

**City of St. Petersburg  
Committee of the Whole  
September 24, 2020 at 2:30 PM**

Welcome to the City of St. Petersburg City Council Committee of the Whole. The agenda and supporting documents are available on the City's website at [www.stpete.org/meetings](http://www.stpete.org/meetings) or by emailing [city.clerk@stpete.org](mailto:city.clerk@stpete.org).

NOTE: City buildings are closed to the public due to the COVID-19 emergency. Accordingly, the meeting location has been changed from in-person at the Sunshine Center to a "virtual" meeting by means of communications media technology pursuant to Executive Order Number 20-69, issued by the Governor on March 20, 2020, and Executive Order 2020-30 issued by the Mayor on July 8, 2020.

The public can attend the meeting in the following ways:

- Watch live on Channel 15 WOW!/Channel 641 Spectrum/Channel 20 Frontier FiOS
- Watch live online at [WWW.stpete.org/TV](http://WWW.stpete.org/TV)

Watch/listen on your computer, mobile phone, or other device by visiting the following link:

<https://zoom.us/j/99044978186>

Listen by dialing any one of the following phone numbers and entering **ID Number:** 990 4497 8186#

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**City of St. Petersburg**  
**Committee of the Whole Agenda**  
**September 24, 2020 at 2:30 PM**

Members: Chair Ed Montanari, Vice-Chair Gina Driscoll, and Councilmembers Brandi Gabbard, Darden Rice, Robert Blackmon, Lisa Wheeler-Bowman, Amy Foster, and Deborah Figgs-Sanders

Support Staff: Kayleigh Sagonowsky, City Council Legislative Aide

- A. Call to Order and Roll Call
- B. Approval of Agenda
- C. Approval of the August 27, 2020 Minutes
- D. New Business
  - a. Introduction and overview concerning 2021 Charter Review Commission
    - i. Brett Pettigrew, Assistant City Attorney
  - b. Business and Grocery Co-Ops
    - i. Erica Hardison, One Community Grocery Co-op Founding Member and Board President
    - ii. Matthew Epperson, One Community Grocery Co-op Board Member and Certified Cooperative Developer
  - c. Housing Co-Ops
    - i. Jillian Bandes, YIMBY St. Pete Founder and President
    - ii. Leigh Kellett Fletcher, Managing Member at Fletcher Fischer Pollack PL
- E. Adjourn

Attachments:

- August 27, 2020 COW Minutes
- COW Referral List
- New Business Item Support Material

**St. Petersburg City Council**  
**Committee of the Whole Report**  
**Meeting Minutes from August 27, 2020**

**Present:** Chair Ed Montanari, Vice-Chair Gina Driscoll, and Councilmembers Darden Rice, Amy Foster, Robert Blackmon, Lisa Wheeler-Bowman, and Brandi Gabbard

**Also Present:** Deputy Mayor Tomalin, Jackie Kovilaritch, Evan Mory, Tom Whalen, Cheryl Stacks, Marshall Hampton, Ashley Henzel, Chris Kuslo, Ed McKinney, LaShunda Battle, Stephanie Owens, Andrea Joyal, and Brian Evjen

**Absent:** Councilmember Deborah Figgs-Sanders

**Support Staff:** Kayleigh Sagonowsky, City Council Legislative Aide

**New Business:**

**Design Change Evaluation for I-275 from South of 54<sup>th</sup> Ave. S. to North of 4<sup>th</sup> St. N. - Evan Mory**

Transportation and Parking Management Director Evan Mory initiated the discussion about a design changes for I-275 from south of 54<sup>th</sup> Ave. S. to north of 4<sup>th</sup> St. N. City Council requested the Florida Department of Transportation (FDOT) explore ways to decrease congestion on I-275 back in February of 2016. Mr. Mory said FDOT committed to making major investments to improve the interstate in St Petersburg in the past five years and thanked them for their continued support. He then introduced FDOT Design Project Manager Marshall Hampton to present the current status of the improvements.

