

CITY OF TALLAHASSEE	
COMMUNITY REDEVELOPMENT AGENCY	
<u>COMMUNITY REDEVELOPMENT AGENCY AGENDA</u>	
<u>ITEM</u>	
ACTION REQUESTED ON:	February 8, 2012
SUBJECT/TITLE:	Approval of CRA Summary Meeting Minutes from November 21 and December 14, 2011
TARGET ISSUE:	Economic Development

STATEMENT OF ISSUE


Attached for review and approval by the CRA Board are the draft summary minutes from the November 21 and December 14, 2011 CRA Board meetings.


RECOMMENDED ACTION

Option 1: Approve the draft summary minutes from the November 21 and December 14, 2011 CRA Board meetings.

FISCAL IMPACT

None.


 Michael K. Parker, Executive Director
 Tallahassee Community Redevelopment Agency


 Anita Favors Thompson
 City Manager

For information, please contact: Sherri Baker, Tallahassee CRA (891-6464)

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SUPPLEMENTAL MATERIALS/ISSUES ANALYSIS

HISTORY/FACTS & ISSUES

Attached for review and approval by the CRA Board are the draft summary minutes from the November 21 and December 14, 2011 CRA Board meetings.

CHARITABLE CONTRIBUTIONS

Not applicable.

OPTIONS

1. Approve the draft summary minutes from the November 21 and December 14, 2011 CRA Board meetings.
2. Do not approve the draft summary minutes from the November 21 and December 14, 2011 CRA Board meetings.

ATTACHMENTS/REFERENCES

1. Draft Tallahassee Community Redevelopment Agency Board Meeting Minutes, November 21, 2011.
2. Draft Tallahassee Community Redevelopment Agency Board Meeting Minutes, December 14, 2011.

MINUTES

TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY BOARD MEETING

Tallahassee, Florida
November 21, 2011

The Tallahassee Community Redevelopment Agency (CRA) Board met on November 21, 2011, in the Commission Chambers in City Hall with Mayor Marks (CRA Vice Chair), City Commissioners Gillum, Miller, Mustian and Ziffer and County Commissioners Dailey (CRA Chair), Desloge, and Maddox present. Also present were Executive Director Michael Parker, Interim Tallahassee-Leon County Planning Department Manager Roxanne Manning, Interim CRA Program Director Rick McCraw and CRA Senior Community Redevelopment Planner Sherri Baker. Commissioner Sauls was absent.

County Commissioner Dailey, CRA Chair called the meeting to order at 12:05 p.m.

CONSENT ITEMS

Commissioner Desloge **moved to approve the staff's recommendations presented in Item 1 of the Consent Agenda.** Upon second by Commissioner Miller, **the vote was as follows:**

AYE: Dailey, Desloge, Maddox, Marks, Mustian, Gillum, Miller and Ziffer

NAY: None

ABSENT: Sauls

Item 1 – Approved the minutes of the February 23, 2011, September 19, 2011 and October 17, 2011 CRA Board meetings.

POLICY FORMATION AND DIRECTION

Approval to Expand the Retail Incentives Loan Program to the Greater Frenchtown/Southside Community Redevelopment Area

Item 1 presented by Rick McCraw, Interim CRA Program Director, was a discussion on the approval to expand the retail incentives loan program.

Mr. McCraw stated that the purpose of the agenda item is to request approval to expand the retail incentives program that currently exists for the Downtown District to the Greater Frenchtown/Southside District; to approve funding of \$150,000 for fiscal year 2012 and to authorize CRA staff to make minor adjustments to the program guidelines if necessary. Mr. McCraw presented some history on the program stating that the program was established in April of 2010 to concentrate on the Downtown District. In June of 2010, the CRA board awarded a \$50,000 loan to the Marriott Residence Inn for the interior build out of retail space to house the Utrecht Art Supply Store. To date this is the only loan that has been made. Mr. McCraw stated that in the last few months

inquiries have been made by businesses within the Greater Frenchtown/Southside District as well as some new inquiries from the Downtown District.

Commissioner Miller questioned if the intention of the program is to subsidize large corporations. Mr. McCraw explained that the Downtown program was established to assist developers in attracting retailers to the Downtown area. Mr. McCraw stressed that the Retail Incentives Program is a loan, not a grant, with an interest rate of prime with a maximum term of 10 years. He stated that recently the Loft on Gaines has a tenant that desires to move into the retail space that is available on the ground floor and is inquiring if the incentive funds can be used to retrofit the space. In order for them to be eligible the program will need to be expanded into that district. The idea is to attract the small businesses.

Mayor Marks questioned if the program covers Gaines Street. Mr. McCraw explained that the north side of Gaines Street is covered under the Downtown District; the south side of Gaines Street is in the Frenchtown Southside District and expanding the program will include the south portion of Gaines Street as well as Railroad Avenue, Macomb Street, parts of Tennessee Street, parts of Tharpe Street and parts of North Monroe. It will include all of Gaines Street from the Department of Education building to Lake Bradford.

Commissioner Desloge asked if it is fair to state that the program is a great idea but underutilized. Mr. McCraw confirmed that it is a fair statement but stated that the program is starting to gain a little more traction now that more developers are coming into the area and interest is being expressed for available retail space. Commissioner Desloge asked for clarification if anything above \$10,000 comes to the Board for approval to which Mr. McCraw confirmed.

Commissioner Desloge moved to approve the expansion of the retail incentives loan program to include the Greater Frenchtown/Southside Community Redevelopment Area, approve funding in the amount of \$150,000 for FY 2012 and authorize CRA staff to make minor adjustments to the program guidelines, if necessary, without CRA Board approval, upon second by Commissioner Mustian, the vote was unanimous in favor thereof.

