DRAFT MINUTES

SPECIAL COMMISSION MEETING

Tallahassee, Florida
September 15, 2003

Joint City-County Commission Mediation Workshop
On the Downtown Community Redevelopment Agency

The City Commission met in special joint workshop session with the Board of Leon County Commissioners (County Commission) on September 15, 2003, in the City Hall Commission Chamber with City Commissioners Marks, Katz, Lightsey, Mustian and Gillum, and County Commissioners Grippa, Sauls, Thaelle, Winchester, Rackleff, Proctor and Maloy present. Also present were City Manager Favors, City Attorney English, County Administrator Alam and County Attorney Thiele.

Mayor Maddox called the meeting to order at 3:15 p.m. and announced this meeting was part of the mediation process in an effort to reach some agreement with regard to the City's Community Redevelopment Agency (CRA) Downtown District. He introduced Mr. Paul Remillard, Esquire, who had been engaged to facilitate this mediation process.

Mr. Remillard advised that the intent of this informal workshop meeting was to jointly discuss options that could help avoid further need for the mediation process and potential costly litigation so that the CRA could be established in a more timely fashion. He stated that the staff of the City and the County would each make a presentation before proceeding with discussion of the specific issues needing resolution.

Mr. Michael Parker, Director of Economic Development for the City of Tallahassee, gave a Power Point presentation providing an understanding of a CRA, an overview of the process of establishing a CRA, and some of the criteria explaining why the City of Tallahassee and other cities around the State were considering CRAs for downtown redevelopment. He stated that the goal of a CRA was to foster redevelopment and reinvestment within the boundaries of the targeted area, and he depicted some examples showing how CRAs had been used in the State of Florida to improve downtown areas, including the Performing Arts Center in West Palm Beach, both residential and retail Union Street Station in Gainesville, a residential Avenue Lofts Project in Fort Lauderdale, the historic preservation of St. Johns Church for use as a cultural performance facility in Jacksonville, and The Adams Mark Convention Hotel along the riverfront in Jacksonville.

Mr. Parker reviewed the establishment of Tallahassee's Community Redevelopment Agency in 1998, and explained the makeup of the CRA Board provided for two seats on that board to be filled by representatives of the County Commission, recognizing that the County Commissioners could not sit on that board because of a dual office holding conflict. He advised that in March of 2003, the Downtown Improvement Authority (DIA) had requested that the City evaluate the downtown area for consideration of the establishment of a downtown CRA district, and after a determination of blight, the City Commission had adopted the downtown CRA district in September 2002. Mr. Parker displayed a map depicting the downtown CRA district boundaries and advised that the City Commission and the CRA Board had selected RMPK Group to lead the process for putting together the redevelopment plan for the downtown CRA. He reported there had been four focus group meetings in July 2003 and the first of three public workshops was scheduled for October 1, 2003 at 6:30 p.m. in City Hall, to review the material that had been collected as the conceptual redevelopment plan was refined an update on the status of the current development of the Downtown CRA, and the other workshop dates would be announced, and the intent was for the City Commission to adopt the redevelopment plan in March 2004, the trust fund adoption in April and June 2004, with the Plan to be in place before July 2004.

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County Commissioner Rackleff confirmed with Mr. Parker that there was one CRA and two separate districts with two separate revenue streams -- the Frenchtown CRA and the Downtown CRA.

Mr. Vince Long, Assistant County Administrator for Leon County, discussed the County's concerns with the CRA district for the downtown, noting that the County's interpretation of the law was that any expansion or establishment of a new district of the CRA required agreement if not approval of the Board of County Commissioners. He quoted from Florida Statutes Chapter 163.410 as follows:

> "Exercise of powers in counties with home rule charters. In any county which has adopted a home rule charter, the powers conferred by this part shall be exercised exclusively b the governing body of such county. However, the governing body of any such county which has adopted a home rule charter may, in its discretion, by resolution delegate the exercise of the powers conferred upon the county by this part within the boundaries of a municipality to the governing body of such a municipality. Such a delegation to a municipality shall confer only such powers upon a municipality as shall be specifically enumerated in the delegating resolution. Any power not specifically delegated shall be reserved exclusively to the governing body of the county."

