

# City of Clearwater

*City Hall  
112 S. Osceola Avenue  
Clearwater, FL 33756*



## Meeting Minutes

**Monday, August 13, 2018**

**1:00 PM**

**Council Chambers**

**Community Redevelopment Agency**

## Roll Call

**Present** 4 - Chair George N. Cretekos, Trustee Doreen Caudell, Trustee Hoyt Hamilton, and Trustee David Allbritton

**Absent** 1 - Trustee Bob Cundiff

**Also Present** – William B. Horne II – City Manager, Micah Maxwell – Assistant City Manager, Pamela K. Akin – City Attorney, Rosemarie Call – City Clerk, Nicole Sprague – Official Records and Legislative Services Coordinator, and Amanda Thompson – CRA Executive Director.

To provide continuity for research, items are listed in agenda order although not necessarily discussed in that order.

Unapproved

### 1. Call to Order – Chair Cretekos

*The meeting was called to order at 1:02 p.m. at City Hall.*

### 2. Approval of Minutes

- 2.1 Approve the minutes of the July 16, 2018 CRA Meeting as submitted in written summation by the City Clerk.

**Trustee Caudell moved to approve the minutes of the July 16, 2018 CRA Meeting as submitted in written summation by the City Clerk. The motion was duly seconded and carried unanimously.**

### 3. Citizens to be Heard Regarding Items Not on the Agenda – None.

### 4. New Business Items

- 4.1 Repeal and Replace the Community Redevelopment Agency's Anchor Tenant Incentive Program.

The CRA established the Anchor Tenant Incentive Program in June 2017 to attract "anchor tenant" restaurants and breweries to Downtown Clearwater.

Using restaurants as an attractor, or destination, is a commonly accepted strategy to bring in an increased number of visitors and pedestrian activity to a downtown. To date, the Anchor Tenant program has received 32 pre-applications, invited 3 full proposals and received only 1 partially complete full application. Of those 32 applications, only 2 were micro-breweries and only 7 were full service restaurants open on nights and weekends. From an administrative perspective, the program lacks clarity and a defined timeline for review. It places all the risk and burden of compliance on the tenant. The program is not working as intended.

After a review of pre-applications and in-depth conversations with applicants, commercial property owners and potential tenants common barriers to implementing the Anchor Tenant program emerged. Tenants cited high rental rates, expensive building and fire code improvements, a lack of foot traffic, little knowledge of available properties for sale or lease and the perceived risk of being "first to market" as challenges. Larger and more established restaurants cited lack of adjacent parking as a challenge.

Tenants are interested in establishing restaurants and other types of businesses in Downtown Clearwater. They recognize that downtown has a concentration of hi tech workers, a walkable main street, numerous special events and are excited about the implementation of Imagine Clearwater. In some cases, the rental rate in Clearwater is less than St. Petersburg and Tampa which makes this an attractive area for establishing a new business. It is recommended that the CRA repeal and replace the Anchor Tenant Incentive Program with a broader approach that brings together the CRA, property owners and tenants to establish food and/or drink businesses that are open on nights and weekends. The revised program, the Food and Drink Incentive program, focuses on establishing new businesses in the Downtown Core and Prospect Lake districts with a budget of \$1 million. Currently, there are only 13 restaurants and 4 bars in these two districts that are open on nights and weekends vs. 21 restaurants that are open for lunch. This grant program incentivizes property owners to improve their buildings and reduce rent through a matching grant from the CRA. Property owners are eligible for up to \$250,000 per space, which the CRA will provide on a reimbursement basis. Tenants must match the grant amount as well through business start-up costs, rent payment or building improvements. The revised program includes a pre-qualification form to assist property owners and tenants in finding each other, a full application form with defined review timelines and more clarity on the required supporting information. Grant programs are more successful when education and staff assistance is included. As a companion to the grant revision, CRA staff would implement the following grant review timeline as well.

