

MINUTES

SPECIAL MEETING - COMMUNITY REDEVELOPMENT AGENCY BOARD (CRA)

July 3, 2013

Minutes of the Special Meeting of the Community Redevelopment Agency Board of The City of Daytona Beach, Florida, held on Wednesday July 3, 2013 at 6:00 p.m., in the Commission Chambers, City Hall, 301 South Ridgewood Avenue, Daytona Beach, Florida.

1. Roll Call.

Commissioner Pamela Woods	Present
Commissioner Kelly White	Present
Commissioner Robert Gilliland	Present
Commissioner Patrick Henry	Present
Commissioner Paula Reed	Present
Commissioner Carl Lentz	Present
Mayor Derrick Henry	Present

Also Present:

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

2. Commissioner White led the invocation.
3. Commissioner Woods led the Pledge of Allegiance to the Flag.
4. No minutes
5. AGENDA APPROVAL

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

No changes.

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

Commissioner Woods	Yea
Commissioner White	Yea
Commissioner Gilliland	Yea
Commissioner Henry	Yea
Commissioner Reed	Yea
Commissioner Lentz	Yea
Mayor Henry	Yea

6. ADMINISTRATIVE ITEMS

- 6A. Adopted/Resolution No. 13-06 approving the Redevelopment Loan Modification Agreement with Central Florida Community And Economic Development, LLC (CFCED) for the redevelopment of property located at 456-458 South Martin Luther King (MLK) Boulevard. CFCED is requesting a modification of its redevelopment loan agreement used to finance the Liberty Plaza project located at 458 S. Martin Luther King Boulevard. The CFCED has experienced financial difficulties which have resulted in non-payment of their loan over the past several months and notices of noncompliance that could result in the issuance of a notice of default. CFCED is requesting a deferral of monthly payments for ~~18 months~~ from the date of their last payment (March 2012) at which time payments would resume (~~October 2013~~) (April 1, 2014). CFCED believes the extension of time will allow it to improve cash flow and meet financial obligations to repay the loan.

John Nicholson, 413 N. Grandview Avenue, Daytona Beach spoke about his concerns regarding other City funded projects, the length of time it took for the City to require payments and the requirement to lien the property.

Weegie Kuendig, 718 North Wild Olive Avenue, Daytona Beach spoke about accountability in government. Some projects are held to a different standard and there should be a better process.

Pastor Victor Gooden, 809 Pelican Bay Drive, Daytona Beach spoke for his support of the corporation. Their presence is needed in the City and the project needs the support of the CRA.

Dr. L. Ronald Durham, 110 Aleatha Drive, Daytona Beach spoke about the corporation and his support of the efforts for social and economic changes in the Midtown area. He encouraged the CRA to grant the loan modification.

Wilburn Williams, 612 Willie Drive, Daytona Beach spoke about his support of the corporation. The corporation has given a positive facelift to the community and he encouraged the CRA to do what makes sense.

Marjorie Johnson, 122 South Keech Street, Daytona Beach spoke about her support of the corporation. They have done a great job in the Midtown community.

Jennifer L. Thomas, City Clerk stated that was the final speaker.

Mayor Henry asked Mr. Gerald Chester to come forward to begin with his presentation.

Gerald Chester, 220 Zaharias Circle, Daytona Beach stated he was present to respond to the request from the Commission. First he apologized if there were any misunderstanding in regards to the first meeting. The newspaper reported they did not have representation and they didn't attend the meeting when in actuality he did attend the meeting, unfortunately there was miscommunication concerning the timing. He wanted to go on record to say they did have representation at the meeting and it was misrepresented in the newspaper. Secondly, there was notice provided with regards to the information which he did not

provide but he did make it clear why he did not provide such information at that time. He did not feel that there was ample time for the people in his organization to put together the information that would represent the organization positively, so they did not provide the information that was requested.

As of today, they have provided the information and submitted a proposal that appears before the CRA board. He revisited the numbers that was presented previously to the CRA. The first proposal was presented through a narrative and the Commission instructed him differently the second time. Tonight the board had before them a Loan Modification Proposal which came back with a request based on the financials that Commissioner White and Lentz requested. He felt the request was fair and he was not in disagreement with it. The formula that has been provided would make clear a solution to recover from this debt or the default issued that they have.

He instructed the CRA to turn to page 5 of their document which was the Title Page, and the request began on page 6. Upon turning to pages 5 and 6 by the CRA board; Mr. Chester read the wording of the request which was to be made part of the record. The request is to be given time to pay down the principal of the loan as well as a request approval be given for a forbearance period commencing March 1, 2012; which was a typo that should have read; March 1, 2012 and ending March 31, 2014 to assist CFCDC with the retirement of this debt with The City of Daytona Beach.

Page 8 listed the projection formula for several years with the first two years including 2013; at year end there is a deficit of \$5,000 and year 2014 ending with a deficit of \$622. His proposal is to allow them to collect money between now and March 2014 so that they could have a reserve to ensure that payments are being made for any shortfalls that would incur shortly after that time.

