

**DOWNTOWN DEVELOPMENT AUTHORITY  
MINUTES**

**May 24, 2011**

There was a meeting of the Downtown/Balough Road Redevelopment Area Board held Tuesday, May 24, 2011 at 8:00am in the Conference Room 149B at 301 South Ridgewood Avenue, Daytona Beach, Florida. The following people were present:

**Board Members**

Mr. Bob Abraham, Chair  
Ms. Sheryl Cook  
Mr. Joseph Hopkins  
Ms. Stacey Lipton  
Ms. Kelly White

**Staff Members Present**

Mr. Reed Berger, Redevelopment Director  
Mr. Robert Jagger, Deputy City Attorney  
Ms. Jeanne Tolley, Redevelopment Technician  
Ms. Cathleen Olson, Recording Technician

**1. Call to Order**

Mr. Abraham called the meeting to order at 8:07am.

**2. Roll Call**

Ms. Olson called the roll and noted members present as stated above.

**3. Approval of the Minutes of April 26, 2011**

Ms. White noted a correction of the spelling of Cheryl Kelley, not Cheryl Kelly.

Ms. Cook made a motion to approve the minutes of April 26, 2011 with corrections. Mr. Hopkins seconded the motion and it was approved unanimously (5-0).

**4. DBPA 2010/11 Grant Audit (continued)**

Mr. John Myers stated that the DBPA Grant Audit for the 2010/11 fiscal year was complete on December 17, 2010 and submitted to the City on December 20, 2010. He outlined the issues regarding the audit, stating that there had been no management letter, and so he could not have provided it as requested, and that he

did not know the report of expenses not shown based on annual grant budget, and emphasized that the report had been provided in the same format as previous years. He also stated that he had not been informed why certain expenses had been disallowed. He stated that in the past, he had not done dollar-by-dollar analysis, and instead had analyzed by broader categories, noting that the \$4,500 bill referenced in the past was much higher than what he was paid. He stated that he was not present at the December meeting, because he had not received a clarification from the City regarding attendance at that meeting. He did not receive further information regarding what was expected of him at the January meeting until two days prior, which was already into his tax season. He stated that he had examined the supporting documentation provided to the City, which had no exceptions, with a few minor items not allowed, but emphasized that he was satisfied that the DBPA spent \$87,377 in support of the purposes intended by the DDA.

Mr. Berger stated that the management letter had been a part of the DBPA agreement.

Mr. Myers stated that he was entirely willing to provide a management letter, but he had not in the past therefore had not provided one in the 2010/11 audit.

Mr. Berger stated that the report of expenses not shown based on the approved expenses went down to the detailed parts of the budget.

Mr. Myers stated that he could adjust the format of the audit going forward.

Mr. Berger stated that the documentation not provided primarily referred to credit card receipts, and noted that the salaries exceeding the \$54,000 budget was OK.

Mr. Hopkins asked how long Mr. Myers had been doing the DBPA audit.

Mr. Myers stated that he had been doing the audit since 1998.

Mr. Hopkins asked why so many issues had appeared this year.

Mr. Berger stated that a year ago, an agreement had been written to ensure that the CRA funds passing between the CRA, the DDA and the DBPA were all accounted for, so the DBPA inherited the new requirements which changed many things.

Ms. Cindy Ritzi of the DBPA emphasized the Mr. Myers had not been informed of said changes, resulting in many of the issues.

Mr. Abraham noted technical discrepancies between the City's auditing requirements and the DBPA requirements after the changes.

Mr. Hopkins stated he was concerned about the lack of communication between the City and the DDA.

Mr. Abraham stated that lacking was a management letter provided for the grant agreement in the case of any recommendations the auditor had concerning the DBPA bookkeeping, and back-up for some items.

Ms. Naomi Weiss stated that the DBPA had not been aware that they were supposed to provide actual receipts in addition to credit card detail reports, but they had begun providing receipts going forward, but not going back.

Mr. Abraham asked if receipts were missing from a recent fiscal quarter.

Ms. Weiss acknowledged that some receipts were missing, but stated the DBPA had not been paid for any expenses for which documentation had not been provided.

Mr. Abraham asked if the audit could be accepted with technical deficiencies.

Mr. Hopkins stated that the motion was acceptable to the City less than the documented bookkeeping salaries and asked if the audit needed to be amended.

