

ATTACHMENT

A

**PALMETTO COMMUNITY REDEVELOPMENT AGENCY
ADVISORY BOARD MEETING**

**May 12, 2009
(continued May 28, 2009)**

Advisory Board Members Present:

Nick Costides
Sia Mollanazar
Betty Ann Price
Charles Smith, Chairman

Members Absent:

None

Also Present:

Tanya Lukowiak, CRA Executive Director
Mark Barnebey, City Attorney
Beverly Minnix, Administrative Assistant

I. CALL TO ORDER

Mr. Smith called the meeting to order at 5:30 PM.

- II. APPROVAL OF AGENDA** (audio :29) After a motion to approve the agenda by Ms. Price, discussion ensued regarding the number of items on the agenda, the desire to have a "less crowded" agenda for the meetings, and how items could be moved, removed & placed on future meeting agendas. Mr. Barnebey advised the Chairman that before any further discussion continued, a second needed to be placed on Ms. Price's motion. The Chair advised members of the public attending the nature of the items that were being removed to ensure that there were no related citizen's comments.

MOTION: Ms. Price moved, Mr. Costides seconded, and motion carried unanimously to approve the agenda removing items "B, C & D" from "NEW BUSINESS" of the Agenda.

III. OLD BUSINESS

- A. Approval of Minutes – April 14, 2009** (audio 4:15)

MOTION: Mr. Costides moved, Ms. Price seconded, and motion carried unanimously to approve the minutes as presented.

- B. Storefront Grant Criteria Fiscal Year 2009-2010.** (audio 4:55)

The Executive Director informed the Advisory Board that members of the Business Advisory Group were also present, and at the request of the Mayor, they had been included on the agenda. Lt. Scott Tyler of the Palmetto Police Department presented information regarding the benefits of security/surveillance systems. Mr. Mark Hartigan of Professional Systems presented information on security/surveillance systems that he has available

for business and/or residential locations. Discussion ensued regarding the need to address Storefront Grant criteria for the upcoming year including but not limited to security systems being added to the criteria.

The Chair opined that there would be a substantial amount of time needed for review and spoke of the probable need for a special meeting with the sole purpose of determining the criteria for the coming fiscal year. Ms. Price suggested that any security/surveillance system should be monitored by some entity and not be just a stand alone system. Mr. Costides opined that security systems don't appear to be consistent with the general intent of the enhancement of a storefront. Mr. Mollanazar proposed that some applicants may want the system, not because it is needed, but because it would be another "gadget". Chairman Smith stated that the systems could be of great benefit to the community and they might be considered for internal use and external use.

The Executive Director informed the Board of the budget timeline and the need to have the revised Storefront application approved and ready to implement on October 1, 2009. Discussion ensued to address the amount to budget separately from the review of criteria.

MOTION: Mr. Mollanazar moved, Mr. Costides seconded and the motion carried unanimously to recommend to CRA Board that \$250,000 be budgeted in the Storefront Grant Program for fiscal year 2009-2010. (audio: 1:29)

Discussion continued regarding the revision of criteria and the best approach to gather Board member input and input from citizens of the CRA district. Chairman Smith expressed concerns about the public's perception of existing criteria and his belief that changes to the criteria need include citizen's input. Mr. Smith further explained that all options should be considered to inform the public of the meeting, to include advertising and distribution of the information to organizations thru out the City. Chairman Smith said that he has chosen not to get people to get to the meeting, but if this item is on the agenda, he will ensure that Ward I is included in the process and not inadvertently disenfranchised. Mr. Smith suggested that the East Palmetto Women's Club and the Executive Director of the Palmetto Youth Center be invited to discuss the criteria. Discussion ensued regarding the possibility of paying for advertisement of this matter to solicit public participation. Chairman Smith advised that he had a meeting at the East Palmetto Women's Club on Saturday and was notified that they were told that they do not qualify for a storefront grant. He went on to say that people in the community are unhappy with what is going on, even if we do not hear it here at the meetings. The Chairman said that people show up at community meetings and send letters to the mayor criticizing both him and the mayor. There was no

direction for the CRA Executive Director to purchase space in the local newspapers at this time.

