

MINUTES

REGULAR MEETING - COMMUNITY REDEVELOPMENT AGENCY BOARD (CRA)

September 9, 2009

Minutes of the Regular Meeting of the Community Redevelopment Agency Board of The City of Daytona Beach, Florida, held on Wednesday, September 9, 2009, at 4:00 p.m., in the Commission Chambers, City Hall, 301 South Ridgewood Avenue, Daytona Beach, Florida.

1. Roll Call.

Commissioner Derrick Henry	Present
Commissioner Cassandra Reynolds	Present
Commissioner Richard Shiver	Present
Commissioner Pamela Woods	Present
Commissioner Shiela McKay-Vaughan	Present
Commissioner Robert Gilliland	Present
Mayor Glenn Ritchey	Present

Also Present:

James V. Chisholm, City Manager
Marie Hartman, City Attorney
Jennifer L. Thomas, City Clerk

2. Commissioner McKay-Vaughan led the invocation.
3. Commissioner Henry led the Pledge of Allegiance to the Flag.
4. Approval of Minutes of the August 5, 2009 Special Community Redevelopment Agency Board Meeting, as individually read.

It was moved by Commissioner Shiver to approve the August 5, 2009 Special Community Redevelopment Agency Board Meeting Minutes with changes. Seconded by Commissioner Gilliland. The motion passed 7-to-0 with the breakdown as follows:

Commissioner Henry	Yea
Commissioner Reynolds	Yea
Commissioner Shiver	Yea
Commissioner Woods	Yea
Commissioner McKay-Vaughan	Yea
Commissioner Gilliland	Yea
Mayor Ritchey	Yea

5. AGENDA APPROVAL

James V. Chisholm, City Manager read the Agenda changes:

No Changes.

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

Commissioner Henry	Yea
Commissioner Reynolds	Yea
Commissioner Shiver	Yea
Commissioner Woods	Yea
Commissioner McKay-Vaughan	Yea
Commissioner Gilliland	Yea
Mayor Ritchey	Yea

6. PUBLIC COMMENTS BY PEOPLE ADDRESSING THE COMMUNITY REDEVELOPMENT AGENCY BOARD

No Speakers.

7. DISCUSSION

A. Action/Discussion - Daytona Beach Pier - Proposals

James V. Chisholm, City Manager, stated he had been asked to do additional negotiations. The memorandum provided to the Commissioners laid out facts about what was involved in the Pier including what had been done and paid for by Diland. It also showed the values as established by the Property Appraiser and the various appraisers of the City. The second page described the negotiations and presented a report from Gary Libby of the committee’s recommendations. There were several options and after his discussions with Diland they were able to come down to \$1.3 million as a settlement for all purchase rights, equipment rights, and business interests. If that proposal was approved the City would pay Diland \$1.3 million plus closing costs. Other options were discussed but all ended up with ambiguities that he was not comfortable with. He recommended this option for the Commission to consider and approve. If not approved, he would need additional direction.

Commissioner Woods read “the City shall use the existing management company and operate the Pier until all capital improvements have been completed”. She asked who that would be.

Mr. Chisholm stated that was a company to be used on an interim basis. He did not know who the company was.

Commissioner Woods asked if they were talking about the current leaseholder continuing to be the management.

Mr. Chisholm stated it was a separate company.

Commissioner Woods stated she knew they would work out the details later but if they were being asked to keep the current management company they should know who it was and the public had the right to know as well.

Commissioner Gilliland stated they weren't being asked to keep the management company, the City Manager suggested they keep the current management company so they can keep the Pier operating because the City didn't have a vehicle by which to operate it. He thought it was a reasonable solution. But Diland would be out for \$1.3 million plus closing costs. He was fine with it.

Mr. Chisholm stated he was fine with going with somebody else. It didn't matter to him.

Commissioner Henry stated he thought Commissioner Woods just wanted to know who they were.

Commissioner Woods stated last month a business plan was presented with the City operating it. This proposal was different. She thought they had a right to get the answer to that.

Commissioner Gilliland stated the proposal read "the City shall" use the existing management company and it would need to be changed to "may".

Mr. Chisholm stated that was not an element of negotiations with Diland. That was the City trying to find a way to have continuity in the operations until such time as they can get all the things settled.

Gordon McNeil, President of Diland Corporation, 3 Townline Circle, Rochester, New York, stated the company was Oasis, a payroll handling company. They were independent and Diland had no interest in them. The Pier had cycles in terms of employment so Oasis acted like a management company for employees. Diland paid Oasis to do the payroll and the taxes.

Mayor Ritchey asked if the employees worked for Oasis and not Diland.

Mr. McNeil stated essentially.

Commissioner McKay-Vaughan read "operate the pier until all capital improvements have been completed". She asked who was to do that.

Mr. Chisholm stated once the management and operation transferred to the City, capital improvements would be the City's responsibility.

Commissioner McKay-Vaughan stated so they were not expecting any more to be done by Diland. She asked about the financial commitment.

Mr. Chisholm stated \$1.6 million was the estimated cost to make the capital improvements.

Commissioner McKay-Vaughan asked if they had a list of the capital improvement needs.

Mr. Chisholm stated that was in a previous memorandum.

Commissioner McKay-Vaughan stated she really wanted to know that would happen once the City took possession of the Pier. She asked what standing the existing management company would have and if they would have a leg up when the Request for Proposals (RFP) was sent out.

Mr. Chisholm stated there would be an RFP in accordance with the City's Code. He was only trying to keep continuity in the interim.

Commissioner McKay-Vaughan asked if there was a statement saying that company would be terminated when someone was chosen from the RFP.

Mr. Chisholm stated no. The proposal was merely an option for agreeing on how they would move forward. All the documentation would have to come back to the commission.

Commissioner Woods asked what the company managed currently.

Mr. Chisholm stated the only thing they were doing was handling personnel costs. The City would do the contracts with outside concessions and vendors.

Commissioner Gilliland stated it was really a staffing company rather than a management company. The language would be the City "may use the existing staffing company."

Mayor Ritchey asked about employees, equipment, and everything being all inclusive.

Mr. Chisholm stated it was all inclusive in the settlement. There was a sentence that said "all outstanding claims, inventory, fees due the City or Diland would be accepted as payment in full for all parties to this agreement". So inventory was in there.

Mayor Ritchey stated nothing would leave the Pier.

Commissioner McKay-Vaughan asked about the sky ride.

Mr. Chisholm stated the sky ride would stay.

Commissioner McKay-Vaughan stated in the second audit they objected to spending the money for something that it wasn't a benefit to the Community Redevelopment Agency (CRA). She questioned the situation where the City was paying off a loan, not for the Pier but for the lease. She couldn't imagine that CRA money could be used for this.

