



**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  
August 19, 2020  
IMMEDIATELY FOLLOWING THE REGULAR CITY COUNCIL MEETING

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**MINUTES**

**ORDER OF  
BUSINESS**

1 Call to Order - Roll Call

The meeting was called to order by Chairman Rob Marlowe at 8:36 p.m. Those in attendance were, Director Jeff Starkey, Director Chopper Davis, Director Altman and Director Murphy.

Also in attendance were Executive Director Debbie Manns, City Attorney Timothy Driscoll, City Clerk Judy Meyers, Police Chief Kim Bogart, Finance Director Crystal Feast, Fire Chief Chris Fitch, Economic Development Director Charles Rudd, Public Works Director Robert Rivera, Library Director Andi Figart, Parks and Recreation Director Elaine Smith, Technology Solutions Director Bryan Weed and Human Resources Manager Bernie Wharran.

2 Subordination of Hacienda Hotel Agreement - Page 2

Executive Director Manns introduced Economic Development Director Charles Rudd who then presented the item to the Board. He stated that on June 19, 2018 the CRA entered into an Option to Purchase Agreement with Hacienda Hotel Florida Corporation (HHFC) for the property located at 5621 Main Street, commonly known as the Hacienda Hotel. In the agreement, the CRA granted HHFC the exclusive right and option to purchase the property for \$800,000 to be paid in annual installments. The purchase price will be paid in annual installments commencing one year from the date a Certificate of Occupancy is issued and continuing each year on the anniversary date. The parties agreed that there could be some flexibility in the installment schedule set forth above based on the buyers annual cash flow in connection with the operation of the property; however, by the tenth anniversary of the issuance of the Certificate of Occupancy, buyer shall have paid the full purchase price in the amount of \$800,000 to the City. To this date, title and ownership of the hotel have not been transferred from the CRA to HHFC and a Certificate of Occupancy have not been issued as the renovations and restoration are still in progress. In light of the recent pandemic impacting commerce and the national, regional and local economies, HHFC is seeking assistance in securing a bank loan to continue the renovation and restoration of the Hacienda Hotel. In order to receive a bank loan, the obligation to the City must be subordinated to the bank loan. A letter to that effect is included in the packet. In order to receive the bank loan, ownership of the property would have to be transferred to HHFC. Upon transfer of Title, the CRA's agreement would be converted to a mortgage that would be

subordinated to the bank

loan. It is the recommendation of staff to approve the subordination of the CRA's mortgage with Hacienda Hotel Florida Corporation to an institutional mortgage, not to exceed \$500,000, for the purpose of continuing the restoration and renovation of the property located at 5621 Main Street.

Executive Director Manns stated that Mr. Gunderson made a commitment to the City in addition to the \$800k to restore the hotel to the level needed. It was his plan originally to fund that with cash in large part relying on the occupancy associated with his other hotel, The Lakeside Inn. She stated that people are not visiting the hotel with the regularity that he is used to and therefore he needs a \$500k loan to finish the restoration.

Upon opening the floor to public comment, Dan Hollbeck came forward and stated that he hopes that Council will not get into the real estate business in the future. He stated that if this gentleman gets foreclosed on the City's investment in the Hacienda will be evaporated. With no one else coming forward Chairman Marlowe returned the floor to the Board.

Director Starkey stated that Mr. Gunderson has done everything he said and he would support this motion. ADD IN TIM AND PETE Director Altman stated asked for the City Attorney to respond to the concern that we may be stuck with a bad investment. He stated that a lot of money has already been invested and what we are being asked to allow for is borrowing to be specific to fixing up the facility. City Attorney Driscoll replied the agreement that we would enter into with Mr. Gunderson's company would provide for that the City would not subordinate unless the City is satisfied that the terms and conditions of the first mortgage are satisfactory to the City. City Attorney Driscoll stated that although the City will be second position there is enough value in the hotel to cover the cost of the mortgage. Director Altman stated he is confident that Mr. Gunderson has a plan. Director Davis stated they found things underneath that they did not expect. Director Murphy stated this is a project that we will get our investment out of. Chairman Marlowe stated that the Hacienda is a keystone for the entire downtown. He stated in 2007 the CRA/City Council were approached by the developer of Main Street Landing as prices on concrete were skyrocketing and was turned down and the project then ground to a halt. He does not want to see us make that kind of mistake. He stated this is a good idea on Mr. Gunderson's part and prudent on our part. Executive Director Manns stated the opening is still slated for next June. Motion was made to approve the item as presented.

Motion made by Jeff Starkey and seconded by Pete Altman. The Motion Passed. 5-0. Ayes: Altman, Davis, Marlowe, Murphy, Starkey

### 3 Discussion Regarding Targeted Businesses - Page 5

Executive Director Manns introduced the item to the Board. She stated that the purpose of this agenda item was to conduct a discussion regarding bringing targeted businesses to the downtown. She stated that at the meeting held August 4, 2020, Director Altman requested to have a discussion regarding bringing targeted businesses to the downtown that were outlined in the Retail Market Analysis performed by the Gibbs Planning Group. Director Altman also requested that the recommendations presented by Arnett Muldrow and Associates in February of this year be included in the discussion. Upon opening the floor to public comment, no one came forward therefore Chairman Marlowe returned the floor to the Board. Chairman Marlowe stated he would love to see us have more specialty retail. He stated he was disappointed that Pete's will not reopen as that was a unique place and the sort of place that would draw people downtown. Executive Director Manns stated Mr. Gibbs did a great job of identifying some existing demand that we are not meeting in our market. She stated that Mr. Rudd has different incentive programs for those who want to expand their businesses in our downtown. Director Davis stated that we can get the word out there through Economic Development. Chairman Marlowe stated there would be quick food establishment opportunities or a bookstore near the Keiser University location. Director Starkey stated that what he has heard from people is the lack of the variety of restaurants. Director Altman stated the top five were clothing and accessories, restaurants, full service/limited coffee shops and specialty foods. He stated that sporting goods is always a hard one but if we could snag a sporting goods store to occupy space that should be one we reach out for. He stated he watched a video about the devastation by the hurricane in the panhandle and how the businesses banded together. Director Altman stated he would also like to see an arts district. He suggested a tiered system for incentives.

4 Communications

None.

5 Adjournment

There being no further business to consider, upon proper motion, the meeting adjourned at 9:06 p.m.

(signed) \_\_\_\_\_  
Judy Meyers, CMC, City Clerk

Approved: \_\_\_\_\_ (date)

Initialed: \_\_\_\_\_