

## MINUTES

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

March 20, 2019

Minutes of the Business Meeting of the Community Redevelopment Agency Board of The City of Daytona Beach, Florida, held on Wednesday, March 20, 2019 at 6:00 p.m., in the Commission Chambers, City Hall, 301 South Ridgewood Avenue, Daytona Beach, Florida.

## 1. Roll Call.

Commissioner Ruth Trager	Present
Commissioner Aaron Delgado	Present
Commissioner Quanita May	Present
Commissioner Robert Gilliland	Present
Commissioner Dannette Henry	Present
Commissioner Paula Reed	Present
Mayor Derrick Henry	Present

## Also Present:

James Chisholm, City Manager  
 Robert Jagger, City Attorney  
 Letitia LaMagna, City Clerk

## 2. The Invocation was led by Commissioner Reed.

## 3. The Pledge of Allegiance was led by Commissioner Trager.

4A. APPROVAL OF MINUTES

Approval of the minutes of the December 5, 2018 Business Meeting of the Community Redevelopment Agency (CRA).

It was moved by Commissioner Trager to approve the minutes. Seconded by Commissioner Reed. The motion passed 7-to-0 with the breakdown as follows:

Commissioner Trager	Yea
Commissioner Delgado	Yea
Commissioner May	Yea
Commissioner Gilliland	Yea
Commissioner Henry	Yea
Commissioner Reed	Yea
Mayor Henry	Yea

5. AGENDA APPROVAL

James Chisholm, City Manager read the Agenda changes as follows:

Pull Agenda Item No. 6A - Development & Administrative Services - Thurman House Vacant Land Contract

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

Commissioner Trager	Yea
Commissioner Delgado	Yea
Commissioner May	Yea
Commissioner Gilliland	Yea
Commissioner Henry	Yea
Commissioner Reed	Yea
Mayor Henry	Yea

6. ADMINISTRATIVE ITEMS

- A. Pulled/Resolution approving a vacant land contract for the sale of 6 properties from the City to New Birth Corporation, Inc. (372 Yorktown Drive, Daytona Drive, FL 32119) for an amount of \$60.00 and in consideration of the grantee's plans to preserve the Thurman House located at 614 Whitehall street, and future redevelopment of a museum, gardens, and community center that will celebrate the legacy of Howard Thurman. The contract includes deed restrictions and conditions for reversion of the property back to the City. The transfer of land is consistent with the Midtown Redevelopment Plan. A RESOLUTION APPROVING THE SALE AND CONVEYANCE OF CITY-OWNED PARCELS OF REAL PROPERTY LOCATED WITHIN THE MIDTOWN REDEVELOPMENT AREA TO NEW BIRTH CORPORATION, INC.; AND PROVIDING AN EFFECTIVE DATE.
- B. Adopted/Resolution No. 19-01 authorizing the Community Redevelopment Agency to enter into the Riverfront Esplanade Development, Maintenance, and Lease Agreement with Brown Riverfront Esplanade Foundation, Inc., 213 Riverside Drive, Ormond Beach, FL 32176. The agreement provides for the redevelopment, management and operation of the Riverfront Park located in the Downtown Redevelopment Area. The City contributions shall not exceed an annual maximum of \$800,000 with a lease term that expires on September 30, 2068. City Clerk LaMagna read the Resolution by title only. A RESOLUTION OF THE CITY OF DAYTONA BEACH COMMUNITY REDEVELOPMENT AGENCY ("CRA"), APPROVING AN AGREEMENT BETWEEN THE CITY OF DAYTONA BEACH ("CITY"), THE CRA, AND BROWN AND BROWN RIVERFRONT ESPLANADE FOUNDATION, INC. (THE "FOUNDATION"), PROVIDING FOR THE FOUNDATION TO REDEVELOP, OPERATE, AND MANAGE RIVERFRONT PARK, LOCATED WEST OF THE HALIFAX RIVER AND EAST OF BEACH STREET, BETWEEN ORANGE AVENUE AND FAIRVIEW AVENUE, PURSUANT TO A LEASE TERM ENDING SEPTEMBER 30, 2068, SUBJECT TO TERMS AND CONDITIONS, INCLUDING THE FOUNDATION'S AGREEMENT TO MAKE IMPROVEMENTS TO THE PARK HAVING A MINIMUM VALUE OF \$15,000,000 AT FOUNDATION'S SOLE COST, AND THE CITY'S/CRA'S AGREEMENT TO PROVIDE THE FOUNDATION UP TO \$800,000 IN ANNUAL CONTRIBUTIONS TO REIMBURSE CERTAIN OPERATING AND MAINTENANCE COSTS INCURRED BY THE FOUNDATION WHILE THE LEASE IS IN EFFECT; AUTHORIZING THE CRA BOARD CHAIR AND SECRETARY TO EXECUTE THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

