

**DOWNTOWN DEVELOPMENT AUTHORITY
MINUTES
Tuesday, May 15, 2012**

A meeting of the Downtown Development Authority was held Tuesday, May 15, 2012, at 8:00 a.m. in Conference Room 149B of 301 S. Ridgewood Avenue, Daytona Beach, FL. The following people were present:

Board Members

Mr. Robert Abraham, Chairman
Ms. Sheryl Cook
Ms. Stacey Lipton
Mr. Joseph H. Hopkins
Ms. Kelly White

Staff Members Present

Mr. Jason Jeffries, Redevelopment Project Manager
Mr. Bob Jagger, Deputy City Attorney
Ms. Jeanne Tolley, Redevelopment Technician
Ms. Becky Groom, Recording Secretary

1. Call to Order

Mr. Abraham called the meeting to order at 8:05 a.m.

2. Roll Call

Ms. Groom called the roll and noted members present as stated above.

3. Approval of Minutes: April 24, 2012

Mr. Hopkins made a motion to approve the minutes of the April 24, 2012 and it was approved unanimously (5-0).

4. 2011/12 Budget Status

Mr. Jeffries reviewed the status of 2011-12 budget and he stated \$9,500 was projected to be available for additional marketing activities until the end of the fiscal year. He stated projected revenue from the Farmers' Market was \$19,400 and Ms. Kelley would like to do a mailing to local zip codes to attract customers to the Farmers' Market. Mr. Jeffries noted that at the last meeting, the Board approved \$5,000 for Gold & Associates to launch the campaign over the summer to local residents. Page 14 of the packet outlined the budget transfers to fund the Riverfront Shops of Daytona Beach

branding campaign launch. Mr. Jeffries stated that if the Board agreed, a motion would be needed to be made to authorize the transfers.

Mr. Abraham asked about the \$5,000 from the Farmers' Market.

Mr. Jeffries stated that it would be a transfer of \$3,000 out of the marketing line item and \$2,000 out of events.

Mr. Abraham asked when that could be done.

Mr. Jeffries stated that the funds were available based on projections.

Ms. Cook asked where Ms. Kelley's salary came from.

Mr. Jeffries stated that Ms. Kelley received 45% of the revenue from the Farmers' Market.

Ms. Cook asked what Ms. Kelley received over and above that.

Mr. Jeffries stated that contractually they had to pay her the 45%, so currently there was a deficit in the line item so he suggested the Board approve the transfer.

Board Action

Ms. White made a motion to approve the budget transfers as presented in the staff memo. Ms. Cook seconded the motion and it was approved unanimously (5-0).

5. Preliminary FY 2012/13 Budget

Mr. Jeffries presented the preliminary 2012-13 budget on Page 16 of the packet. He stated no decision had to be made; however, he would like to receive feedback from the Board. He stated that, the Board would approve the budget in June then in September there would be Public Hearings when it was formally approved.

Mr. Jeffries stated that he did not have the revenues from the Property Appraiser but they should be received June 1. He was projecting a 5% decline in revenues based on property value decline.

Mr. Jeffries stated that the DDA started the current year, per the audit, with an unreserved fund balance of \$46,000.

Mr. Jeffries discussed the Merchant Co-Op concept that Mr. Gold presented at the April meeting and stated all merchants would get a listing on the web site. The small ads would cost about \$200 annually for the first year, the large ad would cost about \$350 annually, the News Journal would be about \$75 per space, the concierge book

would be \$800 per space and the rack book would be about \$500 per space. He stated, in the proposed concept, the merchants provide the information, and Gold, through their contract with the DDA, would do the editorial content which would provide a more cohesive look. And the DDA would collect revenue from the concept. He stated more detail would be provided at next month's meeting after he met with merchants to determine interest before the Board budgeted for the revenue.

Ms. Lipton asked if, based on the numbers provided, if Mr. Jeffries anticipated collecting \$2,000 from 32 businesses. She stated she saw the numbers and felt it was a very aggressive plan.

Mr. Jeffries stated he looked at the participation level from the previous year and lowered the prices and based on negotiations, Mr. Gold felt he may be able to lower the prices even more. Mr. Jeffries stated that he needed to talk to the merchants to determine interest then establish the price which would need to occur before the DDA approved the program and finalized the budget. He stated he based his numbers on past participation. He stated that when he talked with merchants, they asked for sponsorship prices and he thought there may be four sponsors.