Mr. Mollanazar and Mr. Barnebey voiced concerns regarding the need to ensure that the criteria is clear as to exactly what is and is not allowed.

Mr. Mollanazar and Mr. Costides suggested that all Board members provide input to the Executive Director to be compiled into one document for the Board to then review, modify and recommend to the CRA Board. The Executive Director agreed to provide the existing Storefront Grant Application electronically to all Advisory Board Members for their use to make changes, clarifications, etc. A draft of the revised application will then be made a part of the June 9th, 2009 CRA Advisory Board Agenda. It was determined later in the meeting that all comments are to be back to the CRA Executive Director by May 20th in order to have information back to the Advisory Board by May 28, 2009, which is the continuation date for this May 12, 2009 CRA Advisory Board Meeting. Chairman Smith advised that he would not contact Ms. Lukowiak regarding this matter at all, but would instead talk in person with the Executive Director to discuss his questions, comments & suggestions.

C. Storefront Grant Application #SF09-04 Regatta Pointe (audio 2:02)

The Executive Director provided an overview of the application. Attorney Barnebey raised the issue of the maintenance nature of painting and the replacement of awnings. Additionally, there was discussion regarding the procurement procedures as written in the current grant application, with regard to gathering cost estimates for only eligible improvements when, in fact, the eligible exterior improvements are only part of a more comprehensive renovation project. It was determined that this language needs to be clarified in the revision of the grant application.

MOTION: Mr. Mollanazar moved and Ms. Price seconded and the motion carried unanimously to recommend to the CRA Board to fund up to \$28,492.50 (50% of \$56,985.00) for SF-09-04 for eligible awning improvements to Regatta Pointe Marina, 1005 Riverside Drive.

D. Project Prioritization, Review & Recommendation – Tabled until June 9th, 2009.

E. Duplex-Triplex –Tabled until June 9, 2009.

F. CEDC discussion: Ms. Hewitt advised the CRA Advisory Board that, pursuant to the direction issued at the last Advisory Board meeting, she met with each of the Advisory Board members individually in order to discuss questions and concerns with regard to the background of the partnership and current operations.

Mr. Costides said that he feels that the services offered by CEDC are valuable, but that the follow-up and critiquing needs to be someone from the City, in order to evaluate the cost benefit.

Mr. Mollanazar said that he knows what CEDC is doing and thinks that the program is beneficial. He explained that his wife works with low-income housing, so is familiar with the housing assistance programs that exist throughout the county, and spoke about federal funding that will be coming available. He said that he would not like to see the City miss out on the possibility of accessing these funds.

Ms. Price said that the services provided to the County can be provided to the City without the CRA's contracting with CEDC. Ms. Hewitt advised that the City has opted out of all of the County's CDBG programs, so the city residents are not eligible for CDBG funded services.

Attorney Barnebey stated that Mr. Mollanazar's wife is getting benefit from the CEDC, but he did not think that it is a conflict, because there is an opportunity to serve such a large number of people. Mr. Barnebey stated that, while there is no personal benefit to Mr. Mollanazar, it is a close call. He asked that the Advisory Board take a break so that he can discuss the matter privately with Mr. Mollanazar before the Advisory Board votes.

Mr. Smith concurred with previous comments and stated that he has concern about the amount of funding as compared to the amount of services provided. He asked for legal opinion. Mr. Barnebey said that the period from April 1 through present should be dealt with, and then, explained the options regarding termination of the contract. He recommended that the CRA Board would give the CEDC 30 days' notice and terminate without cause, if that is the recommendation of the Advisory Board. Mr. Smith concurred with this direction.

Mr. Barnebey called for a five minute recess, wherein he would speak to Mr. Mollanazar. Mr. Mollanazar returned from the recess, having been advised by the attorney that he should leave the meeting. He announced that there might be a gray area, so that he would depart and left the meeting at 8:51 PM.

Mr. Smith asked if he could call Mr. Mollanazar to advise him about the rest of the meeting. Mr. Barnebey advised Mr. Smith to allow the Executive Director to do that.

Mr. Antonio Santamaria, a businessman owning "Botas 3 Hermanas" at 1128 8th Avenue West, discussed the benefits of CEDC, especially in today's economic climate. Mr. Smith offered to contact Mr. Santamaria to give him

more information about the CRA. Ms. Price suggested that Mr. Santamaria contact the Business Advisory Group to seek additional support.

