COMMUNITY REDEVELOPMENT AGENCY  
August 10, 2009

The meeting of the Community Redevelopment Agency was called to order by Mayor Kenneth Bradley at 2:00 p.m. in the Commission Chambers, 401 Park Avenue South, Winter Park, Florida.

Members present:  
Mayor Kenneth Bradley  
Commissioner Margie Bridges  
Commissioner Beth Dillaha  
Commissioner Phil Anderson  
Commissioner Karen Diebel  
Orange County Representative Stan Roberts  
City Manager Randy Knight  
City Attorney Trippe Cheek  
Deputy City Clerk Nancy McLean

1. Administrative Items.

Motion made by Representative Roberts to approve the minutes of May 11, 2009; seconded by Commissioner Bridges. The motion carried unanimously with a 6-0 vote. Commissioner Diebel was absent.

2. Action Items.

A. Holiday Ice Rink in Central Park.

CRA Director Sherry Gutch explained that in cooperation with the Parks Department the CRA is proposing to use the remaining surplus cash reserves for FY 2009 to fund the temporary installation of an ice rink in the Central Business District. This would be a functioning rink that would serve as a great holiday draw for residents and tourists. She commented that other municipalities have tried this in recent years with great success. Staff is requesting that the CRA forward fund this project with the anticipation of making up all or most of the cost in ticket sales and sponsorships. The cost of the project covers the operation and ticket sales of the ice rink.

Initially staff was recommending the southwest corner of Morse and Park Avenue. However, there are some issues with this location so they are in the process of working on that and the Parks and Recreation recommendation will come before the Commission at the August 24 meeting. She commented that the West Meadow already has scheduled events and we need to work on determining if they can be moved or made part of the skating rink. She added that it will open for business on November 20 through January 2 and the use of the rink will be scheduled to coincide with special events such as the Tree Lighting, Santa and the parade as well as other events specifically for the rink. Skating will be $10 per person including skates and a wristband that will be issued after a waiver of liability is signed. The skater may skate as long as they wish for that day and the rink will be operated and managed by the company, Magic Ice USA.

Ms. Gutch stated that this will allow us to host many family friendly and resident oriented events that draw people to the Avenue and support our businesses during the Holiday shopping season. The skating rink is reminiscent of a small village and helps to set Winter Park apart from other town centers where families choose to do their holiday shopping.
She explained that this item is consistent with Goal number 6 of the CRA Strategic plan. Assignment of the $120,000 will cover the CRA’s compliance with the statute regarding the allocation of all available cash reserves by the end of each fiscal year. Staff recommends approval of budget allocation of $120,000 out of this current fiscal year cash reserves. Ms. Gutch answered questions.

**Motion made by Representative Roberts to approve the allocation of $120,000 out of this current fiscal year cash reserves; seconded by Commissioner Anderson.** Commissioner Dillaha commented that she supported the idea, but her vote would be contingent on the location of the ice rink. **Representative Roberts clarified his motion that it would be providing that they are able to get the site on the West Meadow; seconded by Commissioner Anderson.** City Manager Knight mentioned that the “Battle of the Bands” will have to move back to the east side of the railroad tracks.

Kenneth Murrah, 1601 Legion Drive, expressed that he was delighted about the consideration of the ice rink location.

Julie Von Weller, Co-owner of Thread, commented that this was important to the merchants and they were excited to help promote the marketing aspect to bring people to the ice rink.

Kevin Coulhart, unknown address, believed that the ice rink was a great idea and urged the Commission to vote yes.

John Tongue, Co-owner of Bangz Park Hair Salon, 228 Park Avenue S., supported the ice rink and encouraged the Commission to support it.

Patrick Chapin, Chamber of Commerce Chairperson, commented that the Chamber will help to promote and advertise the ice rink.

Commissioner Bridges commented that this was not cleared with the Morse and Genius Foundations, but hoped that there will be better ground work next year. She added that the West Meadow will be an ideal location and supported the ice rink. Commissioner Anderson agreed it is a great idea. **The motion carried unanimously with a 6-0 vote.**

### B. Morse Boulevard Streetscape.

CRA Director Sherry Gutch commented that this streetscape would be from Morse Boulevard from Park Avenue to Interlachen Avenue and is one of the few viable commercial shopping districts off of Park Avenue with a significant number of storefronts. She stated that it is situated on the historic main entryway to Winter Park and with high visibility from the Amtrak rail stop and over 40,000 annual visitors to the Scenic Boat Tour; Morse Boulevard is an important commercial feature of the Central Business District.