Ms. Lipton stated that she was very concerned that the number was large.

Mr. Jeffries stated he was basing it on projected revenue. He had added a line in the budget called Co-Op Marketing so that if the revenue did not come in, that would be where the cut in spending would occur.

Ms. Lipton stated that she did not want to spend money that they may not get.

Mr. Jeffries stated he would have monthly status reports showing the balance in the line item.

Ms. White asked who would administer the co-op.

Mr. Jeffries responded the checks would be written to the DDA and staff would collect it.

Mr. Abraham stated the projected revenue was \$64,700 and expenses were \$51,000, so they needed to be careful in case the money did not come in. He stated that the Board was receiving an excellent level of staff support compared to what they had in the past. If there was a change in that, the Board could suffer from not having administrative support. He recalled times in the past where the Board did not receive staff support simply because the City did not have the staff. If that happened again, they may be in the situation where things may not get done although he did not anticipate that occurring. Mr. Abraham stated that the Farmers' Market did not concern him since it was an Enterprise Fund where the revenues were dedicated for the expenditures of the market. There was a risk if they had to support the market for a period of time, but

that did not look like it would be the case based on performance. He stated they were entering new territory, and a budget must be adopted and the Board must do it as responsibly as possible.

Ms. White noted that the budget did not have a line item for staff.

Mr. Jeffries stated that there had not been a line item for staff in the budget for several years. He stated staff salaries were paid from the CRA fund and the DDA's focus on marketing benefited staff's efforts. The CRA's focus was on attracting retail to the Downtown and to attract retail, you must show that you have an effective marketing program which was a key component to what they did with the CRA so that was prior justification for staff being paid from the CRA.

Mr. Gold stated that he looked at the expenses. He stated he would take on a lot of the responsibility for the publications, and the costs reflected in the proposed budget should come down.

Mr. Jeffries stated he wanted to meet one on one with the merchants to determine interest.

Mr. Gold stated that he was putting together a sales sheet for the concierge piece. The concept was based on the interest expressed in the previous meeting with the merchants. The concierge book currently represented the entire area and did not brand the Downtown area which was what he was trying to do.

Mr. Jeffries stated that the current program was heavy on print and he wanted to build on the current program and branding of Downtown.

Mr. Abraham stated that speaking as a consumer and not a merchant, looking at the gang page gave him a headache. He said what was proposed was a much better approach.

Mr. Abraham stated while he preferred to err on the side of caution, he was comfortable with the approach being taken and they needed to budget for the opportunity.

Mr. Jeffries asked the Board to provide him with any comments they may have regarding the budget prior to preparing the formal document.

Ms. Cook asked if the Board would receive details of what was being proposed to the merchants.

Mr. Jeffries stated he had detailed information that he would provide to the merchants. He stated that Mr. Gold had put together a sales sheet with four pieces – the website, the concierge piece, the News Journal ad, and the hotel rack piece.

Ms. Cook asked about the television ad and the photo shoot.

Mr. Jeffries stated he would talk about promoting events later in his presentation. He stated that Mr. Gold would use new with footage from a previous photo shoot and put together a new ad. He stated there would be some production costs and the only group they had to co-op with was the Cubs.

Ms. Cook asked about funds for the art festival and if that would show as co-op. She stated in the past when the DDA had given money to the art festival, part of it has been for advertising.

Mr. Jeffries stated that with the marketing campaign, he was proposing to change that and there would be an on-going marketing campaign. If it was a supported event in the Downtown, it would be part of the marketing campaign. If it was a signature event like the art show, it would be mentioned in the campaign for that month in the television ad that the event was coming up and not designate specific monies for advertising.

Ms. Cook stated that she wanted to make sure they did not leave out radio and television.

Mr. Gold stated that what Mr. Jeffries was suggesting was that they look at the merchants that participated before then take it to the next level and part of it would be broadcast. Dollars were dedicated to print, on-line, broadcast, web, and interactive marketing for the fiscal year and there was about \$14,500 remaining for the current fiscal year.

Ms. Cook asked if they were going after the co-op in the current fiscal year.

Mr. Gold stated yes.

Ms. Lipton asked about the \$8,700 in the proposed budget for Downtown holidays.