Marie Hartman, City Attorney, stated it was an acquisition of an interest in property. It was currently subject to the right of possession as a leaseholder. A leasehold was what Diland had. That was an interest in real property. The statute authorized the City as a CRA to acquire an interest in real property.

Mayor Ritchey asked if Ms. Hartman's opinion was that they were within their legal rights to do this acquisition.

Ms. Hartman stated yes, it was covered under the CRA statute.

Commissioner Woods asked where it was on their plan.

Reed Berger, Redevelopment Director, stated the plan referred in general to property acquisition. On page 21 the plan reflected and repeated what the statute said.

Commissioner Woods asked if there was any reference in the plan other than in the CRA.

Mr. Berger stated other than it is in the CRA. There was nothing that said Main Street Pier.

Commissioner Woods stated it was in the CRA and then there was a general reference. There was nothing that talked about what the City wanted to do with it or how it fit in the plan or anything else.

Mr. Berger stated no. Their plans were written under the statute for the time that it was created which did not require any kind of specific statement that it was the Main Street Pier or it was a certain hotel or whatever else it might be.

Commissioner Woods stated they just got criticized by the Auditor General about that.

Mr. Berger stated he didn't think the Auditor General was reading that part of the statute in the same way they read it.

Commissioner Woods stated she thought they should err on the side of caution. The City was under scrutiny already. To her it didn't make any sense to keep fighting with the Auditor General of the State of Florida.

Commissioner McKay-Vaughan asked if there were going to take action on the proposal tonight. She asked if there was a possibility to put this off until the next meeting. They just got this and it was a whole new concept.

Mayor Ritchey stated they had it long enough. It would come back to the City Commission for a vote and that vote would not be today. It was listed as an action item and he was ready to vote it up or down because they had wrestled with it long enough. He didn't see that delaying it anymore would change anybody's opinion.

Commissioner Gilliland asked about the language being corrected about using the management company.

Commissioner Woods stated the business plan mentioned it.

Mr. Chisholm stated even if it wasn't specified the intent was that the City would use the management company. He didn't have any problems making the suggested changes that clarified the wording. The intent was not to make this a permanent change.

Mayor Ritchey suggested using "the City at its discretion" as the wording then they could use the existing management company but they wouldn't have to. They would need someone to operate the Pier with continuity. He wouldn't want to put the employees who depend on the Pier for a living in harm's way. He certainly wouldn't want City employees operating it because that would cost a lot more with the benefits etc. that were currently being paid.

Commissioner McKay-Vaughan asked if when the City used the management company would there be a no liability clause for the City. She asked if they would operate it on their own with no money from the City and what would be the City's obligation to them.

Mr. Chisholm stated they would have to adopt a budget and bring it back to the Commission.

Commissioner McKay-Vaughan asked what that amount would be.

Mr. Chisholm stated they had a copy of a business plan that showed that. The gross revenues were estimated at \$1,552,645. The net expenses were \$64,510.

Commissioner McKay-Vaughan asked if the City would expect to get some profit from operating the Pier. They were really looking at almost \$3 million. The commitment on the part of the City would be \$2.9 million. It was \$1.3 million to buy it and \$1.6 million to fix it. They were really talking \$2.9 million plus expenses. She asked if there was money in the budget now for this.

Mr. Chisholm stated no, that would have to come back to the Commission.

Commissioner Henry asked if they could theoretically purchase it and not fix it.

Mr. Chisholm stated yes.

Mayor Ritchey stated something they had not talked about was the potential availability for grants that couldn't be applied for under the way the current lease was written. Grant funds would go a long way to offset the expense of remodeling the structure. All of those things were not definitive. They were not able to lay them out. The issue was did they buy the Pier for \$1.3 million, renovate it, turn it into an attraction that would draw tourists or would they leave it like it is and continue perhaps 60 years which was the term remaining on the lease.

Donald King, 1409 North Halifax Avenue, Daytona Beach stated he thought the City had the right to make people fix up their property. Diland had the responsibility of upkeep of the Pier to some standards that so far nobody had defined. The City should put Diland on notice. Even if the matter had to go to court he thought the judge would say Diland would be responsible. They could take the \$3 million to fix the Pier and make it dandy. He didn't think the City should pay Diland anything. Whatever they made or lost was free enterprise. The City needed to get estimates on the cost of operation. He didn't think they should be spending taxpayer money like this and be raising taxes.

Gary Libby, 723 North Oleander Avenue, Daytona Beach stated in 2003 The City of Daytona Beach applied to the ECHO program for a historic preservation grant for the Pier. It clearly defined the future of the Pier but by the time the application was submitted the grant changed to a purchase grant. The City did not make the cut for the super grant. It fell to the \$500,000 category. The application stated if the City didn't get the super grant it was very interested in using the match money it had, which was \$2.5 million for a variety of other sources, to continue to buy the Pier. The ECHO board voted and passed the grant. It was in the process of being awarded when the City decided it did not want to buy the Pier but it wanted to buy the park at the foot of the Pier. The City came back to the ECHO board and requested that the half million dollars be applied to the park because there was some understanding that the owner of the Pier might gift it to the City. The ECHO board voted unanimously to not move the money from the purchase of a historic pier to the purchase of land at the base of the Pier. The City appealed to the County Council. The County Council overruled ECHO and granted the City \$500,000 to be part of the money to buy the park. The City then came back and applied for a second \$500,000 grant to improve the park. They were given that. The Pier as a historic resource and a historic structure was transferred to the City as a gift. That brought them to the present time. It was his understanding as a member of the ECHO board and someone intimately connected with that program that there would be dollars available to the City for a historic preservation of the Pier - not a renovation, and not to make it less that it hoped to be, but as a historic asset for the City. In short, he believed if there was a clean hands purchase by the City with no other connections to it that the Pier would be eligible for future ECHO grants for historic preservation.

Paul Zimmerman, 356 Woodland Avenue, Daytona Beach stated somehow several confusing and he believed irrelevant issues had been raised in the discussion about the Pier. What the City paid, if anything, for the Pier was totally irrelevant. The age of Diland stakeholders was totally irrelevant. Whether Diland made a good deal with the City was also irrelevant. They were all red herrings meant to confuse the issue. The issue before the Commission was simple. It was had Diland abided by the terms of its existing lease and were they deserving of over a million dollars in taxpayer money to vacate their obligations that were remaining to the City. Yes, he said taxpayer dollars because that was what ECHO dollars and general fund dollars were. They all originate from the citizens of Daytona Beach and Volusia County. It was unfortunate that Diland had not made a successful run at operating the Pier but he didn't think the citizens of Daytona Beach should have to pay for their mistake. He heard some folks say let's put this issue behind them. Pay Diland; buy Diland out, even though they were not satisfied with Diland's performance on the Pier. They see buying Diland out as a way to expedite the City gaining control of the Pier. Buying Diland out

might be quick but it didn't make it right. He would like to offer two other options for the City to consider today. He believed that if Diland wanted out of the lease they should be allowed to leave. He thought the City should be willing to hold them harmless for their failure to abide by the terms of the existing lease. Or the Commission should instruct the City Manager and the City Attorney to begin the eviction process. Take possession of the Pier and begin repairs necessary to protect the citizens' interest. He asked them to do what is right, not what is quick. Deliver an option that doesn't reward for failure to perform the existing terms of the lease.