Mr. Long noted that this provision of law spoke specifically to the creation of a CRA, and the County's position was that this Legislative recognition of a charter county's home rule authority over the exercise of the significant powers of a CRA, such as TIF and eminent domain, logically extended to the expansion or the creation of a new district of the CRA. He stated that this was the most significant issue of concern to the County while not the only issue.

County Chairman Grippa ascertained from Mr. Parker that the title of the current agency that was set up to administer CRAs was the Tallahassee Redevelopment Agency, and that agency included the Frenchtown and South Side CRA District. Mr. Grippa noted that the City had adopted an ordinance in 1988 or 1989 establishing the Frenchtown CRA and that was also recognized within the Comprehensive Plan, and he questioned if this was an expansion of the current CRA to create another district, as opposed to a new CRA, which would require approval of the County Commission.

City Attorney English distributed copies of the Florida Statute provision from which Mr. Long had read and noted that Mr. Long had stopped reading prior to the following sentence:

> "This section does not affect any community redevelopment agency created by a municipality prior to the adoption of a county home rule charter."

City Attorney English explained that the City was not creating a new community redevelopment agency and, in fact, the City could not create another such agency as a city could have only one CRA within a municipality while a city could have multiple CRA districts.

County Commissioner Rackleff suggested that the confusion was based on the use of the term CRA, which could mean either a community redevelopment agency or a community redevelopment area.

County Commissioner Thaell questioned if this implied that the City could expand that original CRA into multiple districts ad infinitem throughout the whole incorporated area, and City Attorney English clarified that from this language, the City could clearly create other districts without the approval of the County as long as they were in the incorporated area.

County Chairman Grippa questioned if the existing CRA was being expanded to include a new district within the current CRA, and he stated that he had seen documents that referred to it as the Frenchtown CRA.

City Attorney English confirmed that there was one community redevelopment agency and one board, and there could only be one board pursuant to the Florida Statutes. He stated that there would be two separate and distinct community redevelopment areas covered by that community redevelopment agency, the one created in 1988 and the one that was in the process of being established.

County Chairman Grippa inquired as to whether the County Commission had voted on the boundaries of the Frenchtown CRA in 1988. City Attorney English explained that as a courtesy, the City had sent the Frenchtown CRA to the County Commission and the County Commission had approved those boundaries.

County Chairman Grippa questioned if the City Commission planned to bring the new expanded boundaries to the County Commission for a vote.

Mr. Remillard inquired if City Attorney English's statement that the Frenchtown CRA had been sent as a courtesy to the County Commission meant that it was not required. City Attorney English stated that it was clearly not required then and it was not currently required.

Mr. Remillard inquired as to where City Attorney English obtained that authority. City Attorney English stated that was taken from the Statute.

County Chairman Grippa inquired if the new CRA boundaries would be sent to the County Commission for a vote, and Mayor Marks indicated that had not been decided. Mr. Remillard stated that was one of the issues under consideration.

Mayor Marks opined that from City Attorney English's statement, it was clear that the City Commission was not required to send the CRA to the County Commission for a vote.

Commissioner Katz opined there were a couple of fundamental issues that needed to be decided: 1) clearly, only one CRA was permitted by Statute, and 2) the City Commission was discussing expanding the territory of the CRA. He stated that the City Commission was talking about two separate trust funds and the Frenchtown CRA trust funds could not be taken out and used anywhere else, and he questioned if there was agreement that this was the law.

Mr. Remillard confirmed the consensus of agreement that there would be a separate district and a separate trust fund, there would be two districts within one CRA and two trust funds, and those funds could only be spent within the district's geographical area.

County Commissioner Proctor stated his disagreement because Frenchtown did not have the same tax base and in his opinion, Frenchtown ought to have the same access to the money generated from the downtown, otherwise the gap in growth would spur and cause a revenue leap in the downtown area that Frenchtown would not be able to access. He stated that such growth would serve to shut Frenchtown down, and he opined that this would also likely create a distinct and different priority on the part of the City regarding Frenchtown.