Mr. Jeffries stated that was the street decoration costs. Anything that was in the Tactical Plan that was adopted last month was in the \$70,000 for Downtown Marketing. The only thing he may break out would be the technical cost pertaining to the web site. He stated he budgeted on what was presented at the last meeting. He stated that ad placement and television ads would come from the \$70,000 and Mr. Gold's fee was a separate line item. He stated that the web site, domain, and all other items produced would be assets of the DDA.

6. USDA Farmers' Market Grant Submission

Mr. Jeffries stated that Cheryl Kelley would answer any questions the Board may have regarding the grant submittal. He presented information as contained in the staff report, a copy of which is hereto attached and made part of the record.

Ms. Kelley stated that the submission date was May 21; and based on previous years, selections were made in late August and money awarded in October.

Mr. Jeffries stated it was not in the budget but an amendment would need to be done if the funds were awarded.

Ms. Cook asked if the application had been submitted.

Mr. Jeffries stated no it was being presented to the Board prior to the application being submitted to the Department of Agriculture.

Ms. Kelley outlined the application and stated the guidelines were specific about what the funds could be used for. The application called for grant submissions to cover two categories, specifically EBT, which was food stamp benefits, and non-EBT. EBT would be prioritized; however, the categories were much more limited under the EBT grant. Multiple grants could be submitted but money could only be accepted from one.

Mr. Abraham asked how much was allocated for the State of Florida.

Ms. Kelley stated it was through the Department of Agriculture at the Federal level through a Farmers' Market promotion program. She stated she did not recall the exact figure but there were hundreds of millions of dollars set aside for the program. Applications would be reviewed and funding would start with the top graded grant and would continue funding the grants until the money ran out. Last year, between $\frac{1}{2}$ and $\frac{3}{4}$ of the grants were funded and this year the fund doubled so it was expected that $\frac{3}{4}$ of the grants would be funded. And since they were in a food desert, it was important. She felt that alone should rank it in the top half.

Mr. Abraham stated that if the grant, was approved it would be enough to get the program going. He asked if there was an ongoing cost.

Ms. Kelley stated she would like to market the facility to let people know they would be accepting food stamps. The grant required a matching fund for the kick off of the food stamp program and the grant would allow the money to be used to improve electricity in order to install the EBT which would not be an ongoing cost. She stated the ongoing cost would be for the Assistant Manager. She stated that she was at the management booth $\frac{3}{4}$ of the time, but if it was collection day, it took 4 to 5 hours to

collect the rent. If EBT was installed, someone would have to be at the management booth at all times so an Assistant Manager would be necessary and would be an ongoing cost. This grant was for 2 years so the costs would be covered for two years. If the cost could not be covered after the two year period, the program may have to be eliminated. She stated that the only other market that had received the grant was Gainesville and it had been successful. The Sanford market accepted food stamps but they had not received grant funds in order to install the EBT equipment.

Mr. Abraham asked if the equipment would be located at the management booth.

Ms. Kelley stated that Visa cards could also be accepted. She stated the purchaser would swipe their card and get, for example, \$20 worth of tokens, and then spend the tokens throughout the market. Staff would collect the tokens at the end of the day and pay the vendors. She stated there would be, however, more administration and paper work for the Manager. She stated the hours included in the grant application were additional hours needed for processing paper work which was over the amount budgeted for the Market Manager.

Mr. Abraham asked who would pay the Visa fee and asked if they needed to budget for those costs.

Mr. Jeffries stated yes.

Ms. Kelley stated those costs would be covered by the grant. She stated there was a proposal to continue once the grant money went away. She stated vendors were currently paying \$11 per day. Port Orange charged \$30 per day, Ormond Beach charged \$25 per day and Holly Hill's price was \$30 but they were now charging \$15. She said 1,000 people attended the market every Saturday and six weeks ago, 3,000 people attended. She stated the reason for her success was because her costs were lower and she could attract more vendors. She felt in another two years, there would be 5,000 people attending. Trash service needed to be restored which would be the responsibility of the Assistant. She felt that if it was proven to the vendors that we would provide service to them, a price increase two years from now would not go over badly. She felt some vendors were willing to pay more if trash service could be reinstated.

Mr. Abraham asked if it was easy to control the tokens.

Mr. Jeffries stated that if it was implemented, Finance staff would develop procedures with Ms. Kelley. He had discussed it with the Finance staff and it may require a reimbursement for the amount of tokens. In October they would have to budget for collection, swiping of cards, and expense for the cards. He asked the Board members how the credit card fees were handled at their businesses.