Don Kane, 101 University Boulevard, Daytona Beach stated he was mad as hell. They shouldn't even be here discussing the Pier. Mr. Zimmerman pointed out what the problem was with the Pier. Mr. Chisholm was posturing for the Pier buyout a year ago. It was a landlord – tenant problem and it was caused by the management. The management of Daytona Beach was Jim Chisholm. On the Big John radio show Mayor Ritchey was asked who the chief negotiator was for the Pier and he indicated it was Mr. Chisholm. He (Mr. Kane) replied that was a serious mistake. If they recall, Mr. Chisholm was the chief negotiator for the Braddock Apartments that cost the City \$2 million which was more than four times as much as they were worth and then sold them for \$20,000 which was a penny on the dollar. He didn't know what was wrong with Mr. Chisholm. If he is the chief negotiator for this deal, he was embarrassed for him. He was embarrassed for the Commission that would allow anything like this to go on. He was very upset. They were spilling taxpayer dollars. At the last meeting Commissioner Gilliland said he didn't have the guts to litigate this, he was afraid of a three-year litigation.

Commissioner Gilliland stated absolutely false.

Mr. Kane stated that was a lack of character. The nine seats of these leaders and managers were very important. He was not the only one in the City who was mad. There were a lot of people who were mad and wanted to get a petition together to remove him. If they are afraid of litigation with Ms. Hartman and her nine lawyers on staff litigating it, then shame on them. He stated Mayor Ritchey said he was not afraid of negotiation but he already rubber stamped it.

Mayor Ritchey struck the gavel and stated Mr. Kane could talk about the Pier but not about the Commissioners or the City Manager.

Commissioner Gilliland stated he didn't want to hear anything else Mr. Kane had to say.

Neil Harrington, 101 Grand Oak Circle, Daytona Beach stated if the City was stuck with this, if they thought they were confused they should sit back in the audience. Most of them really didn't know what was going on with the issue. He didn't know what the answer was but in looking in the many files he had on the Pier he came across a special calculator. It might help them in future negotiations in case they had to deal with the Diland Corporation again, particularly the famous author, Mr. Fincke. He offered it to be used anytime there were negotiations. (He revealed a pea and three walnut shells.)

Paul Politis, 221 North Atlantic Avenue, Daytona Beach stated he thought the genesis of the angst in the community was that the Diland Corporation agreed to negotiate for the Pier without any kind of coercion. They did it on their own free will with the expressed written concept of making a profit. Unfortunately, that didn't happen. He felt that a lot of the animosity in the room was that business agreements were entered into with the idea to make a profit. If it didn't happen he felt they saw it as an unfair advantage to the government to come in and bail somebody out. If this was an ordinary business at the mall or even on A1A he didn't think they would have the luxury to come back and say we initiated an agreement that didn't work out for us so give us some money to walk away somewhat whole. He thought that was what some of the people were hearing. On any given business deal there was risk and reward. Unfortunately this didn't work out for the Diland Corporation. He didn't know it was the public's responsibility to pick up the tag on it.

Marjorie Johnson, 122 South Keech Street, Daytona Beach stated she was sick and tired of being sick and tired. She was totally against the City Manager and the Commission using the taxpayer money to pay Diland Corporation because they violated their lease agreement. She was against the recommendation to pay \$1.5 million for something that already belonged to the City. They should not receive one red cent of the taxpayer money. The Pier already belonged to the citizens and if Diland Corporation did not comply with terms of the lease they should have been terminated. Anywhere they go in America and break or terminate a lease they do not get paid for it. She was flabbergasted to learn of all the problems in Midtown and none of them being corrected. All they had were promises. She would like the Commission to vote no and not give the taxpayer money to the Diland Corporation. They should not to be rewarded for violating a lease agreement. If they want to leave, let them leave. The City should look out for the taxpaying citizens and not the special interests. Everyone she has talked to felt the same way and they wondered why the taxpayer money was being given away. They were very pissed off that the Commissioners were going against the taxpaying citizens of the community. She asked them again to vote no.

John Nicholson, 413 N. Grandview Avenue, Daytona Beach stated earlier he had said he would prefer Diland not be paid. The lease should be terminated. The best policy would be to get them out and save the Pier. If they stayed on indefinitely they were talking up to 70 years. He asked what would happen to the Pier. At the last meeting he suggested a million dollars. The reason for that was because they put a million dollars up to purchase the equipment and inventory, etc. Pay them for the inventory and then they could leave. It had gone up another \$300,000. In essence they were not buying the Pier for \$1.3 million; they were buying for \$1 million what Diland paid \$1 million for. That sounded kosher to him. No, they didn't have all the facts and figures as to where the money went but Diland did put money into it. In the long run the best interest of the City was to buy Diland out in order to create something that would be eligible for grants and that the City could be proud of rather than have something sitting there for years. Going into litigation would definitely cost more than \$300,000. The City would end up with what it wanted, exactly where they wanted it. It would benefit the area where the funds were supposed to go.

Jim Cameron, Senior Vice President of the Daytona Beach Halifax Chamber of Commerce stated the Chamber board had voted in favor of the City taking control of the Main Street Pier. They saw it as a vital icon not only for tourism but in historical aspects. He would like to add that they hosted a meeting of parties interested in the Pier the week before last and he thought there was some good frank discussion on that. If there is anything the Chamber could do to continue the negotiations they stand ready to help.

Commissioner Shiver stated several years ago the City came real close to letting the County have Peabody Auditorium. Hind sight being 20/20 that would have been a terrible mistake to make. Here they were with the same situation. They had a structure that had been run down and it looked like it was an impossible task just as Peabody had. He asked the City Manager for numbers that reflected the money Diland had put into the Pier for structural upkeep or repair of the building. If someone was renting a house and the air conditioner failed, it was the responsibility of the owner to make the repair. The total came out to be \$1.225 million and he would support the proposal to pay Diland for what the City probably should have been paying them all along.

