

Downtown Investment Authority
City Hall at St. James
117 West Duval St., Don Davis Room

Wednesday, August 14, 2013 – 2:30 p.m.

SPECIAL MEETING MINUTES

Board Members Present: Chairman O. Barakat, J. Bailey, M. Bishop, K. Harper Williams; and P. Perez

Board Members Not Present: T. Allegretti, D. Harris, M. Saylor and R. Clements

Office of General Counsel: Jason Gabriel

City Council Members Present: Council Member Lori Boyer, Council District 5; and Council Member Don Redman, Council District 4

Staff Present: Paul Crawford, Deputy Director; Eric Lindstrom, OED Staff; Michelle Stephens, Recording Secretary; and Diane Moser, Manager, Personnel Services

CALL TO ORDER

Chairman Barakat called the meeting to order at approximately 2:36 p.m.

DISCUSSION

The Special Meeting of the Downtown Investment Authority (DIA) was called to discuss the actions taken by the City Council Finance Committee on Friday, August 9, 2013, when they voted to reallocate the \$9,000,000 monies designated for the Downtown Economic Development Trust Fund (Ordinance 2013-89-E, \$11 million in bond refinance savings) into a designated special council contingency account. Chair Barakat thought it would be helpful for the DIA to discuss as a board what, if any, action should be taken in response to the actions of the Finance Committee prior to the full City Council making a final decision. Chair Barakat referenced a letter (attached) that he wrote to all City Council members. He concluded that he believed the DIA should send a message to City Council letting them know the work that the DIA is doing and why the DIA thinks reallocating the funds at this time is not a good idea.

The following were relative comments from the board:

- Commented that there are two subjects: 1) The \$9 million - noting that had the money not been found by the Mayor's Office back in March, we would not have it to talk about today. 2) Commented that it is critical for the DIA to have an operating budget established within the budget that is currently being reviewed by Council. The DIA needs to be lobbying for an increased budget regardless of the \$9 million.

Chair Barakat agreed, adding that they are two different conversations, an operating budget for the DIA and funding for projects whether Wayfarer signage, riverwalk improvements, incentives for developers, etc. He reiterated that the DIA needs both.

- Suggested it would be great for someone to summarize the steps associated with the \$9 million.

At the request of Chair Barakat, Mr. Crawford reviewed the timeline as it relates to the City Council Finance Committee's review of the budget. Chair Barakat asked Mr. Crawford to provide the DIA with a written summation of the process at the August 21 DIA meeting.

Chair Barakat asked how the public could engage and/or voice concerns, etc. with City Council. Council member Boyer explained the public comment process for both City Council Committee meetings and the general City Council meetings. She added that the best form of communication outside of attending City Council meetings and speaking during the public comment portion of the agenda is to write, email, meet, and/or call Council members individually. She encouraged Board members to definitely make contact with Council members. She added that not all department heads are asked for a presentation or explanation when their budget is before the Finance Committee, noting that being present will not guarantee you a chance to speak before the Committee. She suggested that the DIA should have some sort of formal response, requesting that the trust fund money not be reallocated and also should make individual contact with Council members. She added that the DIA's operating budget will be before the Finance Committee on August 22, adding that she was not sure what the DIA was proposing for their budget independent of the OED's budget. She suggested that the DIA be prepared with a good number and how it will be allocated to include number of personnel.

At the request of Chair Barakat, Mr. Crawford advised the board of what happened at the Finance Committee Budget Hearing on Thursday, August 9, regarding the TIF. Explanation included in the handout provided at the meeting and attached (Finance Committee Budget Hearing #2 minutes – portion of).

Council member Boyer noted that the TIF conversation was previously scheduled to be discussed by the Finance Committee on Aug. 9. She mentioned that it was brought up under the enabling legislation that the DIA is allowed to take up to 10% from the Southbank TIF to be used for overhead; however that was not included in the budget. The budget that was presented to the Finance Committee did not reflect that, so the entire amount was put into a contingency account which means to use any portion of that money for overhead, etc. the DIA would have to come back for Council approval. She commented that the 10% could have been put in the budget for overhead purposes during the budget process or could have been requested at the meeting. She raised the comment but it was not requested by OED, Mr. Saylor or anyone else to allocate such funding at that point. At this point it is sitting in the contingency for the Southbank TIF until the DIA comes up with a project, or specific request.

Council member Boyer explained the state statute as it relates to TIF's.

- Noted that there is still a portion of money for the consultant that needs to be added to the DIA budget ASAP.

Chair Barakat commented that for the August 21 meeting, he will ask Mr. Wallace and OED to present a proposed line item budget and then redirected the meeting back to the Finance Committee's action regarding the \$9 million.