Mr. Hampton provided an overview of the Tampa Bay Next Program which plans to modernize 90 miles of interstate in the Tampa Bay area. The Next Program divides the region into ten sections. Section 2, which includes I-275 in St. Petersburg, will be funded in FY 2025. Mr. Hampton explained that additional capacity is needed on I-275, but there are also lane continuity issues which make it difficult for drivers to travel without changing lanes. In order to address this need, FDOT plans to create additional lanes. Any time new pavement is laid, a plan must be developed to treat and control the water from flooding nearby residential areas. This is typically done through the creation of ponds near the roadway to catch excess rainwater.

When an evaluation of section 2 began, FDOT estimated a need for 8 new ponds. In order to build these, they estimated the need to acquire a handful of city properties and 16 private residential properties. After several public meetings, where residents expressed disapproval for building ponds on residential land, FDOT began an environmental look around to identify other solutions.

The environmental look around produced two preferred alternatives which FDOT is now recommending to the city, Pinellas County, and the Southwest Florida Water Management District (SWFWMD). The first alternative would be to increase capacity at the Woodland Regional Pond. This would eliminate the need for additional ponds nearby. The second preferred alternative involves building ponds in the infield of the Gandy

interchange. The only land that would still need to be acquired is a parcel in the toy town area which is vacant and has a willing seller. Mr. Hampton said the next step is to get permits approved by the county and SWFWMD. These alternatives would even allow FDOT to donate land to the city for the creation of the Woodson African American History Museum. Councilmember Lisa Wheeler-Bowman asked for clarification on the donated land to which Mr. Hampton replied FDOT will donate one of several parcels that is needed for the creation museum. Councilmember Rice thanked Mr. Hampton for the donation and said it will help everyone bring the area back to its former glory. Councilmembers Rice and Gabbard asked questions about these improvements will tie into other planned improvements to the interstate in north and south St. Pete.

### **2019 St. Petersburg Housing Authority Reports – SPHA CEO Michael Lundy**

Mr. Michael Lundy thanked the council for asking the housing authority to attend the meeting and introduced himself and his colleagues. He explained his goal to convene stakeholders like residents, elected officials, and faith-based organizations to develop a shared vision that meets the local affordable housing need. He then presented an overview of the 2019 Annual Report and Jordan Park Redevelopment Report.

Mr. Lundy reported that in 2019, the St. Petersburg Housing Authority (SPHA) provided about 3,200 Housing Choice Vouchers (HCV) to city residents. They worked with around 1,000 landlords and distributed about \$28 million to the community. SPHA also managed 340 public housing units at Jordan Park. When those units are substantially renovated soon, 206 units will be dedicated to families and and 60 units will be dedicated to seniors. They're also working with their development partner, Norstar, to incorporate additional parking and community space in the redevelopment plans. Jordan Park is managed by the housing authority's non-profit known as RISE.

Mr. Lundy said he's looking to increase his staff's communication with residents, especially in the aftermath of the pandemic. He said they're currently creating a Facebook page and evaluating a text messaging system for residents to stay connected. He stressed the importance of being clear with residents about their options for temporary relocation during construction at Jordan Park.

Councilmember Wheeler- Bowman said she's excited for increased communication going forward and asked Mr. Lundy to increase the amount of lighting around the playground at Jordan Park. She also expressed support for an increase in parking.

Councilmember Foster expressed interest in working closely with SPHA going forward and asked Mr. Lundy what can be done about the code violations at Jordan Park. He said they will do whatever necessary to maintain resident health and safety, but the entire property will need to be renovated in order to address every issue. Councilmember Foster also said she hopes to see SPHA utilize more "best practices" from around the country such as decreasing wait times for inspections and prioritizing vouchers for former foster care children. Next, Councilmember Foster asked when they could expect to receive their score on the latest HUD assessment.

Mr. Lundy replied that because of COVID-19, HUD canceled assessments and they will maintain the same score as last year. Finally, Councilmember Foster noted there are multiple vacancies on the SPHA board. She asked Chair Owens if there is a particular gap they're looking to fill with potential board members. Chair Owens said she'd like to see younger voices represented.

Councilmember Gabbard said she's hopeful for the new leadership and is interested in seeing some of Mr. Lundy's ideas about homeowner assistance and apprenticeship programs come to fruition. She also requested the creation of a satellite office nearby Jordan Park.