Discussion focused on whether the downtown CRA district would preclude money going to the Frenchtown CRA district, and County Commissioner Proctor suggested that the Frenchtown CRA was being used as a steppingstone to create the downtown CRA district. He stated that the County Commission could not afford to support the additional downtown CRA district.

Commissioner Katz clarified with City Attorney English that the area within the downtown CRA district boundaries would have qualified as a CRA even if there had been no existing Frenchtown CRA, and the only advantage provided by the Frenchtown CRA was that it voided the county home rule charter requirement.

Discussion focused on future additional revenues from a particular CRA district being restricted to expenditure within the boundaries of that particular CRA district. Mayor Marks ascertained that County Commissioner Proctor was concerned that the downtown CRA district was "piggybacking" on the blight determination in the Frenchtown CRA.

County Chairman Grippa described the definition of blight, as defined by a DIA study conducted in 1999, as follows:

> "Slum area was defined as an area in which there was a predominance of buildings or improvements, whether residential or non-residential, which by reason of dilapidation, deterioration, age, obsolescence, inadequate provision for ventilation, light, air, sanitation or open spaces, high density of population in overcrowding, the existence of condition which endanger life or property by fire or other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime, is detrimental to public safety, morals or welfare.
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> "Blighted area means there are a substantial number of slum, desecrating structures and conditions that lead to economic distress or endanger life, property by fire or other causes, or one or more of the following factors that substantially impairs or arrests the sound growth of a county or municipality and is a menace to public health, safety, morals and welfare in its present condition."

Discussion continued relative to the City Commission's determination that there was blight in the downtown CRA district, with which the County Commission disagreed. County Commissioner Proctor stated that the new priority to leave the Frenchtown area behind was inappropriate.

Commissioner Gillum pointed out that approximately 10 blocks of the downtown CRA district, or approximately 90% of the proposed downtown CRA district, were in the County's "enterprise zone", which was an area that the County Commission had determined chronically exhibited extreme and unacceptable levels of poverty, unemployment, physical deterioration and economic disinvestments. With regard to the issue of blight, he pointed out the geographic area carved out for the Frenchtown CRA could not be stolen from, borrowed from or in any way integrated in the downtown CRA.

Discussion centered on defining the concerns of the County Commission, cited by County Chairman Grippa as 1) the changing focus from Frenchtown, 2) the County Commission having no vote on the downtown CRA, and 3) an overall awareness. Mr. Remillard expressed concern with whether something needed to be done to change the Frenchtown district in the original CRA to provide additional revenue. County Chairman Grippa stated that it would be worthwhile to have information on how much the Frenchtown CRA had grown each year and how much was in that account. Commissioner Mustian indicated his willingness to consider a range of actions that could be undertaken, and he offered to establish a work group, as had been used previously to try to reach some agreement to move this along.

County Commissioner Thaell discussed his concerns, including 1) the equity issue relating to the amount of millage, as the City would provide 3.25 mills and the County's millage was 8.55 mills; 2) his position that it was not equitable for the CRA Board to approve property condemnations only if that approval was ratified by the City Commission; 3) what qualified as affordable housing and what was being considered; 4) there could be room for compromise on the size of the district, as the proposed district was too huge and much of it was not blighted; 5) the ability of the County Commission to participate in a meaningful way; and, 6), most importantly, the existing CRA had the ability to create additional CRA districts throughout the entire incorporated area, which could take away a large amount of future County taxes.

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County Commissioner Thaell advised that from his analysis of the revenue, it would amount to $2 million to $3 million a year out of the existing County revenue stream, which the County would begin to recoup in the future. He opined that there could be some positive results from creating a 50-year plan for the community because the County's revenues would dramatically increase from year 30 to year 50 or beyond, but the reality at this point was that the County's loss of $2 million to $3 million a year would have to be made up. Mr. Remillard confirmed his understanding of this concern was that the services would increase along with the tax base and those revenue increases could not be tapped into for 30 years.