Commissioner Gillum asked if this item was presented to the Citizen's Advisory Committee. Mr. McCraw answered that the item was not presented to them but there has been discussions with the Frenchtown/Southside Citizens Advisory Committee about including and expanding the retail incentive program but formal approval has not been obtained. Commissioner Gillum asked how often the Advisory Committee meets. Mr. McCraw stated that they meet monthly as needed and did not meet if there were no issues/items to address. Commissioner Gillum stated that he raised the question because he heard from someone who may or may not be on the Committee that there is a feeling of disconnect. Commissioner Gillum stated that staff needs to come to the Agency Board if there is an issue of achieving a quorum. Mr. McCraw stated that two members of the Advisory Committee left in October due to their terms expiring and it has been difficult replacing them. There have been no nominations to replace them. Commissioner Gillum requested that the matter of finding new members be agendaed so that the issue can be resolved.

Designating Agency Funds in Support of Potential Renovation of Cascade Park Electric Building for Anticipated Restaurant and Ancillary Uses

Item 2 presented by Rick McCraw, Interim CRA Program Director, was a discussion on designating agency funds for the renovation of Cascade Park Electric Building.

Mr. McCraw introduced the agenda item as a designation of agency funds for the potential renovation of Cascade Park Electric Building for a restaurant and ancillary use. The action is to improve the destination by designating \$816,789 in CRA funds over three years for renovations of the electric building in support of a restaurant and ancillary retail uses. The CRA funds will only be committed if the City identifies a viable restaurant use through the RFP process, and is able to identify funding sources to cover the remaining \$449,925 in other anticipated renovation improvements.

Mr. McCraw introduced Cherie Horne with the Tallahassee-Leon County Planning Department who has been working with local restaurateurs as well as local developers to identify restaurant costs and other renovation uses.

Ms. Horne presented a PowerPoint and began by pointing out the placement of the building in relation to the plaza, stage and amphitheater and presented images of what the building could look like after renovation. Ms. Horne stated that the analysis following the July 13th City Commission meeting included analyzing questions such as what will make the site successful for a private venture; what are the best uses; is there enough parking because it is expected to be a regional draw; a destination restaurant as well as something the neighborhood and park users can access. Also what level of investment will be necessary as well as the social benefits? Ms. Horne commented on what makes it attractive is the site, its proximity to downtown and Monroe Street, the adequate parking, and the size and orientation of the building allows for two possible uses.

Ms. Horne stated that the consensus after speaking with local realtors and restaurateurs is that the location would work best as a coffee shop, a museum or a restaurant that includes something like a coffee shop or a museum; ideas consistent with the CRA goals.

Ms. Horne displayed various views from inside the building if renovated and what it would look like from the exterior and commented that it is an attractive space and can be used for a multitude of uses. She also displayed and thanked various realtors and restaurateurs locally that assisted with developing the concept through feedback.

Ms. Horne identified the social benefits that would be sought out in the proposals from private developers and investors. Ms. Horne provided parking comparisons of local restaurants that are approximately the same size and noted that like the restaurants that are being used in the comparison, there will not be any dedicated parking spaces, but there a few that are available nearby but valet parking is utilized as well or a shared parking agreement is used and this would necessarily be the case if this site is developed. Ms. Horne displayed the area that would allow for parking and mentioned

that an agreement could be developed to allow for parking in off hours at the Department of Management Services.

Ms. Horne spoke of the direction from the City Commission on September 23rd, stating that it was to proceed with the historic designation and rezoning that is necessary and to take the Request for Proposal (RFP) to the public before it is actually released. A successful meeting was held and approximately 30 people were in attendance to review the RFP. Meaningful feedback was obtained as far as items that were overlooked in the RFP and the idea for a restaurant type of use was heavily supported.

Ms. Horne spoke of what is expected to be included in the RFP such as the concept, the public good would be included, as well as their financial capacity.

Ms. Horne also presented a timeline of events and noted that the rezoning will be presented to the City Commission and hopefully next year construction or renovation can actually begin with the RFP's going out in January or February.

Commissioner Desloge asked if the City of Tallahassee will withhold funding contingent on finding a suitable tenant. Mr. McCraw confirmed that is indeed the case. Commissioner Desloge noted that this project specifically will not generate TIF funding but will generate social benefits. Commissioner Desloge also inquired whether the project will be included on the tax roll. Mr. McCraw stated that while some taxes will be obtained; property taxes may not be one of the taxes collected.

Mayor Marks noted that last month the Board voted not proceed with phase 2; authorizing the issuance of a Request for Qualification (RFQ) on the proposed Tallahassee Convention Center and Headquarter Hotel concept because it was unclear where the government funding for the project would come from. Mr. McCraw confirmed that this was in fact the reason for the decision. Mayor Marks stated that this project presents the same scenario because the City of Tallahassee has not determined how it will identify funding sources to cover the remaining \$449,925 needed for this project.

Mr. Michael Parker, CRA Executive Director, stated that funding sources have potentially been identified; they include the Historic Property Grant and Loan Program, but noted that Mayor Marks is correct in stating that all of the sources for the entire \$400,000 have not been identified. He also stated that potentially the Historic Property Grant and Loan Program can provide at least half of the funding if it is so desired by the City Commission.

Mayor Marks stated that he is in favor of this particular project but expressed the desire to be consistent in the decision making process because the reason the hotel project was rejected is because funding sources were not identified and this project poses the same scenario.