MOTION: Ms. Price moved and Chairman Smith seconded with the motion carrying a vote of 2-1, with Mr. Costides opposed, to recommend to the CRA Board that the 30 day notice stated in Article 4 of the CEDC contract be exercised, terminating CEDC without cause, being paid for the period beginning April 1, 2009 thru the date of termination, whenever that date is established.

THE MEETING WAS RECESSED AT 9:21 PM AND WILL RECONVENE AT 5:30 PM ON Thursday, May 28, 2009.

REOPENING OF MEETING

At 5:30 PM on Thursday, May 28, 2009, Chairman Smith reconvened the meeting that was recessed on May 12, 2009.

All Advisory Board Members were present, with Mr. Mollanazar arriving at 5:33 PM and Attorney Mark Barnebey being sporadically present in the first few minutes of the meeting.

The Chair requested the Executive Director apprise Advisory Board Members of our progress on the agenda. The Executive Director informed the Advisory Board Members that Items A, C & F of Old Business had been addressed, that Items B, D & E of Old Business still needed to be addressed and all of New Business needed to be addressed. It was the Executive Director's understanding that Item B, Storefront Grant Criteria for Fiscal Year 2009-2010 was the next item for the Board to address.

G. Storefront Grant Criteria Review Fiscal Year 2009-2010 (audio 3:30)

The Executive Director informed the Advisory Board Members that the Storefront Grant Application had been updated with input from some members of the Advisory Board, legal & staff. Public input was requested from the Business Advisory Group but none was received. The revision was e-mailed to all Advisory Board Members & Legal Counsel prior to the meeting and copies were made available to the public in attendance at the meeting. Lengthy discussion ensued regarding clarity of the eligibility criteria. Chairman Smith indicated that Mr. Varnadore had a good point that he phoned into the Mayor. The Executive Director asked that this type of information also be channeled into the CRA office for inclusion during this process.

Discussion continued regarding clarification of maintenance versus non-maintenance items and roofing repair versus roofing enhancements. It was concluded that the intent of our current program is enhancement. The

Executive Director suggested that if the Advisory Board so desired, a roof grant program or a security system grant program could be put together to recommend to the CRA Board. Discussion continued regarding margins for interpretation of what is maintenance versus enhancement. Consensus was reached on language that reflects the intent of the Storefront Grant Program.

Discussion was initiated regarding the boundaries of the CRA district as seen on maps, discrepancies with the TIF parcel ID listing, and structures that are partially in the district. The Chair also mentioned new businesses coming into the CRA district as well as businesses moving buildings to vacant land within the CRA district. It was concluded that any building, whether constructed or relocated, that lies, even partially, within the CRA district, would be eligible for CRA benefits.

Discussion ensued regarding allowing non-profit organizations to participate in the Storefront Grant Program. The current program allows non-profit organizations to apply for funds. The Chair indicated that he would be speaking individually with Attorney Barnebey, but wanted to go on record stating that he supported non-profits being eligible for the Storefront Grant program. The Chair opined that Statute 163 governing CRA plans addresses teen pregnancies, women married out of wedlock, crime, and drug addiction. Chairman Smith opined that organizations such as the Head Start, the Women's Clubs, the Palmetto Youth Center, and the Boys' Club, who receive governmental funding although they don't pay taxes, but provide a valuable service to redevelopment efforts and should be eligible. (audio 46:40)

Eva Daniels, President of the East Palmetto Women's Club came forward to receive clarification as to whether or not the organization was eligible. The Executive Director advised Ms. Daniels that the organization is eligible to apply in this fiscal year's program and confirmed that Ms. Daniels had applied for and received storefront grant funding for the Women's Club in the past. It was the consensus of the Advisory Board that non-profit organizations and non-residential churches remain eligible for the coming year. During the discussion, the Chair inquired about residential grant funds. The Executive Director advised the Advisory Board that there is \$100,000 in the CRA budget allocated to residential properties and at any time, this matter can be placed on the agenda for development of a disbursement program.