With regard to the blight issue, Commissioner Lightsey commented that the conditions that were listed in the State Statute that represented blight were clear, and the City staff had done a block-by-block analysis listing the blight conditions identified on each block, plus there was an analysis of the individual areas of the district. She stated that some of the issues throughout the district were parking, transportation function and affordable housing, and all of the data was available and consistent with State law. Commissioner Lightsey suggested that if this was in actuality about the revenue streams, then someone needed to be appointed to negotiate that issue, otherwise, she could see no legitimate grounds for discussion. She stated that if this was about money, she would be pleased to nominate Commissioner Mustian to work with the City and County staff and the County Commission representative to discuss this matter.

Mr. Remillard suggested that the City Commission elaborate on some potential compromises, and Commissioner Mustian opined that the most obvious compromise would be to compromise on the issue of representation, such as setting up an agreement so that the County had some right of review on what the funds would be spent on.

Discussion continued and County Commissioner Rackleff expressed agreement that there was room for compromise. He stated he believed a downtown CRA was a useful tool that was needed to help redevelop and revitalize the downtown, noting that there was a lot of under used land, vacant land, and land that was dedicated to surface parking, and there was no retail or residential in the downtown, and he stated that he had voted with his colleagues to oppose the City's proposal because the contribution the County was expected to make was disproportionate. County Commissioner Rackleff advised that the proposal would be more acceptable to him if there was some parity of financial contributions so that the County's contribution of millage would be no more than the City's contribution, and he opined that there was probably another mechanism for addressing the important issue of representation. He stated that the downtown CRA would not hurt the efforts to redevelop Frenchtown and would likely help because a more vibrant downtown would have spin off economic development benefits for the entire urban core area.

County Commissioner Sauls expressed distress at the potential impact to the County's tax base if the City decided that the entire incorporated area should be a CRA. She also stated her concern with the lack of County representation.

At this point, Mr. Remillard called for some compromise and County Commissioner Winchester stated that from his perspective, the representation issue was important on this financial issue. He stated that there was nothing in the State law that precluded the County Commission from working with the City Commission on the CRA, and he recommended that the City and County Commissions designate a representative from each body to resolve the concerns that had been identified. Mr. Remillard pointed out the alternative of not working out these concerns would involve long, drawn-out formal processes involving the judiciary, and he urged both Commissions to reach some agreement on the issues on which they were willing to compromise.

County Chairman Grippa stated that although he agreed there was a need for an 18-hour downtown, he may disagree on how to achieve that and he suggested that the County Commissioners might be more comfortable with utilizing the Economic Development Council (EDC) to tie this in with

other activities and develop a plan for downtown. Noting that the City Commission had not approved the majority of the recommendations made by the DIA to improve the downtown, he suggested that some of the uses of the CRA district revenue ought to be identified before approving the tax liability of a downtown CRA because he had received disturbing information that the CRA revenues were going to the Tennyson condominiums, to Gaines Street, to housing for lobbyists. Mr. Grippa stated that an independent entity like the EDC would be able to tie the CRA in with an overview of the issues for both Commissions before the passage of the tax burden. Brief discussion continued in this regard.

Commissioner Gillum advised that he and Commissioner Mustian had learned during their trip to Gainesville that there were four CRA districts in that city, but it had taken the cooperation of both the City and County governments to make that happen. He suggested that Commissioner Mustian and County Commissioner Rackleff be designated to discuss and attempt to reach agreement on two concerns, the representation of the County on the CRA and the level of contribution.

Commissioner Mustian stated that he would not be opposed to discussing these concerns but in his opinion these concerns need to be dealt with so that the CRA could move on.

Brief discussion continued relative to the County having some representation on the CRA districts.

County Commissioner Thaell opined that some progress would be made by working on the financial equity issue and the representation issue, and stated that he also had some concern with the proposed size of the downtown CRA district. He requested a commitment from the City Commission not to propose an additional CRA district for a specified number of years, and he pointed out the County government had been very cooperative on the Frenchtown CRA district.

