	Yea
Commissioner Henry	Yea
Commissioner Reynolds	Yea
Mayor Ritchey	Yea

6. PUBLIC COMMENTS BY PEOPLE ADDRESSING THE COMMUNITY REDEVELOPMENT AGENCY BOARD

Ken Paz, 33 South Oleander Avenue, Daytona Beach stated on his street there is an opportunity that has just come available. There is a five unit building that has just been taken back by the original owner. He is an elderly gentleman who doesn't want the property or the expense of bringing it back up to code. He wants to sell it and it is an excellent use of Community Redevelopment Area (CRA) money for residential benefit. Mr. Paz suggested that since there is no parking in the area that this might make an excellent site for parking. If it is not used as parking the property should still be taken and demolished because it is in terrible shape.

Commissioner Henry asked if Mr. Paz knew the asking price.

Mr. Paz stated \$190,000, but he thinks the owner wants to sell it bad enough to make the City a good deal. It is very bad condition.

Commissioner Woods asked if it was boarded up now.

Mr. Paz stated yes. The City boarded it up.

Commissioner Shiver asked to see the pictures Mr. Paz had.

Mr. Paz stated if you look at the pictures you will see this building has no business in a single-family residence area. It cannot be converted into anything else.

Commissioner Gilliland asked about one of the buildings in the picture.

Mr. Paz stated that was the garage.

Commissioner McKay-Vaughan stated she was respectful of this request however this brings to her attention the question of what are they going to do with foreclosed and abandoned houses. That is the bigger issue to her.

Commissioner Shiver stated that purchases such as these are only good for the land value and to resell the property. He would like to look at the police record to know the number of calls that have gone out to this property. He stated they CRA should at least take a look at it.

Mr. Paz stated this is the first time he has come to the CRA and asked that a multi-unit be taken out of service. He knows on occasion the CRA has done it. There is no other use for this building and it doesn't belong in single-family area.

Commissioner Woods stated that it was in terrible condition and thinks there are guidelines in the CRA's that can help us make decisions with that. Our CRA's are a good tool as these properties in the CRA's come before us.

Mayor Ritchey thanked Mr. Paz for bringing it to them.

John Nicholson, 413 North Grandview Avenue, Daytona Beach stated he would like to get the street lights turned on at Ocean Avenue. All the street lights were out. It is not good to have the lights out for safety issues. He encourages the City to buy the property Mr. Paz brought before them. It will never be less than what you can get it for now. This is an area that is housing and should remain housing. It's a good buy and a good location. Concerning the item before you today, he asks that the CRA apply for all grants that they possibly could. There are 12 different land organizations that contributed to our land along the river. He suggests that the CRA gets that list and applies to every single one. This property will help develop Main Street. It would be a much more saleable commodity to a developer.

Paul McKitrick, Deputy City Manager/Administrative Services stated that the reason the lights were out on Ocean Avenue was because it is turtle nesting season. If we don't we get notices from Volusia County. There may be a shielding requirement but the lighting in that area is a challenge. There are a number of restrictions in the Boardwalk area, but we will take a look at it.

Commissioner McKay-Vaughan stated that recently people were advocating that yes we could have lights there and they have a special device. She would like it researched.

Mr. McKitrick stated that they had recent conversations with Dino Paspalakis about the Boardwalk project. We are repaving that area and if you've been there at night we have used low level lighting. While the new lighting fixtures are much more attractive, the luminance is much less. We are aware we have a lighting issue in the Boardwalk area.

#### ADMINISTRATIVE ITEMS

7. Adopted/Resolution CRA No. 09-06 authorizing the expenditure of funds for the purchase of property located at 42 So. Halifax Avenue from the Trust for Public Land, in the amount of \$2,700,000, for the development of a neighborhood park. The City Commission, at the April 15, 2009 City Commission Meeting, approved the concept of purchasing the property. The expenditure of funds for the purchase of this property is consistent with the goals and policies of the Main Street Community Redevelopment Plan. Assistant City Clerk LaMagna read the Resolution by title only. A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DAYTONA BEACH APPROVING THE EXPENDITURE OF TAX INCREMENT FUNDS FROM THE MAIN STREET REDEVELOPMENT AREA TRUST FUND FOR THE CITY'S PURCHASE OF A 1.58± ACRE PARCEL OF LAND LOCATED AT 42 SOUTH HALIFAX AVENUE, FOR THE SUM OF \$2,700,000 PURCHASE PRICE, PLUS CLOSING COSTS OF \$8,857 FOR A TOTAL COST OF \$2,708,857 FOR THE PURPOSE OF DEVELOPMENT OF A PUBLIC PARK; AND PROVIDING AN EFFECTIVE DATE.