Ms. Cook stated she received a monthly bill that showed how much was charged for fees.

Ms. White stated that if they were not getting the money back, they could raise the rent or pass the cost on to the vendors.

Mr. Jeffries stated that was looked at on Page 18 in the submission of the grant. He further stated that in terms of projections, he projected that 50% of the transactions would come through credit cards and EBT. The transaction fee was estimated at \$750 per year, and \$600 for EBT fees.

Ms. Lipton stated that taking charge cards always increased sales.

Ms. Kelley stated the Department of Agriculture sometimes would send a team to the market at their expense; but there was mandatory training for two people once the EBT was offered. She noted that the purchase of tokens was like purchasing a gift card and often less than 100% of the tokens were redeemed.

Ms. Lipton stated it was a tremendous service to the community and complimented Ms. Kelley on putting forth the effort in obtaining the grant.

Ms. White asked the application be corrected to show the spelling of Farmers' Market with the apostrophe after the s.

Mr. Abraham stated that he did not feel an apostrophe was needed.

Ms. Cook stated that it was a great effort by Ms. Kelley and she asked if the figures in the narrative should be the same as those in the budget.

Ms. Kelley stated the figures did not match because she had not received answers from the Department of Agriculture until late in the document preparation process but some changes would have to be made.

Ms. Cook noted that the figures on Page 20 and Page 28 did not match. She stated that the farmers worked on a tight schedule with a tight amount of money and asked how the City would handle tokens and disbursement of cash.

Ms. Kelley stated that tokens were cashed out the same day and it would need to be determined if they would be paid in cash or by check.

Ms. Cook asked if paid in cash, if the vendor would want to declare the income. She noted that security was her main concern and asked if a bank could sponsor a portable ATM. She also expressed concern in calling the Assistant a janitor. In the past, when grants were received, if you were unable to support the position, the position was eliminated. Credibility was a concern and she asked how they could justify a janitor.

Ms. Kelley stated the janitor position would be a second assistant. The person would be responsible for set up and tear down of the Market. The second assistant would help with trash removal because she had taken away the trash service. When talking with the Department of Agriculture, she asked if it was possible to include trash service in the grant application. She was told a second assistant could be included who would help with set up, tear down, and trash removal. She stated she did not feel like she was doing her job if she did not fight for trash removal for the vendors, even if it was only for 2 years. She stated if participation increased, in two years, they may be able to pay for trash through an increase to the vendors.

Ms. Kelley stated that she would like to do a mailer offering a coupon that could be redeemed by vendors and cash would be paid to the vendor for the coupon.

Mr. Jeffries stated he was not aware of the cash coupon program and felt it would have to come back to the Board for approval. In addition, the Finance staff would need to approve it.

Ms. Lipton asked if the Farmers' Market would be included in the email blasts.

Mr. Jeffries stated yes, it would be included, and it would be part of information developed by Mr. Gold

Ms Lipton asked if it would be part of the new gang page.

Mr. Jeffries stated it would be part of the calendar of events.

Ms. Lipton stated that Ms. Kelley should take out an ad like other vendors do.

Ms. Kelley stated that the coupon issue needed to be addressed because she thought the coupon was a draw to the location.

Ms. White suggested a free bag with DDA logo could be given away instead of something that required reimbursement.

Mr. Jeffries stated that he had talked to Beach Street Impressions about producing 500 bags. The farmers may not see the direct benefit, but it could get customers to the management booth so they would be able to tell who was attending the Market.

Ms. Lipton stated there would be people walking around with bags with the logo on it.

Mr. Jeffries stated he was nervous about the coupons for cash.

Mr. Hopkins stated that sustainability was his concern.

Mr. Abraham stated they had to approve applying for the grant but not the application.

Mr. Jeffries suggested the Board make a motion to authorize submission of the grant and stated he shared concerns about the personnel issue.

Mr. Abraham asked if what she was suggesting was the one assistant and not the second and asked if that would affect the amount.

Ms. Kelley stated yes. She stated they did not fit the term of a small market but fit the term of a medium size market that would like to expand to a large market. The agency to whom they were submitting the grant application would expect there to be three employees. She noted she would like to reinstate the waste management program and the third position would handle waste management. She stated she felt confident they would get the funding.