Vice Chair Driscoll said she's optimistic about the future of SPHA after meeting with Mr. Lundy last week and asked city staff if the miscommunications about code violations had been corrected. Chair Montanari noted the financial reports in the backup information were from 2018 and asked when 2019 reports would be available. CFO Andrea Joyal said they'd be available to the public by the end of September.

Committee of the Whole Referrals

Updated: September 24, 2020

Item	Topic	Return Date and Time	Referral/ Prior Dates	Referred By	Staff	Notes
1	Charter Review Commission	9/24/20 at 2:30 PM	9/3/20	Montanari	Legal	
2	Business, Housing, and Grocery Co-Ops	9/24/20 at 2:30 PM	1/10/19 BFT 1/17/19 CC 8/1/19 CC	Gabbard Driscoll	TBD	At BFT, CM Driscoll referred business co-ops to a COW. During the BFT report, CM Gabbard asked to add housing co-ops. On 8/1/19 Gabbard asked to add grocery co-ops.
3	Office Space Development	10/22/20 at 1:30 PM	9/3/20	Gabbard	DeLisle	
4	Residential LDR Updates	10/22/20 at 1:30 PM	Annual	Annual	Abernethy	
5	Vision 2050	10/22/20 at 1:30 PM	12/17/19	Admin.	Abernethy	
6	HB 1339	11/12/20 at 10:00 AM	9/10/20	From HLUT	Abernethy	
7	Integrated Water Resources Master Plan	11/19/20 at 1:00 PM	1/23/20	Foster	Tankersley	
8	Commerce Park/Deuces Rising Update	11/19/20 at 1:00 PM	12/12/19	Montanari	DeLisle	Requested during the 12/12/19 COW
9	2021 Calendar Setting	12/10/20 at 1:30	Annual	Annual	Sheppard	Selection of Chair and Vice Chair
10	FY22 Budget Priorities	1/21/21 at 10:00 AM	Annual	Annual	Makofske	
11	FY22 Operating Budget	TBD	Annual	Annual	Makofske	

Committee of the Whole Referrals

Updated: September 24, 2020

12	Annual Meeting of Council and SPHA Board	TBD	1/31/19	Gerdes	SPHA	
13	City Initiated Historic Designation	TBD	12/5/19	Gerdes	Abernethy Kilborn	Schedule for Q1 of 2021
14	Continued Discussion of the Potentially Eligible List	TBD	8/8/19 5/16/19	Foster	Abernethy Kilborn	Schedule for Q1 of 2021
15	2020 SPHA Annual Reports	TBD	Annual	Annual	SPHA	

**MEMORANDUM**

**TO:** Rick Kriseman, Mayor; Ed Montanari, City Council Chair;  
Members of City Council

**FROM:** Brett B. Pettigrew, Assistant City Attorney 

**DATE:** September 11, 2020

**SUBJECT: Introduction and overview concerning 2021 Charter Review Commission**

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The St. Petersburg City Charter requires that a Charter Review Commission (“**CRC**”) be established every ten years to “review, on behalf of the citizens of St. Petersburg, the operation of City government in order to recommend amendments to this Charter, if any.”<sup>1</sup> Because this CRC process is due to begin on January 1, 2021, the Legal Department has prepared this memorandum to provide an overview of the CRC process and explain various legal and operational matters for your consideration.

**1. OVERVIEW OF PROCESS**

The following is a high-level overview of what the CRC process is expected to look like based on the legal requirements imposed by the City Charter, a review of available files from the CRC process in 2001 and 2011, and recent experience in developing Charter amendments and other City ballot initiatives:

- CRC is composed of nine members appointed by the Mayor and by each Council Member. The selection process (including applications, interviews, and the final decision) is left to the discretion of each official.
- CRC is authorized to begin work on January 1 and must meet at least once prior to the third week in January. CRC determines its own meeting schedule, but for reference, the 2011 CRC held seventeen meetings, including three public hearings and eight sub-committee meetings.
- Initial CRC meetings are devoted to electing a chair and vice-chair, establishing procedures and a schedule, and dealing with other foundational operational matters.