Commissioner Gillum noted that he was not present for the vote pertaining to the convention center and hotel project but identified the difference with the projects in terms of the scale of the project and the cost. Commissioner Gillum commended staff on the effort placed into the design and expressed pleasure pertaining to the social benefits that was incorporated. He explained that if taxpayers' dollars will be used then it is very

critical that a for-profit entity does not receive all of the benefit without some return into the community.

Commissioner Gillum also pointed out that this building is the only standing building located in the park and stated that care and scrutiny should be taken in deciding what should be placed there because it has the ability to attract people from across the community.

Commissioner Gillum moved to approve the designation of \$816,789 in CRA funds over three years for the renovation of the electric building at Cascade Park in support of a restaurant and ancillary retail uses, upon second by Commissioner Desloge; the vote was unanimous in favor thereof.

Commissioner Mustian expressed support of the project; stated that the expenditure is justified in order to make the park better and stated that if the building was located anywhere else he would not vote to move forward with it. He explained that the Convention Center and Hotel is quite a different scenario and reiterated that the reason for not going forward with it was because our own consultants identified a \$100,000,000 public participation that would be required and no funding source had been identified. With this project there is a smaller amount required and ideas for funding have been identified.

Commissioner Ziffer reiterated similar comments made by Commissioner Gillum and Mustian. Additionally Commissioner Ziffer opined that while the City Commission and the City Manager have not finalized details about funding this project; he is confident they will be able to do so.

Mayor Marks stressed that he favors the project. He stated that as far as the Convention Center and Hotel, the Board decided not to move forward based on unknown funding sources and he is advocating consistency when making these decisions because the funding for this project is not clear as well.

Commissioner Miller stated that there are three choices available; either demolition, which will cost a considerable amount of money, it can be renovated and made into something that is an asset to the park and attract people to the park, or it can sit there as an unattractive nuisance. Commissioner Miller agreed with Commissioner Mustian that because the building is located in the park, a decision must be made whether to demolish, renovate or stay as an unattractive nuisance.

Discussion and Direction on Possible Community Redevelopment Agency Redevelopment District Expansion or New District Creation

Item 3 presented by Rick McCraw, Interim CRA Program Director, was a discussion on possible Community Redevelopment Agency redevelopment district expansion or new district creation.

Mr. McCraw introduced agenda item 3 as a discussion only with CRA staff seeking further direction and guidance concerning the possibility of expanding or creating new districts.

Mr. McCraw stated that two areas are being looked at; North Monroe Street and the area around the Airport and that he would highlight the analysis of both areas to then obtain further direction.

Mr. McCraw explained that a study of North Monroe Street from Tharpe Street to the city limits just north of I-10 was conducted with focus on the commercial properties that border North Monroe Street. The area was divided into three segments with segment one being Tharpe Street to John Knox Road, segment two from John Knox Road to I-10 and segment three being a small area just north of I-10 and only commercial properties were analyzed.

Mr. McCraw noted that one condition of establishing a Community Redevelopment District is having existing conditions of blight. Chapter 163 Part III of the Florida Statutes identifies 14 various conditions that can be used to establish blight, and at least two of the conditions must be found in each parcel in order to establish an area as a district.

Mr. McCraw spoke of the analysis performed on all three segments which included the taxable value and the market value, the percentage of retail, office and other uses and the average building value per square foot compared to the City's averages.

Mr. McCraw stated that a condition for the Board to consider while making the decision and recommendations for staff is whether or not the area has reached its lowest point in value. If the value continues to drop you would have a deficit for several years before values increase to the point where tax increment is generated that the Agency can use for redevelopment.

Mr. McCraw spoke of the Airport area and stated that it was also divided into segments. Mr. McCraw indicated a variety of issues with the Airport property. FAA regulations related to the sale and lease of the property may make it difficult for the CRA to operate in the area. The analysis for an Airport redevelopment district focused on the area of Capital Circle NW from Springhill Road to Lake Bradford Road; segment one and Capital Circle NW from Lake Bradford Road to Jackson Bluff; segment two.

Mr. McCraw specified that there is not a lot of retail and other uses in this area, so for the purpose of the analysis, the per square foot value of warehouse was used. In the study area, the warehouse rates per square foot in terms of value were higher than the City's average mostly likely because there are newer constructions with specific use for the Airport. Residential vacancy rates, which are a condition of blight, were also examined. In the study area the residential vacancy rate was 22.2 percent, nearly double the city average of 11.2 percent.

Mr. McCraw stated that one of the challenges in this area is that the Airport is in the process of doing a Master Plan and the future value of the area cannot be determined at this time. There is no sense of idea of what other development will be created at the

Airport. Mr. McCraw suggested that it may be best to wait until the results of the Master Plan is available and then discuss what steps should be taken.

Mr. McCraw went on to provide information concerning Segment 1 and 2 of the analysis, and reiterated that the results from the Airport Master Plan would aid in a better analysis of fiscal impact.

Commissioner Miller questioned how the Airport District would generate enough money in the beginning to get itself going. Mr. McCraw answered by stating that staff may be too early with the analysis for the Airport and may need to wait on the Master Plan.

Commissioner Ziffer asked if direction is given to staff for the North Monroe Segments, how long it will take before moving forward. Mr. McCraw identified the steps in the process. He estimated it would take at least twelve months to complete all the steps, prepare the community redevelopment plan and adopt the redevelopment district trust fund.

Commissioner Ziffer asked if the estimated time would be the first quarter of 2013. Mr. McCraw affirmed this would be the case if direction from the Board is to proceed.

