

MINUTES  
NICEVILLE COMMUNITY REDEVELOPMENT AGENCY (CRA) BOARD  
MEETING  
May 3, 2023  
6:00 p.m.

CRA Chairman Henkel and CRA Commissioners Schaetzle, Alley, Donahoo, and Williams were present. Commissioner Nodjomian and Ammy Hanson, CRA Manager, attended by conference call. Also present were CRA Executive Director, Lannie Corbin; City Clerk, Dan Doucet; Dr. Bill McCartney; Deputy City Clerk Wendy Farmer; Deputy City Clerk and Finance Director, Steven Rausch; Information Technology and Purchasing Director Chad Morris, and two other attendees.

CALL TO ORDER

The meeting of the CRA Board was called to order by Chairman Henkel at 6:33 p.m. [The 6:00 p.m. scheduled start time for the Niceville CRA Board meeting had been delayed 33 minutes because a 5:30 p.m. Closed Session Niceville CRA Board meeting with Attorney Powell had lasted longer than expected.]

APPROVAL OF MINUTES:

CRA Regular Board Meeting, April 19, 2023

Commissioner Donahoo motioned for approval of the minutes. Commissioner Williams seconded. No discussion followed.

COMMISSION VOTE: SCHAETZLE – YES; ALLEY – YES; HENKEL – YES  
DONAHOO – YES; WILLIAMS – YES; NODJOMIAN – YES. MOTION PASSED.

ACTION ITEMS:

- Consideration of Settlement Agreement for Engineering Firm Selection.

Commissioner Williams motioned approval. Commissioner Donahoo seconded.

Chairman Henkel asked, is there any discussion of the settlement agreement? Attorney Powell said as the Commission knows, we had the scoring situation where KG Development filed an informal protest through Matt Dannheisser, their attorney. We continued with the certification of the winning scorer, to attempt to work out some type of arrangement that would be conducive to all parties involved. Since that time, and since we tabled this matter at several meetings, Mr. Dannheisser and I have come to what we feel is a tentative resolution to this matter, whereby we would enter into a settlement agreement with KG Development. The terms of the agreement were in a memorandum that was sent

to you. This is just a tentative arrangement, and we need to work out a couple of other issues that would formalize the agreement. So, tonight we would need a motion to approve the tentative agreement, with a caveat to negotiate a couple of the issues Commissioners were concerned about. KG Development is here. I will talk to Mr. Dannheisser in the morning, said Mr. Powell.

Mr. Powell said, in this agreement, what the CRA Board of Commissioners is concerned with, is we just want to have some assurance that KG Development is going to perform the work in a cognizant manner and for a reasonable price, even though the amount of the settlement is contemplated with \$350,000 to be paid over a two-year period, or at the end of two years, after all of the services are performed by KG Development that are requested by the City.

Mr. Powell said, AVCON, who was basically the winning scorer, based on the mathematical calculations of the scores, is in full agreement with the terms and conditions of the settlement. They have agreed to work with KG Development in any way that they need to benefit the project, the City, and the CRA. I would think that would be a mutual understanding between KG Development and AVCON. They've agreed to take the primary responsibility of the contract for services on the uplands portion. And, KG Development has taken primary responsibility for the coastal portion of the project, with the understanding that they would be available to do any task or any service requested by the City that is reasonable and within their expertise, and that their pricing for those services would be reasonable and within industry standards. That's the gist of the agreement, said Mr. Powell.

Mr. Powell said I think we would need a motion to tentatively approve the agreement as it stands, with the caveat there will need to be some legal language in there as far as enforceability, attorney fees, the entire agreement, and some of the standard language acknowledging our gist of the understanding.

Chairman Henkel said, we have our motion on the floor. Are you saying that we need to amend that at this point in time? Or, as stated by you, is that clear enough to then move forward with a vote to approve or deny? Mr. Powell replied, I think we need to point out in the motion that the CRA and the City would like some additional language in the agreement to ensure that the work performed by KG Development will be quality work and within industry standards at a price that is reasonable. So, with that caveat, I don't think it will be a problem with that situation. I think Mr. Dannheisser and I can work that out with a favorable agreement to all parties. Chairman Henkel asked Commissioner Williams, since you made the motion would you like to restate that? Commissioner Williams said yes, I'd be willing to amend that motion. As stated by the attorney, asked Chairman Henkel? Correct, replied Commissioner Williams.

Chairman Henkel said you were the second Commissioner Donahoo. Are you in agreement? Commissioner Donahoo answered yes. Chairman Henkel asked Commissioner Nodjomian, do you have anything that you would like to say? Commissioner Nodjomian replied, I appreciate the amended motion.

COMMISSION VOTE: SCHAETZLE–YES; ALLEY–YES; HENKEL–YES. DONAHOO–YES; WILLIAMS–YES; NODJOMIAN – YES. MOTION PASSED.

Mr. Powell said we may need another motion on that matter. If I may? Alright said Chairman Henkel. Mr. Powell said we need a motion to authorize Chairman Henkel to sign the formalized agreement of the terms of the agreement stated herein, on behalf of the CRA and for Mr. Corbin to sign the agreement on behalf of the City. Chairman Henkel said, you heard what the City attorney is recommending. Do I have a motion?

Commissioner Schaetzle motioned approval. Commissioner Donahoo seconded.

COMMISSION VOTE: NODJOMIAN – YES; WILLIAMS – YES; DONAHOO – YES; HENKEL – YES; ALLEY – YES; SCHAETZLE – YES. MOTION PASSED.

Chairman Henkel asked Mr. Doucet, is there any other business we need to discuss. Mr. Doucet asked are we going to be setting the next meeting date? A discussion about when to set the next meeting of the Niceville CRA Board followed. It was decided the next CRA Board meeting would be on June 13, 2023 at 5 p.m., before the City Council meeting.

Attorney Powell said we anticipate having the agreement ready before the June 13<sup>th</sup> meeting, so we don't need to meet to execute the agreement as we have authority for you and Mr. Corbin to execute it. Correct, said Chairman Henkel.

There being no further business, the meeting adjourned at 6:46 p.m.

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COMMISSION CHAIRMAN

ATTEST:

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RECORDING SECRETARY  
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