Commissioner Woods stated the responsibility depended on how the lease was structured. She has had a problem with this from day one and everyone knew that. Diland knew when they entered into the agreement that they were responsible for the maintenance. When Mr. Libby pointed out last month that they knew they couldn't get grants, and that was several years ago, they didn't come back to the City and say they had a problem and they needed to renegotiate the lease because they couldn't keep up with the maintenance. That happened when they were making money and all was well. In her opinion the change was that they were not making money like they were and the maintenance had become too much. That didn't make it the taxpayers' responsibility to bail them out. She could not justify spending \$1.2 million for someone who was unable to keep up with the lease. She had no problem with them walking away. Don't think for a moment they didn't make money. She could not support giving them any money. The City would then have to spend probably \$2 million more taxpayer money to get the Pier up to where it should be. She would not support giving them any money.

Commissioner McKay-Vaughan stated she saw a value in the Pier. They were all very torn over the whole thing. Maybe even five years ago she wouldn't have thought this was such a bad thing but times were very tough right now and people were hurting. They had talked about making cuts in the budget because there wasn't any money. Now suddenly they had \$3 million that would be contributed to the budget. Those were the kinds of problems she had. Why couldn't they help the residents. They seemed to be confident they can find the \$3 million. That was a major stumbling block for her. She couldn't support it at all. She was all for letting them out. But she did not see how at this time with the situation they had with the economy that they could bail someone out.

Commissioner Gilliland stated he agreed with Commissioner Woods, if he owned a house and the lease said the tenants were to take care of maintenance they had to do it. When this went down in 2003-04, they laid out over \$2.4 million to buy the Pier and put it in the City's name. If the City had done it, that was what they would have spent. Now they were talking

about buying it at the bottom of the market for over a million dollars less than if they had taken complete control earlier. This was a public/private partnership. It failed. They needed to go a different direction. This was about as low as he thought they would get. It was consistent with the CRA laws and the CRA plan. He supported the \$1.3 million plus closing costs. The \$3 million Commissioner McKay-Vaughan was talking about also had accompanying revenue. He had been pushing the purchase for a year because the Pier was stagnant and they were not going to move forward with the Boardwalk hotel anywhere in the near future. That hotel was going to be the impetus for the construction of the amusement pier and the additions, renovations and enhancements to the existing pier. One thing that was fairly consistent with the people he had talked to was that people liked the Pier. They thought it was a great historic part of the community and they didn't want to see it go away but they don't like the condition it was in. This was an opportunity for the City for about fifty cents on the dollar of the original purchase price to take full control of the Pier, terminate the relationship with the partner in the deal, and be able to get grant money and bring the structure back to its original condition. Daytona Beach had slid way down the list over the decades. When Daytona Beach was number one, that pier was one of the great things about Daytona Beach. He thought it was time to bite the bullet. It was going to be purchased with CRA funds and there was money in the budget for acquisitions. He was comfortable with the business plan. He would support the \$1.3 million plus closing costs.

Commissioner Henry stated he had noticed that it was often very difficult to find the facts on what transpired today much less to find out what really happened five or six years ago or what the motivation was or why people made decisions when they sat in certain positions. As he had tried to piece things together, it appeared the City found a way to get the Pier for a reasonable price, which was by not paying any money. In doing that there was some sort of agreement made that a group would get to have the Pier for a long period of time and that the property would be deeded to the City. What had happened in the public debate and discussion of the situation was that much of the facts had been somewhat marred in his opinion. He referred to it as propaganda because it was not really fair to say that the Pier wasn't really paid for. There was money that exchanged hands. The residents got the feeling that why were they now paying for something that they own. There were different directions they could take and many of those had been talked out. The different options were to be considered today until the City Manager came up with the particular proposal. The decision was about the Pier because it spoke to Daytona Beach and the condition of the City and to the way they want to look, the way they want to project and promote themselves. This was not a win situation for the City in terms of paying money. Paying \$1.3 million for anything was not a winning situation. If Diland were willing to go away he thought he would clap his hands but they were not. At the end of the day he would hope that the decisions they make in the future in the contracts they enter into would be very clear, very transparent, and that they were written and done in a way that the City could hold all parties accountable. This one wasn't, but he was prepared to vote on it and he would like to see it go forward.

Mayor Ritchey stated to him this was an iconic historic building in the core of the tourist area. Not so long ago this Commission voted to buy a lot on the river from the Lands for Public Trust for a park for the residents of the community. He supported that because he

thought the timing was right and it secured some land well into the future for the residents of the City and the visitors as well. He also noticed that when Diland took over the lease they paid the City \$662,500 for the development of Breakers Park which was another park that the residents would enjoy for years to come. He was not in a hurry to vote. He had heard it said that he was saying he was ready to get it over with. He was ready to get it over with because he believed it was absolutely the right thing to do. He thought if they were every going to start moving the community forward the City had to start looking better than it looked. They had the money available in the redevelopment area. He didn't support it at \$1.8 million. He didn't support it at \$1.5 million. He will support it at \$1.3 million.

It was moved by Commissioner Gilliland to accept the proposal to purchase the Daytona Beach Pier for \$1.3 million. Seconded by Commissioner Reynolds. The motion passed 5-to-2 with the breakdown as follows:

Commissioner Henry	Yea
Commissioner Reynolds	Yea
Commissioner Shiver	Yea
Commissioner Woods	Nay
Commissioner McKay-Vaughan	Nay
Commissioner Gilliland	Yea
Mayor Ritchey	Yea

8. ADMINISTRATIVE ITEMS

- A. Adopted/CRA Resolution No. 09-13 approving the establishment of four (4) new grant programs; Historic Building Preservation Grant, Upper Floor Residential Grant, Business Façade Grant, and Leasehold Improvement Grant designed to incentivize business retention and relocation into targeted areas of the redevelopment areas. City Staff has engaged all three (3) Redevelopment Area Boards over the past several months in determining what types of incentives are most applicable to the needs of specific areas. City Clerk Thomas read the Resolution by title only. A RESOLUTION ESTABLISHING FOUR GRANT PROGRAMS TO INCENTIVIZE BUSINESS RETENTION AND RELOCATION AND ENCOURAGE PROPERTY IMPROVEMENTS IN REDEVELOPMENT AREAS; ESTABLISHING ELIGIBILITY CRITERIA AND MAXIMUM GRANT AMOUNTS; PROVIDING THAT GRANT PROGRAMS ARE SUBJECT TO BUDGETING AND APPROPRIATIONS OF FUNDS FROM THE VARIOUS AREA TRUST FUNDS; AND PROVIDING AN EFFECTIVE DATE.

James V. Chisholm, City Manager, stated that Reed Berger was here to present.

Reed Berger, Redevelopment Director, stated they are able to deliver to the Commission four different grants. The first one is a Historic Preservation Grant and it has been tied to local designated districts. We currently have one, but there appears to be more districts on the way. The second piece is the opportunity to use it for locally designated individual structures, such as the Blodgett House. It has National Designation, but not local. This will help fund those and we have involved the Historic Preservation Board, the certificate of appropriateness, we use the standards of the Secretary of Interior, and that is all in the program. It is measurable and will turn around some of the structures in our area. This also

applies to the three other grants presented here. They are very targeted. Each one unique and each one compliments the Façade Grant program we currently have.