- The general consensus of the board was that they need to pursue all avenues of communication with City Council members relative to the reallocation of the \$9 million.
- Suggested that a resolution was in order but does not think there is enough information today to resolve anything.
- Need to identify the DIA's plan for the money – not just ask that the Council not take the money. Need to show what we have done; what we are working on (Redevelopment Plan), actions we have taken to date, etc. and make all of that part of the resolution.

Chair Barakat commented that he would attempt to draft a resolution for the August 21 DIA meeting, adding that he sensed that members were in favor of a resolution but unsure of its content.

Board member Perez departed the meeting at approximately 3:15 p.m.

- Commented that what is being proposed is a waste of time both for Council members and Board members.
- Commented that a lot of work went into creating an independent authority that can transcend administrations and not be political. The DIA has done everything in its power to dissolve that over a period of time.
- Regarding the 4-3 vote at the Finance Committee Budget Hearing - commented that he thinks there is a more serious problem with that. Lobbying is going to prove that we are not where we need to be. He is surprised that everyone is as surprised as they were at what happened because we have been given every signal possible by our Council. They tell us what they are looking for and we don't do it.
- We are not an independent authority, we were told that we get our money from the Council – we don't have a budget, we have asked to do a budget. We had an RFP that went out and were told how to do it for Hemming Plaza and it blew up in our face.
- We had an RFI put out on the Shipyards and did not know about it.
- Commented that what we need to do is become an independent authority and have a game plan and go about our business and do it the way we should be doing it and maybe we will get the respect from Council. The Council has no confidence in the DIA and lobbying is not going to return that confidence.
- Commented that if we keep going in the direction that we are currently going, is not sure that we need a board or he does not need to be on the board if that is the direction we are going to go.

Chair Barakat replied that he is of the opinion that the DIA's independence requires staff, adding that Mr. Wallace starts on Monday. Things have not been moving as quickly as we want - I think

we all share that frustration, but we have been moving forward as we have mentioned. Chair Barakat asked Board member Bailey what his suggestion would be.

Board member Bailey replied that we have to have help from the OED; we have been getting a lot of help from the OED. Our Executive Director works for the DIA, not the administration; he gets paid by the Council. He is an employee of the DIA and serves at the will of the Council. The ED needs to be working in a position that he responds to the DIA. Commented that it is frustrating that the DIA has been operating for months and was the first opportunity for an organization that wakes up every day and focuses on downtown and we have not done that. Commented that if you are going to do the resolution, we are wasting our time and he does not need to be on here. Commented that there is more work to be done than can be covered in 30 minutes.

A short conversation pursued with different members sharing what they have heard relative to Council members' perceptions of the DIA, why they took the action they did, etc.

The general thought was that no one entirely disagrees with some of the comments made by Board member Bailey, and also share in some of his frustration.

The general consensus of the board was that the DIA needed to respond.

Council Member Redman commented that being the Council Member for downtown, he hears very little about what the DIA is doing. In the last couple of weeks word is around City Hall that the DIA is losing its ability to operate, that the administration is taking charge of what the DIA should be doing.

Chair Barakat commented that the DIA could and will do a better job of communicating with City Council.

Council Member Boyer commented that she did not want the DIA to necessarily personalize the decision that was made as exclusively that the Council is unhappy with the DIA. That may be part of the decision and motivation by some people, but the DIA is totally missing the point if they are not reading the paper and not totally aware of the budget situation that the City faces and the broader decision that the Council is making. The point is that the Mayor's budget came in and cut lots of things by 14% and the Council Auditor had just reported that morning that the budget for the Fire Department totally does not work and that it was baked into the budget that we were going to dismiss employees and cut personnel but our union agreement prohibits that so we can't really do that. There was an element where if there was \$9 million sitting in a savings account and the alternative is you are going to borrow money that you pay interest on over here to do other things with – maybe you should spend the \$9 million first and then borrow the money when you actually need it for something. She added that she does not know if that was anybody's rationale, she is just saying that there are lots of pieces coming together and asked the DIA to not assume that it is only based on the Council being upset and upset with something that the DIA is doing. She added that the money was put into a contingency account for capital projects and not gone.

Chair Barakat summarized the following actions from today's meeting for the August 21 DIA meeting:

- Discuss the DIA budget line item by line item
- Discuss the TIF funds and possible proposed uses
- Appoint a few Board members as Council Liaisons
- Prepare a resolution

ADJOURNMENT

There being no further business, Chair Barakat adjourned the meeting at approximately 3:35 p.m.

The written minutes for this meeting are only an overview of what was discussed. For verbatim comments of this meeting, an audio CD is available upon request. Please contact Michelle Stephens, Office of Economic Development at (904) 630-1979 or by email at msteph@coj.net.