



MINUTES OF THE COMMUNITY REDEVELOPMENT AGENCY BOARD MEETING
CITY OF NEW PORT RICHEY
NEW PORT RICHEY CITY HALL COUNCIL CHAMBERS
5919 MAIN STREET, NEW PORT RICHEY, FLORIDA
May 16, 2017
IMMEDIATELY FOLLOWING THE REGULAR CITY COUNCIL MEETING

MINUTES

ORDER OF BUSINESS

1 Call to Order - Roll Call

The meeting was called to order by Chairman Rob Marlowe at 10:42 pm. Those in attendance were, Director Jeff Starkey, Director Bill Phillips and Director Chopper Davis. Director Judy DeBella Thomas appeared telephonically.

Also in attendance were Executive Director Debbie Manns, City Attorney Timothy Driscoll, City Clerk Judy Meyers, Development Director Lisa Fierce, Fire Chief Chris Fitch, Economic Development Director Mario Iezzoni, Public Works Director Robert Rivera and Technology Solutions Director Bryan Weed.

2 Approval of the May 2, 2017 CRA Minutes - Page 2

Motion was made to approve the minutes as presented.

Motion made by Chopper Davis and seconded by Judy DeBella Thomas. The Motion Passed. 5-0.

Ayes: Davis, DeBella Thomas, Marlowe, Phillips, Starkey

3 Business Incubator Lease - Page 5

Executive Director Manns introduced the item to the Board. She stated that current lease is to My Network One and they are interested in renewing lease. The lease would be for a three year term with a rental amount of \$3,000 with an increase of 3% after the first year and includes a right of first refusal. The City would still be able to use the conference room.

Upon opening the floor to public comment, no one came forward therefore Chairman Marlowe returned the floor to the Board. Director Starkey asked what the square footage was and Mr. Iezzoni replied 9,000 sq. ft.

Director Davis asked what square footage would we still have access to. Mr. Iezzoni replied the classroom, office space for three months, and the conference room.

Director DeBella Thomas asked that the lease agreement indicated that they city would have access to the conference room and asked for clarification of whether or not the room would be available when needed. Mr. Iezzoni stated that the conference room has always been available when we needed it and has never been unavailable. Director DeBella Thomas stated that with the development of Mr. Starkey's project that will have a direct impact on the value of the incubator property. Director DeBella Thomas then asked that we would be giving up the office space currently being utilized by NPRMS in September and Mr. Iezzoni stated yes as My Network One's business has grown considerably and they need the space.

Director Phillips stated that the lease did not touch on some things he felt were important to the city. He stated first of all, we are doing this lease sixteen to seventeen days after expiration. He agreed with Director DeBella Thomas' comments that an increase of 3% over the next three years really is a sweetheart deal. He then noted the clause in Section 3-C regarding compensation and stated that it left him questioning what will happen when it is time to renegotiate. City Attorney Driscoll clarified the clause by stating that the lease is for three years and the clause pertains to renewal after the three year term. Director Phillips then stated that he was not in favor of the site plan that was put together as it does not clearly define areas. He also suggested adding signage to the landscape area. Director Phillips then noted that the lease did not specify any insurance requirements on the city's behalf. He stated that as a director for the CRA Board, he wants to get out of the real estate business. He would like to see Mr. Wortham own the building. He suggested using the current cap rate to see what the building is worth. He stated he would like to see My Network One's footprint over Orange Lake.

Rod Wortham came forward to address the concerns raised by the Board. He stated it is his intent to purchase the building. He stated he has invested over \$100k in his own money for improvements to the inside of the building. He stated the current goal of his operation is to work with small businesses to get everything they need to market their business. He is interested in helping to grow the city.

Chairman Marlowe stated he would refer to Director Starkey in regards to the insurance questions raised by Director Phillips. He then stated he was concerned with the three year term because the last section of the lease states the city has the option to sell the property at any time during the lease. He stated if Mr. Starkey's project takes off he can see a conversation happening with Mr. Wortham about buying the building for a reasonable price. He stated he sees the lease as a bridge to get us to the point where that piece of property is off the city's list of buildings.

Director DeBella Thomas stated she was concerned that at \$3,600 a year that equates to \$4/sq. ft. She stated she did appreciate all of the work that has been done to the inside of the building. She stated that she thought it might not be fiscally responsible as the CRA Board to do the three year lease for that amount of money. Mr. Iezzoni stated he has worked with four business incubators in the past and this is an example of a successful one. He stated he understands the concerns over fair market pricing but he believes there is a way to go in developing businesses. He does not want to lose the talent or intellectual property.

Director Starkey stated he agreed with Mr. Iezzoni and the Chairman's comments that this was a no brainer. He stated he appreciates Mr. Wortham's partnership with the City. He stated we do not squabble over rent with either the Historical Society or the Chamber.