Hyatt Brown stated this is a community effort and an opportunity to revitalize the downtown area of the City of Daytona Beach. He stated Daytona Beach has an unusual geographic situation. He stated the downtown area has a mile of park on one side and on the other the Halifax River. He asked that the architect give a presentation and answer any questions.

Jeromy Marquis, the Architect for the project, 34 Cordova Street referred to a presentation and stated it's the same presentation they saw in the workshop. He stated the first thing they were challenged with was to remember what Riverfront Park use to look like. He continued to make reference to the slideshow. He stated the landscaping would be the focus of the park. He continued to explain the types of landscape and garden they would provide.

Commissioner May asked for a break down of the maintenance fees required to maintain the park.

James V. Chisholm, City Manager stated the maintenance they currently provide is a minimal maintenance.

Commissioner May asked how much.

Mr. Chisholm stated it was about \$300,000. He stated the proposed maintenance efforts on the part of the new park is to have and enhances design and an activity area that would have substantial maintenance and continued re-planning of the area to keep it fresh.

Commissioner May asked where they came up with the \$500,000 short fall.

Mr. Chisholm stated the CRA, as a result of the Brown and Brown project would generate approximately \$600,000 a year in TIF funds.

Commissioner May asked if that was because they were building down town.

Mr. Chisholm stated it was because they were investing downtown. He stated they had \$15,000,000 for the park. He stated there's about 45-50 million dollar project they are building for the headquarters of Brown and Brown. He stated those funds would be available for a portion of the cost.

Commissioner May asked if there was an endowment to offset should it go up or down and asked if the rates fluctuate, if there was anything to protect the fluctuation.

Mr. Chisholm stated he didn't know but he believes the endowment has something to do with it.

Mr. Brown stated even though it's a reimbursable expense, they want to have a park manager and an assistant. He stated the cost of those people would be about \$120,000 a year. He stated they are creating a \$3,000,000 endowment. He stated they wouldn't be able to cough that up the day they finish because it's going to cost more than \$15,000,000. He stated they are committed to make it right. He stated they have to have someone who's in the park every day. He stated when they come to the City for reimbursement, they'll want to know if it a real number and if it was competitively bid.

Commissioner May asked if that meant all bids are open and, local constituents could apply and bid for whatever the projects are.

Mr. Brown stated that was correct. He stated they would like to make sure that whoever bids is financially and architecturally capable and arborist capable to fulfill. He stated they are going to do everything they can to make sure there is the best care for the park.

Commissioner May asked if people would have complete access to the park. She asked if there would be gates or requirements.

Mr. Brown stated no. He stated if it passes, they would hold public hearings to determine what the final design is going to be. He stated they have to have rules and regulations that would be approved by the City. He stated it had been suggested in other parks that they close and open parks at certain times. He stated there are no restrooms in the park at this time. He stated they are talking with the architect to see how to make sure the security of the restrooms are the best they could acquire to guarantee the safety of the people. He stated they would have a splash pad.

Commissioner May asked if there was a fee.

Mr. Brown stated no.

Commissioner Reed stated she had heard three different numbers in regards to how much money they spend on the park, yet they are prepared to commit to 50 years of \$800,000 and this concerns her. She stated she believes in the project, but she has a responsibility to the citizens when it comes to making a 50-year commitment of \$800,000 a year. She suggested that they have some type of endowment or annuity to cover their expenses and asked how else they could do this. She stated she is concerned with the commitment they're making on behalf of the citizens. She stated she understands its CRA funds, but those funds are going to stay in the park. She asked how could they generate that \$800,000 rather than say it would come from TIF or what's generated from the other buildings coming.

