# M I N U T E S
# COMMUNITY REDEVELOPMENT AGENCY MEETING
# CITY OF HOLLY HILL, FLORIDA

## MARCH 22, 2005

## 1. CALL TO ORDER

Mayor Arthur called the meeting to order in the Commission Chambers at City Hall, 1065 Ridgewood Avenue at approximately 6:55 p.m. Attending with Mayor Arthur were Commissioners Arthur Byrnes, Gilles Blais, Lou Schmitt and Roland Via.

Also attending were City Manager Joe Forte, Assistant City Attorney Scott Simpson, Community Development Director Stuart Buchanan, Public Works Director Milton Hallman, Public Safety Director Don Shinnamon, Finance Director Brenda Gubernator, Community Redevelopment Coordinator Marsha Radulovich and City Clerk Valerie Manning.

## 2. RESIDENTIAL IMPROVEMENT GRANT PROGRAM

Mr. Forte stated as part of the Redevelopment Agency they put together a grant program for residential properties. The concept of this is that it will provide a $2,500 matching grant for single-family homes within the redevelopment area.

*Commissioner Via moved to **APPROVE** the Residential Improvement Grant Program, seconded by Commissioner Blais.*

Commissioner Schmitt stated he is curious why homeowners with homestead exemption only qualify for that because the people who don't have homestead exemption usually pay a higher rate.

Mr. Buchanan stated this was brought up at the meeting by one of the Advisory Board members. Homestead exemption is where the home is owner occupied, whereas if it's not homestead exemption they would be subsidizing a rental property.

Commissioner Schmitt stated a lot of people that live down here and up North don't have rental units, they have homes and they don't get the homestead exemption and he doesn't think these people should be penalized.

Commissioner Via stated the other point of this too is that one of their problems within the City with rental homes, sometimes *is* appearance and how the upkeep is. He would like to see that the rental properties were just as eligible for this matching grant. However, do they limit the number of residences that they have and if they do, that's limiting the entire program.

Commissioner Byrnes stated he thought during their discussion at the workshop that they were going to come up with another medium for those folks with commercial rental property because this whole thing is designed for the homeowner. The only way they can be sure they are a homeowner is if they have homestead exemption.

Mayor Arthur stated if they are in the redevelopment area, he doesn't care why the reason. They rent businesses out and they get money.

Mr. Forte stated one of the discussions that came up at the Advisory Board meeting was that they have people coming in and buying houses and fixing them up and then selling them right away and they would probably take advantage of this type of a program.

Mayor Arthur stated he thinks it's good.

Mr. Buchanan stated it would be a very easy adjustment to make.

John Penny, 119-7th Street, stated he is the Vice-Chairman of the Advisory Board and he is not speaking to the Commission on behalf of them but the intent was that if the person didn't receive homestead exemption, chances are they were a rental property, and if they were a rental property they may be eligible under the regular commercial grant. The intent was to exclude people using rental property and possibly being eligible for two grants rather than the one grant.

Commissioner Via stated right now within their district they have 278 residences and if they go by the average 35%-40% rental then there's probably 100 homes that he would like to see eligible for this program. His amendment to the motion is to allow *all* residential properties.

*Commissioner Via made an **Amendment** to his motion that all residential properties be eligible for the Residential Improvement Grant Program, seconded by Commissioner Schmitt.*

The motion **CARRIED** 4-1 on roll call: Via – Yes, Schmitt – Yes, Blais – Yes, Byrnes – No, Mayor Arthur – Yes.

Commissioner Byrnes stated he believes the homestead exemption is the best way of determining whether those people are truly residents or they're just speculators.

At this time they voted on the motion as amended.

The motion **CARRIED** 5-0 on roll call: Via – Yes, Blais – Yes, Byrnes – Yes, Schmitt – Yes, Mayor Arthur – Yes.

## 3. PROPERTY GRANT PROGRAM

Mr. Forte stated this is the same property improvement grant which they were calling a façade improvement grant in the past. They've just made the changes that they've been operating under over the last couple of years. The changes are underlined or stricken through in their document.

*Commissioner Schmitt moved to **APPROVE** the Property Grant Program, seconded by Commissioner Byrnes.*

The motion **CARRIED** 5-0 on roll call: Schmitt – Yes, Byrnes – Yes, Via – Yes, Blais – Yes, Mayor Arthur – Yes.