Commissioner Desloge asked if in reference to the Airport property, would there be a possibility to have preliminary discussions relating to trading land with the National Forest before a decision to create a redevelopment district was made. Mr. McCraw advised Commissioner Desloge that the CRA does not have the authority to have that discussion and that the discussion would have to take place between the City of Tallahassee and the National Forest and a suitable trade would need to be identified.

Commissioner Maddox asked if direction to move forward was granted today, would this item come back before the CRA board before it gets to the City and County level. Mr. McCraw stated that staff will have to come back to the City, County and the CRA Board for approval under the terms of the inter-local agreement. Mr. McCraw also stated that if the Board would like to be first in the approval process, it can be done.

Commissioner Dailey, CRA Chair, noted that there was a public speaker in reference to this item.

Mr. Leo Sands, of 16606 Kentwood Road, St. Joseph, Minnesota came before the Board to speak in reference to this item. Mr. Sands stated that he is one of the investors in the old Ramada Hotel and have owned it for about 18 months. He stated that he is in support of creating a tax increment district along North Monroe Street. Mr. Sands stated that there is financing for the hotel, but the appraisals are very low. He stated that he is interested in developing a Radisson Hotel and other developments at the old Ramada Hotel site, which is in Segment 2 at the 2900 North Monroe site. The Radisson Hotel would have a full service restaurant, with 147 rooms and directly behind it would be a Park Inn and an Extended Stay hotel. Mr. Sands noted that in the agenda material the hotel values for Segment 2 are \$12 per square foot lower than the other two segments. This is why it is important to move the project along and to revitalize the area and to do something good for the community. Mr. Sands also commented that while here he has

met staff from both the City and the County and have been welcomed and feels that everyone is doing a great job.

Commissioner Miller also stated that she has a sense of angst about basically freezing the tax base in big sections of the city while still making investments in Gaines Street and Cascades Park. Commissioner Miller indicated that she is not comfortable with a 30-year commitment and asked if staff would provide a scenario for a 10, 15 or 20 years commitment.

Commissioner Ziffer stated that he supports Segments 1 and 2 of North Monroe especially because it is one of the gateways into our community and whatever can be done to inspire growth and creativity there is important and his direction would be to move as quickly as possible on Segment 1 and 2. Commissioner Ziffer stated that as far as the Airport is concerned he is in agreement to wait until the Master Plan is completed.

Commissioner Maddox asked Commissioner Ziffer if his motion was tied to further analysis of segment 1 and segment 2 of North Monroe. Commissioner Ziffer answered no and stated that it was a motion to move forward with the analysis of establishing a redevelopment on North Monroe Street. Commissioner Maddox stated that he had recently requested that a discussion on adding a member to the Board from the County be held before there were any more discussions on the expansion of the CRA. Commissioner Maddox expressed that he is willing to support further analysis but is unwilling to move forward with the creation of any new districts until the topic of parity and equality is addressed as far as the Board structure is concerned and as far as the equalization of the Frenchtown millage rate is concerned.

Commissioner Desloge stated that he is in agreement in waiting on the Master Plan with the Airport and would like to see a conversation between the National Forest and the City concerning trading of land. Commissioner Desloge agreed with moving forward on Segments 1 and 2 of North Monroe because it makes perfect sense. Commissioner Desloge also stated that he agrees with Commissioner Maddox explaining that the first CRA [the Greater Frenchtown/Southside Community Redevelopment Area] the County contributed the majority but voted as the minority. The second CRA [the Downtown District Community Redevelopment Area] was done in parity; with an equal millage contribution, but the County was still in the minority from a voting standpoint. He stated that if there is a creation of new CRA districts, it should be done with parity; equal contributions and equal representation so that the County can explain to citizens how their tax dollars are spent.

Commissioner Gillum commented that the topic of parity and equality is a serious topic and is deserving of a conversation. Commissioner Gillum stated that he supports the motion on the floor and expressed appreciation to Mr. Sands and his colleagues. Commissioner Gillum noted that Segment 2 of North Monroe is an important and critical gateway into the city and has been dismayed by the closing of restaurants and the near emptiness of the Tallahassee Mall. He noted that with the extraction of other businesses in that area the tax increment can go lower. Commissioner Gillum agreed that the Master Plan at the Airport will make a big difference and feels that the master plan will help to make a better assessment in terms of creating a CRA.

Commissioner Mustian stated that he is not in favor of moving forward with the creation of additional CRAs, noting that every piece of commercial property in Tallahassee and every gateway into Tallahassee cannot be included in a CRA. He mentioned that no analysis has been done on what impact there will be on the City and County budgets if this is done. Commissioner Mustian stated that when the decision was made to create the Downtown and Frenchtown/Southside Districts, there were community policy decisions for doing so. Commissioner Mustian asked the Board how can they explain the decision on this gateway and tell the other gateways into the community that they are not included. Commissioner Mustian stated that Tallahassee Mall is a compelling argument and something needs to be done, but he is not in favor of the motion. He agreed that work needs to be done at the Airport, but it will need to be thought through very carefully.

Mayor Marks commented that he is generally in favor of progressive actions to move the City forward in terms of controlling growth patterns and to a certain extent this will have an effect on controlling growth patterns within areas that are already somewhat developed. He stated that he has a problem with the Airport CRA concept because there has not been any strong feasibility study or discussion on what will be done with the large property if it is located in a CRA. He stated that he is comfortable with the other CRA because of what is happening at Tallahassee Mall and along that corridor. Mayor Marks commented that he is sympathetic to what Commissioner Mustian has said regarding other gateways into the city but this is a start.