Mr. Charles Williams came forward to inquire about the feasibility of moving a church building into the CRA District and what expenses might be covered under the Storefront Grant Program. He was advised that once the building was in the CRA District, it would be considered like any other building within the District. Additionally, Mr. Williams inquired as to how the \$100,000 residential funds can be accessed. The Executive Director informed Mr. Williams that as soon as the Advisory Board placed the residential budget on the Agenda, it could be addressed. Chairman Smith stated that he had also

received calls from constituents regarding residential programs. Chairman Smith opined that the Advisory Board was dealing with so many issues from the previous CRA Board they have not had time to get to the residential funds.

The Executive Director explained that the previous CRA Board did not neglect getting anything done and opined that, with the new Administration, structure change of the Boards and new members, the Advisory Board was a little behind and now getting caught up. Mr. Williams also mentioned that there were things in Jackson Park that needed to be addressed. The Executive Director advised Mr. Williams that Jackson Park is not in the CRA District.

Discussion then ensued relative to the size of businesses which might be eligible for storefront grants. Mr. Bamebey suggested that this particular facet of the program be addressed in application rating criteria section of the application.

Discussion was initiated regarding the timing of work commencement, dates for the submission of applications, Advisory Board meeting dates, and CRA Board meeting dates. Mr. Mollanazar opined his view that the application should be submitted before work begins. This could be one mechanism to address larger companies that are well capitalized and perhaps are not in dire need for grant funds. It was opined that they will get their projects done with or without grant funds and that this is supposed to be an incentive for people to take a proactive position on their building. If they do not have the funds to upgrade, they will not upgrade. If they really need funds to upgrade, they will wait.

Mr. Costides opined that due to our schedule of application submission dates and the application review schedule, delays can occur that are not the fault of the applicant. (audio 1:15:35) Mrs. Costides suggested a 90-day period be allowed from project commencement to submission of the application. Ms. Price requested that detailed competitive bids be required. Chairman Smith inquired as to whether or not in-kind service was part of the initiation fee. Chairman Smith further inquired as to why the application required applicants to obtain local bids. The Executive Director responded by stating that applicants should try to support businesses here by giving the businesses an opportunity to be competitive in the bidding process. The Executive Director stated further that it would be an unethical practice for applicants to be required to use a higher bid because of the mere fact that the business was located in Palmetto. Discussion continued relative to having three bids for work to be performed and the applicant then wanting to do the work himself, instead of utilizing one of the vendors who bid.

The Executive Director added language to the revised draft on page 4 under procurement procedures, to allow for the work to be done by the property

owner, but with three quotes still required. Discussion then returned to the timing of the commencement of the work project, the submission of the application, and the review of same. Mr. Barnebey indicated that no consensus had been reached. Mr. Costides restated his opinion that the applicant should be able to file the application within 90 days of commencement of construction and should also be made to understand that there would be no guarantee of approval of the application, but that applicants would not be restricted from starting when ready.

Mr. Don Rowe, resident of Palmetto and building contractor considering a project for New Life Baptist Church, came forward to make public comment. With regard to the procurement process as it relates to timing of initiation of projects, Mr. Rowe expressed concerns. Discussion ensued regarding the specific project for which Mr. Rowe is contractor. Attorney Barnebey was asked how this particular case would be viewed, given our current program and the new discussion requiring the filing of application within 90 days of initiation of construction, as well as the inclusion of new items in the program criteria being recommended for next fiscal year, that are not in the current program. Mr. Barnebey indicated that a retroactive provision could be provided for those applicants on the cusp (within 90 days) of the new application.

Mr. Costides again stated his opinion regarding the intent of the program and said that if a request for a roof that was an enhancement and/or upgrade to a building, it should be approved. Mr. Rowe was encouraged by the Advisory Board to get project estimates and submit the application for the next cycle, which is July 1, 2009.