Mr. Abraham stated that if they got everything they asked for, they may have to commit a second assistant for longer than two years.

Ms. White stated that they may create a service that might be taken away and felt it was a risk.

Ms. Lipton stated that she hoped in two years they would be able to raise the rent.

Ms. White stated she was in favor of it.

Mr. Hopkins asked if it would be a janitor position or a second assistant.

Ms. Kelley stated she would change janitor to second assistant and the position could also be used as security. She stated that at the close of the Market she walked the river to remove any plastic bags that had blown into the river. She stated it could be a serious problem, so she was diligent about it and noted there was a lot of clean up.

Ms. Cook noted the janitor would be the second assistant manager.

Ms. Kelley stated yes and the application would have to be amended.

Board Action

Mr. Hopkins made a motion to authorize submission of the grant. Ms. Lipton seconded the motion and it was approved unanimously (5-0).

Mr. Jeffries noted, for clarification, that the change would be made in the Assistant Manager that had been talked about and asked about the EBT fees. He asked if reimbursement for the fees was included in the application and suggested a cost be included for those fees.

7. **Gold & Associates Contract: Phase II**

Mr. Jeffries stated that Page 29 of the packet outlined Phase II of the contract which covered three items: the Tactical Plan, developing the website, and preliminary graphics. The Tactical Plan was complete and had been adopted by the Board. The web site was 80% complete, graphics were 60% complete and links to the web site would be sent to Board Members for testing. He stated that Mr. Gold had done additional work outside the scope.

Mr. Jeffries stated Phase II was the implementation phase. Mr. Gold had started doing the work outlined in Phase II. He asked the Board to provide notice to Gold to proceed to Phase II formally under the terms of the contract which was \$1,000 per month to a date certain of September 30, 2012, and extend their option to opt out. Mr. Jeffries stated he wanted to have a meeting with Mr. Gold and Mr. Abraham to determine the scope of the contract going forward in the next fiscal year based on the Tactical Plan. Mr. Gold agreed to continue working under the current contract at the rate of \$1,000 per month; and at the June meeting, Mr. Jeffries would have a better understanding of the scope of work and cost for next year.

Board Action

Ms. White made a motion to authorize proceeding to Phase II of the contract with Gold & Associates through September 30, 2012, and extending the opt out provision. Mr. Hopkins seconded the motion and it was approved unanimously (5-0).

8. **Riverfront Shops of Daytona Beach Campaign Launch & Funding**

Mr. Jeffries stated the Board approved \$5,000 at the April 24 meeting for domain names and the photo shoot. The Board needed to approve an additional \$14,500 for the remainder of the fiscal year for the merchant co-op, on line advertising (Facebook and Brighthouse), and production costs.

Mr. Gold stated that there were a number of things they were doing that did not have hard costs, such as the ongoing press releases, stories for the merchants, e-blasts and newsletters, social media postings, plus putting together the entire co-op plan, including the concierge book and rack brochure.

Board Action

Mr. Hopkins made a motion to approve the allocation of \$14,500. Ms. Lipton seconded the motion and it was approved unanimously (5-0).

Mr. Jeffries stated that Page 41 of the packet showed the outline for announcements of branding of Downtown and the letter would be going to the City Commission later in

the week with a letter to the merchants the following week. The target date for the press release to media was May 28 and the presentation to the CRA/City Commission was scheduled for June 6.

Mr. Abraham stated that he would be out of town on June 6 and would not be available for the City Commission presentation. He asked Ms. Cook to be available.

Mr. Jeffries stated that June 15 was the target date for the web site to be up and running.

Ms. White stated that everything was going well and Mr. Jeffries was doing a great job.

Mr. Gold thanked the Board and complimented Mr. Jeffries for his staff support and prompt response to their needs.

9. **Downtown Event Support Criteria**

Mr. Abraham asked that the report be moved to the next meeting.

10. **Public Comments**

There were no public comments.

11. **Board Comments**

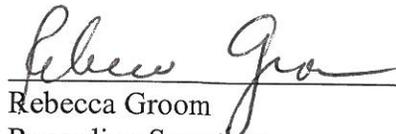
There were no Board comments.

12. **Adjournment**

There being no further business to come before the Board, the meeting was adjourned at 10:15 a.m.



Robert Abraham, Chairman
Chairman



Rebecca Groom
Recording Secretary