Commissioner McKay-Vaughan stated that it is very narrow and she is concerned about that. It says for historic residential building and she asked if this could be an isolated building that is not necessarily in a district.

Mr. Berger stated that Blodgett House is across the street from a designated area and if locally designated, would be eligible for those funds.

Commissioner McKay-Vaughan stated so the overlap would be Main Street and South Atlantic. The overlap of historic districts and redevelopment zones is really very narrow. She would like to see that expanded. She asked for clarification on any contributing structure within a historic district.

Mr. Berger stated any contributing structure, for example within Surfside, if it would be locally designating as a district.

Commissioner McKay-Vaughan stated she was glad for that. She said when she put the overlays it is very small and narrow and won't benefit every redevelopment area as much as she would like to see it. She asked what the total amount is for all these grants.

Mr. Berger stated each fund is different. They doubled the amount for Façade Grants overall. The same holds true in the Main Street Area. We are trying not to restrict ourselves. We are using the same amount for residential and commercial. As we learn more about these programs we will probably come back and tweak them.

Commissioner McKay-Vaughan stated the budget is rather small and she wishes they could expand it.

Mr. Berger stated that if people are actually doing it, and in that case we have a \$300,000 investment and four people want to do it that would be a huge difference for us in one year.

Commissioner McKay-Vaughan stated she wanted to go on record that she would like more money set aside for that.

Mayor Ritchey asked about the guidelines for oversight for these committees.

Mr. Berger stated these are no different than the current Façade Grant where we have our Redevelopment Technician go over the eligibility criteria, going through the Historic Preservation Board for certificate of appropriateness, if they are over \$25,000, it comes before the Commission. The checks and balances are there.

Mayor Ritchey clarified that there is no change in the current structure.

Mr. Berger stated no change in structure. It is there for improvements that go into real property and turn out to be tax increment and more revenue for those funds. The Upper Floor Residential Grant is narrow and is really for downtown. We have tested this out with property owners and realtors. This seems to be a number that works in terms of the investment on a per unit basis. You can only get up to 10 units. We could convert some of current buildings and provide some residential downtown.

Commissioner Woods asked if the Land Development Code (LDC) currently allows us to do that.

Mr. Berger stated his understanding was they didn't need to make any changes to that.

Commissioner McKay-Vaughan asked why it was restricted to just downtown.

Mr. Berger stated that is where all the time and research was applied. If they start to do it and it seems they can apply it somewhere else they will. It was in the Downtown Redevelopment Plan.

Commissioner McKay-Vaughan questioned whether it was in the Main Street Redevelopment Plan.

Mr. Berger stated it was not in that plan. We can address that in the future. The Business Façade Grant is one that is a targeted program. It is there for existing businesses as well. It complements the Façade Grant we currently have. The last one was the Leasehold Improvement Grant. It is the build out inside, particularly for tenants and their special needs that we want to attract here, and a lot of this; we looked at other communities such as Delray Beach and looked at what they were doing. The only thing we are missing, but need to amend the plan, is a rent subsidy.

Commissioner Woods asked what the legal issues are with the rent subsidy.

Mr. Berger stated that it goes back to whether you are not putting the money directly into an improvement but the attraction of businesses, some other communities are doing it, but we need to explore how to do it correctly. We are under scrutiny because of the audit. Another thing we have seen in our research that has been successful in a landscape component that deals with open space plazas. We want to make sure our boards have input on that and it is something they want to recommend. Another part that is missing is banks providing a low interest subsidy. This has been difficult. That is something we will be revisiting in the future.

Commissioner Woods stated that was good. When she was down in Delray a few years back, they had gone to very strict landscaping rules, but for those having difficulty coming into compliance, they were able to use CRA funds. Visually it made a huge difference, but everyone had to comply. No one was grandfathered in, but they provided assistance for that.

Mr. Berger stated that they have people hurting just to get into the buildings. This is a good start and they will keep looking down the path to the visual part of it.

Mayor Ritchey asked about financing opportunities and if they had looked at Small Business Association (SBA) assistance.

Mr. Berger stated there has not been conversation into the SBA loans. The banks have other incentives to look at in addition to SBA.

Mayor Ritchey stated that banks have certain incentives to lend to certain zip codes.

Mr. Berger stated that was correct. They have incentives for minority businesses, as well.

Mayor Ritchey clarified that they were looking at all of them.

Mr. Berger stated yes.

Commissioner McKay-Vaughan asked when they can expect something more to come back.

Mr. Berger stated if you watch our Redevelopment Boards they will be tackling more of these programs in October.

Commissioner McKay-Vaughan stated she didn't see anything for businesses outside of the Redevelopment Areas. She would like it be considered.

Commissioner Woods said it would have to come out of General Fund and not CRA funds.

Commissioner McKay-Vaughan stated she understood that, and understood they would have to get creative with finding funding. It is really important and there are businesses that really need some help and they don't happen to be in redevelopment areas. She doesn't see a strong paint program and she would really like to see one. She asked if they all required contractors or engineers.

Mr. Berger stated they can't go beyond the law, but if you read through these programs they say owner/contractor.

Mayor Ritchey asked if they need a motion on this.

Mr. Berger stated yes.

Mr. Chisholm recommended a motion.

Marie Hartman, City Attorney, stated they had a Resolution drafted for their approval.

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

Commissioner Henry	Yea
Commissioner Reynolds	Yea
Commissioner Shiver	Yea
Commissioner Woods	Yea
Commissioner McKay-Vaughan	Yea
Commissioner Gilliland	Yea
Mayor Ritchey	Yea

- B. Defeated/Resolution accepting the revised Main Street Merchant Association Marketing Plan 2008-2009 and authorizing the expenditure of tax increment funds, in the amount of \$75,000, from the Main Street Community Redevelopment Trust Fund for the purpose of promoting events. The Main Street Merchant Association is requesting the funds to complete the implementation of its marketing plan for the current fiscal year that will attract thousands of visitors to the Main Street area. City Clerk Thomas read the Resolution by title only. A RESOLUTION ACKNOWLEDGING RECEIPT OF THE MAIN STREET MERCHANT ASSOCIATION MARKETING PLAN 2008-2009; APPROVING A GRANT OF TAX INCREMENT FUNDS FROM THE MAIN STREET REDEVELOPMENT AREA TRUST FUND TO THE ASSOCIATION IN AN AMOUNT UP TO \$75,000 FOR PROMOTIONAL ACTIVITIES AS SET FORTH IN THE PLAN; AND PROVIDING AN EFFECTIVE DATE.