She stated that along Orange, New England, Pennsylvania, New England, and Webster the City has systematically upgraded streetscapes to include a removal of overhead wiring, installation of wider pedestrian friendly sidewalks, improved landscaping, improvements to traffic safety, and decorative lighting. The proposed streetscape for Morse Boulevard will include all these standard improvements in addition to the creation of a piazza-like area at the westernmost median to encourage pedestrian access, slow traffic and create an elegant seating area for visitors and residents to enjoy the beautiful downtown.
She explained that if this project is approved staff will start the public process of soliciting input from the affected stakeholders. Work is estimated to begin late spring of next year after the art festival. Consideration was given to performing a special assessment to raise funds but the impact on individual properties was considered too great, especially in this economy, for the amount of funding that could reasonably be expected to be raised. In addition, with the exception of Park Avenue and partial funding of Orange Avenue, the CRA has paid 100% of the streetscape costs.

Ms. Gutch stated that this is a part of the CRA plan and CRA strategic plan. The estimated cost to complete the project is $750,000 and will be paid out of cash reserves for FY 2009. Allocation of this funding to a project is necessary to meet CRA statutes regarding cash reserves. Staff recommendation is approval of the project and allocation of $750,000 for FY 2009. Ms. Gutch answered questions.

**Motion made by Commissioner Anderson to approve the project and allocation of $750,000 for FY 2009; seconded by Commissioner Bridges.** Commissioner Dillaha asked about the price and what it entails. Joe Serrano, Public Works Department responded and answered questions. Commissioner Anderson commented that as a matter of disclosure he is a sub-tenant in one of the buildings on Morse Boulevard. Attorney Cheek stated there seemed to be no direct or indirect benefit to Commissioner Anderson from this vote. The motion carried unanimously with a 6-0 vote.

C. FY 2010 Budget.

Assistant CRA Director Peter Moore explained that fiscal year 2009–2010 is almost complete and staff expects the actual budget figures for FY 2009 to be below original estimates. As discussed in previous board meetings, cost savings are primarily attributed to decreases in legal fees, social program costs, and a property tax saving on a parking garage contract. Overall for the current fiscal year, operational expenditures rose 6.8% while revenues rose 11.1%.

As expected FY 2010 is a difficult budget year. The decline in the real estate market has reduced tax valuations and as the CRA is funded entirely by property taxes this reduces funding available for projects. The tax base declines were not as steep as expected and that staff is proposing budget cuts that will partially mitigate the loss to the operational budget’s bottom line.

The following is a table of the anticipated FY 2009 actual performance and estimated FY 2010 budget given that the budget is accepted as presented.

<table>
<thead>
<tr>
<th></th>
<th>FY 2009</th>
<th>FY 2010</th>
<th>Rate of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenues</td>
<td>3,549,207</td>
<td>3,505,582</td>
<td>-1.2%</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>994,421</td>
<td>893,091</td>
<td>-10.2%</td>
</tr>
<tr>
<td>Total Debt</td>
<td>837,446</td>
<td>1,711,845</td>
<td>104.4%</td>
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<tr>
<td>Project Funding</td>
<td>1,717,339</td>
<td>900,646</td>
<td>-47.6%</td>
</tr>
</tbody>
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- Note that these estimates differ slightly from the budget adopted by the CRA Advisory Board in June. This budget incorporates a bond of $9.5 million vs $9 million, and includes the addition of the Central Park Ice Rink as a breakeven cost. These changes were presented at their meeting on July 30th.
Revenues will decrease by approximately 1% ($43,625) given changes in the tax base and some assumptions regarding income earned on investments and the assumption that the Ice Rink venture will break even and receive at least $120,000 in revenues. Expenditures will decrease by 10.2% or a savings of $101,330. The largest expected change in the FY 2010 budget will come from the debt service paid on the proposed $9.5 million bond. This will add (depending upon interest rate) about $874,399 in additional debt service cost doubling our annual debt service payments to about $1.7 million. With all these changes in place we can expect to have an additional $900K in funds available for projects and future debt service (excluding revenues from misc sources and investment income, this number is closer to $500K).