Mr. Myers stated that the discrepancies were outlined, noting that in the past, the DDA had accepted reports like the current year's audit but had not gone back and paid any unaccepted differences, and asked if he should re-do the last report, noting that he acknowledged the need to format the report differently in the future. He emphasized a miscommunication with Mr. Jeffries regarding the formatting of and the necessary information in the report the previous September.

### **Board Action**

Mr. Hopkins made a motion to accept the audit report subject to a management letter, noting that the \$7,700 not documented would not be paid. Ms. White seconded the motion and it was approved 4-1, with Ms. Cook dissenting.

Ms. White stated the need to streamline the audit process and provide the audit report on a timelier basis.

Mr. Myers acknowledged Board concern and stated that he understood the process better.

### **Board Motion**

Ms. Cook made a motion that pursuant to the contract between the DDA and the Partnership, because the audit is not sufficient to meet the criteria to the grant

agreement, that the DDA do an independent audit subject to the provisions under paragraph 4E of the contract. Ms. White seconded the motion.

Ms. Cook emphasized the need to be fiscally responsible with new procedures.

Mr. Abraham noted that the DDA had never had an independent audit.

Mr. Hopkins asked who would conduct an independent audit.

Mr. Berger stated that the City would go on the advice of the DDA and the Finance Department in choosing a firm to conduct an independent audit.

Ms. White asked if the same information would be used as was used in Mr. Myers' audit, noting that it could be an opportunity to hone some processes.

Mr. Hopkins expressed concern that a secondary audit would not improve communication between the DDA and the DBPA.

Mr. Abraham stated that the audit would address the DBPA's compliance with the grant agreement.

Ms. Cook emphasized the importance of learning new procedures and moving forward so that audits weren't protracted every year, and in opening discussing as to recent changes.

Mr. Abraham asked how the DDA should proceed in a secondary audit process.

Mr. Berger stated that an auditor could be selected per Staff recommendation.

Mr. Abraham asked how the audit could be funded.

Mr. Berger stated that the audit could be funded by the DDA and funds were available in the Projects line item.

Mr. Hopkins concurred with the need for a secondary audit to re-address procedures.

### **Board Action**

The motion was approved unanimously (5-0).

### **5. Event Budget Approval (Summer Sports Series)**

Ms. Weiss outlined the budget for the 2011 Summer Sports Series event, with a ceiling request of \$5,000 and a breakdown of general administrative budget and expenditures. She stated that the promotional plan was to be launched mid-June

for the Summer Sports Series lasting from the last week of June to the first week of September, under the name of Summer Recess in Downtown Daytona Beach. She noted that most of the events throughout the year focused on shopping and dining, outside of single-day events such as the Summer Barbecue, and stated the need to put on events that embraced the summer heat instead of avoiding it, which would also address the need to incorporate Riverfront Park into summer events. She stated that the conclusion was to activate parks in the summer heat with activities such as dancing, yoga, paddleboarding, rowing, etc., and invite the community to participate. She stated that individual activity groups would partner with the DBPA but remain the main contact, and retailers would also be engaged to participate by way of coupons and prizes.

Ms. Lipton emphasized the need to involve businesses, in terms of coupons and prizes but also noting the possibility of in-store classes to engage customers indoors during the heat of the summer.

Ms. Weiss concurred with the need to engage businesses and interact with owners to maximize the effect on businesses Downtown.

Ms. White emphasized the positive benefit of engaging Downtown businesses and customers during Saturday daytime hours. She also noted the need to utilize the French Market as example in needing a centralized overview with individuals available to answer questions.

Ms. Lipton noted she had partnered a local business to produce French Market t-shirts at an estimated cost of \$3-6 per shirt.

### **Board Motion**

Ms. Cook made a motion to approve the request for a ceiling budget of \$5,000 to fund the Summer Sports Series lasting from the last week of June to the first week of September. Mr. Hopkins seconded the motion and it was approved unanimously (5-0).

