



PRA Minutes / Recessed Meeting
April 26, 2021 | 9:00 a.m.
Jackson County Chamber of Commerce Boardroom

The Pascagoula Redevelopment Authority met in a recessed meeting at the Jackson County Chamber of Commerce Boardroom on Monday, April 26 2021. Dr. Hal Moore called the meeting to order at 9:00 a.m. and established a quorum with the following present:

Chairman, Hal Moore
Board Member, Alice Walker
Board Member, Alan Sudduth
Board Member, Henry Fox
Board Member, Jimmy Estabrook

Others Present:

PRA Executive Director, Donovan Scruggs
PRA Attorney, Amy St Pe'
City Manager, Michael Silverman
Revitalization Project Manager, Debra Strycker
Ramsay Taylor
Paige Roberts

- All votes are unanimous unless a nay vote is indicated following the motion.

There was discussion that some grant recipients are realizing significant tax implications that, in effect, negate the benefit of the grant proceeds. This could put certain projects at risk. To spread out the tax liability for the grant recipient, a tax attorney recommended for the PRA to loan the proceeds versus provide as a grant. After consultation with the State Auditor's office and MDA, it was determined that a loan to a grant recipient would not be in conflict with the terms of the GCRF grant. This solution is consistent with how other similar redevelopment authorities have partnered with private development located in urban renewal areas. PRA believes that such a loan is not prohibited by the Resolution and By-laws regarding the PRA, however PRA is seeking to have the City Council amend its creation resolution and subsequently, PRA would amend its by-laws, to make clear that PRA has the ability to loan money to ensure those affected projects now, and in the future, could go forward.

A Motion was made by Walker and Seconded by Sudduth to request the City Manager and/or City Attorney to have the City Council amend the Resolution creating the Pascagoula Redevelopment Authority (PRA) specifically stating the PRA has the power to make loans of the proceeds of grant funds received by the Authority, which loans shall be made only to entities that are responsible for accomplishing the purpose of such grant funds and shall comply with the terms of the documents governing such grant funds, as applicable. Following discussion the motion was approved.

After reviewing the financials, **a Motion was made by Sudduth and seconded by Fox** to approve the March Financial Report and to request said Report be included in the City's monthly financial report. Following discussion the motion was approved.

Next, the PRA discussed the payment of a Live Riverfront rent subsidy to Estabrook Properties, LLC. The Attorney reported that Estabrook Properties, LLC received a check in the amount of \$2,400 through the PRA's Live Riverfront Program. The PRA was informed by Mr. Estabrook that Estabrook Properties, LLC is owned 100% by Drew and Reed Estabrook, but managed by Mr. Estabrook at no fee. Despite Estabrook Properties, LLC qualifying for the rent subsidy, given the perception of this, and the potential conflict with family members of a Board member benefitting from the receipt of private funds given through the PRA for the purpose of administering the private donor's desire to incentivize investors/developers along the riverfront, Estabrook Properties shall return the check in the amount of \$2,400 plus interest at the rate of five percent (5%). Furthermore, PRA has further determined that to avoid the appearance of impropriety, Authority Board members will be ineligible for the PRA's Live Riverfront Program.

A motion was made by Fox and Seconded by Walker to accept the refund of \$2,490, which includes a return of the \$2,400 rent subsidy paid to Estabrook Properties, LLC plus five percent (5%) interest for the nine (9) months since the funds were disbursed. Following discussion the motion was approved. **JIMMY ESTABROOK RECUSED FROM THE VOTE.**

Next, the PRA discussed the reporting requirements and deadlines of the PRA. Although monthly financial reports have been provided to city personnel by Rankin & Associates, it is the PRA's understanding that these reports were not made available to members of the Council. Also, although oral updates concerning various PRA projects and activities have been presented, such updates were not presented in a formal written report. Going forward, Mr. Scruggs, with assistance from Ms. Strycker (and others as needed), will provide these reports to the City for disbursement to the Council.

Sudduth made a motion, Seconded by Walker to authorize Donovan Scruggs to engage Rankin and Associates to prepare Financial Statements, as required by the PRA's by-laws and MCA Section 43-35-33, at a cost not to exceed \$2,000. Following discussion, the motion was approved.

Estabrook made a motion to approve the 3-15-21 minutes and to submit the approved minutes to City Council, This motion was seconded by Fox. Following discussion, the motion was approved.

Next, a **Motion was made by Sudduth and seconded by Estabrook to approve** the CDI Agreement with Jason Poole for 535 Delmas Avenue in an amount "up to" \$55,000 (15% of total project estimated cost \$372,402) with the amendment to the Agreement to include that the owner is responsible for any state or federal tax liability associated with the receipt of the grant. Following discussion the motion was approved.

Last, there was a discussion on the EDA Grant for the innovation Center. **A motion was made by Estabrook and seconded by Walker** to authorize Debra Stryker, Donovan Scruggs, and Amy St. Pe' to review and submit the EDA grant. Following discussion, the motion was approved.

A motion was made by Estabrook and Seconded by Walker to adjourn and to next meet on Monday, May 24, 2021, at 9 a.m. at the Chamber of Commerce if the way be clear.