

The Board of Mayor and Aldermen of the City of Waveland, Mississippi, met in special session at Waveland Civic Center located at 335 Coleman Avenue on February 10, 2011 at 6:30 p.m., to take action on the following matters of city business.

Present at the meeting were Mayor Garcia and Aldermen Stahler, Geoffrey, Lafontaine and Kidd.

Also present at the meeting were City Clerk Lisa Planchard, City Attorney Gary Yarborough and Court Reporter, Norma Jean Soroe.

**TRANSCRIPT: Exhibit A**

**HARBOR, LIGHTHOUSE AND WATERFRONT DEVELOPMENT/MDA**

**Re: Discussion related to MDA funds regarding the Waterfront Development Project**

Alderman Geoffrey moved, seconded by Alderman Kidd to discuss the Marina (Harbor, Lighthouse, and Waterfront Development) Project.

A vote was called for with the following results:

Voting Yea: Stahler, Geoffrey, Lafontaine and Kidd

Voting Nay: None

Absent: None

Mayor Garcia welcomed everyone to this special meeting explaining that he, Alderman Geoffrey and City Attorney Yarborough met in Jackson earlier in the week with Rep. J. P. Compretta; the Mayor also met with John Mabry of MDA to discuss options on Municipal Projects, Marina. Mayor Garcia said that to be up front with citizens, the Governor had made the decision two weeks ago to take the funds from the marina and pull them back to the State; however, they decided to hold off with the City of Waveland because he had an appointment already set. Mayor Garcia said there was not a positive outcome, telling audience members that the City's entourage went to Jackson with the purpose of asking the question if we could take the funds granted and move them into the infrastructure problems that we have in this city. After a very long discussion, MDA told our representatives that that would entail a new project and outside the original scope of work; and therefore probably not be agreed to. MDA told the Mayor to submit a one-page letter by February 11, 2011 with what the City would propose and how to spend the allocated funds to more fit the City Administration's vision for this area. Mayor Garcia said that Compton Engineering originally prepared the concept of the Harbor and he met with Mr. Lagasse yesterday to discuss revised/downscaled concepts for a Waveland Beachfront Recreational Park Project. He said the City will still submit, as another option, the infrastructure project, even though City representatives feel it's not going to be funded, "because they pretty much told us three times; we will still submit it though." He said this leaves us with trying to salvage some of the money back out the Harbor Project. MDA did give several indications that they may fund something at the end of Coleman Avenue for less than \$1,000,000. Mr. Lagasse was asked yesterday to put together something for presentation tonight (as a downscaled Harbor/Marina Project) **(EXHIBIT B)** that we could get to Jackson tomorrow. City Attorney Gary Yarborough added that City Representatives spoke with Mr. John Mabry about moving some funds to pay for cleanup of blighted properties. He said Mr. Mabry similarly indicated that would probably be unlikely because it would be a new undertaking/project. Mr. Lagasse then addressed the Board with Compton's plan to bring the project from a \$6,000,000 project to something more in the line of \$1 to \$2 million. (See EXHIBIT A for detailed proposal by Compton). Mayor Garcia then opened the floor to comments and questions by the public. Ms. Elizabeth Register questioned maintenance costs and dredging related to the boat launch. Mayor Garcia explained that the only maintenance would be for the

recreation area and there will be no boat launch; it is just too costly for the lengths of sheet pile required, pilings, the area to be dredged to accommodate required depths for launching boats, etc. City Attorney Yarborough added that this revised project would be a land-based project. The Mayor added that the City just felt uncomfortable asking for the boat launch because there's no way they're going to tell us we haven't got any money left and we're going to ask for a \$4,000,000 boat launch; it's not going to happen. Mayor Garcia said this project's intent is to provide a recreation area for visitors and citizens to use and will connect with Coleman Avenue's development plans; that's why he asked Mr. Lagasse to use the same lights at the Waveland Beachfront Recreational Park Project that are being used along Coleman Avenue. Mr. Dwayne Bremer asked whether Tidelands Funds (of which the City recently received \$100,000 for 2011 for the Harbor Marina Project) could be used toward this revised Beachfront Recreational Park Project. Mayor Garcia said yes and this was talked about yesterday in our meeting. One citizen asked about purchasing land in this area and building a parking lot. Mayor Garcia said that while he does not disagree, the City does not have the money to purchase property to build a parking lot, not while the City is dealing with pending lawsuits that he inherited from the prior administration, and the probable requirement of raising taxes to build the parking lot. Mayor Garcia said he is in a situation where not everyone will be satisfied. The State has taken \$6,000,000 from the City and we are trying to bring something to Coleman Avenue to fit within the original scope of work as he was instructed by MDA, if the Governor will accept the proposal for far less, monetarily. Ms. Janet Densmore addressed the Board in favor of the lighthouse, saying she thought this would revitalize Coleman Ave. and provide the City with an asset, along with the pier, sidewalks and bike path to draw people to our City's center. Mr. Estopinal asked if he was correct in hearing there was a 2500 sq. ft. pavilion (with bathrooms) in this revised plan. Mayor Garcia answered affirmatively. Estopinal said he felt this would help bring people to Coleman Avenue.