**Staffing Changes:**
This current year many departments were asked to make layoffs and as a result we lost our department staff assistant. Additional layoffs also changed the pro-rata portions of salaries the CRA paid on behalf of the general fund thereby further reducing our staff costs. Overall, staffing costs for the CRA dropped by 8.9% or $47,000.

**Community Center Programming:**
At the beginning of fiscal year 2009 the Boys and Girls Club (BGC) of Central Florida were brought in to run youth programs at the Community Center. Prior to their involvement the CRA had provided $100K a year to supplement youth programs at the center through our Social Program Committee and the competitive grants we offered for providers to operate programs at the center. Many of the services offered to youth are duplicative of the programs offered by the BGC. As a result staff is proposing to end funding for youth programs by the CRA now that the need is being met by the BGC. Staff is now proposing to give $60K to the Parks Department to program the center. The need for adult and senior programs is still great and this allocation of funding will allow the Parks Department to program to meet this need.

CRA staff is proposing to remove the CRA from programming activities so that it may focus on its core goals as outlined in the Strategic Plan. The CRA saves approximately $59,000 while maintaining or even increasing the level of service offered to the community. Youth needs are being met by the BGC and additional programs will have $60K in dedicated funding. If this change is adopted, staff will work with the Parks Department to set up grant guidelines and reporting requirements much like is expected of all our funding partners.

**Funded Partners:**
Staff is proposing to fund at the usual allocations: Bridgebuilders $20,000, Heritage Center $40,000, Enzian $18,000, and Welbourne $7,000. Bridgebuilders and Enzian are on a calendar year reporting cycle. Their agreements will come before the Commission at the next CRA Agency meeting.

**Funding Available for Projects:**
Assuming that the CRA budget is approved as presented, there is approximately $900,000 in cash available for projects. The board has discussed a number of initiatives that have cost considerations that would need to come out of this project funding. The following is a list of projects that may need funding over this next fiscal year and an associated dollar cost if determined:
Housing Rehab Program $100,000 (recommended now)
Business Façade Program $100,000 (recommended now)
Park Avenue Economic Initiative $100,000 - $150,000
Main Street Program $70,000
UCF Incubator Program $30,000
Business District Event Program $10,000
Wayfinding $100,000 - $150,000

* Note that additional funding is available beyond the $900K if a new bond issue is considered.

Staff is proposing to fund the Business Façade Program and the Housing Rehab Program at $100,000 apiece and to leave the remaining project funds to be allocated as the year progresses and priority projects are identified. This will also ensure that the CRA is not overly committed in case of any surprises regarding expected investment revenues or the cost of debt service on the Community Center.

Overall, staff believes that there will be no change to the level of service offered to the community and that the CRA can comfortably handle a $9.5 million debt issue with project funding to spare. This budget was unanimously approved by the Advisory Board on June 25. (Note that the budget approved by the advisory board in June included a $9 million bond not the revised $9.5 figure. Additionally the Ice Rink proposal was not part of their approved budget but has since been approved by the Advisory Board.) Staff recommendation is approval of the FY 2010 Budget as submitted. Mr. Moore answered questions.

Representative Roberts commented that he sees the $500,000 budgeted for the State Office Building as a separate financial commitment. He believed that we should not be paying interest on that extra $500,000 and to have the money that they borrow exclusively for the Community Center. He wanted the $500,000 spent on the demolition but to get it from somewhere else. He stated that if we do not have it, it should not be done. Mr. Moore explained that the demolition of the State Office Building would be advantageous because they plan on using it as a staging site for redeveloping the Community Center.

Ms. Gutch commented they put these demolitions together due to the economies of scale associated with the Community Center and the State Office Building and it would typically be cheaper.

Commissioner Anderson agreed with Representative Roberts that they were paying interest on a 40 year depreciating asset versus financing a demolition project over 10 or 15 years. Mr. Serrano commented that the price is coming down on the demolition of the State Office Building and he will provide the Commission with another figure shortly.

Commissioner Dillaha asked when they can begin with the pedestrian way finding. Ms. Gutch explained that they are presently working on it and she is meeting with a digital company this week about potentially doing digital kiosks. She added that they are thinking about retrofitting the existing kiosks, but she needs to find out who originally built them and move forward with that.

