

**SPECIAL CRA BOARD MEETING
DECEMBER 19, 2011**

CRA Board Members Present

Shirley Groover Bryant, CRA Board Presiding Officer
Brian Williams, Chair
Tamara Cornwell
Tambra Varnadore
Alan Zirkelbach
Charles Smith

Staff Present

Mark Barnebey, City Attorney
Jeff Burton, CRA Director
Jim Freeman, City Clerk
Allen Tusing, Public Works Director
Diane Ponder, Deputy Clerk-Administration

PUBLIC COMMENT: None

Presiding Officer Bryant called the meeting to order at 12:10 pm.

1. CRA BOARD AGENDA APPROVAL

MOTION: Mr. Zirkelbach moved, Mr. Williams seconded and motion carried 5-0 to approve the December 19, 2011 CRA Board Agenda.

2. CRA BOARD CONSENT AGENDA

A) Minutes: December 5, 2011

(TAB 1)

MOTION: Mr. Zirkelbach moved, Mr. Smith seconded and motion carried 5-0 to approve the December 19, 2011 CRA Consent Agenda.

3. ASSIGNMENT OF VACANT LAND CONTRACT BETWEEN BOB GRAHAM AND CADENCE BANK FOR THE PURCHASE OF 325 8th AVE. W., 320 9th AVE. W. AND 834 RIVERSIDE DRIVE

Jeff Burton described the four pieces of property on Riverside Drive and 8th Avenue he has working on to consolidate. At this time the properties are owned by Shell Oil Company and a local bank. The CRA is prepared to move forward with the purchase of the Shell property; there is a timing issue in the due diligence process with the second property.

Attorney Barnebey recommended that the CRA not enter into the contract to purchase the three properties held by Cadence Bank. The contract purchase price is \$770,000. The due diligence period would end on December 30, 2011, and the current buyer has not been able to extend the due diligence period.

The Circle K property, which is the next agenda item, has a purchase price of \$400,000. The owner has agreed to extend the due diligence period. The parcel is a known brownfield property, but it is anticipated the due diligence time frame can be met. Attorney Barnebey stated neither contract is contingent on the other.

Because of the timeframe in moving forward, there are changes to the assignment. Attorney Barnebey stated Mr. Graham, the assignor, has requested changes to the contract, most of which are procedural. He reviewed the key changes, as follows:

- Assignment fee will be due if the transaction under the contract fails to close due to the City's default.
- On the Cadence Bank parcel, eliminates the City's proposal for an automatic 30-day extension of the due diligence period. (This point can be negotiated if an additional extension is needed.)
- Requires that the CRA reimburse Mr. Graham the \$25,000 deposit on the Circle K property immediately after electing to go forward at the end of the feasibility period.
- Increases the documentary stamp tax on the assignment fees on Circle K document to \$280 and \$539 on the Cadence Bank document.

Mayor Bryant opined the Shell property is a positive acquisition even if the second parcel is not obtained, because it is a gateway to the City.

Attorney Tim Knowles, representing Mr. Graham, discussed the reasons why Cadence Bank would not agree to extend the due diligence period; however, the bank has acknowledged that the due diligence period will expire on January 6, 2012. He asked the Board to consider approving the contract conditioned on an extension being granted to January 31, 2012. If approved, Mr. Graham can then further negotiate the transaction with Cadence Bank.

Discussion ensued on the environmental assessments that would have to be performed on the properties. Mr. Zirkelbach discussed the time that will be necessary to perform the geotechnical testing that will be necessary. Attorney Knowles suggested (without confirming with his client) that if the CRA could move forward on both properties and then opted out of the Cadence property under the contract regarding the due diligence dates, the expense would have to come back to his client as the buyer of the contract. Mr. Zirkelbach requested the right to be involved in locating where the borings should be performed.

Attorney Barnebey stated initial discussion with the environmental engineer suggests that the phase 2 environmental assessment may not be available by the end of January. He suggested that with the due diligence expiring January 6, 2012, the topic could be reviewed again at the January 9, 2012 scheduled CRA Board meeting.

