

City of Clearwater

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



Meeting Minutes

Monday, October 30, 2017

1:00 PM

Special CRA Meeting

Council Chambers

Community Redevelopment Agency

Roll Call

Present 4 - Chair George N. Cretekos, Trustee Doreen Caudell, Trustee Bob Cundiff, and Trustee Bill Jonson

Absent 1 - Trustee Hoyt Hamilton

Also Present – Jill Silverboard – Deputy City Manager, Micah Maxwell – Interim CRA Executive Director, Pamela K. Akin – City Attorney, Rosemarie Call – City Clerk, and Nicole Sprague – Official Records and Legislative Services Coordinator

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 1:06 p.m. at City Hall.

2. Approval of Minutes

- 2.1 Approve the minutes of the October 16, 2017 CRA Meeting as submitted in written summation by the City Clerk.

Trustee Jonson moved to approve the minutes of the October 16, 2017 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 Confirm the City Manager's appointment of Micah Maxwell as the Interim CRA Executive Director.

CRA Director Seth Taylor resigned his position on October 11, 2017. The Community Redevelopment Agency (CRA) rules require the Board to confirm the appointment of the CRA Executive Director. Clearwater City Manager Bill Horne is requesting that the CRA confirm Clearwater Assistant City Manager Micah Maxwell as the Interim Executive CRA Director until a recruitment for a permanent Executive Director is completed.

In response to a question, Assistant City Manager Micah Maxwell said a national search for a new CRA Executive Director is underway, with Resume Review beginning November 15, 2017. The recruitment process will remain open during the Resume Review period.

Trustee Caudell moved to confirm the City Manager's appointment of Micah Maxwell as the Interim CRA Executive Director. The motion was duly seconded and carried unanimously.

- 4.2** Approve a Development Agreement between the Community Redevelopment Agency of the City of Clearwater and The Ring Workspaces, LLC, and authorize the appropriate officials to execute same.

In an effort to support the economic development and downtown revitalization goals, objectives, and principles found in the City and CRA Redevelopment Plan and the CRA Board of Trustees Strategic Plan, the CRA would like to contribute funds to a project focused on providing a co-working space to Downtown Clearwater. The CRA views the addition of a co-work space as a major opportunity to further its strategies by attracting and supporting new entrepreneurial small businesses and activating the downtown core.

The Ring Workspaces, LLC has proposed the construction of a co-work space will be located at 600 Cleveland Street (One Clearwater Tower), on the building's third floor and part of its second floor, with square footage totaling around 18,000 square feet. Parking for the space will be provided by a parking lot located at 630 Laura Street, which is adjacent to the project site.

As a part of the agreement, the city's "Clearwater Business SPARK" program, which provides services and support to small businesses and entrepreneurs in every stage of development, will be provided a physical office space within the development at no cost, as well as a membership for the City and its partners.

The overall cost of the project is estimated to be \$1,800,000, with \$1,200,000 being invested by The Ring Workspaces, LLC and the CRA reimbursing a maximum amount of \$600,000 for build out of the interior space. In consideration of the CRA's contribution, The Ring Workspaces, LLC and the landlord (600 Cleveland, LLC) would have an obligation to operate the site as a co-work space for five years from the completion date of the project. This obligation will be backed by a performance mortgage on the site located at 630 Laura Street and the performance mortgage will reduced by 20% for each year of operation as a co-work space.

The Ring Workspaces, LLC will also be required to provide the CRA an annual report of their operation to the CRA, which will be based on areas described in Exhibit K of the agreement. This report is due to the CRA Executive Director by

December 31st of each year.

APPROPRIATION CODE AND AMOUNT:

Funds are available in capital improvement project 388-94893, to fund this contract.

In response to questions, the City Attorney said a member can be a company and entitled to one membership; each member can have up to six offices. Each member is limited to a total of twelve desks. She said an office may have multiple desks. The desk limitation ensures one company cannot overtake the entire floor or facility, as well as providing a

company the flexibility to have multiple spaces for various reasons. The membership for the City in The Ring facility is for the SPARK partners and includes space on the second floor. Interim CRA Executive Director Micah Maxwell said he has received a favorable reception from members of the Clearwater Downtown Partnership and Clearwater Regional Chamber of Commerce. The Ring co-owner Daniels Ikajevs said a third party vendor for coffee/tea service was considered but not pursued due to cost, insufficient space and security concerns. The facility will provide members tea, coffee and snacks from local vendors free of charge. Mr. Ikajevs said similar spaces in St. Petersburg and Tampa are larger and able to contract a third party vendor. Tampa Bay Wave received approximately \$1 million from the City of Tampa. The City Attorney said The Wave is a business incubator and accelerator; the governmental funds were for the programs and not the co-work facility. She said certain members will have 24-hour access to the facility; air conditioning will run during certain hours of the week. The air conditioning limitation is not unusual for office builders.

A concern was expressed with the CRA's contribution towards the project cost and restricted access to the facility outside of normal business hours.

In response to questions, the City Attorney said the City will have an office that holds four desks and access to one conference room upon reservation. Mr. Maxwell said the City's office space would be 190 sq. ft. Mr. Ikajevs said the average per square-foot cost in Downtown for a Class A building is \$18.50. The City Attorney said the co-working environment will allow the City to be close to SPARK partners and others who can assist with business development and entrepreneurship. Mr. Maxwell said the City of Belleair rented space at Station House for strategic

planning. If The Ring violates the agreement, the funding by the CRA is reduced by 20% every year. Mr. Ikajevs said there are four levels of membership: one person show, one who desires a separate space or a company. The CRA's contribution would allow The Ring to provide amenities not seen in the Tampa Bay area. The co-working space business model is charged by the desk, not square-footage. For example, a business with three individuals with an open desk space membership will cost \$99 per month; designated desk space for each employee will cost \$250 per month. Members with designated desk space will have access to the main event, which is an annual event that provides members a 3-minute opportunity to pitch their business for funding. If the CRA approves the item, work can begin in a few months, with completion in March. The monthly rent for the smallest space is

\$300; the monthly rent for the City's space would be \$1,000. Economic Development and Housing Director Denise Sanderson said Clearwater Business SPARK was founded as a network of different groups and organizations coming together to support entrepreneurship and small business development. There is a desire to have co-working space as part of the network; the co-working space would be an additional element that helps SPARK's mission (provide access to services for the entire spectrum of business development. Ms. Sanderson said the CRA currently offers a facade improvement program, an anchor tenant program and a sidewalk furniture program. An impact analysis was not conducted for this project; CRA policy does not require such analysis.

Three individuals spoke in support.

Comments were made that the project provides an opportunity to help businesses going through The Ring, investment diversity in Downtown, and that the private sector is placing a substantial amount of money in the project. Concern was expressed with the \$600,000 CRA contribution to be provided by the CRA.

Trustee Caudell moved to approve a Development Agreement between the Community Redevelopment Agency of the City of Clearwater and The Ring Workspaces, LLC, and authorize the appropriate officials to execute same. The motion was duly seconded and carried with the following vote:

Ayes: 3 - Trustee Caudell, Trustee Cundiff and Trustee Jonson

Nays: 1 - Chair Cretelos

5. Adjourn

The meeting adjourned at 2:10 p.m.

Attest

Chair
Community Redevelopment Agency

City Clerk