**Re: Authorize the City Attorney to send a Proposal to MDA to approve funding of \$2,122,500 for the Waveland Beachfront Recreational Park Project**

Alderman Geoffrey moved, seconded by Alderman Kidd authorizing the City Attorney to prepare a proposal to MDA to approve funding of \$2,122,500 for the Waveland Beachfront Recreational Park Project, the property adjacent to the Garfield Ladner Municipal Pier, as submitted by Compton Engineering.

A vote was called for with the following results:

Voting Yea: Stahler, Geoffrey, Lafontaine and Kidd

Voting Nay: None

Absent: None

**Re: Authorize the City Attorney to submit a Proposal to MDA approving funding of \$2,122,500 to be used for Sewer, Water Projects and/or Blighted Property**

Alderman Kidd moved, seconded by Alderman Lafontaine to authorize the City Attorney to submit a proposal to MDA to approve funding of \$2,122,500 to be used for Sewer, Water Projects and/or Blighted Property

A vote was called for with the following results:

Voting Yea: Stahler, Geoffrey, Lafontaine and Kidd

Voting Nay: None

Absent: None

**BUSINESS INCUBATOR**

**Re: Discussion related to the Business Incubator, a.k.a. Retail Leasing Facility as referred to by MDA**

Mayor Garcia told audience members that at his meeting in Jackson he was corrected by MDA that a business incubator is actually a Retail Leasing Facility. Mayor Garcia updated audience members as to where the City is with this project. He said the City has appropriated \$60,000 for the business incubator for this fiscal year. He also said that the version presented to him averaged about \$200,000 a year to operate the facility under the Chamber of Commerce's plan. They have significantly revised the projected revenues down for the first and second years, such as \$145,000 to \$30,000. The Chamber is now asking the City for an additional \$48,400. Mayor Garcia said it would be his recommendation to the Board, given the City's current budget woes, to not enter into an agreement with the Chamber of Commerce for this management service. The Mayor said the incubator is built, but we need to make it work without additional cost to the taxpayers of Waveland because he does not feel it's fair to any citizen or any other business that another business can go in and operate at a lesser rate and be subsidized by the taxpayers of Waveland. He said although there are no remaining project funds available (because of change orders) for the purchase of kitchen equipment, MDA has decided to give the City the funds that the plan called for to put the kitchen in. The Mayor also said that MDA inferred that they would be more comfortable if the City ran its own retail space issue and questioned why the City got in the retail lease business when we needed infrastructure improvements. He said the City's options are to open the doors or put a fence around it and a closed sign in the window. He added that the City has the option of reining this project back in, taking control of the building itself and plan an interior layout that provides the City the best options, "We are under no obligation with MDA to operate through a nonprofit organization to do this." Mayor Garcia said the only obligation we have to MDA is that any net profit over \$25,000 would have to be returned to MDA. He added that Waveland could become a 501(C) (6), manage the incubator, and keep any profit over \$25,000, although we do not anticipate a profit. Tom Worrel, our Comptroller would collect the fees; we just do not have the money to go out and hire people. He said the building would be managed in-house. Mayor Garcia explained that the building currently provides a snack bar with a kitchen, which could be opened up so we could try to get a restaurant in there. He said if we accept the business plan the Chamber assembled, the tenants have to be "punted" in two years out of the building. We are looking for long-term tenants so that it will not cost the taxpayers' money. Mayor Garcia further explained the layout of the other two buildings under the one main roof. With regard to the City's finances, he said he is against increasing taxes to manage this building and subsidize any local business therein. City Attorney Yarborough said that because of change orders, there would not be money to change walls around if they are installed now; adding he does not know where those funds would come from. Mayor Garcia asked the Board that the City notifies the Chamber immediately that we will be manage the business incubator as a savings. Secondly, the Mayor asked the Board notify the contractor to halt putting the walls up in the largest building until we can put more thought into what plan will best fit some businesses for Coleman Avenue, one perhaps a grocery store. City Attorney Gary Yarborough added that there are no restrictions by MDA on this building project; once the building is finished it belongs to the City, our property and there are no continuing restrictions on the building either. The only restriction is \$25,000 or more net profit goes back to the State. But within that, if we use city personnel to run it, we can charge part of their salaries and benefits against the profit of the incubator; insurance, maintenance, utilities all factors into that. Alderman Kidd said that in his opinion, the building looks fine from a distance but looks like a maintenance problem over the long run. He then further explained his concerns in detail (See Transcript A). Mayor Garcia also added that part of the Chamber plan was for the citizens of Waveland to underwrite the negative cash flow each year, which he is not willing to do or raise taxes to do. Mayor Garcia also added that their plan intends for the city to pay for furnishings, utilities, insurance, phone bills, etc. Alderman Lafontaine said that he felt the numbers were projected very low, noting that part of the proposal suggested that in addition to the \$60,000 budgeted for the incubator; the City would transfer another \$675,000 from the City Hall/City Hall Annex project to fund the operational costs and purchase equipment. He noted that he felt as Aldermen Kidd regarding a nine member board proposed (from all over the country), but only two members would be from Waveland. Alderman Lafontaine feels that every member of the