Attorney Barnebey confirmed his recommendation to move forward with the Circle K property, which has a purchase price of \$400,000 and an assignment fee of \$40,000. With the additional expenses, that could occur the final price could be approximately \$500,000.

Mayor Bryant suggested that the Commission could authorize negotiation, subject to attorney approval, to avoid having to call a special meeting.

Regarding the due diligence ending January 30, 2012, Mr. Burton referred to the MPO Brownfield Assessment Agreement testing that will be done, but which will probably not include a completed phase 2 report. Mr. Zirkelbach stated there are a few geotechnical engineers that can perform the testing within a 30-day period, which will increase the cost.

Mr. Burton opined the phase 2 could be completed by the end of February. He also suggested that the bank has suggested that with an additional deposit, the due diligence time line could be extended beyond January 31, 2012. Mr. Nick Easterling, Mr. Graham's agent, commented on documents that he has reviewed, stating there is no evidence of any leaching [from the Shell property] onto the adjacent property; the plume has been identified as a "7" of "150".

Public Comment: Jane Hunter voiced concern about borrowing money to buy vacant land. Mayor Bryant will share with Ms. Hunter the CAR's long-range plan for the properties under discussion.

MOTION: Mr. Zirkelbach moved, Mr. Williams seconded and motion carried 5-0 to approve the assignment of the Vacant Land Contract with Bob Graham regarding the Cadence Bank property as proposed and revised, based on the comments from the City Attorney, contingent upon the due diligence period being extended to at least January 31, 2012 under similar terms as provided for the Circle K contract considered in this meeting today, and authorize the Mayor or

CRA Chair to execute the assignment for the purchase of 325 8th Ave., 320 9th Ave., and 834 Riverside Drive.

4. ASSIGNMENT OF REAL ESTATE CONTRACT BETWEEN BOB GRAHAM AND CIRCLE K FOR THE PURCHASE OF 301 8TH AVE. W.

MOTION: Mr. Zirkelbach moved, Mr. Williams seconded and motion carried 5-0 to approve/not approve the Assignment of Real Estate Contract and authorize the Mayor or CRA Chair to execute the Assignment of 301 8th Ave. W.

5. RESOLUTION NO. 2011-01

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE CITY OF PALMETTO COMMUNITY REDEVELOPMENT AGENCY AUTHORIZING THE EXECUTION OF A SECOND AMENDMENT TO LOAN AGREEMENT WITH BANK OF AMERICA, N.A.; PROVIDING FOR AN EFFECTIVE DATE.

MOTION: Mr. Williams moved, Mr. Zirkelbach seconded and motion carried 5-0 to adopt CRA Resolution No. 2011-01.

6. RESOLUTION NO. 2011-02

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COMMUNITY REDEVELOPMENT AGENCY (CRA) OF THE CITY OF PALMETTO, FLORIDA AMENDING THE BUDGET FOR FISCAL YEAR 2011-2012, FOR FUNDING THE REDEVELOPMENT OF THE RIVERSIDE BOAT RAMP AND FOR THE PURCHASE OF LAND IDENTIFIED AS 301 8TH AVENUE WEST, 325 8TH AVENUE WEST, 320 9TH AVENUE WEST, AND 834 RIVERSIDE DRIVE; AND PROVIDING FOR AN EFFECTIVE DATE.

MOTION: Mr. Zirkelbach moved, Mr. Williams seconded and motion carried 5-0 to adopt CRA Resolution No. 2011-02.

7. CRA DIRECTOR'S COMMENTS

Distributed an email explaining non-profit organizations that the CRA currently funds. He requested that he be notified with any questions regarding the policy.

8. PRESIDING OFFICER'S COMMENTS

None

9. CRA BOARD MEMBERS' COMMENTS

None

10. PUBLIC COMMENTS FOR CRA BOARD

None

11. ADJOURNMENT

Meeting adjourned at 12:50 p.m.

Minutes approved: February 6, 2012

James R. Freeman

James R. Freeman, City Clerk