Commissioner Dillaha suggested funding restrooms with some of the money when they have discussion about funding other projects. She wanted to know if the CRA could pay
for that as opposed to being on the Capital Improvement projects for parks. Ms. Gutch commented that they have provided a matching grant for commuter rail and would like to renovate and clean up the restrooms at that station. However, she could not commit yet because they need to go through a reallocation process with the advisory board. She stated that it is something they are thinking about and funds could be allocated to the upgrade of the station.

Commissioner Diebel asked that this item be tabled until they discuss the Community Center financing item. There was consensus to table.

D. Community Center Financing.

Assistant CRA Director Peter Moore explained that in the spring of 2009, staff issued an RFP soliciting bank loans to obtain fixed rate financing to fund the Community Center. On June 26, the City’s financial advisor, Dunlap and Associates, informed us that banks were showing an unwillingness to commit to long term fixed rate financing. Banks were willing to lock in rates for 5-7 years but wanted a clause added that rates would be renegotiated afterwards. This would expose the CRA to potential interest rate risk which could mean that future payments on debt service could increase significantly.

Due to the advice of our advisor, staff looked into pursuing a traditional bond financing solution. Instead of asking a bank to issue a long term fixed rate loan, the CRA would offer bonds that effectively accomplish the same objective. Bonds have higher initial fixed costs associated with the issue, obtaining insurance, and other fees, but they would also have a fixed rate over the course of the financing. Bonds also typically require a reserve fund that acts as additional security on the bond that would be financed in addition to the $9.5 million. This means that you pay interest on more money than you need which means our actual financed bond issue would be closer to $11 million.

He stated that staff has done some in-house analysis on the two options and believes that the interest rate risk that is reasonably possible to occur is less of a cost than the initial fixed cost and extra financing charges associated with a bond, even though the rate is fixed for the full term. However, staff has asked our financial advisor to prepare an analysis of the two options to determine which is more suitable for our needs.

He gave a brief summary and presentation on the two financing options and their pros & cons.

Regardless of the financing method chosen we will be required to pass a reimbursement resolution which would allow the CRA to start spending reserved cash now for approaching expenses associated with the Community Center but to reimburse itself later out of proceeds of the debt issuance.

Staff has spent considerable time looking into options presented in the bond market including Build America Bonds, and competitive and negotiated bond sales.

The CRA has been advised that the total cost of construction of a turn-key Community Center, including the demo of the state office building as a staging area and demo of the existing Community Center will cost under $9.5 million. The CRA is proposing to fund approximately $400,000 over the fall of 2009 and issue either a bank loan or bond for $9.5 million to pay for the project. Depending upon the method of financing chosen the expected debt service payments will vary between $750K to $1 million annually. Given
the expected range of fixed rate bond financing, this project can be sustained with the CRA’s existing capacity.

Mr. Moore explained that staff recommended approval of the reimbursement resolution as a protective measure to make sure that any expenses incurred may be reimbursed by debt to be issued later. Staff was also seeking approval to move forward with the bank loan financing route locking in the lowest rate possible for the longest period possible, making the decision that reasonable interest rate risk is less costly than the fixed costs and finance carrying costs associated with a bond. Mr. Moore and Ms. Gutch answered questions.

Ms. Gutch explained that the CRA purchased the State Office Building and it is a CRA asset. Attorney Cheek explained that the property is deeded in the City’s name because it was deeded directly from the cabinet in Tallahassee. However, he wanted to look at this more closely and see who has control of the property. Representative Roberts stated that as the County representative he should be involved with discussions that they have about the future of that site.

Motion made by Commissioner Anderson to approve the reimbursement resolution; seconded by Representative Roberts.

Janie Baker, 650 Northwood Circle, stated that residents on the Westside want this facility in the community and they want to have it demolished so it can be replaced.

Commissioner Diebel commented that she was uncomfortable with committing these funds before we know our source of financing. She stated that they are already fighting the bond issue on the other two funds and was hesitant about going ahead and allocating this before they have confirmed the financing option for the City. She understood that this would potentially have us delay some expenditures for 90 days until we are sure we have a bank loan confirmed or decide to go with the bond issue. She proposed that they delay voting on the resolution until they have that step confirmed. She added that she would rather budget it out of cash reserves then commit to the future bond or bank loan. Mr. Knight, Ms. Gutch and Mr. Moore answered questions.