Commissioner Ziffer responded to Commissioner Mustian statement by pointing out that there is a vacant Albertsons, the potential closure of a post office; the state occupied Northwood Center which could be closed if offices were to move to Southwood; and with Tallahassee Mall's decline, North Monroe needs help and there aren't any other gateways that need the level of assistance that North Monroe does.

Commissioner Maddox asked if there is approval given today regarding Segment 1 and 2 of North Monroe, is there a need to come back before the Board. Mr. Michael Parker, CRA Executive Director, answered that there will still be a need to come before the Board to authorize an amendment to the inter-local agreement. Given the action taken collectively by the Board today, his strategy would be to go to the County and City next, as independent bodies to make sure there is support and perfunctory return to the Board, but if either one of the bodies individually objects, then under the inter-local agreement staff cannot proceed.

Commissioner Maddox expressed appreciation to Commissioner Gillum for his willingness to have a conversation concerning parity and equality and mentioned that he would save his other comments for Commission discussion at the end.

Commissioner Ziffer moved to proceed with the creation of the CRA for Segment 1 and 2 of North Monroe upon second by Commissioner Miller; the vote passed 6-2 with Commissioner Mustian and Commissioner Maddox in dissent.

Approval to Allocate Tourist Development Taxes for Cascades Park Improvements

Item 4 presented by Michael Parker, Executive Director, was a discussion on the approval to allocate tourist development taxes for Cascades Park improvements.

Mr. Parker introduced agenda item 4 as the approval to allocate tourist development taxes for Cascades Park improvements. Mr. Parker presented an overview as a reminder as to why this issue is before the CRA. He stated that as part of the inter-local agreement that was negotiated with the County as part of the establishment of the Downtown District, there were a number of issues in the inter-local agreement. Each government agreed to contribute a certain amount of money towards the development of the downtown to the redevelopment agency and after those contributions were made there were no further obligations. He stated that as part of calculating what each organization was putting into the bed tax, the county elected to add one cent of the bed tax for the Performing Arts Center (PAC) to be built within the boundaries of the CRA. Mr. Parker stated that subsequent amendments have changed those terms and the Downtown District functions as the other district. The bed tax has been accumulating funds since it was adopted in 2004, and funds have been used to hire a consultant to perform an analysis for the location of the Performing Arts Facility, to perform the demolition of the Johns building and funds have been allocated periodically in support of non-profits performing fundraising. Mr. Parker stated that the item before the Board today is to allow up to \$1.2 million of the accumulated bed tax dollars that the county is holding as collector of the tax, to be released for the purpose of building a roof for the amphitheater at Cascade Park. If the action by the Board is to allow for the reallocation of the funds, and if an amendment of the inter-local agreement is required, this action will authorize the Chairman to execute an amendment.

Mr. Bob Inzer, Clerk of Court, of 613 Forest Lair, Tallahassee, Florida spoke as a representative of the Performing Arts Center [the Florida Center for Performing Arts and Education]. He stated that his Board has discussed this issue and believe that it is consistent with the mission of the performing arts center. Mr. Inzer stated the PAC Board supports the use of the existing funds for the amphitheater at Cascade Park.

Commissioner Miller questioned why this is a CRA issue. Mr. Parker explained that this originally came out of the establishment of the Downtown District which was a negotiation between the City and the County which resulted in an inter-local agreement. At that initial point, rather than doing a traditional TIF, there was an agreement for each body to contribute a certain amount of money to the agency for the Downtown District. As part of that the total contribution included the City and County contributing a portion of their blueprint money for Gaines Street and various other projects. One of the County's contributions was adding one cent to the bed tax for the purpose of the performing arts center and that is how it came to be under the CRA. The CRA ultimately has an approving authority over the expenditure of the one cent bed tax.

Commissioner Ziffer **moved to approve the allocation of up to \$1.2 million of tourist development tax funds set aside for a Performing Arts Center (PAC) for various improvements to the planned Meridian Marker Amphitheater at Capital**

Cascade Park, contingent upon the City amending its current policy to allow ticketed events in Capital Cascade Park and authorize the CRA Chair to execute an amendment to the Interlocal Agreement if needed, upon second by Commissioner Gillum, the vote was unanimous in favor thereof with Commissioner Mustian absent for the vote.

UNAGENDAED ITEMS/DISCUSSION

Commissioner Maddox asked when the discussion related to the Board structure is scheduled to be on the agenda. Mr. Parker answered that it was being formulated for December 14, 2011 and stated that a new element has been added to the discussion with the idea of TIF parity for the Frenchtown/Southside District. Mr. Parker stated that he will try to have the topic of TIF parity on the agenda as well, but cannot commit to being sure it will be a part of the action on December 14, 2011. The option would be to try to work on bringing both items back in January.

Commissioner Gillum questioned Commissioner Maddox's interpretation on TIF parity and asked if his intention is to regressively change it. Mr. Parker stated that he believed that is what Commissioner Maddox asked to be considered. Commissioner Maddox clarified by stating his actions are to move forward from this point into the New Year, not to go backwards.

Commissioner Gillum asked if his meaning of parity is regarding membership. Commissioner Maddox stated that he is asking for parity in reference to membership and Frenchtown millage rate because as of now the County gives double the amount that the City gives. Commissioner Gillum asked Commissioner Maddox if he is suggesting going back and renegotiating the contribution. Commissioner Maddox stated that on a forward basis he is looking for parity.

Mayor Marks asked Commissioner Maddox was he suggesting that the County's millage rate be the same as the City's. Commissioner Maddox clarified that he is suggesting the City and County contribute similar tax increment funds, similar to what is being done in the Downtown District.