## Proposed Grant Process and Timeline

July

CRA Trustees establish the new grant program

City staff forms an internal development review team of building, planning, fire, engineering and health to plan for an expedited review team for selected grantees

Publicize the new grant program

August

CRA hosts five grant workshops for potential property owners and tenants to explain the new program

Pre-Qualification Form is open for 45 days for property owners and tenants

City offers property inspections to identify major code updates needed for property owners

September

Pre-Qualification period closes

Full Application form is open for 45 days

CRA publishes a list of property owners and tenants who have pre-qualified

CRA hosts 3 “matchmaking” workshops

CRA Director has 1 on 1 meetings with each applicant

October

Full application closes and staff review begins

CRA Trustees vote on grant applications at the October 29th regularly scheduled hearing

**APPROPRIATION CODE AND AMOUNT:**

Funds are available in CRA Project 388-94893 Opportunity Fund

*CRA Executive Director Amanda Thompson provided a PowerPoint presentation.*

*In response to questions, Ms. Thompson said the Anchor Tenant Incentive Program is not a loan-to-grant program; the property owner will be provided funds on a reimbursement basis, based on the invoices submitted for applicable expenditures. The City Attorney said the program would allow the property owner to bring the property up to code to be their match. For example, the property owner would invest for ADA improvements and that would be their match for how the city funds would be used. Ms. Thompson said the Downtown area goes beyond the 100-700 Cleveland Street blocks; in her opinion, it goes up to Missouri Avenue because of the residential properties within the area. The program will not work for property owners with zero cash to invest in building*

*improvements, will not guarantee a destination restaurant, and will not guarantee a 2-year return on investment. She said staff can discuss with stakeholders regarding the creation of a sub-district within the CRA.*

*A concern was expressed that the proposed program may not attract property owners in the 500 and 600 blocks to participate. It was suggested that the program implementation be delayed for staff to hold a round table discussion with the property owners to determine what they would like to see in the program. A comment was made that stakeholders have had ample opportunity to meet with staff and have chosen not to do so.*

*In response to questions, Ms. Thompson said she has spoken to five property owners and three tenants; the information has been emailed to property owners and stakeholders. It is hard to predict how someone will act when provided a grant application with a deadline. The program is not a one-time thing or a be-all-end-all; this will be a continuing conversation. She said the program includes a pre-application and application processes; the landlord and tenant may submit separate pre-application forms. This is a unique market; there is a limited number of property owners who own many commercial spaces. The program's pre-qualification period requires the property owner to identify issues and their level of investment, while the tenant will identify what they are going to do and how much they are willing to invest. Ms. Thompson said staff will share the information with the property owners and tenants but the full application requires the property owner and tenant to agree on improvements and submit an application together.*

*The City Manager said there is at least one major property owner who has pushed back because they do not want to be forced into a program that requires financial investment in order to participate in the proposed program. That individual has expressed other property owners have the same issue with the program. It does not appear the other property owners will not participate. He suggested staff should hold a meeting with the property owners and tenants regarding the proposed program and report findings to the Trustees.*

*Ms. Thompson said she will provide the property owners and tenants direct invites with RSVPs.*

*There was consensus to delay approving the new program in order for staff to meet with the property owners and tenants. There was support to not allow program funds to be used for items to bring the site up to building code.*

*In response to a question, Ms. Thompson confirmed Clear Sky submitted their application.*

**Trustee Allbritton moved to stop applications for the Anchor Tenant Incentive Program. The motion was duly seconded and carried unanimously.**

*The Chair said the Trustees received a letter regarding the City Council sitting as the CRA.*

*The City Attorney said Florida Statutes contains an option to have City Council be the CRA. There can also be other Trustees appointed to the CRA. She said the Clearwater CRA is also controlled by Pinellas County. The city and county ordinances that setup the CRA requires City Council to sit as the CRA. She said other CRAs in the state are setup differently.*

## **5. Adjourn**

*The meeting adjourned at 1:54 p.m.*

Attest

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Chair  
Community Redevelopment Agency