Mr. Knight commented that there is no downside to adopting this resolution as it gives them maximum flexibility in the future to reimburse ourselves for any money we spend. He stated that if we do not adopt this resolution, everything we spend has to come out of reserves. Commissioner Diebel reiterated that she wanted to know the financing terms before they start the project. Mr. Knight recommended they adopt the resolution, spend the money and continue to simultaneously work on the financing and get the project moving.

The motion carried with a 5-1 vote. Commissioner Diebel voted no.

FY 2010 Budget

Motion made by Representative Roberts to approve the FY 2010 budget; seconded by Commissioner Anderson. The motion carried with a 6-0 vote.
E. Program Committee Dissolution.

CRA Director Sherry Gutch explained that staff is recommending dissolving the program committee where the CRA provided program funding for social programming to the Community Center. She stated they are proposing to turn all adult and senior programming back to the Parks and Recreation Department. She commented that they are transferring $60,000 to them if approved today and it is a part of their budget. She added that it was approved by the CRA Advisory Board.

Linda Walker, 794 Comstock Avenue, commented that if they are giving funding to the Parks and Recreation Department to let them disburse this money as they see fit.

Motion made by Commissioner Dillaha to dissolve the program committee; seconded by Representative Roberts. The motion carried unanimously with a 6-0 vote.

F. Straughter Parking Lease.

Ms. Gutch explained that in the Spring of 2008 the CRA entered into a parking lot lease agreement with the Mount Moriah Church to provide additional parking so that customers of the commercial district in Hannibal Square would not encroach on residential areas by parking their cars along the street.

This agreement secured 40 spaces for the City. It has been the intent of the CRA to secure lease agreements for the entire block so that the entire lot could be improved and made available for parking. Mr. Straughter is the only other owner of the block and staff is proposing entering into a lease agreement with him to secure the 10 additional spaces his land would provide for parking. With the leases in place from both the church and Mr. Straughter, the CRA will be able to begin discussions about improving the entire lot to be more customer-friendly and visually appealing.

This lease agreement is consistent with Goal number 3 in the adopted CRA strategic plan which calls for maintaining the historical integrity of our residential communities by alleviating commercial parking encroachment from local neighborhoods. The annual cost of the 10 additional spaces is $4,800 and has been budgeted for in the FY 2010 budget. Staff recommendation is approval of the lease.

Motion made by Commissioner Anderson to approve the lease; seconded by Commissioner Bridges. The motion carried unanimously with a 6-0 vote.

G. Heritage Center Operating Grant Agreement 09

Ms. Gutch stated that the CRA Fiscal Year 2009/2010 budget allocates $40,000 to Crealde’ to be used for managing, programming and operating the Heritage Center. She addressed the 30 year lease with them and staff’s recommendation of approval of the agreement.

Motion made by Representative Roberts to approve the Heritage Center Operating Grant agreement; seconded by Commissioner Anderson. The motion carried unanimously with a 6-0 vote.
H. Welbourne Avenue Day Nursery Grant Agreement 09

Ms. Gutch explained that the Welbourne Avenue Day Nursery is the oldest nursery in Winter Park. Serving children of low income families, Welbourne is able to allow many parents time to work and provide for their families while receiving quality childcare from an established and well respected provider.

As required in the Fiscal Year 2008/2009 Grant agreement with Welbourne, they have submitted their final report. Staff finds that the Welbourne has expended the money according to the Grant agreement. Under the Fiscal Year 2008/2009 Grant agreement, the funding of $7,000.00 was used to provide for the purchase of storage units, sand and water tables, paint, and mirrors for classroom beautification and the outdoor sensory area.

This year Welbourne plans to use funding from the CRA to replace flooring in classrooms and offices and to repair existing cabinetry. Donation of CRA funds enables Welbourne to keep costs low for working families. She stated that staff recommends approval of the agreement.

Motion made by Commissioner Bridges to approve the Welbourne Avenue Day Nursery Grant agreement; seconded by Commissioner Dillaha. The motion carried unanimously with a 6-0 vote.

3. INFORMATIONAL ITEMS

Ms. Gutch addressed that she would forward a memo on the informational items of the National Historic Designation update and the Park Avenue Study update to the Commission.

4. NEW BUSINESS

No New Business.

The CRA Agency meeting adjourned at 3:35 p.m.

Chairman Kenneth W. Bradley

ATTEST:

City Clerk Cynthia S. Bonham