

**Palmetto City Council  
Joint Meeting with Community Redevelopment Agency  
March 13, 2000 - 5:00 p.m.**

**Elected Officials Present:**

**Pat Whitesel, Mayor  
Tamara Cornwell, Vice Mayor  
Shirley Groover Bryant, Councilmember  
Donna Keefer, Councilmember  
Mary Lancaster, Councilmember  
Brian Williams, Councilmember**

**CRA Board Members Present:**

**Stanley Roberts, Chairman  
Scott Maloney  
Allen Langford  
Alan Moore  
Paul Westendorf  
Larry Chulock, CRA Attorney**

**Staff and other present:**

**Rick Stauts, DCA  
Dave Meng, City Clerk  
Mary Jean Forrester, Deputy City Clerk  
Don Patterson, Interim Public Works Director  
Karen Hartman, CRA Director  
Bonnie Wise, William R. Hough & Co.  
Don Whitesel, Citizen  
Marie P. Gordon, Citizen  
Sid Thomas, North River News  
Dwayne Marsteller, Bradenton Herald**

**This meeting was held in the CRA office located at 700 8<sup>th</sup> Avenue West.**

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**1. REVIEW THE SECTION 108 LOAN PROGRAM REGARDING THE LIMITATION ON AMOUNTS OF THE MORTGAGES, RECOGNIZING THAT THE CITY'S LOANS (MORTGAGES) ARE REQUIRED TO BE SUBORDINATED:**

Ms. Hartman stated that the meeting was scheduled to discuss the Section 108 Loan Program, the risk factor of the program and concerns of the City Council.

Ms. Bryant stated her concern with the Sec. 108 Loan Program regarding the limitation on amounts of the mortgages.

Mr. Rick Stauts stated the following:

- (1) The City is not only liable if the businesses default but that the City is liable period.
- (2) In a Section 108 Loan Program, the City takes on the liability of the investors.
- (3) There is no way to avoid the liability, but you can minimize the risk.

Ms. Bryant asked if the CRA Board had taken a vote to recommend the Section 108 Loan Program to the City. Ms. Bryant also asked if the CRA Board recommends that the City move forward with the Section 108 Loan, realizing the liability to the City.

Mrs. Lancaster reported that Mr. Stauts stated in a CDBG workshop in Tallahassee that if one of the businesses should go bankrupt, the local government is responsible.

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**1. REVIEW THE SECTION 108 LOAN PROGRAM REGARDING THE LIMITATION ON AMOUNTS OF THE MORTGAGES, RECOGNIZING THAT THE CITY'S LOANS (MORTGAGES) ARE REQUIRED TO BE SUBORDINATED: (continued):**

Mr. Stauts stated that no individual council member is liable for the Section 108 funds. Mr. Stauts also stated that the Council, if they choose, can move forward with a loan application at this time and when it comes time to make the loan, that the Council can choose to commit to the loan or forego the loan.

Ms. Bryant explained that this is a major step for the City and that the Council wants to know every detail before they move forward.

Mayor Whitesel requested that the City Council be informed of all details of the Section 108 Loans. Ms. Bryant asked for an open communication between the CRA and the City.

Mayor Whitesel asked council members if they wish to move forward with the Section 108 Loan Program.

Mrs. Keefer said that she is willing to move forward.

Ms. Bryant said that she is willing to let it ride as it is as long as we can stop the process at any time.

Mr. Williams stated that he would like to have a commitment from the CRA that there will be no possible financial loss to the City.

Mrs. Lancaster said that she is not completely satisfied, but is willing to move forward as long as we can stop the process at any time.

Mr. Stauts said that you can stop the Section 108 Loan Program even at the last minute.

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**2. DISCUSS RESPONSIBILITIES RELATING TO GRANT ADMINISTRATION AND HOW THE GRANTS COORDINATOR WILL BE PAID:**

Mr. Maloney stated that Ms. Gestner has told the CRA Board that she is being paid basically by the developers.

Ms. Hartman said that Ms. Gestner is working for the City for free.

The CRA Board approved the following motion:

**MOTION:** Mr. Maloney moved, Mr. Moore seconded and motion carried unanimously that those grants that are in the CRA, the CRA is responsible, grants outside the CRA, we are going to have to devise some other method to pay for the grants.

**3. DISCUSS WITH CRA BOARD MEMBERS THE MEMORANDUM DATED FEBRUARY 17, 2000 REGARDING EXPENDITURES IN WARD I AND WARD III:**

Mrs. Lancaster stated that she was unhappy with the list of expenditures in Ward I and Ward III furnished by Ms. Hartman. A memorandum prepared by Mr. Meng on February 28, 2000, regarding CRA expenditures in these wards, was discussed.

**4. CDBG PROJECTS:**

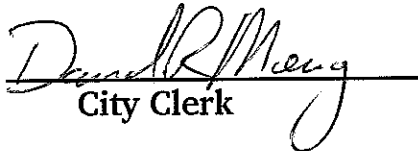
The City Council and the CRA discussed areas that need various improvements which include curbage, sidewalks, drainage and lighting.

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The City Council and the CRA scheduled a joint workshop, to discuss bond financing for Monday, April 10, 2000 at 6:00 p.m. in council chambers. Mr. Hartman will furnish Council members with the report prepared by Ms. Bonnie Wise.

The meeting ended at 6:45 p.m.

Approved: April 3, 2000

  
City Clerk

*Audio tapes of the meeting are on file in the City Clerk's office.*