Reed Berger, Redevelopment Director gave a brief update on the marketing presentation held back in February 2009 and thought the Commission approved half of the requested amount that was in our budget of \$75,000. The request is for the additional \$75,000 and the request in February was to make that a more diverse plan and to also look at the downtown plan and how it was constructed to provide measures and make sure this plan looked at the wider area in terms of marketing and not be as one dimensional as some were saying at that time. The effort was made but it did not get off the ground when the Main Street-South Atlantic Redevelopment Area Board (MSARAB) reviewed it in June. It was reworked again to address the CRA concerns and the MSARAB approved it. This is why it is before you tonight. The applicant is here and can give a presentation and speak about this as well.

Tom Guest, 618 Main Street, Daytona Beach and President of the Main Street Merchants Association stated they did come before the Commission last January and made a presentation and was asked to go back and make some modifications which have been done. It was brought to the last MSARAB meeting and was approved 5-1. He has in the past submitted to all of the Commission his feelings about Chapter 163 of the Florida Statutes. The auditor had recommended that the CRA revise the CRA plans to include sufficient details to demonstrate expenditures of the CRA funds are in accordance with Section 163, 387 paragraph six. It states monies in the redevelopment trust fund may be expended from time to time for undertakings of a CRA described in the CRA plan for the following purposes including but not limited to ... and there's a list of nine different things. He asked the Commission to approve the resolution. The marketing and various methods of

advertising attracts the shoppers to dine and shop.

John Nicholson, 413 N. Grandview Avenue, Daytona Beach stated in previous years, it cost about \$30,000 for events and several months ago they asked for \$300,000 and you cut them down to \$150,000 and gave them \$75,000. Then you asked them to come for the other \$75,000 and Commissioner Shiver, Commissioner Woods and Commissioner McKay-Vaughan had some requests they wanted to have someone look into; one of which was they don't always ask for this money year after year. Secondly, that they expanded and that it's not just on Main Street. He stated that Commissioner McKay-Vaughan asked that there be a variety of venues and not all of them be a bar event. We have a Staff person, Helen Riger, Community Events Administrator, who we pay good money for, to do events. He has asked her why she has not been doing this. She responded by saying she was busy with the Peabody and that no one had asked her. Mr. Nicholson suggested to the Commission to ask Mrs. Riger to partner with the Main Street Merchants Association and help move it off. She sponsors 42 events on the Boardwalk and the Bandshell for \$30,000 which is a pittance compared to the other events they are asking \$150,000 for. He named examples of other events including Friends of the Bandshell, a Friday night event group and Arts in the Park.

Al Smith, 156 South Beach Street, Daytona Beach stated he considered himself an expert on festivals in redevelopment areas having been downtown for 26 plus years. He stated 10 years ago Mike Lyn with Black Crow came up with a formula that worked to create festivals and has been quite successful with many different venues coming from it. He did not think that Mrs. Riger has the manpower or leverage to take these dollars and invest in the way we have through the radio. He asked the Commission to support the item and also what they are doing on Beach Street.

Frank DeMarchi, 126 West International Speedway Boulevard, Daytona Beach of Black Crow Event Group summarized the issues from the last meetings presentation referencing the marketing plans. They have submitted what was asked of the CRA and it has been done this way every year. Downtown had always submitted a marketing plan and when one was asked of their group they submitted the same type of plan. It is in the CRA's paperwork and is a marketing plan that clearly matches the National trust outline for a Main Street programs promotion plan. It is in their word for word and structurally and every part of it. The other issue is variety and in the packet there is a comparison and since the CRA approved the activities he feels there is clearly a variety of programs being offered on Beach Street. They also took a look at another CRA event funded street, Flagler Avenue in New Smyrna and included those festivals in the packet also. In the paperwork you will have a comparison of Beach Street, Main Street and Flagler Avenue. They believe that this clearly demonstrates that there is a variety of festivals that take place on Main Street and there is more than others. All the streets have food and music festivals. They have adult activities, beverage based activities which makes them all have their uniqueness. They are hopeful that the CRA is comfortable with Beach Street that they would be happy that Main Street is similar and offers more variety. Main Street has done an awful lot in a very short time period of including different aspects of the district. The Labor Day block party was just held and advertising encourages people to come to the area. The radio stations were at the party and he met with Pamela from Ocean Walk and they were very happy and can't wait for the next

event. It was a well attended festival with lots of tourist. The activities have been blown up to a level that meets every ones expectations.

Commissioner Shiver stated the fourth element was the lack of marketing to include the new expanded Ocean Center. He said it was going to be a vital part of Main Street and it is not in here. Commissioner Shiver thought it focused too much on Main Street.

Mr. Guest stated he did not think they were ignoring the Ocean Center but were attempting to set up kiosks while attempting to partner with the Ocean Center. The Center is a big part of this district and encouraged suggestions from the Commission.

Commissioner Woods stated she wanted to see goals and objectives in there and she has read it and seen more information but not the goals and objectives that tie it back to the redevelopment plan. She thought that when Mr. Guest read part of the chapter 163 and the phrase "time to time" and we were written up because they are annual events. What they talk about in the legislation of the law is you use festival and CRA dollars and you tie them together from time to time. We have done this consistently on an ongoing basis over and over again. We are not supposed to do that with our CRA dollars. She did not have a problem with putting a certain amount of money in the budget each year for the festivals in all three of the CRA's, she thought we had too much, but whatever we put in there to make sure there are very specific, very measureable goals and objectives. They are not here and they are not in the downtown plan either. They did a better job but they are not here. She did not see what they are being asked to fund down here, how it actually increases business down there in terms of bringing new businesses, how it contributes to eliminating blight or any of the other things we expect to occur when we spend our CRA dollars. These were her issues she had with the item and would not support it until she received the basic information she needed.

Commissioner McKay-Vaughan stated she read somewhere where you get 18 percent of all the costs from this request.

Mr. Guest stated yes and that Mr. DeMarchi could tell you better. It's the cost factor in these events. The radio station advertising is way far above what is given to us out of the CRA funds. A lot of this other money is covered by promotions and sponsorship that we have to go out and get. At times, the Main Street Merchants fund things. We fund some of these things ourselves; it's not all in CRA dollars. The \$75,000 we are asking for is only about 18 percent of all costs.

Commissioner McKay-Vaughan stated if that is the case, she suggested we cut back a couple of events and maybe that will take out the need for this money. If you cut back and instead of having eight events, you have six; perhaps the cost will go down.

Mr. Guest stated we have eliminated a couple of events but also have added some along the years. If an event does not produce the draw of people, we eliminate it. We try to put in something else.