Mr. Chisholm stated, in 1982 they created the CRA and Redevelopment Board to redevelop areas that were in need of redevelopment. He stated there were three areas within the City that had been designated as opportunity zones, which encourage the reinvestment of the private sector into those parts of the City to create jobs and opportunity. He stated it's a \$15,000,000 project with almost all public improvements of the highest class of park in the middle of a city. He stated they are asking them to pay the operating cost associated with keeping it in the same condition. He stated they are creating an endowment to cover the cost of management. He stated they have done an excellent job presenting a project that meets the characteristics required of a CRA project. He stated the CRA funds were suggested to be used to pay for this. He stated Brown and Brown Corporation were making a significant in the downtown area of a corporate nature. He stated that investment would generate between five and six hundred thousand dollars in TIF money that would be available to pay part of the \$800,000 cost. He stated that was just one project. He stated there were two projects he's working with that are in the downtown area that would likely move to construction and generate additional revenue funds that would equal or exceed what is being proposed to be generated by the headquarters of Brown and Brown.

Commissioner Reed asked if they he would explain TIF.

Mr. Chisholm stated TIF is the Tax Increment Financing. He stated it was the increment of increased value created on the property by the improvements to the property. He stated its property tax associated. He stated in a case with the CRA, it is city taxes, county taxes and any district tax that are available through that district, they all come in as part of the TIF package.

Mr. Brown stated he believes there would be additional TIF money coming in the coming year because the property is on a tax roll. He stated they bought the property and other pieces of property that are adjacent to and concurrent with. He stated those would generate some TIF money. He stated the only other way to do this would be if the City were willing to put up \$20,000,000 in endowment. He stated four percent of that is \$800,000 a year. He stated this would be an opportunity to create some jobs and could bring other businesses to downtown.

Commissioner Reed stated that the operating costs concerned her.

Commissioner Trager stated that she is in favor for the revitalization of the Riverfront Park and expressed her appreciation of making this. She asked if the buildings and businesses were not built, would there be TIF money.

Mr. Brown stated that's correct.

Commissioner Trager asked what would happen if times turn bad.

Mr. Brown stated there would be a downturn, but they would still have the investment in the Community. He stated in this contract, if TIF money wasn't available and there wasn't money available in the budget, they could say no and it's in the contract.

Commissioner Trager thanked Mr. Brown for the explanation.

Mr. Brown stated they didn't want that to happen but that was the safeguard the City has.

Commissioner Trager stated it's a beautiful project and that she hopes it comes to fruition. She stated that she has told by competent authorities that this is going to be a catalyst not only for the Beach Street but also for other areas of the City.

Mr. Brown stated that is correct.

Commissioner Trager stated she wanted to allay the fears of the people because so many of them are on fixed incomes. She stated if jobs were brought in, they could do more with affordable housing for the workers, which seems to be the big problem. She stated if they could take advantage of the college graduates from the colleges here with high paying jobs and get them to stay here, it would be beneficial for the City. She stated she was told that in the contract it stated they were going to pay to move the Josie Rogers house with the grant money. She asked if the City would have to repay the grant money and why should the City have to pay for moving the house.

Mr. Brown stated that he couldn't answer the questions about the grant money for Josie Rogers.

Mr. Chisholm stated they've done some investigation because the house is not where it was originally placed. He stated by relocating it, they're going to come closer to the point where it was originally. He stated they probably are approved by the grant agencies.

Commissioner Trager asked if there's a way to get a preservation grant.

Mr. Chisholm responded they would investigate that.

Commissioner Reed asked for clarity if the full access to Josie Rogers would be for the house or the park.

Commissioner Trager stated especially to the park but also the house. She stated it would be nice if they could utilize that house too because it is a historic part of the City.

Commissioner Reed stated they need to let the citizens know the land still belongs to the City. She stated people thought they were giving the land to Brown & Brown.