Gary Libby, 723 North Oleander Avenue, Daytona Beach, Florida, stated he was present for questions about financing.

Mayor Ritchey asked the amount of funding.

Mr. Libby stated there could be \$1.8 million over three years. He explained a process that could achieve Ecological, Cultural, Historical and Outdoor (ECHO) funding. ECHO could buy land but it would have to be a current purchase not a reimbursement. The process was all about timing.

Commissioner Gilliland asked about receiving less than the application amount.

Mr. Libby stated when ECHO was created the procedure was that the highest scoring application would be funded first at 100% and the second highest would be next until ECHO was out of money. He discussed the funding granted to entities in Daytona Beach that were not government applications and how the City might be able to obtain the total application amount.

Susan Grandin, Trust for Public Land (TPL), 1022 Park Street, Jacksonville, Florida explained how Florida Communities Trust (FCT) was funded. Trust for Public Land (TPL) was ready to help the City obtain grant money. She hoped Community Redevelopment Agency (CRA) funds would be released and authorize the purchase of the property with that

money. Once the money was released they could determine the best way to obtain the property in order to meet the criteria of ECHO and preserve the land as a park for future generations. She discussed future funding opportunities including FCT purchasing the land and structuring a lease-purchase deal with the City and having a payment schedule that would include ECHO grant funding. There would have to be some sort of a lease-purchase agreement with the City before she could purchase the land. The interest on that would be prime plus two. She suggested the City pay \$2.1 million and then only pay interest on \$600,000. She had spoken to an ECHO staff member who indicated there was a prohibition against three multiyear grants because the City already had two.

Commissioner McKay-Vaughan asked if the arrangements had to be made before next year's fund was known.

Mr. Libby stated there would be a consideration of that prohibition at the next meeting of the ECHO board. He predicted it would be two single-year grants for two adjacent parcels. The Trust would divide it into two parcels because they were going to sell it to the City in two parcels. That was considerably different than a multiyear grant. He stated the prohibition had been under discussion since the beginning of the program. He noted that if the City used redevelopment dollars with ECHO they were worth fifty cents. With the Florida Inland Navigation District (FIND) and Daytona Beach Racing & Recreational Facilities District (Recreational & Racing) they were worth one dollar.

Commissioner Woods asked if Recreational & Racing funds along with the CRA money would be the necessary match funds.

Paul McKittrick, Deputy City Manager/Administrative Services, stated there was a two-part approval. The CRA would authorize the use of funds. Tonight's City Commission meeting had an agenda item that would approve the purchase of the property for the \$2.7 million plus the closing costs. If there was a lease-purchase agreement something would have to be considered at a later date when the details were developed.

Commissioner McKay-Vaughan asked if there was a list of the funding sources.

Ms. Grandin gave funding source information and the amounts that could be anticipated for both purchase and development of the park.

Mayor Ritchey asked Mr. McKittrick for an estimate on the development of the park.

Mr. McKittrick stated the approximate cost for all the improvements described in the FCT application was \$750,000. If the park was purchased without FCT funding the park could be developed in any way the City chose fit.

Mayor Ritchey stated the prohibitions of the lease-purchase agreement would have to be very carefully reviewed so that it allowed flexibility to improve the property in a way the City chooses.

Commissioner Reynolds asked about the second appraisal.

Mr. McKittrick stated there was one that was completed in January 2009.

Commissioner Shiver stated two appraisals on a property similar to this one would basically be the same if they were done by a reputable company.

J. Paul Wetzel, Support Services Director, stated the second appraisal had been ordered. The first appraisal was for \$2,760,000.

Commissioner Woods stated she was concerned about spending and she wanted to get as much grant money as possible. Instead of purchasing the property outright she would like to look into a lease-purchase agreement and hope for Florida Forever funds were available next year so they could get as much money as they could to return to the CRA.