## **6. DBPA Update**

Ms. Weiss updated the Board regarding the Downtown Plaza Project, presenting fliers for the project. She stated the lease agreement would go before the City Commission the following Wednesday. The Public use permit had already been approved. She stated that the property was at the intersection of Beach Street and International Speedway Boulevard, owned by Blue Water, who was donating the use of the property for a public plaza for an initial two-year period, renewable until the property was developed into the restaurant it was designed to be, at which time the plaza would be relocated to another location Downtown. She stated that the build-out plan was three to six months, noting that much in-kind services and materials had been donated to about \$30,000, with labor costs and a

few other items not yet donated. She stated that the budget for cash fundraising was \$50,000, although only \$10,000 without the kiosks. She outlined the images around the kiosk as reflecting the Riverfront Park Master Plan, adopted districts and historic renderings of the district. She noted the possibility of the kiosk panels to be sponsored to assist in financing the kiosk. She also stated that Mr. Jason Jeffries and Commissioner Edith Shelley were in Las Vegas for the national ICSC Conference at the end of May. She noted ongoing events such as the Critical Mass bicycle ride and the Science Café each month and she invited any local businesses with ongoing events to provide that information.

Mr. Abraham asked for clarification regarding the Courtyard Project as to whether there had been interest in retail spaces.

Ms. Weiss stated that there had been inquiries, but noted challenges in going from private owner to bank owned, and it was difficult to lease during that process.

Ms. White commended the success of the Art of the Automobile event as a merchant-generated, successful event Downtown. She also noted the importance of the kiosk maps Downtown, and the trolley brochure as an interim Downtown brochure.

Ms. Lipton stated the need to avoid using a picture of the trolley for the Downtown brochure, and to design a brochure more centered on Downtown.

Ms. White asked for clarification as to the next steps of the branding.

Mr. Berger stated that Mastando Media was working on the branding, and would be working with Mr. Jeffries and the Board to incorporate input and come up with a logo.

Mr. Hopkins asked if the logo would be presented to the community.

Mr. Berger stated yes.

Ms. Weiss emphasized the need for all businesses Downtown to utilize the Downtown brand to give the brand power and authenticity.

Ms. White stated that a workable logo should be ready for September to distribute to merchants.

Ms. Weiss stated that they were on course for the July Town Hall meeting and would like to advertise for the community to attend. She also noted a Suicide Prevention Conference in Daytona Beach at the News-Journal Center, bringing in 300 educators, doctors, counselors, first responders and others, over the weekend of June 1<sup>st</sup>.

Ms. Cook asked for clarification of the Downtown membership.

Ms. Weiss clarified that the Downtown district spanned from Fairview Avenue to South Street and the railroad to the river. She explained the boutique-level benefits and the corner-shop levels benefits, noting that each business could decide which was most beneficial to them.

**7. Staff Update**

Mr. Berger provided the Board with updates from the Downtown/Balough Road Redevelopment Area Board meeting on May 3, 2011, highlighting the prohibition of social services in the Downtown Redevelopment area. He stated that the Board discussed additional prohibited social services such as homeless services, emphasizing the importance of addressing the homeless attraction element. He outlined the Capital Improvement Projects, highlighting the Olde Daytona project and noting a July completion date. He also briefly outlined a \$3 million project on International Speedway Boulevard, and a small project on Orange Avenue. He noted the Greyhound bus station as an eyesore, emphasizing the need to change the entire process of addressing the streetscaping. He also stated that activity on Manatee Island was picking up, noting that the American Cancer Society had an event there the past weekend.

**8. Public Comments**

Mr. John Nicholson, 413 N. Grandview Avenue, noted concern with a Baptist Church clinic Downtown, and emphasized the need to repair damage to City Island. He also stated the need for a Children's Center at the City Island Library to encourage children and families Downtown, and encouraging activities in general at City Island, while discouraging homeless congregation Downtown.

Mr. Abraham noted problems with a lack of personnel for maintenance Downtown.

Ms. Weiss asked for clarification as to the availability of grant money for leasehold or façade-improvement grants.

Mr. Berger stated that there was no more grant money available for the year, noting that the grant programs had been overly successful, and had been distributed on a first-come, first-served basis.

**9. Other Business**

Ms. Lipton noted that the old Stinky Dog's shop would be opening up as a Cuban sandwich shop, and the Harley-Davidson store would be opening as a museum.

**10. Adjournment**

There being no further business to come before the Board, the meeting was adjourned at 9:56am.

---

Bob Abraham, Chairman

---

Cathleen Olson, Board Secretary