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

APRIL 12, 2005

1. CALL TO ORDER

Mayor Arthur called the meeting to order in Room 227 at City Hall, 1065 Ridgewood Avenue at approximately 6:30 p.m. Attending with Mayor Arthur were Commissioners Arthur Byrnes, Gilles Blais, Lou Schmitt and Roland Via.

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

Public present at workshop was Steve Tyler from the Community Redevelopment Advisory Board, Big John from the media and citizen, Jim Legary.

2. DEMOLITION GRANT PROGRAM

Mr. Forte stated the City Commission approved the demolition grant at the regular City Commission meeting. He doesn't think that somebody should have to go to the Redevelopment Board for approval for a demolition grant if they are within the district. The intent is for the City to contract directly, up to $2.00 per square foot, for demolition of eligible projects, with prior consent and written release from the property owner. He would like a consensus from the Commission if they feel they are okay with that process. For example, if somebody comes in with a 10,000 square foot building that they want demolished and they come to the City and they say they want to apply for that grant, the instrument will already be in place and they will spend up to $20,000 to have that building removed. He wants to be able to have the authority to go ahead and to do that demolition without having to come to the Commission for approval, although he would report the spending to the City Commission if it exceeds his spending amount. He doesn't want to have to get permission from the Agency but he will report the costs at the next meeting to the City Commission.

*There was **CONSENSUS** from the Community Redevelopment Agency allowing the City Manager the authority to administratively approve qualified demolition contracts.*

3. CAPITAL IMPROVEMENT PROGRAM SCHEDULE

Mr. Forte stated they received four proposals for the loan. The proposals came from SunTrust Bank, Fifth Third Bank, Bank of America, and Wachovia Bank. Each one came in with a couple of different options. Brenda Gubernator, Scott Simpson, Stuart Buchanan, and I met and went through the different proposals. What they summarized is that going for an adjustable rate probably isn't the wisest thing to do because over the next several months the rates are going to increase and over the life of the loan they don't want to tie into an adjustable rate. The adjustable rates weren't very much lower than the fixed rates. They decided that the fixed rate was the best direction to go and then from there, how did it relate to the pre-payment issue. There are two banks that appear to have what staff is looking for. SunTrust Bank has 4.45% interest and there is no pre-payment penalty for the life of the loan and the other is Fifth Third Bank who has a 4.31% interest and there is no pre-payment for the first ten years of the loan. After ten years they would have to renegotiate the formula. He doesn't think staff wants to get into a renegotiation of the formula. Now, in ten years they may decide to pay it off, as an option, and that would be fine but he doesn't want to get trapped into being forced to reformulate the interest rate in ten years from now and not knowing what the economy is going to be. This is a 21 year loan and that's what is left on the CRA.

There was ***CONSENSUS*** *from the Community Redevelopment Agency to go with the proposal from SunTrust Bank with a fixed rate 4.45% for the life of the loan and no pre-payment penalty for the life of the loan.*

Mr. Forte stated in their packets they have a sheet that lists the descriptions of some of the Capital Improvement Projects that they could assign a dollar amount to. He doesn't want to narrow it down to the minuet but these are some of the items based on the redevelopment plan that they would like to see funded with this money. If they want to assign any dollars on these items, of course, staff will have to come back to them with a policy on how they are going to implement how this money is going to be spent.

Commissioner Schmitt asked this widening of LPGA, is this part of the $7,000,000? Is this included in that?

Mr. Forte stated an option that the Commission has is, recently staff went to a meeting and right now there is a feasibility study going on and then it will be brought to the PDE. If they wait for the two years for the feasibility and the PDE study to be completed and then the City, the Commission, decides to use this money to actually do the widening improvement that they come up with, they enter into a joint agreement with them.

Mayor Arthur stated the most beneficial thing that the City could do that's totally off the realm, out of sight, and it would help everyone in the City, no matter what, is if they fund more police officers. That's the biggest improvement that the City could do to U.S. 1. The current officers can go back into the City and fund more police officers. That's why he doesn't mind the 21 years for the loan because it will help fund it for that length of time. In three or four years they will have new monies coming in as well. He would like to be the first city to really try to stop the crime.

Mr. Forte stated that would probably not come out of the Capital Improvement Budget; that would come out of the Operating Budget. This loan is going to cost roughly $500,000 a year. Staff had ball-parked a little over $400,000 and that was the $7.7 million. They have a 10% leeway of the $7 million so they priced it at $7.7 million but depending upon how much the Commission wants to assign, they can go down to as little as $6.3 million. If they go to $6.3 million, their annual cost will be somewhere around $440,000 to $460,000.

Commissioner Via stated he sees on the list, landscape funds, is that different from their landscape grant or is this an addition to it?

Mr. Forte stated, no. Because they are not going to have that Operating Budget for landscaping funds they are going to take landscaping funds out of *here*.

Commissioner Via stated if they do the loan, those funds that are over there in the landscaping property improvement, come into this because they are capital improvement.

Mr. Buchanan stated once the Commission assigns dollar figures to each of these items on the list, they will know what's left over in the Operating account.

Mr. Forte stated the biggest issue they have right now is getting the okay on the loan. They can acquire the loan and then assign the dollars at a future date. Something that he would like for them to keep in mind, as they talk about utility relocation, the reason they were going to relocate the utilities instead of under grounding them, they would actually go to the parallel streets to the district, Ridgewood Avenue, and they would feed the businesses from the back. This was talked about at the Department Head meeting and one discussion was, were they just moving the clutter from the front to the back? Is that better or worse? That is something that will need to be discussed further. The right-of-way is a big deal with this because FPL *will not* put their lines under ground in the DOT's right-of-way so the City would have to buy easements because the DOT, at any point, could force FPL at their expense, to take those lines *out* of their right-of-way. The utility lines cannot go in the right-of-way. They have to get easements on the private property side and in a lot of cases, there is no easement there because the businesses are right up to the sidewalk.

Commissioner Schmitt asked if all of this could be done with $7,000,000?

Mr. Forte stated not under grounding the utilities.

Mr. Buchanan stated one of the main reasons they brought this before the Commission is because they only have $7,000,000 and they were hoping that they would look at the list and tell staff what their priorities are. In other words, the Commission may not, they could either spend it all on LPGA or not, and let FDOT do that and put the money on some of the other uses. They can't do all of this for $7,000,000 so they are asking the Commission to direct staff, "what do you want us to concentrate that $7,000,000 on?"

Mayor Arthur stated they have the materials to review and come back to staff with the figures.

Mr. Forte stated they can get the funding and now they have to assign projects to it.

Commissioner Via stated he would like staff to come back with a suggestive list with figures.

Mr. Forte stated they have done that and have removed the figures because he doesn't want to be so presumptuous as to say, "This is what the Commission wants to do."

Commissioner Via stated but he would like to see what staff recommends. It doesn't mean that they have to do it but he would like to see their recommendations.

Commissioner Schmitt stated he would like to see what's beneficial to the public. In his opinion, the under ground utilities would be last on his list.

Mr. Forte stated they can bring back a recommendation and then workshop those figures. At this time, the consensus of the Commission is to commit to SunTrust Bank for the loan, is that correct? The City Commission *unanimously* agreed.

4. ADJOURNMENT

The workshop officially adjourned at approximately 7:05 p.m.

Attest: City of Holly Hill, Florida

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Valerie Manning	William D. Arthur
City Clerk	Mayor