Mayor Ritchey stated he understood FCT wanted a significant down payment. Only \$600,000 would be owed unless the CRA board and then the City Commission wanted to explore paying half down and half later. He thought they should look at the concept of lease-purchase to get them further into the process.

Ms. Grandin stated a half and half arrangement would probably be the better idea. She was having a meeting on the 15<sup>th</sup> where the idea could be discussed and details worked out.

Mayor Ritchey asked about her confidence in the flexibility of negotiating the different options as far as a lease-purchase with different amounts of down payment.

Ms. Grandin stated the decision by her board had to do with the amount of money flowing through the Trust at any one time. They tried to keep money available for other projects.

Mayor Ritchey asked how much money was in the Main Street Redevelopment Trust Fund.

Reed Berger, Redevelopment Director, stated for land acquisition there was over \$4.5 million. Money would be going into that fund in October but he thought the amount would be lower than past amounts considering the property taxes and other factors that contribute to a decline in revenue. Only a portion of the funds would be for capital spending. Last year there was \$250,000 for all capital spending including street enhancements or sidewalks.

Commissioner Gilliland stated the urgency was the FCT deadline plus the contract FCT might have with the buyer. The application issue was moot and no one else was trying to buy the property. He thought the owner would agree to an extension of the purchase. Since there was no rush to make the purchase, he thought there was a lot more research to be done about the availability of grant funds. Needs like public safety, blight elimination, job

creations were a higher priority for him. He thought the project had value and fit with the vision for that area. He preferred a three month extension on the purchase to explore the probability of other funding.

Commissioner Reynolds stated she would also support a continuance. She would prefer sufficient time for the City Attorney to review all agreements.

Commissioner McKay-Vaughan stated a continuance was just as much of a gamble as saying they didn't want to move forward because they were not sure about grant funds. If they waited the property might not be available. She thought the chance to buy a piece of property right on the river was an opportunity of a lifetime. She had heard remorse for not purchasing property on the ocean when the chances were there. She thought it was worth buying even if they had to pay in full. Property on the river for the residents purchased with money that was for the residents was a high priority for her.

Commissioner Woods stated she thought they should do more research, get the second appraisal, and bring it up for another vote. She didn't think they should use all the CRA money for match funds. She would like to get as much money as they can from other sources.

Commissioner Henry stated he was not convinced that they had explored all their options. They needed to lay everything on the table to make a wise and prudent decision. He was certainly not convinced this was a "once in a lifetime" opportunity. He didn't see why they had to pay \$2.7 million. That was the appraisal amount but why couldn't they get a better deal. He asked if they could do a lease-purchase with the owner. He thought there were some other things to look at.

Commissioner Shiver stated at the last meeting he said if they were going to move forward they should move forward like there was no other money. He thought this land purchase was worthy of redevelopment funds.

Mayor Ritchey asked for a Roll Call vote.

It was moved by Commissioner Woods to adopt the Resolution. Seconded by Commissioner Shiver. The Resolution was adopted 4-to-3 with the breakdown as follows:

Commissioner Shiver	Yea
Commissioner Woods	Yea
Commissioner McKay-Vaughan	Yea
Commissioner Gilliland	Nay
Commissioner Henry	Nay
Commissioner Reynolds	Nay
Mayor Ritchey	Yea

8. COMMENTS AND INQUIRIES FROM THE COMMUNITY REDEVELOPMENT AGENCY BOARD AND CITY MANAGER

No comments.

9. ADJOURNMENT

There being no further discussion or comments the meeting was adjourned at 6:00 p.m.

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GLENN S. RITCHEY  
Chair

ATTEST:

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LETITIA LAMAGNA  
Assistant City Clerk

Adopted: June 3, 2009

**RECORD REQUIRED TO APPEAL:** In accordance with Florida Statute 286.0105 if you should decide to appeal any decision the Community Redevelopment Agency Board makes about any matter at this meeting, you will need a record of the proceedings. You are responsible for providing this record. You may hire a court reporter to make a verbatim transcript, or you may buy a tape of the meeting for \$2.00 at the City Clerk's office. Copies of tapes are only made upon request. The City is not responsible for any mechanical failure of the recording equipment.