Discussion ensued on application rating criteria. Mr. Barnebey opined that the application rating criteria was a little gray. Mr. Mollanazar opined that the application rating criteria should be weighted with a point system in the event that there were a large number of applicants and limited funds. Mr. Costides opined that the application rating criteria should remain as is to maintain some subjectivity. The Advisory Board concurred. (audio 1:51)

Discussion then moved to the funding matching process. The Executive Director informed the Advisory Board that the program had always been a matching program so that business owners would have a vested interest in their improvements. The program also facilitates small businesses that do not have large amounts of cash on hand. Each business can receive up to \$50,000 over a 60 month period allowing for small improvements as they can be afforded. Chairman Smith asked the Executive Director to walk through the process, using the example of needing \$30,000.00. The Executive Director walked thru the process. Chairman Smith disclosed his lack of understanding about the matching portion of the program, as well his concern that applicants cannot get money before the work is started and/or completed. Chairman

Smith shared a newspaper article from the Sarasota Herald Tribune regarding a grant program in their community with a smaller match percentage. The Chair asked CRA staff to gather information from Sarasota, Pinellas & Hillsboro relative to their programs. Discussion continued regarding the maximum amounts for individual grants and percentages for matching.

The discussion then turned to the submission of applications and qualified bids. Mr. Mollanazar opined that all bids submitted should be on a printed form and not hand written notes, but consensus was that any written estimate would be sufficient. The Advisory Board reviewed the submission dates for the coming year. The Executive Director stated that CRA staff will review applications only for completeness, and will validate city records and contractors' licenses.

Signage was then discussed. (audio 2:48) The Executive Director advised the Advisory Board that sign codes are changing, and we should be mindful as to whether we might fund a sign that becomes obsolete. The Advisory Board agreed not to add "signage" to the list of eligible expenses, but to consider the possibility of funding signage on a case-by-case basis.

H. Sunshine Law Summary (audio 2:50)- Mr. Barnebey provided the Advisory Board with a Summary of the Sunshine Law as it relates to the members' participation in Advisory Board Activities. Emphasis was placed on the fact that any matter that is before the Board or may potentially come before the Board cannot be discussed privately between Advisory Board members. Also, any written document whether email, letter, note, etc received anywhere by any Advisory Board Member is a public record. Mr. Barnebey directed Advisory Board members to get any and all copies of such correspondence to Ms. Lukowiak. Mr. Barnebey advised that if any Advisory Board Member had any relationship (no matter how distant) with anyone bringing anything to the Advisory Board, the respective Advisory Board Member must disclose the relationship and abstain from voting.

The Executive Director advised Attorney Barnebey that while transcribing minutes, CRA staff noted that the Chair had seconded a motion regarding the CEDC contract at the May 12, 2009 meeting. She stated that she thought that Roberts Rules indicate that the Chair cannot make motions or second them. Mr. Barnebey opined that the seconding of motions was allowed but advised that he would check the Rules of Order. The Chair questioned why he could not make and second motions, and asked what authority he has that the other members do not have. Mr. Barnebey responded that the Chair has the gavel.

Mr. Mollanazar then queried Mr. Barnebey relative to Mr. Mollanazar's disclosure at the previous meeting regarding his wife's profession in the community and his wife's clients utilizing CEDC programs. He questioned being required to consult with the attorney in private regarding this matter.

Mr. Mollanazar stated that Mr. Barnebey advised him that there may be a potential conflict, so he should leave the meeting. Mr. Barnebey stated that he did not advise Mr. Mollanazar to leave. It was further clarified that Mr. Barnebey thought that Mr. Mollanazar might have a conflict, in which case Florida Statutes would prohibit him from voting, but also might not have a conflict, in which case Florida Statutes would require that he vote, so he suggested the option of leaving the meeting.

Additional discussion ensued regarding the potential of a conflict with regard to Chairman Smith and his intention to sue a member of the CEDC Board, as reported in the newspaper shortly after our meeting in April. Mr. Smith said that he had not filed a lawsuit, but that the Advisory Board should rest assured that there most likely will be a lawsuit filed. He also reasoned that if the issue was with the CEDC director, he would consider it a conflict.

Discussion then ensued as to what would be on the Agenda for June 9, 2009. Mr. Barnebey indicated that he had items to go on the agenda. Mr. Smith indicated that he had items to go on the agenda. The balance of the unaddressed items on the May 12th agenda will be placed on the June 9th Agenda.

IV. **NEXT REGULAR SCHEDULED MEETING** – June 9, 2009 at 5:30 PM

V. **ADJOURNMENT**
The meeting was adjourned at 8:40 P.M.