He stated earlier that we would be trying to collect interested applicants as tenants into the buildings, and they have done just that. The first tenant is in the smaller shop which is the Ice Cream Shop and the amount of that lease is reflected in the monthly projections which puts them on target there. They have a reasonable rate projected for the balance of this year for the larger buildings; which they still has the responsibility for managing. The electrician has already been engaged to start working on the apartment complex and he intends to have half of that leased by October of this year; with the balance being included in the Lease-Up Schedule which was on page 2 of 6. The balance of the Lease Up would incur in January 2014.

Mr. Chester stated Commissioner White was right when she said; even a non-profit has to make a profit. Upon completion of his Financial Performa packet and explaining the figures listed throughout the document pages; he concluded his report presentation.

Mayor Henry thanked Mr. Chester for his presentation and opened the floor for questions and or comments by the CRA.

Commissioner Lentz asked for clarification purpose the item on the agenda that was being voted on is Forbearance through October 2013; which would be a total of eighteen months from the last payment if he understood correctly.

Mr. Chester stated that was the original request. When they were asked to go back and prepare this proposal he took time to cover each detail. They were willing to absorb the original request; and when asked to go back he took into consideration what Commissioner White said at the last meeting. He had to restructure his proposal to make sure their organization was viable and because as she said they are a business and they needed to make a profit. In doing so he extended the loan term period from sixteen to eighteen months. He also made the request to move the date from October 2013 to March 2014; that was the strategy designed to help his organization become a little bit stronger and viable to sustain.

Commissioner Lentz then asked Marie Hartman, City Attorney so he could be clear; the item that the CRA is making a decision on tonight shows through October 2013; would we have to modify that if we were to honor his request as written to this resolution.

Marie Hartman, City Attorney stated not just the resolution but also the Promissory Note and Loan Modification Agreement paragraph two on page 34 of the Agenda would have to be adjusted where it read; "to provide for payment beginning April 1, 2014 to continue through December 1, 2018." The organization would make a final balloon payment in an amount to be determined. Those changes could be made, should the CRA decided on tonight to approve his request with the dates that he's requesting.

Commissioner Woods asked if they would just work out the amounts, would that not delay it another month.

Miss Hartman answered that's correct it's just a matter of doing the math.

Mayor Henry asked James Chisholm, City Manager if he had any comments.

Mr. Chisholm asked Marie Hartman if she referenced page 34, paragraph two.

Ms. Hartman stated that's correct, the dates would have to be changed if the Commission wants to go with the dates he is proposing. If approved on tonight we would just change the dates that payments are due and make the adjustment for the final balloon payment.

Mr. Chisholm stated if you wanted to do that you can make that motion to make the corrections of the dates, make sure the numbers are correct and that can be done after the meeting.

Commissioner Gilliland asked if it passes here tonight, will it be on the next Agenda for the Regular City Commission Meeting.

Ms. Hartman replied yes, on the next City Commission Agenda.

Mr. Chisholm responded it's a resolution so it would just move forward.

Commissioner Woods asked if it's approved on tonight because it is a resolution, it would just be done and we're finished.

Mayor Henry replied yes, it's a resolution so it does not have to come back before the board. There is a motion and a second on the floor, do we have a motion to amend the original motion.

Commissioner Gilliland asked Ms. Hartman if the CRA had the authority to make the modification without the Commission.

Ms. Hartman stated yes because this was an agreement between the CRA and the LLC.

Commissioner Gilliland stated he made the motion so his amendment would be to adopt the terms included in the proposal to have a start date of March 1, 2014.

Marie Hartman stated your motion would be to amend your motion to say to payments would recommence on April 1, 2014; and go through December 2018.

Commissioner Gilliland stated okay and the payment on the balloon payment would be recalculated and the contract would be adjusted accordingly. He amended his motion to have the first payment due on April 1, 2014 with agreement ending December 1, 2018 and the final payment will be recalculated on those terms and due December 31, 2018.

Commissioner White stated she seconded the amended motion. She thought it would be wise if the CRA gave him a little bit more time because of what some of his projections looked like. She wanted to go on the record to make clear that this is a loan from the CRA using tax-payers money to an organization to perform something and to create economic growth in an area to carry through with a vision of that organization. She asked that someone follow-up to make sure that the insurance and property taxes in the contract have been met.

Mr. Chester responded he did state that the organization was delinquent on paying some of the property taxes.

Commissioner White stated that the property taxes need to be brought current because the City is a partner with his organization and she wanted to make sure the partnership is a good one.

Commissioner Woods commented she saw the email on today that referenced some of the things Commissioner White was referring too. Her question to staff was have we consistently asked for those things in the past. As a Commissioner we need to stay consistent and accountable with our business dealings with everyone.