Mr. Brown stated that Brown & Brown has nothing to do with this. He stated it is not Brown & Brown Foundation. He stated this was Cici & Hyatt Brown and asked if there were any questions about that.

Commissioner Reed stated no, he made that very clear.

Mr. Brown stated anyone who thinks that they're denying access is wrong and anyone who thinks they're trying to take advantage of someone is wrong. He stated this is the most difficult time that they've ever had to give away 15 million dollars.

Commissioner May thanked Mr. Brown for taking the time to clear things up and get everybody on the same page.

Commissioner Reed stated they just wanted to clear it up because at the workshop there were only a few people present. She stated now everybody is asking questions who hasn't been part of the process.

Mr. Brown stated now they have the answer and could put them at the ease.

Mayor Henry stated they were going to hear from constituents. He stated they want to make sure that everyone understands that the park is going to be special in the Community and it's his hope that the Community would take advantage of the park. He stated he understands that people are concerned because it is a lot of money but that nothing would ever usurp the central purposes of City government. He stated this is important to the posterity, to the children and to them having a sense of greatness; becoming all they can become as a City rising. He stated there are levels and they need to take advantage of each level. He stated they have to remember that they as a Community have to believe in their future and have to believe they're good enough and capable of doing what it takes to keep it pristine.

Commissioner Gilliland stated they budgeted a little over point one million dollars for Downtown TIF funds for this fiscal year. He stated they were talking about the office building generating five to six hundred thousand dollars, that's more than a 50 percent increase in total TIF funds that are available when you take that in conjunction with what they're spending now. That's a revenue positive for the City, not something that's going to cost money. He stated this was something they're going to have more money at the end of the day. It's important to understand that because it's gotten confused throughout the dialogue, it is a very complicated endeavor. He stated if everybody steps back and doesn't lose sight, this case is something that has insignificant financial risk for the City.

Kelly White expressed her support for this. She stated that as a Citizen she would be asking the same question. She stated her first real interaction with Riverfront Park as back in 2004-2005 when she moved back living downtown. She stated the Riverfront master plan idea is not new. She stated it's a great time when all of sudden someone shows up to give the capital, and just need you to provide a level of maintenance that is comparable to other great urban parks. She stated they'd also create an additional endowment to make sure that this is loved, managed, and cared for decades to come.

Kent Sharples, 4840 S peninsula Drive, Ponce Inlet, FL, a member of Downtown Development Board, stated that he's laboring in the vineyards of job creation. He stated that he's in favor of this park

Russell Holloway, 215 S Palmetto, Daytona Beach, director of Open Doors Counselling Network. He expressed his support of the park and the direction that it's going. He stated that it would make it easy to recruit more and better employees to downtown and make it easier to draw clients to the downtown area. He stated that he's excited about having the park near downtown.

John Nicholson, 413 N Grandview Avenue, Daytona Beach, stated that the City was going to pay 80 million for the park and there's 15 million dollars given toward the park, it's free and zero cost. He stated they have somebody who's building a building who will use TIF money if they could get it for 26 years or whatever. He's still paying taxes that would more than cover any maintenance.

Commissioner May responded stated they weren't suggesting they weren't thankful for the opportunity, they're doing what the residents and business people are asking them to do, which is ask questions so they could understand. We're asking difficult questions that have to be asked.

Al Smith, 14 Saint John Place, Ormond Beach, Florida expressed his support for the park, and stated he couldn't be prouder to be a part of something and encouraged the Commission to keep asking questions in support of the park.

Jack White, 28 Wall Street, Daytona Beach, stated that the Browns have graciously stepped forward as the next benefactor to Riverfront Park. Besides just the physical stake elements, the renewed park improvements in the management will secure a consistent experience for those who live work or visit our Downtown area.

Gene White, 139 Honeybell Lane, Daytona Beach expressed his gratitude for what's going on in the City.

Tammy Kozinski, 55 River Dunes Drive, Daytona Beach expressed her gratitude for the City moving forward with the project.

Jim O'Shaughnessy, 1210 Gamble Place, Daytona Beach expressed his gratitude for the City making an investment in the community and continuing to move forward.