## 4. LANDSCAPING GRANT PROGRAM

Mr. Forte stated this is a new grant that they are introducing. They have a landscaping grant but what they are changing on this is that they are modifying it from 75%, 25% matching grant up to $5,000 to a minimum of $3,000 per property up to $30.00 per lineal foot of street frontage. The reason for that is they may have two properties, one may have 50 feet on road frontage and somebody else may have 150 or 200 feet and they don't want to limit them to just the $5,000. So if they go to a $30.00 per lineal foot street frontage, it gives people with larger frontage the opportunity to do more and they're not penalized but there is a minimum of $3,000 for those properties that do have a short frontage but have depth.

*Commissioner Schmitt moved to **APPROVE** the Landscaping Grant Program, seconded by Commissioner Blais.*

The motion **CARRIED** 5-0 on roll call: Schmitt – Yes, Blais – Yes, Via – Yes, Byrnes – Yes, Mayor Arthur – Yes.

## 5. DEMOLITION GRANT PROGRAM

Mr. Forte stated this is a new grant program and what this does is it allows an applicant who has purchased a piece of property that's in need of demolition to come to the City and request a grant for up to $2.00 per square foot of the structure for demolition cost. What the City's intent is that if somebody buys a dilapidated property, the enticement would be that the City would fund and even coordinate the demolition of that property. They are hoping that by doing this it would quickly encourage the developer to come on to the property where his money is now invested in the vacant land, to come in and revitalize it by bringing new development, new structure on to that property.

*Commissioner Byrnes moved to **APPROVE** the Demolition Grant Program, seconded by Commissioner Blais.*

The motion **CARRIED** 5-0 on roll call: Byrnes – Yes, Blais – Yes, Schmitt – Yes, Via – Yes, Mayor Arthur – Yes.

## 6. REQUEST FOR PROPOSALS (RFP) – CAPITAL IMPROVEMENT PROGRAM

Mr. Forte stated they are asking the Commission to allow staff to send out a Request for Proposals (RFP) to the banking industry to acquire, what they would hope to be up to a $7,000,000 loan. What staff is figuring is that they don't anticipate any reduction in the taxes, in the CRA in the coming years. In fact, they're expecting that to increase rather well in the next couple of years. They would like to make some of the changes that have been in this plan for the last ten years and they've been kind of stagnate. One of the comments that he has heard was, "Why are we possibly putting the cart before the horse in going out for an RFP for a loan when

we don't have any projects in hand yet? What are we going to do with this money?" They are sending this RFP out to see what their *existing* CRA fund can afford and then based on what comes back from the bank, which should be on April 11, they'll know that figure. On April 12th, the next City Commission meeting, they are going to have a workshop where they are going to discuss that dollar amount that comes in and how they are going to allocate those dollars to different programs. The list is not what they are voting on. They are voting on letting staff go out for the RFP and then come back and assign those dollars to programs that the City Commission will decide based on the recommendations of the Redevelopment Board. This has nothing to do with the Marina Grande project.

Mayor Arthur stated very good.

Mr. Forte stated this is coming off of *existing* dollars not new dollars. In the future should they accomplish all of the goals that this Commission has set out and the Redevelopment Board set out for that district, they may use those new dollars that come from Marina Grande to pay this loan down early. They may decide that they have accomplished everything and want to eliminate the CRA early. In the meantime, they haven't achieved those goals and they have barely scratched the surface and he thinks that 1/3 of the way through, it's time to make some changes. It's not going to cost any new tax dollars. It's all going to come off of *existing* dollars. He doesn't believe that they will pull $7,000,000 at one shot. They are going to draw down from that amount *as needed*.

Commissioner Schmitt stated he just wants to make sure that this $7,000,000 doesn't go towards anything else but the CRA.

Mr. Forte stated it can only go for what's in the district and it can only go for what's approved in the plan. By law, they have to spend this money. If they start carrying over more than two years worth of dollars, they jeopardize losing the funds, thereby jeopardizing any programs that they want to start.

Maureen Monahan, 215-5th Street, stated she has several issues with this and she is not totally prepared on this. From what she understands the City of Holly Hill has done very well financially over the years without having to put the City into debt. They are getting ¾ of the tax money when that project is finished, and it is going into the CRA and ¼ of it is going into the General Fund. By taxing the City, and she doesn't mean "taxes", she means "taxing" as a burden; that's the definition she is using for the word "taxing" right now, seven million dollars before they get this supposed money from that, is going to lock them into the CRA for that length of time unless they choose to pay down that loan sooner, they have all that money staying on U.S. 1 or within the CRA district which will effectively, essentially allow the rest of the City to deteriorate because they won't have the money coming in.

Commissioners Byrnes and Via stated that's totally untrue! That's totally false!