Commissioner Lentz stated he was very happy that Mr. Chester has asked for an extension. His reason was when the two of them were discussing everything that was going on and he asked him if he thought he would be able to pay in October; your response was it sort of depended on what happened. He felt it was more responsible of him to say in March, I anticipate I will definitely be able to pay. He was happy that the CRA would be extending this out until March. He received a lot of phone calls concerning this issue and he wanted to make it clear that under no circumstances was he trying to attack Mr. Chester or his organization. After three meetings he realized it was a lot of work involved and he thanked

him for getting together the information they requested. He thanked Mr. Chester for bringing his supporters and said he didn't have a problem with this moving forward and he wished him the best of luck.

Commissioner Gilliland stated this is an important project and we need this to be the first project of more like this one. We are not seeing the developments in Midtown that we are seeing in the other four redevelopment areas. He thanked Mr. Chester for being patient and supportive of the CRA. He supported this project in the past and he will support it again in the future, he would pitch-in and do whatever he can to help because we need more things like this to happen in Midtown.

Mr. Chester thanked Commissioner Gilliland for his support.

Commissioner Reed stated she was going to commend Mr. Chester for being a pioneer in Midtown and for having the wherewithal to step forth when no one else would. She also thanked him for putting together what was asked of him, for being a man of your word by putting together everything the CRA asked for. She thanked the community for coming out to support Mr. Chester on tonight to let the CRA know there is backing and this is a project the community wants, Midtown wants a new look and we desire a new look, it not just about Gerald Chester.

Mayor Henry stated you could almost cut the tension in the room tonight with a knife. He said that because he has the understanding that Mr. Chester has a great deal of support from people who believe in his ability to help get the job done, because this is not a job that can be done by one person. As a City we have to support the business that this project brings into our City. We respect the support that he has received but we also have to respect the job that has to be done by this body. It's not the same body of people that was elected 3 or 4 years ago. The objective of this body is to hold everyone accountable and treat everyone the same and ultimately at the end of the day to make the right decision. He closed him comments by saying, Midtown will not improve without a whole bunch of Gerald Chester, a bunch of people that are willing to invest and make a sacrifice.

It was moved by Commissioner Gilliland to adopt the Resolution as amended. Seconded by Commissioner White. The motion passed 7-to-0 with the breakdown as follows:

Commissioner Woods	Yea
Commissioner White	Yea
Commissioner Gilliland	Yea
Commissioner Henry	Yea
Commissioner Reed	Yea
Commissioner Lentz	Yea
Mayor Henry	Yea

7. CITIZENS

John Nicholson, 413 North Grandview Avenue, Daytona Beach stated the Boardwalk was not in the best shape that it could be and we should look into it.

Marjorie Johnson, 122 South Keech Street, Daytona Beach stated her concerns about her zone and would like to see more streets repaved especially Martin Luther King Boulevard (MLK). She recently acquired a copy of the initial response of the Community Redevelopment Agency (CRA) audit's preliminary findings and had some concerns. She would like to see Midtown receive some additional funding for streets and sidewalks.

Patricia H. Heard, 822 Vernon Street, Dayton Beach wanted to address a sidewalk concern near the Shiloh Missionary Church. There has been an issue of cars parking on the sidewalk and causing damage.

Commissioner Gilliland stated they are parking on an unimproved surface.

Ms. Heard stated yes.

James V. Chisholm, City Manager stated he will look into it for her.

Ms. Heard stated she appreciated that. She understands that MLK Boulevard will be repaved after we receive payment for the Orange Avenue project.

8. COMMENTS/INQUIRIES FROM THE COMMUNITY REDEVELOPMENT AGENCY - CITY MANAGER AND CITY ATTORNEY REPORT.

Commissioner Woods stated she would like to see the word "comments" on the television screen during the comment portion of the meeting. She thought the agreement was also to show who the persons are that speak. She asked for consideration of two options: show the person for a moment and then the comment screen or flip back and forth every thirty seconds. The viewers at home do want to see whose speaking and still agrees that the disclaimer needs to be up.

Commissioner Gilliland asked if there was a way to do a split screen.

Commissioner Lentz stated when he inquired about the same thing – they can run the broadcast with the disclaimer running along it also.

Mayor Henry asked if a streamer can be run along the bottom of the screen. He has received comments also regarding this issue. He asked if the Information Technology Department would look into it and said they will.

Commissioner Woods asked if this would be changed for the next meeting.

Commissioner White stated she agreed. People say some things that are not accurate and a disclaimer needs to be in place and to show the person making the comment.

Commissioner Gilliland stated some people don't trust City government but believe the lie that was just told. If you want the residents to trust City government, you cannot allow these types of statements to be made and not have a disclaimer in place. It would be their opinion; not the fact that the public should know.

Commissioner White stated she thought that not showing the speaker makes people distrust us even more.

Commissioner Gilliland recommended the split screen.

Mayor Henry thanked Commissioner Gilliland for commenting and correcting some of the misinformation that has been stated at times.

9. ADJOURNMENT

There being no further discussion or comments the meeting was adjourned at 6:51 p.m.


DERRICK L. HENRY
Chair

ATTEST:


JENNIFER L. THOMAS
City Clerk

Adopted: August 21, 2013

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.