Commissioner McKay-Vaughan stated she was talking about shrinking it even further to 20 percent. If you could do that, then you would not need to have the City give you money. She thought he does a great job and was shocked at the other methods of raising money except for that amount. It appeared to her that certain groups like Budweiser and Black Crow are doing very well. She has read the benefits of the item and that it's supposed to be a destination for entertainment, food and shopping but again stores are not all open. The restaurants are and that's really the major ...

Mr. Guest stated the restaurants are open and his store is always open for the festivals, not all the stores or people want to stay there at night to have one. We have tried to diversify with the Bayou Boil last year and also tried to get into some daytime activities. He did not know if a perfect solution could be found.

Tom Guest stated to Commissioner McKay-Vaughan to eliminate two of the events would not eliminate 20 percent of the cost because the cost and the sponsorships are spread out amongst all of them. The Commissioner stated that Budweiser made a lot of money off of this event, he was sure they did also as well as all the beer companies but they also put money into sponsorships so there was monies coming back to the beer companies.

Commissioner McKay-Vaughan stated she applauded him for the money he has gotten she thought it was great and she would like to see him continue in that direction but she was not going to support him.

Commissioner Gilliland stated he felt this had vastly improved over what was seen earlier this year, but he agreed with Commissioner Woods. He was going to support it but he felt they needed to continue in the direction of the improvements they were seeing on today. He stated that goals and objectives were missing components. He hoped if they continue to improve this and as the area becomes more stable economically, there will be a sign of reduction in the amount of funding being requested from the CRA. He would like to see how that diminishes over a longer period of time until it eventually becomes zero. When it gets to that point you will see shops opened later in the day, and fewer vacant storefronts.

Commissioner McKay-Vaughan asked Commissioner Gilliland when was that going to be.

Commissioner Gilliland replied, obviously we haven't invested enough money as of yet.

Commissioner McKay-Vaughan asked how much more money was this going to take because the City had been doing this for a very long time and it hasn't happened yet.

Commissioner Gilliland replied, which was why they were asking to do it differently now, they are trying and he felt they had made great strides to come more in line with what it was the City was trying to achieve in eliminating the blight that is in the Main Street area. As Commissioner McKay-Vaughan pointed out in years past they were all drunken festivals which weren't what anyone wants. He did like the fact that now there was more of a variety and more than half of those things have kids zones included. He was going to support it but when they come back in 2010 he wanted to see more substance in the plan.

Commissioner Henry stated he felt it was imperative to have some outcomes that were measurable as stated by Commissioner McKay-Vaughan and he just wanted to echo that statement. He was also going to support this but in the future if it's not measurable for him since that was the line of work that he comes from where everything has to be measured, otherwise you can't justify spending the money. The other thing he was not wholly satisfied with the explanation of the audit. Hopefully as time and his own personal studies intensify in this area; he can become satisfied, but if he is not satisfied it will be made known and he won't be able to support it in the future.

Commissioner Reynolds commented she wanted to know the urgency of this because she would be in favor of a continuance to give him the opportunity to include some strategies as well as goals and objectives with the Ocean Center. She stated she was torn as to what she would do if the vote came down to right now without those three things.

Mr. Guest stated the \$75,000 had actually been used up with the festivals ending with the Labor Day Festival. They came before the Commission back in January or February asking for \$75,000 to cover festivals that had actually already been done. Now they were at the end of the year and those festivals have been done. Micro Land Media had been very generous by helping to cover the cost of the festivals as well as the merchants and they have spent the money out of Mike Lyn's pockets.

Commissioner Reynolds asked Mr. Guest if he was saying that the additional \$75,000 had already been spent.

Mr. Guest answered yes. We have come to the end of the year with the year being from October of one year to October of the next year. The end of the year for festivals ended with the Labor Day Festivals. He had been trying to start some other events on Main Street through other promoters in town which didn't work out at all. When Frank DeMarchi left the Main Street Partnership, he went to him and asked if he could help get something started over on Main Street and it has developed from there.

Commissioner Reynolds asked with their generosity she was hoping since they had already put that out, that it would not put them in so much of a bind if this was to be continued until the next CRA meeting which would be in December.

Mr. Guest stated they had originally asked at the beginning of the year for \$150,000, and the Commission said they would give us half of it and come back later and get the other half.

Commissioner Reynolds asked if there was a Special Meeting scheduled for October.

Mayor Ritchey replied there wasn't one planned, but that was at the board's discretion and they could call a meeting whenever they deemed necessary.

Commissioner Reynolds stated that since he had done so well with updating the plan the way he had, for him to put those other three things in there shouldn't take him that long to include them as well. She was sure the Ocean Center would be more than happy to work with him to

get those things included in his plan.

Mr. Guest stated Mr. DeMarchi had put most of the plan together and he could better answer the questions.

Mr. DeMarchi stated this was their fourth year doing festivals with Main Street and the way that the City has the calendar setup for timing for their request for funding are to be submitted to the City administration and then put into the budget, sent before the CRA and then the advisory board which only meets so many times a year. If the agenda is too big you get pushed off until a later time which is what has happened for the past four years where you get backwards in everything, if that makes since. When you look at the time line and the request for funding and how it goes through the system within the advisory boards and then the CRA board of directors almost every single year it has been reversed and funding had to be set aside by someone until the system could catch up to them. The last meeting Commissioner McKay-Vaughan asked them to have a change in that process and submit their paperwork seven months before the start of the new year. With the new year starting October 1st, the request for funding would be due back before the board February 2009, which Main Street has submitted. They are not far enough along, and it looks like they are going to be looking at a similar problem again because they can't catch up with the CRA process along with the calendar.

Commissioner Reynolds stated she appreciated what he was saying but she was trying to see how this could be brought to the point where it would be acceptable to the Commission. She stated she sits on the board of the TDC at the Ocean Center and they just had a meeting and they are really grasping for things and ideas for these partnerships.

Mr. DeMarchi stated if they were to compare calendars with her sitting on the board of the TDC, the income that comes in from the rentals of the parking spaces and the parking garage for all the festivals during the Main Street events all of that is coordinated between the association and the staff at the Ocean Center.

Commissioner Shiver asked if he heard correctly that this request was for \$75,000 that had already been spent and was for a marketing plan that had already past for \$75,000 .

Mr. DeMarchi stated the CRA approved a budget for \$150,000 which they submitted the paperwork.

Commissioner Shiver asked Mr. DeMarchi when they would be coming back to ask for more money.

Mr. DeMarchi replied he thinks there was talk about changing the process so that these types of things would never happen again. They had been told to put everything on hold so that hopefully there would be something in place so that New Year's Eve could be saved.

Commissioner Shiver then asked why the CRA was approving a marketing plan for something that had already been done.