Director Davis stated he would like to see the use of the bathrooms added to the lease provisions. He also stated he is not interested in selling the property until the three years are up.

Motion was made to approve the item with the conditions that access to the restroom facilities be added along with an addendum for liability exposure insurance.

Motion made by Jeff Starkey and seconded by Chopper Davis. The Motion Passed. 5-0. Ayes: Davis, DeBella Thomas, Marlowe, Phillips, Starkey

Executive Director Manns introduced Economic Development Director Mario Iezzoni who then

presented the item to the Board. He stated that smaller grant programs are highly effective. Address bigger problem of stimulating capital investment into larger buildings. Request to approve the grant application and enter into development agreement with Jenka, Inc. as anchor tenant. Matching funds for 20% of the project.

Upon opening the floor to public comment, Jeff Wright came forward to speak. He stated he was excited to expand and relocate the store. Expand produce section and add more local producers. Would like to look into adding a sidewalk café and organic barista station. Bulk foods, specialty foods along with health and beauty items. With no one else coming forward, Chairman Marlowe returned the floor to the Board.

Director Davis stated he is looking to help businesses in the downtown and this project is right up the alley he wants to go.

Director Starkey thanked Mr. Iezzoni for his presentation. He stated this is a much needed business for the downtown.

Director Phillips told Mr. Wright that he fully supported his part of the package, He thinks it is the right thing. He stated this particular element with the CRA and redoing the ad valorem really needed a much better platform and he personally apologized to Mr. Wright. He stated there are a couple of things in the development aspects that have kind of been glossed over. The outdoor seating is not well defined. Director Phillips then talked about the changes that would have to be made to Railroad Square and what impacts it would have on the business when the street needs to be closed for an event. He stated he wished the document had been structured differently. He stated there will be other things that will come along with that development that Council will have to deal with collectively because it is not in the current footprint for downtown. He stated that at the end of the day he is more nuts and bolts and like to have things better defined.

Director DeBella Thomas stated that she is pleased that this is why we created the CRA was to have the opportunity to regenerate redevelopment in the downtown. She stated that outdoor seating needs to have another look. She stated that she is pleased that this will be in the downtown.

Chairman Marlowe stated to let Mr. Cardenas know that the conceptual drawings sold it for him. There are some ongoing conversation with other individuals with the outdoor seating. He stated there have been chats bounced on Facebook. He stated we want a reason for people to be out on the sidewalks. He stated he was excited about this and that it was a step in the right direction.

Motion was made to approve the item as presented.

Motion made by Chopper Davis and seconded by Jeff Starkey. The Motion Passed. 5-0. Ayes: Davis, DeBella Thomas, Marlowe, Phillips, Starkey

5 Resolution 2017-19 Hacienda Special Category Grant 2018/19 - Page 49

City Attorney Driscoll read the resolution by title only. Executive Director Manns introduced the item to the Board. She stated that this agenda item was a request to receive a further grant for the rehabilitation of the Hacienda. Upon opening the floor to public comment, no one came forward therefore Chairman Marlowe returned the floor to the Board.

Director DeBella Thomas thanked Mr. Iezzoni for his efforts. Director Davis stated he just wanted to keep the work on the Hacienda moving forward and making it more enticing for a developer. Director Phillips then reiterated his view on the Hacienda that he is tired of the fence being up and at the end of the day to get the fence down and prove to people that you can get in and out of it. He stated he was concerned about reading an article in the newspaper about consideration of a developer when the Board had not even seen the proposal. He stated at the end of the day we cannot keep going to the state for money. Director Starkey stated he appreciated the state giving money for the project. He stated he wants to see it open as well and to partner with the right developer to do so. Chairman Marlowe also

stated he appreciated the state money. Motion was made to approve the item as presented.
Motion made by Judy DeBella Thomas and seconded by Chopper Davis. The Motion Passed. 4-1.
Ayes: Davis, DeBella Thomas, Marlowe, Starkey Nays: Phillips

6 Adjournment

Mayor Marlowe then asked for Communications. Councilwoman DeBella Thomas stated that due to the lateness of the hour, she just wanted to note to revisit a work session with Main Street, update on golf cart ordinance and a proposed veteran's celebration on November 11th.

Councilman Phillips stated he was trying to find the video on the website of the March 21st CRA meeting. He then spoke about the speeding along River Road.

Mayor Marlowe stated he was not convinced there was a speeding on River Road but rather a lot of traffic.

There being no further business to consider, upon proper motion, the meeting adjourned at 11:59 p.m.

(signed) _____
Judy Meyers, City Clerk

Approved: _____ (date)

Initialed: _____