

City of Clearwater

*Main Library - Council Chambers
100 N. Osceola Avenue
Clearwater, FL 33755*



Meeting Minutes

Monday, July 18, 2022

8:00 AM

Main Library - Council Chambers

Community Redevelopment Agency

Roll Call

Present 5 - Chair Frank Hibbard, Trustee Kathleen Beckman, Trustee Mark Bunker, Trustee David Allbritton, and Trustee Lina Teixeira

Also Present – Jon Jennings – Interim CRA Executive Director, Micah Maxwell – Assistant City Manager, Michael Delk – Assistant City Manager, David Margolis – City Attorney, Rosemarie Call – City Clerk, Nicole Sprague – Deputy City Clerk, and Matt Jackson – Assistant CRA Director

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

Unapproved

1. Call To Order

The meeting was called to order at 8:00 a.m.

2. Approval of Minutes

- 2.1 Approve the minutes of the May 16, 2022 CRA Meeting as submitted in written summation by the City Clerk.

Trustee Allbritton moved to approve the minutes of the May 16, 2022 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 Approve the transfer of \$1,500,000 in Community Redevelopment Agency tax increment financing (TIF) funds to pay for impact fees and connection fees generated by the redevelopment partnership between the City, The DeNunzio Group LLC, and Gotham Property Acquisitions, LLC, and authorize the appropriate officials to execute same.

On May 5, 2022, City Council directed the City Manager and City Attorney to take all necessary actions to identify a redevelopment concept and team(s) for the former City Hall site and former Harborview Center site to present to Clearwater voters for consideration at a November 8, 2022 referendum. Staff recommended disposition of the properties through an open call for

development concepts. After reviewing each of the three responses, on June 16, 2022, the City Council unanimously selected Gotham Property Acquisitions and The DeNunzio Group as the City's development partners for these properties.

In the 2018 Clearwater Downtown Redevelopment plan Policy 11 states, "The CRA may consider reimbursement of impact fees and permit fees as an incentive for redevelopment projects that are consistent with this Plan." The redevelopment proposal for these sites, which includes new rental housing and ground floor commercial uses, is consistent with the objectives of the downtown plan including:

Objective 1B: Support the relocation of Clearwater City Hall to another location within Downtown Area Plan. Allowing the former City Hall site, which is in a prime waterfront location, to be utilized for mixed-use, high-rise development with residential and commercial ground floor uses.

Objective 1C: Osceola Avenue should develop as an active street frontage. The pedestrian experience from Downtown to the waterfront will be active and engaging.

Objective 1G: Continue to utilize a variety of incentives to encourage the construction of new residential uses to locate Downtown.

This item seeks approval to transfer one million five hundred-thousand dollars (\$1,500,000) from the Agency's TIF to a third-party escrow account for the purpose of offsetting and paying all impact fees and utility connection fees that will be owed to the City as a result of this project. The transfer to a third-party escrow account shall occur in a manner acceptable to the City's Finance Director.

If approved by the Agency, the escrow will be released to the City on the developers' behalf as the fees become due, provided that each of the following contingencies have occurred: (1) approval of changes to the City Charter at the November 2022 election; (2) City Council approval of a forthcoming development agreement and a forthcoming purchase and sale agreement on July 21, 2022 or August 4, 2022, and (3) City Council approval of a forthcoming Purchase and Sale agreement. Any unused portion or remainder in the escrow account shall revert to the Agency after payment of all fees described in this agenda item.

APPROPRIATION CODE AND AMOUNT:

Funding for this transfer will be included in the fiscal year 2022/23 proposed CRA budget in project R2003, Economic Development - City.

In response to questions, Consultant Amanda Thompson said The Nolen development received funds for site cleanup. The City Attorney said developers had asked in order for them to ensure successful financing, they needed to know that public commitments made by the CRA or the City would not be withdrawn. Specifically, they asked that

CRA allocations be placed in an escrow account. He said the funds placed in escrow may earn a trivial interest amount. The funds are expected to be in escrow for approximately two years. The money will be released to the City when the impact fees are due when the building permits are issued, which will occur prior to closing on the real estate. He said the developer will not spend out of pocket for the permit fees since the fees will be released to the City. The City Attorney said the CRA can only reimburse or pay for certain types of fees. The City's impact fees are primarily 1) water and sewer impact fees, and 2) multimodal impact fee. The CRA is allowed to offset those impact fees because they fall under the public works category within the CRA areas. He said since the statute was amended in 2019, the CRA no longer has a basis to spend money on permit fees. The City does provide steep discounts available if the developers choose to utilize private providers for the building review process. Ms. Thompson said the funding will come out of the new property tax allocations on October 1, 2022 and will not impact any allocation in process or currently approved.

Trustee Beckman moved to approve the transfer of \$1,500,000 in Community Redevelopment Agency tax increment financing (TIF) funds to pay for impact fees and connection fees generated by the redevelopment partnership between the City, The DeNunzio Group LLC, and Gotham Property Acquisitions, LLC, and authorize the appropriate officials to execute same. The motion was duly seconded and carried unanimously.

4.2 Item Withdrawn

Interim CRA Executive Director Jon Jennings said interviews for the CRA Executive Director are being conducted this week and staff expects to finalize a recommendation for the Trustees soon. He said the Trustees will have an opportunity to meet the finalists. He said he met with Pinellas County regarding the City taking over the maintenance of the Pinellas Trail; the County is responsible for maintaining the trail. Staff is looking at what the City can do to significantly upgrade the conditions of the trail. He said before the City addresses the Trail's economic impact, upgrading the conditions of the trail must be handled first.

It was stated that the County is responsible for maintenance of the asphalt and that the City has nothing around its portion of the trail.

In response to a comment, Consultant Amanda Thompson said the

placemaking grant would target pop-up retail around the trail; anyone may apply. The Downtown Development Board (DDB) has allocated funds for design of the Pinellas Trail, since it located in the DDB's district. DDB funds would be used for potential improvements within the right-of-way and on adjacent properties.

In response to a question, Mr. Jennings said he met with the East Gateway Neighborhood leadership regarding the Mercado design and the planning effort that was supported by the neighborhood ten years ago. Those who have recently moved into the neighborhood may not be as supportive of the planning effort. He said he is reviewing the information that was proposed originally and go back to the neighborhood and make a final decision in order for the project to move forward. He said staff will meet with the neighborhood and determine what should be Mercado's placeholder (i.e., grass or cement).

5. Adjourn

The meeting adjourned at 8:23 a.m.

Attest

Chair
Community Redevelopment Agency

City Clerk