Marjorie Johnson, 122 S. Keech Street, Daytona Beach thanked Mr. Brown for helping to improve the City and stated she is in favor of it.

Anne Ruby, 137 Park Avenue, Daytona Beach stated there was not a clear delineation of what was spent to maintain the park. She stated her concern about the CRA's decision on how the park was funded.

Sandy Murphy, 136 Park Ave., Daytona Beach stated the offer is a generous offer but when questions are made about finances and the answers are not specific she has concerns. She also thanked Commissioner Reed for her question about the inconsistent number details.

James Milton Hunt, 1140 Herbert Street, Port Orange, Florida expressed his concern about preserving City Island from the influx of businesses or people wanting to put condominiums on the property. He suggested they have developments other than parks to improve the island.

Jim Cameron, 126 E. Orange Avenue, Daytona Beach Senior Vice President of Government Relations at the Daytona Chamber, stated he supports the project; it will create more businesses and generate additional tax revenue.

Emory Counts, 108 Big Ben Drive, Daytona Beach stated he's the previous Community Economic Development Director for the City and believes the project would be a watershed for the City. It will be on par with other projects. He stated Downtown would change and stimulate many new projects totaling up to \$800,000.

Doyle Lewis, Homeless, Daytona Beach expressed his gratitude for the project.

Charles Smyth, 250 Pelican Avenue, Daytona Beach gave a description of previous buildings he helped build and thinks the project will be successful.

James Newman, 535 Mulberry Street, Daytona Beach expressed his gratitude for the park and he sees a lot of improvements that have helped the park.

Loretta Arthur, 211 E. International Speedway Boulevard, Daytona Beach expressed her gratitude for the park improvements and thinks it will be better for the community.

Kara Nichols, 624 Marion Street, Daytona Beach expressed her concerns regarding the cost of maintenance. She asked if the City isn't keeping it up, who would be accountable.

Cherise Dooley, 304 N. Keech Street, Daytona Beach stated she represents the midtown community and is against the project.

Commissioner Gilliland stated TIF (Tax Increment Funds) funds could only be spent in the geographic area of the redevelopment. The City isn't diverting funds that could be used there; the park project is something different from that.

Commissioner Delgado stated it's important they recognize, in order to receive the benefit from the contribution, they have to be careful on the CRA expenditures going forward. He stated the City needs to focus more on all the activities that are CRA, make sure the people who would manage it are doing well and there's transparency. It's a significant undertaking and but it all falls down to being careful and pay attention to the actions of the CRA to the budget and how they're managing what they do have.

Commissioner Reed stated she would like to see a review of the City's CRA expenses. She wants to make sure business owners still have access to their businesses while the development is going on because the streets would be redone as well. There's an apartment complex coming and so many other things as well.

It was moved by Commissioner Gillilnad to adopt the Resolution. Seconded by Commissioner Trager. The Resolution was adopted 7-to-0 with the breakdown as follows:

Commissioner Trager	Yea
Commissioner Delgado	Yea
Commissioner May	Yea
Commissioner Gilliland	Yea
Commissioner Henry	Yea
Commissioner Reed	Yea
Mayor Henry	Yea

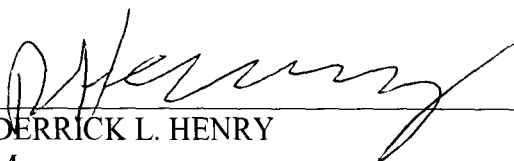


7. COMMENTS COMMUNITY REDEVELOPMENT AGENCY

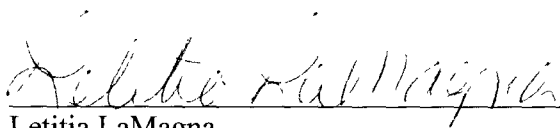
No comments.

8. ADJOURNMENT

There being no further discussion or comments the meeting was adjourned at 7:39 p.m.

  
DERRICK L. HENRY  
Mayor

ATTEST:

  
Letitia LaMagna  
City Clerk

Adopted: June 19, 2019

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