Ms. Monahan stated she doesn't understand why they have to indebt the City for $7,000,000 in a very direct area of the City which is U.S. 1 and the CRA when they have lots of millions of dollars in taxes coming up three years down the road and the rest of the City is not going to benefit from that money. It's a *community*. Community Redevelopment Area. It's the *whole* community not just a small area and that's her personal opinion. For the Western parts of the City, she is amazed at how it is deteriorating, and she doesn't see how that $7,000,000 is going to benefit that part of the City and it concerns her because there is a lot of poor people in this City whether they want to admit it or not.

Commissioner Byrnes stated every time Ms. Monahan comes out with something that is false, his alarm goes off. First of all, they are *not* taxing *every* citizen in the City for that $7,000,000. That $7,000,000 is coming "*only*" from those taxpayers in the CRA. That is it! And the rest of the residents will *not* be responsible for that money! It is *only* the taxes that are raised in the CRA that are going to pay those funds. This is a win for everybody! And anybody that doesn't believe that, *hasn't* looked at all the facts or they're getting facts wrong from somewhere!

Mayor Arthur stated that's why he didn't want those funds set designated for a particular program because things that will affect everybody in this City and very well could, is Law Enforcement. Something that the City desperately needs and it could happen.

Jim Legary, 342 Burleigh Avenue, stated it was his understanding during the Swerdlow debate, that they were going to open a facet with this program and money was going to *pour* into their situation. Now, so much money is coming in that they have to go borrow money!

Mayor Arthur stated it's not going to cost the taxpayers anything. It is money that is already there and it's almost guaranteed through the amount of money that they have already raised in the CRA to pay for it. Why wait to try to improve this City five, seven, eight years down the road when they can do it right now. They can start improving U.S. 1. This is a lot for the citizens. The City needs to be recognized more and they have the opportunity to do it and he believes that it will help.

Mr. Forte stated there are goals in the Redevelopment Plan. He can give them one example and maybe that will help. Many years ago when U.S. 1 was developed these buildings were built on a certain parcel of land. There was no stormwater retention required and they had street parking. The Florida Department of Transportation (FDOT) came through and they double laned U.S. 1 so now there are two lanes in both directions. They lost an enormous amount of parking and then they came through this past year and eliminated all of the on-street parking. Currently, these businesses that exist along U.S. 1 are closing at a rapid rate. New people want to come in and put their businesses here and they're still faced with the same dilemma. "I have no place to put parking. I have no place to put my stormwater retention." If the City comes up with a funding mechanism, they can provide public parking facilities for anybody to have their customers use, spaced throughout the district, they can provide common stormwater areas where four or five different businesses can join together and use one parcel of land for their stormwater. That would help a business. Many of the City's citizens are shopping in Daytona Beach and Ormond Beach and he thinks that it's unfair that the City sends them to those cities when they should be able to shop locally. That's just one example. On April 12 the City Commission will

discuss where and how that money will be funded. Suppose Swerdlow decides not to do the project, there's no reason why the City should not move forward with their other plans to improve the City. If Swerdlow does this project, all the better, the City will reduce this loan. But in the meantime, what the citizens need to understand is that last year to balance the budget, he had to dip into a reserve fund. The City is not wealthy fat. Nobody knows that. Nobody asked. Everybody assumes. If somebody would come and ask these questions, they'll go ahead and let them know.

Commissioner Byrnes stated Holly Hill benefits hugely from this CRA and no one is suffering because the money that would have been going to the County, they make up in other ways, the City takes the money and the City spends it on their *own* residents, in our *own* City! The City doesn't steal anything from the rest of the neighborhoods. The neighborhoods don't deteriorate because the money is being spent in the CRA. This falsification of this information that has been brought to the Commission from the citizens has him very concerned because some citizens actually believe that there is something wrong with the CRA and they way the City is dealing with it.

Mayor Arthur stated if the City took a chance and if the City had taken a declining tax base, the citizens would to have been paying the difference. The City has been lowering the millage rate ever since they have been sitting on this Board, lowering taxes, keeping them the same. It stops. Government goes up every year. Everything they do goes up. There has to be a way to pay for it and that was the way they had to pay for it out of the reserve fund and they can't continue to do that.

Commissioner Via stated he believes Mr. Forte stated that his office is always open. This is a plan that they have had for nine years, this is not anything new.

*Commissioner Schmitt moved to **APPROVE** the Request for Proposals (RFP) – Capital Improvement Program, seconded by Commissioner Blais.*

The motion **CARRIED** 5-0 on roll call: Schmitt – Yes, Blais – Yes, Byrnes – Yes, Via – Yes, Mayor Arthur – Yes.

## 7. ADJOURNMENT

The meeting officially adjourned at approximately 7:45 p.m.

Attest: City of Holly Hill, Florida

Valerie Manning
City Clerk

William D. Arthur
Mayor