A discussion ensued as to how the decisions for the millage rates were derived and how the members were acquired. Commissioner Gillum questioned if this new district would be an expansion of a current district or be a new district. Mr. Parker stated that it is being proposed as a new district and therefore it will not have the ability to draw from the funds that are being collected for the Frenchtown/Southside or Downtown Districts. It would be a stand-alone district.

Commissioner Gillum stated that he hesitates to go back regressively and understands the points being made in regards to the new district and the negotiation of the landscape of the CRA board and contributions should be..

Commissioner Dailey, CRA Chair concluded the topic by stating that obviously there is interest in having the conversation concerning parity as it relates to Board membership

and the Frenchtown/Southside millage rate. Commissioner Dailey asked that staff bring this topic back in December as previously stated. Staff is advised that the two issues can be separated; one being the actual structure of the board and the other issue being parity when it comes to the contribution to the CRA.

Commissioner Gillum clarified that the issue is parity as it relates to the first established CRA.

Commissioner Maddox reiterated that he is not suggesting that a decision be made today. What he is suggesting is that the information be presented to the Board, discussed and then a decision made. He realizes that there may be the decision to not increase the members of the board or to keep the millage rate the same but he wanted to have the conversations.

Commissioner Miller stated that she has followed the CRA development and there has been a lot of discussion surrounding the formation of the CRAs. She stated that she had an opportunity to have a conversation with someone from the League of Cities and was asked why the Board is structured the way it is because it was uncommon for cities to have CRA's that included the County. She asked that when information is being brought forward, especially for new members such as her, she would like to know the history, such as why the Board is structured the way it is.

ADJOURNMENT

There being no further business to discuss the meeting adjourned at 1:30 p.m.

Draft MINUTES

TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY BOARD MEETING

**Tallahassee, Florida
December 14, 2011**

The Tallahassee Community Redevelopment Agency (CRA) Board met on December 14, 2011, in the Commission Chambers in City Hall with Mayor Marks (CRA Vice Chair), City Commissioners Gillum, Mustian and Ziffer and County Commissioners Desloge, Maddox and Sauls present. Also present were Executive Director Michael Parker, Interim Tallahassee-Leon County Planning Department Manager Roxanne Manning, Interim CRA Program Director Rick McCraw and CRA Senior Community Redevelopment Planner Sherri Baker. Commissioner Miller entered the meeting at 3:04 p.m. and Commissioner Dailey, CRA Chair entered the meeting at 3:08 p.m.

Mayor Marks, CRA Vice Chair called the meeting to order at 3:01 p.m.

CONSENT ITEMS

Commissioner Gillum **moved to approve the staff's recommendations presented in Items 1-3 of the Consent Agenda.** Upon second by Commissioner Miller, **the vote was as follows:**

AYE: Marks, Mustian, Gillum, Ziffer, Desloge, Maddox and Sauls

NAY: None

ABSENT: Dailey and Miller

Item 1 – Approved the minutes of the November 15, 2010 and December 8, 2010 CRA Board meetings.

Item 2 – Approved the proposed change to June 2012 meeting date of the Tallahassee Community Redevelopment Agency Board meeting schedule.

Item 3 – Approved the Renaissance Community Center (457 W. Virginia Street) Commercial Façade Improvement Grant application.

POLICY FORMATION AND DIRECTION

Approval of the Bethel Community Development Corporation Affordable Housing Funds Request

Item 1, presented by Rick McCraw, Interim CRA Program Director, was a discussion on the approval of Bethel Community Development Corporation (CDC) Affordable Housing funds request.

Mr. McCraw introduced the agenda item and stated the request is for the Bethel CDC for assistance with the purchase and renovation of a single-family home at 417 Lewis Street in the amount of \$96,726. The CRA approved an application earlier this year for approximately \$100,000 for 405 Lewis Street. The renovation is now complete and the CDC is working with the Tallahassee Housing Authority to find a renter. Mr. McCraw stated that the CRA does not typically fund projects at 100 percent. He explained that staff has been working with the CDC on how future proposal will be handled. Mr. McCraw stated that as part of staff's recommendation for funding, there are conditions that the CDC develops a strategic plan that demonstrates how they will become self-sustaining and to submit a detailed operating pro forma, that must be approved by CRA staff in order for these funds and subsequent funds to be released. Staff is also recommending that if funding is approved today, it could be used for the acquisition of another property if the purchase of the property at 417 Lewis Street cannot be accomplished.

Commissioner Desloge asked if this is the intent going forward to have these procedures followed or is it an exception to the norm. Mr. McCraw answered that it depends on what is in their strategic plan and whether or not there are additional requests where the CRA is fully funding a project. Commissioner Desloge expressed support in performing renovations for existing homes instead of new constructions, but he is concerned that the CRA is charged with most of the expense and does not want this to be the case going forward. Mr. McCraw stated that it is not the intent or the norm and with the strategic plan there will be the opportunity for the CRA to move into their traditional role where funds are provided for the renovation and not the entire project.

Commissioner Mustian asked for clarification and stated that his understanding is that a grant is given to the CDC to renovate the home, rent it and in turn return the proceeds into their operations. Mr. McCraw stated that the proceeds can be used to sustain their day to day operations. They can even leverage the property in the future to borrow against it to purchase other properties. Commissioner Mustian stated that he is in agreement with Commissioner Desloge and is supportive of this request but thinks that this pattern will not be sustainable. Commissioner Mustian noted that \$100,000 is being spent for one unit and feels that it would be more economical if the project was multi-family. Mr. McCraw stated that he wanted to point out the uniqueness of these projects as being 4 bedroom homes which is rare to find for low income rentals.