Commissioner Woods stated to Mr. DeMarchi he knew the CRA needed to see the goals and objectives which were not included in the plan and he also knew in order to get the money the goals and objectives had to be included in the plan. Just because something is budgeted doesn't mean you end up spending it on that. She suggested for next year he needs to have listened to what had been said by the board on tonight and know that they want outcomes, they want them measureable and concrete. Not just a list of how the money was being spent but read the plan and tie it into the plan or there was not going to be any more money coming out. She said that to make sure everyone was clear and on the same page.

Mr. DeMarchi replied also just to remind everyone the targeted audiences were pulled out of the CRA Redevelopment Plan and the goals were there on how to get them to come to our area. They need to tie back all of those festivals to those targeted audiences and that would demonstrate they are going after those folks. The last thing the CRA requested the last time they were before the board was for them to gather information so they piggybacked on what Downtown was doing. They gathered names and addresses from the people so they could go back and ask if they had a great time while attending the festivals and invite them to sales that are going on and dinner, etc.

Commissioner McKay-Vaughan stated there were several groups that were doing great things, but she felt there needed to be more organization across the City. She felt the festivals needed to be more local and closer to the people. She suggested that somehow the City get involved in coordinating these events to make sure that places such as Second Avenue and Mary McLeod Bethune Boulevard (MMB), would also have some part in the events so that the whole City would be sharing. She stated there needed to be coordination in setting up what was needed and when it's needed from the organizers.

Commissioner Reynolds replied it made sense to her but the item before the board which she made the motion on, which she probably should withdraw it because she would really like to see a continuance so that both sides could proceed. She did not feel like this item would pass or be approved on tonight.

Mayor Ritchey stated there was a motion on the floor and a second ...

Commissioner Reynolds interrupted the Mayor by withdrawing her motion.

Commissioner Gilliland said he had seconded Commissioner Reynolds motion. His comment was that they were three weeks away from the start of the next cycle. The pre-goals and objectives in this plan are going to be bogus. You are going to look at what happened in determining the outcome based on what happened; he wanted to see the plan dated 10/01/09 show for the next 12 months having goals and objectives and having measurable outcomes because the goals were not that difficult to include. Build the plan to work with the Ocean Center staff which was not going to be difficult or unattainable. He stated this plan had vastly improved over what was brought before the board earlier this year, but it still had a couple of missing pieces. He stated he was going to support this tonight because it already happened and because they were good events and not drunken street parties like what they didn't like seeing in the past. He was not going to support the plan

come October 1st, unless he saw the goals and objectives and some more long range plans. He liked how on Beach Street they collected e-mail addresses for everybody that showed and created a large database of people that they could market too. Not just for festivals but anytime there was a particular band playing down on Beach Street that was very popular or something else major that was worth advertising. Those were not CRA funded activities but something they could help by putting seed money out there to create those data sources so that the marketing could occur. He would make the motion to approve this on tonight if someone would second it.

Commissioner Reynolds asked if they would be agreeable to continuing this until October and at that time take up this one as well as if it is time to take up the one for the next cycle.

Commissioner Gilliland asked Mr. DeMarchi when the next Main Street board meeting was scheduled to be held.

Someone in the audience responded, next week.

Commissioner Gilliland replied it would have to be on that agenda in order to make it before the board in October.

Mayor Ritchey stated there was such a thing called perception, and he felt Mr. Guest's perception was he came before the CRA asking for \$150,000 and was given \$75,000 and in his mind he assumed he was going to come back and the board was going to approve the additional \$75,000. He heard a lot of things he agreed with, in reference to the measurable, he wanted to know what were the increments. There is wording in the CRA Plan that states you cannot have year after year, after year events it becomes part of the pay plan sort of speaking, it's not an event it's just part of the way we do business. The CRA cannot do that, they are not allowed to do that. He was going to support the \$75,000 because he believed that Mr. Guest left the meeting on that night thinking he was going to come back and the board was going to give him the remaining \$75,000 requested previously. He stated shame on Mr. Guest for spending the money before he had received it. He stated the CRA would have to put a pause to this for the future by having to skip a year maybe two. There needed to be six months or more to break the rhythm of this cycle. He commended Mr. Guest for raising outside funding to its current level. He stated he was going to support this item on tonight but in the future he recommended he take everything into consideration that had been said by the board and approach future applications from that standpoint. By doing so the CRA could stay in compliance with the State Auditors.

It was moved by Commissioner Gilliland to adopt the Resolution. Seconded by Commissioner Shiver. Mayor Ritchey called for a roll call vote. The Resolution was defeated 3-to-4 with the breakdown as follows:

Commissioner Henry	Nay
Commissioner Reynolds	Nay
Commissioner Shiver	Yea
Commissioner Woods	Nay
Commissioner McKay-Vaughan	Nay
Commissioner Gilliland	Yea
Mayor Ritchey	Yea

Jennifer L. Thomas, City Clerk stated the Resolution failed by a vote of 4 to 3.

9. COMMENTS AND INQUIRIES FROM THE COMMUNITY REDEVELOPMENT AGENCY BOARD AND CITY MANAGER

Commissioner Woods stated she had a request. She asked if the board could have an October meeting where it could discuss the report they received from the Auditor General Office (AGO).

Mayor Ritchey replied absolutely, if that was the pleasure of the board.

Commissioner Woods stated she also wanted to know if it made sense to have Mr. Martin to come in and maybe explain why he said some of what he said in his report. All the board knew was what they read. She stated they thought they were doing the right thing when they did what they did and the auditors are still saying they aren't.

Mayor Ritchey asked if she was referring to the gentleman from the State, if so he won't come in. He stated that he had requested the audit and it was very interesting to find out that no other CRA in the State of Florida has ever been audited by the State. Daytona Beach was the only one and if anyone in our City or other communities wanted to go online and see what was going on in Daytona Beach they could. The State absolutely would not come to Daytona Beach. The CRA has 30 days to respond to their findings or recommendations. The board has taken steps to come further into compliance with their findings and there were a few things remaining that needed to be tighten up. There were a few things that the board absolutely disagreed with in their findings and so remains the 30 days to respond. He stated there was three weeks left for them to respond and he recommended if they have the meeting it should be the second Wednesday in October.

Mayor Ritchey asked the City Clerk to make sure that the Special Meeting got scheduled.

10. ADJOURNMENT

There being no further discussion or comments the meeting was adjourned at 6:07 p.m.

GLENN S. RITCHEY
Chair

ATTEST:

JENNIFER L. THOMAS
City Clerk

Adopted: October 7, 2009

RECORD REQUIRED TO APPEAL: In accordance with Florida Statute 286.0105 if you should decide to appeal any decision the Community Redevelopment Agency Board 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 tape of the meeting for \$2.00 at the City Clerk's office. Copies of tapes are only made upon request. The City is not responsible for any mechanical failure of the recording equipment.