Mr. Remillard pointed out there had been County support early in the CRA process in the City of Gainesville and that had led to success. County Commissioner Thaell noted that was how the process had been handled for the Frenchtown CRA district, unlike the proposed downtown CRA district, which had simply been announced. He stated that his perception had been that it was a reaction by the City to the County's move to become a charter government.

Mr. Remillard emphasized that reaching some compromise would help benefit the citizens more quickly through an increased tax base funded by people who had not previously paid taxes.

With regard to the size of the district, City Attorney English advised that some areas could be deleted but additional area could not be added. He stated that the City was open to suggestions on what areas to delete while a review by the consultant would be necessary in order to ensure the appropriate mix was maintained. County Commissioner Thaell stated his desire for a walking tour of the proposed CRA district.

Commissioner Lightsey clarified there was no redevelopment plan nor was there a list of projects, and she stated that the redevelopment plan would not be completed and presented to the City Commission until the Spring of 2004. She explained that the City staff was holding community meetings, which the County staff and County Commissioners had the option of attending as well as members of the EDC and the DIA and citizens at large, and she stated that the project list would not be prepared until some time after the redevelopment plan was approved. Commissioner Lightsey urged the County staff and Commissioners to participate and provide their input.

Additionally, Commissioner Lightsey pointed out a mechanism was in place for the County Commission to review, proposed, rank and comment on the City's water and sewer projects, and she suggested that the County Commission be given a similar opportunity with the redevelopment plan and the redevelopment projects.

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Mr. Remillard questioned how much of a role the County Commission could have and if it was possible to compromise to the satisfaction of both governments. He stated that there was County Commission concern that the method of giving input was not the equivalent of representation.

Commissioner Lightsey observed that the governments had found ways to resolve this problem on other issues.

County Chairman Grippa advised that he had attended one of the public workshops and that was where he had met with the consultant and heard about the different condominiums being developed in the downtown. He expressed the opinion that the general public was not aware of the proposed downtown CRA district and questioned why community wide meetings were not being held in surrounding communities such as Killearn, Woodville, Fort Braden and other areas. County Chairman Grippa also pointed out there would be no need for this discussion if there was a list of projects and the County Commission agreed with them.

Mr. Remillard suggested that clarifying the representation and contribution issues with this current proposal would help solve future problems in the event of another CRA district.

Mayor Marks pointed out the representation issue was difficult because of the Statutory prohibition from the County participation in the process and voting, and the ultimate decision was with the City.

Mr. Remillard advised that the law did not preclude the governments from being more creative and compromising on input before the vote was taken.

Commissioner Katz stated his support for asking Commissioner Mustian and County Commissioner Rackleff to attempt to resolve the concerns, but suggested that they should also consider the fact that the CRA was empowered to rebate some of the revenues or set them aside for a project that was agreeable to both governments. County Chairman Grippa and Mayor Marks indicated their support for this idea.

County Commissioner Proctor referred to the language in Florida Statutes Chapter 163 stating that the powers conferred shall be "exercised exclusively the by governing body of such county". Noting that the Frenchtown CRA had been established prior to the County adopting a home rule charter, he ascertained from County Attorney Thiele that the purpose of this meeting was to discuss some way of having joint representation even though the County Commissioners were legally precluded from holding dual positions.

County Commissioner Proctor also determined from County Attorney Thiele that he was <u>not</u> a member of the Frenchtown CRA because the County agreed with the Attorney General's Opinion that such membership would constitute dual office holding and, in lieu of that, the County Commission has two appointees to the CRA. He questioned if the City was required to bring future expansions back to the County since it was a home rule county, and County Attorney Thiele clarified that the County Commission, despite its current home rule status, could not revoke or interfere with the existing CRA as presently configured.

County Commissioner Proctor questioned if the City could continue to utilize the Frenchtown CRA to establish additional districts without County Commission approval, if the home rule charter meant anything. County Attorney Thiele advised that question was under dispute in that the County's contention was that the County's approval was needed while the City's contention was that the County's approval was not needed.