Commissioner Desloge asked if the properties will stay on the tax roll as well as the Renaissance Community Center discussed in the consent item. Mr. McCraw stated that both would stay on the tax roll and that the Renaissance Community Center made a commitment to stay on the tax roll. He also noted that he spoke with the property appraiser office and was able to find out that if a property is owned by a tax exempt organization, but is used to generate income, they do not come off of the tax roll. Mr. McCraw stated that staff will work to make sure these properties are identified as income producing so that the benefit of receiving taxable income can occur.

Commissioner Miller commented that the pro forma and strategic plan needing to be completed contingent to the funds being allocated is great. She also commented that these items should be completed before the CRA proceed in anyway in reference to any

other building. Mr. McCraw stated that the pro forma and strategic plan will need to be in place before any funding is granted.

Commissioner Miller **moved to approve \$96,726 in grant funds to the Bethel CDC for the acquisition and rehabilitation of a single-family home with the condition that the CDC provides an operating pro forma and a strategic plan that is approved by CRA staff, and to authorize the CRA Executive Director to execute an agreement with the Bethel CDC consistent with the terms and conditions of the agenda item, upon second by Commissioner Gillum, the vote was unanimous in favor thereof.**

Approval of Funding Request from Florida Center for Performing Arts and Education, Inc.

Item 2 presented by Michael Parker, CRA Executive Director, was a discussion on the approval of funding from the Florida Center for Performing Arts and Education, Inc. (FCPAE)

Mr. Parker introduced the agenda item as a request for funding by the Florida Center for Performing Arts and Education Incorporated. Mr. Parker provided some history of the organization stating that it is a non-profit organization established to promote the development of the performing arts facility in the Downtown Redevelopment District. Since 2008 the CRA has provided funding support for the operational expenses of the organization. Mr. Parker also stated that the funds that have been used to date for related expenses have been drawn from the one cent tourist development tax that is collected specifically for the performing arts facility. The request today is for \$149,700 to fund the operational expenses of the organization for fiscal year 2012 . Mr. Parker noted that Mr. Bob Inzer, President of the FCPAE was present and willing to answer questions.

Commissioner Mustian noted that \$60,000 of the \$149,700 requested is for salaries. He mentioned that his understanding is that part of this is in relations to the former Director of the FCPAE severance payment due to her employment ending before her contract period. Mr. Parker stated that the \$60,000 is for salaries related to the administrative assistant and costs associated with the previous Executive Director. Mr. Parker advised that Mr. Inzer can provide more details.

Mr. Bob Inzer stated that in an effort to control cost, staffing was reduced significantly and the contract with the Executive Director was discontinued. Pursuant to the terms of the contract, she continued work through the end of October and continued to provide services to FCPAE including the fourth quarter report to the CRA, and newsletter. Part of the requested funds would go towards the work that was completed and the sick and annual leave that she accumulated and is entitled to pursuant to her contract.

Commissioner Desloge asked how much the Executive Director was paid. Mr. Inzer answered \$115,000. Commissioner Desloge asked if the Executive Director was there for three years to which Mr. Inzer affirmed. Commissioner Desloge stated that the FCPAE has spent \$1.1 million of taxpayer dollars and have raised \$300,000 and have spent \$300,000 towards the former Executive Director's salary. Mr. Inzer stated that

FCPAE is tasked with more than fundraising. He also stated that this past year the organization spent a significant amount of time developing an educational component and there are various tasks that are being done besides raising money. Mr. Inzer commented that raising money is a difficult task especially with the recession that we are experiencing.

Commissioner Desloge stated that he would have a hard time supporting the funding and recognizes that he may be in the minority, but there are other projects that require funding as well and he is struggling with where the funds will go.

Commissioner Mustian stated that he is concerned with the severance pay provision in the contract; has he known of the provision, he would not have been in agreement with it. He commented If the amount is not paid from the Tourist Development Tax revenue , it would have to come out of the corpus that has already been raised and he is having a hard time accepting that as an option.

Commissioner Ziffer asked how much of the \$149,700 after the severance payout, will be used for ongoing expenses. Mr. Inzer stated that approximately \$101,000 would be used for the Executive Assistant salary, consulting, auditing and financial services, office expenditures and telecommunications. Commissioner Ziffer stated that he is having difficulty supporting this request because at some point the money will have to be raised for funding for operational expenses instead of coming to the CRA.

Commissioner Desloge agreed with Commissioner Ziffer. He commented that no one wants to spend donor dollars but the alternative would be to spend taxpayer dollars and because of this he cannot support this request and feels that there is a need for a discussion on the future of FCPAE.

Mr. Inzer stated that this is a difficult project and if you speak with others in various cities you will find that things of this nature have a long gestation period and require a lot of support. It is a project that is beneficial and worthwhile to the community and any community with a performing arts center believes that it enhances the quality of life and is a good investment in the community. If the CRA Board does not support this project there is no reason for the FCPAE to continue as an organization because it will not happen without the CRA Board. This was a project that was brought forward by both Commissions and the FCPAE has been carrying the vision. Think of the opportunities that this project will bring. There are limited opportunities for the ballet and the symphony, and there is no community theatre.

Commissioner Gillum expressed appreciation for the work that has been put into this project. He also stated that he finds it most regrettable that in the period of time that there was a paid Director, that there was not a huge push for constituency building. . Commissioner Gillum stated that the Commissions have really done everything that has been asked of them at this point and a lot of patience has been demonstrated. If this is going to survive it is going to require a real serious effort to build constituency and support around it. He stated that he would not vote against it today, because to do so over administrative costs is hardly leadership.