nine-panel board should be from Waveland. Mayor Garcia told audience and Board members that grant writers, consultants, engineers come to City officials and City officials go to MDA; this is how MDA wants the communication line to run. He added that the Chamber approached MDA directly with a letter about transferring of \$675,000 grant funds from the City Hall/City Hall Complex/Fire Station project, which infers that the City would already be \$675,000 in the hold before the doors were opened. This letter should have been approved by the Mayor/Board and permission received before they spoke with MDA. Alderman Lafontaine further added that is says in another paragraph of the Chamber plan that according to the business plan funded by the Economic Development Administration and the Hancock County Community Development Association, the incubator will be at an operating deficit of \$675,000 for the first three years. Additionally, seventy-five thousand expenses for the kitchen equipment. Alderman Stahler said, "The city is in dire financial straits and we have decided, or MDA has decided to turn this business incubator into a retail leasing space. They're two different types of businesses." Alderman Stahler added that she has no problem with the city doing what it has to do, but when we talk about the boards and things, that was based on the fact that they were going to run a business incubator which has a different message and a different way of operating than leasing space' as you say, where a tenant can come in and stay. Alderman Stahler said the purpose of an incubator is to grow businesses and have them become successful and continue to grow them. Alderman Stahler added, "I just wanted to make clear that the operational methods, the way the bathrooms were laid out, the way the whole building was laid out, was for shared services with the different entities that would be in it, and the original board was planned on having experts in different areas on the board, people from universities and different places, which we don't always have." Mayor Garcia then opened the floor to questions and comments by the audience. Ms. Elizabeth Register said she recalled when Mr. Ray Cox came to the Board meeting discussing the Chamber managing the Incubator, he talked that night about subsidizing that building for three years; he said they were willing to subsidize the cost of the building – business incubator for three years. Alderman Stahler said, "That sort of evaporated. I believe they thought that they were going to be able to get a lot of grants and things to help, but you know, everybody is in the same economic problem and I don't see any monetary relief from the Chamber." Mr. Roger Estopinal, Ms. Connie West, Ms. Janet Densmore, Ms. Visoso, Ms. Boudoin and Mr. Richard Johnson also offered comments on this topic. (See Exhibit A)

#### **BUSINESS INCUBATOR**

##### **Re: Rescind City Attorney's authority to negotiate contract with Chamber of Commerce and/or Hancock County Development Foundation to Manage the Business Incubator**

Alderman Lafontaine moved, seconded by Alderman Kidd to authorize the City Attorney to rescind authority to negotiate a contract with the Chamber of Commerce and/or Hancock County Development Foundation to manage the Business Incubator and to authorize the City Attorney to notify them of the rescission of that authority.

A vote was called for with the following results:

Voting Yea: Stahler, Geoffrey, Lafontaine and Kidd

Voting Nay: None

Absent: None

##### **Re: Notify Benchmark Construction to Temporarily Halt Placement of Interior Walls**

Alderman Geoffrey moved, seconded by Alderman Lafontaine to authorize City Attorney to notify Benchmark Construction to temporarily halt placement of the interior walls within the Business Incubator as previously approved.

A vote was called for with the following results:

Voting Yea: Stahler, Geoffrey, Lafontaine and Kidd

Voting Nay: None

Absent: None

**EXECUTIVE SESSION**

**Re: Personnel Issues in the Parks and Recreations Department**

Alderman Stahler moved, seconded by Alderman Geoffrey to consider going into Executive Session to discuss personnel issues in the Parks and Recreations Department.

A vote was called for with the following results:

Voting Yea: Stahler, Geoffrey, Lafontaine and Kidd

Voting Nay: None

Absent: None

Alderman Stahler moved, seconded by Alderman Kidd to approve going into Executive session to discuss personnel issues in the Parks and Recreations Department.

A vote was called for with the following results:

Voting Yea: Stahler, Geoffrey, Lafontaine and Kidd

Voting Nay: None

Absent: None

With no positive or negative action taken, Alderman Geoffrey moved, seconded by Alderman Lafontaine to come out of Executive session.

A vote was called for with the following results:

Voting Yea: Stahler, Geoffrey, Lafontaine and Kidd

Voting Nay: None

Absent: None

**ADJOURN**

**Re: Adjourn at 9:45 p.m.**

Alderman Geoffrey moved, seconded by Alderman Kidd to adjourn the meeting at 9:45 p.m.

A vote was called for with the following results:

Voting Yea: Stahler, Geoffrey, Lafontaine and Kidd

Voting Nay: None

Absent: None

The foregoing minutes were presented to Mayor Garcia on March 2, 2011.

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Lisa B. Planchard  
City Clerk

The Minutes of February 10, 2011 have been read and approved by me on this, the 2<sup>nd</sup> day of March, 2011.

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David A. Garcia  
Mayor

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