Mayor Marks questioned if that applied to any newly created districts or to the second district that was being created. County Attorney Thiele advised that the County's position was that the City

required the County Commission's permission to modify outward the existing district or to create a new district, and Mayor Marks ascertained that this applied prospectively and was applicable to the proposed downtown CRA district.

County Chairman Grippa inquired if the City had any data available on how the Frenchtown CRA had improved Frenchtown, the property tax growth, whether there had been a bonding in Frenchtown, the growth rate of Frenchtown, what projects had been implemented, what had been achieved by that current CRA, and an analysis of that before rushing forward with a second CRA district.

Commissioner Mustian stated that the information would be provided.

County Commissioner Thaell stated that the County Commission wanted representation in the planning and implementation, and he opined that the City's interpretation of the law that it was permission to create additional districts under that initial CRA was something that would have to be litigated. He suggested that the Florida Association of Counties would probably pursue that issue.

Brief discussion continued and Mr. Remillard urged continued efforts towards compromising.

Commissioner Katz suggested that if a compromise was not reached and it went to court and the County lost, the County would have no say in where any of the revenue would go because by then there would be no interest in attempting to compromise. He stated that if the City lost, the City was back to this point.

Commissioner Katz pointed out 1) everyone agreed with the need to develop the downtown, 2) the development of this proposed downtown CRA would be very good for Frenchtown because of its proximity, and 3) the City and County needed to find a way to agree. He suggested that the City Commission designate Commissioner Mustian to negotiate the concerns with a representative of the County Commission and Commissioner Gillum seconded his suggestion as a motion.

Mr. Remillard confirmed that the consensus of the City and County Commissions was to designate someone to represent each Commission and identify the concerns that they would attempt to resolve. He stated his perception of those concerns as being representation and contribution.

Mr. Remillard stated his understanding of the representation issue as one that would affect a particular outcome with the County and the City cooperating as one.

County Commissioner Winchester clarified that this representation was expected to be real and reasonable representation, not tokenism, and he stated that this worked on both sides as there were other issues with that same kind of approach. He pointed out the citizens were going to pay for any litigation.

Mr. Remillard advised there was also a concern about the size of the downtown CRA district, so that the concerns to be resolved were representation, contribution and geographic area, and maintaining that representation and contribution were applicable to any future CRA district.

County Commissioner Thaell added the decision to withhold the creation of additional districts for a period of years.

County Chairman Grippa stated that a final concern was the public notice issue, and Mr. Remillard observed that it would be most important to the citizens to know that the City and County Commissions could do something collectively through compromise that would save a lot of money in litigation and plans for the future. He recommended that some kind of process be mapped that anticipated this would happen again.

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Discusison continued and County Commissioner Winchester opined that the County Chairman ought to designate the County Commission's representative. Mayor Marks designated Commissioner Mustian to represent the City Commission.

County Commissioner Proctor stated that he wanted to know if in the future, this was going to be an expansion or a new district, and Mr. Remillard clarified that the action of both Commissions was to designate representatives to resolve that issue and plan for it for the future.

Mr. Remillard clarified with County Chairman Grippa that he would be the County Commission's designee. He then confirmed that the issues to be discussed and resolved by the City and County Commission designees were 1) how to have fair representation between the City and County Commissions to represent the citizens of the County in its entirety; 2) how to have fair representation from the standpoint of compensation and contribution, depending on benefits to the County and the City; and 3) determine the most beneficial area for this next district, and also agree that this would be a model for any future CRA.

Mayor Marks suggested that some consideration be given to including areas if appropriate, and Mr. Remillard suggested that could be a sub issue of the area to be discussed.

Mayor Marks thanked Mr. Remillard for facilitating this process.

ADJOURNMENT

Mayor Marks inquired if anyone else desired to address the Commission at this time or if there was any new business to discuss and there being none, the meeting was adjourned at 5:03 p.m.

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Jane Sauls
Chairman

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Bob Inzer, Clerk of the Circuit Court

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