He also commented that it would be sorry to end this project because of a \$150, 000 allocations at this point, but noted that what is required is leadership and vision for the future of the community. More heavy lifting needs to be done by the FCPAE.

Commissioner Maddox expressed support but reiterated that it is difficult because he would like to see taxpayer dollars going towards the construction of the building and a portion of donated money going towards personnel cost.

Commissioner Miller stated that she is supporting the request contingent on a few things. She noted that Commissioner Mustian mentioned that he would have had a different contract and since the commissions are being asked for funding, it is important that the commissions should be involved in determining what the game plan is. This can be done by having a representative from each commission or a liaison at board meetings. There should be more public presence in the plan making process and finding out what the plans are before the board is asked to allocate money to execute the plan. Mayor Marks expressed that he is having some trouble coming to term with what the money is being used for, but also with somewhat of an inconsistent policy by the CRA. He mentioned the decision of not spending \$6000 on the Hotel and Conference Center project because it was unknown where the public sector funding would come from and he is seeing some of the similar concepts here. Mayor Marks expressed support for the funding because he is supportive of the arts and stated that some of the caveats mentioned by other commissioners have persuaded him that there is a need to go forward because it is a critical part of Tallahassee's future.

Commissioner Desloge thanked Mr. Inzer for all of his work that has been done and stated that he is supportive of the arts. But there is \$300,000 that can be used until a decision is made concerning inclusion of the referendum for Blueprint. He stated that he can't, in good conscious go beyond today.

Commissioner Sauls stated that she has some of the same concerns voiced by some of the other commissioners but at this time will continue to support the performing arts. She expressed to Mr. Inzer that something needs to be done for a better outcome.

Commissioner Mustian stated that he would support the motion because at the end of the day it's not going to be a difference if the money is coming from the corpus or from the taxpayers. Unless the option is to shut the entire project down today it's not really an option to not approve it. He commented that the fundamental policy and theory that he is struggling with is in order for this to work, the wealth in Tallahassee will have to step up. The thought that the public money has to come first to get the private money is backwards. Commissioner Ziffer mentioned that out of love for the arts he is in support of the funding and if the option is to end it today he does not want this to happen. He mentioned to Mr. Inzer that more money needs to be raised and if he could say twelve months from now that he has 10,000 donors versus one \$10,000 donation would be impressive.

Mr. Inzer stated that the organizations objective and goal is to increase membership and build community support. Mr. Inzer also stated that the organization is not asking for a permanent commitment, but what has been talked about in relations to Blueprint 2000 is to have it included as one of the projects subject to the private money. Mr. Inzer

acknowledged the words of the Board and stated that he appreciates their support and will build the community support to make a difference in the community. He also stated that the organization will be mindful of costs.

Commissioner Gillum **moved to authorize the City Manager or her designee to execute an agreement with the Florida Center for Performing Arts and Education, Inc. in the amount of \$149,700 for the period of October 1, 2011 through September 30, 2012**, upon second by Commissioner Ziffer; **the vote was 8-1 with Commissioner Desloge in dissent.**

Mr. Michael Parker advised the board that the City Commission meeting is scheduled to start at 4:00 pm and it will be necessary to adjourn the CRA meeting at 3:50 pm. He stated that the next item can be introduced but the merit of the discussion would not be completed in 5 minutes and offered to continue agenda items 3, 4 and 5.

Commissioner Maddox stated that the items can be continued and commented that as far as the TIF parity is concerned he does not want to go backwards and is not that concerned about that item right now especially with the idea of losing revenue for those CRA districts, but the equal representation as far as commissioners is still a concern for him. This item can be continued but with the thought in mind that a commissioner does not have to be lost or gained, but a weighted system can be used as an option.

Discussion on Expanding Community Redevelopment Agency Board by Adding a Fifth County Commissioner

Item 3 was an agendaed item to discuss adding a fifth County Commissioner to the Community Redevelopment Agency Board.

Commissioner Maddox **moved to continue the item to the January 9, 2012 meeting**, upon second by Commissioner Miller; **the vote was unanimous in favor thereof.**

Discussion on Establishing Tax Increment Parity Between the City of Tallahassee and Leon County for Contributions to the Tallahassee Community Redevelopment Agency

Item 4 was an agendaed item to discuss establishing tax increment parity between the City of Tallahassee and Leon County for contributions to the Tallahassee Community Redevelopment Agency.

Commissioner Maddox **moved to continue the item to the January 9, 2012 meeting**, upon second by Commissioner Miller; **the vote was unanimous in favor thereof.**

Commissioner Gillum asked for clarification on item 4. He asked if the issue of retroactively going back to reevaluate the funding piece is not of interest.

Commissioner Maddox stated that if the rest of the Board has some concerns, then the board can have the conversation.

Commissioner Dailey, CRA Chair, stated that if the issue is taken off the table, it is a non-issue from this point forward. Commissioner Maddox agreed to have a conversation concerning the issue.

Discussion on Gaines Street Redevelopment and Related Opportunities

Item 5 was an agendaed item to discuss Gaines Street Redevelopment and related opportunities.

Mayor Marks **moved to continue the item to the January 9, 2012 meeting**, upon second by Commissioner Ziffer; **the vote was unanimous in favor thereof.**

UNAGENDAED ITEMS/DISCUSSION

ADJOURNMENT

There being no further business to discuss the meeting adjourned at 3:47p.m.