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<sup>1</sup> See St. Petersburg City Charter art. VIII (attached as an exhibit to this memorandum).

- Potential Charter amendments are identified and developed by CRC based on input from CRC members, City Council, Administration, the Legal Department, and the public. Input from those sources can come in multiple forms, including presentations, memos, public hearings, surveys, etc.
- CRC is authorized to expend City funds on outreach efforts.
- If appropriate, CRC establishes one or more subcommittees to focus on a particular issue or subset of issues (e.g., the 2011 CRC had a subcommittee for issues related to waterfront parks).
- As items are considered by CRC (or a subcommittee), they are likely to end up in one of three general categories: (i) proposed Charter amendments for placement on the ballot; (ii) important matters not appropriate for a Charter amendment but referred to City Council for consideration and potential action; and (iii) items tabled without further action.
- Generally speaking, a proposed Charter amendment is first discussed conceptually. Once the general concept is approved by CRC for further development, the Legal Department will propose one or more specific amendments to the Charter (in context) to effectuate that concept. Then, when the amendment text is approved by CRC, the Legal Department will propose ballot text to summarize the amendment. Once that ballot text is approved by CRC, the proposed amendment is ready.
- In addition to deciding upon each Charter amendment and the accompanying ballot text, CRC also determines the order in which those proposed amendments will appear on the ballot. The final slate of proposed amendments, in order, are presented in a “report to the citizens of St. Petersburg” that must be completed by July 31.
- In addition to approving the final slate of proposed amendments, CRC may also approve a list of items that were not appropriate for a Charter amendment but that are, instead, referred to City Council for consideration and action.
- Once CRC has completed its efforts, it is dissolved.
- The CRC-proposed Charter amendments appear on the ballot in conjunction with the upcoming November election, and any amendment approved by a majority of those voting on it is approved.

## **2. RELATION TO CITY COUNCIL AND ADMINISTRATION**

As noted in the introduction above, CRC is charged to “review, *on behalf of the citizens of St. Petersburg*, the operation of City government in order to recommend amendments to this Charter, if any.”<sup>2</sup> So, although CRC members are appointed by the Mayor and Council Members, CRC is an independent commission established by the Charter to act on behalf of the City’s residents.

Records from the past two iterations of the CRC process demonstrate that Council Members provided a significant amount of input on potential amendments and that Administration officials and staff provided information and administrative support throughout the process. But CRC’s authority to propose Charter amendments and the accompanying ballot text is not subject to any review, consent, or other approval by City Council or by Administration. Accordingly, each CRC-proposed Charter amendment must be placed on the ballot using CRC-approved ballot language unless (i) the proposed amendment is unconstitutional entirely and on its face or (ii) the ballot language fails to comply with statutory requirements.

Because of the authority and autonomy provided to CRC, appointment of well-qualified members is of the utmost importance.

## **3. COMPOSITION AND FORMATION**

City Charter section 8.01(a) provides the following rules for the composition of CRC:

- CRC must be composed of nine members, with each City Council Member and the Mayor to appoint one member.
- No member of the CRC may be an elected official.
- Each member of CRC must be a City resident.
- Any vacancy on CRC must be filled within 30 days in the same manner as the original appointment.

Beyond those rules, the appointment process for CRC members is left to the discretion of each official selecting a CRC member. With respect to the 2011 CRC, it was recommended that each Council Member appoint a person living within that Council Member’s district, and it is our understanding that some Council Members used an application process to identify people interested in serving on CRC.

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<sup>2</sup> City Charter § 8.01(d) (emphasis added).

In any event, it is important that each potential CRC member understand the significant time commitment involved in the process. For reference, the 2011 CRC held a total 17 meetings over 7 months, and the members presumably spent many hours outside of those meetings preparing for them. Additionally, it is important for each potential CRC member to understand the legal requirements inherent in CRC membership, which are discussed in section 4.

Because CRC is required to convene in the first two weeks of January, it is important to establish and begin the appointment process so that CRC can commence its work at that time.

#### **4. OPERATIONAL AUTHORITY**

As noted above, the City Charter provides CRC with significant discretion in operational matters, including the following:

- CRC elects a chair and vice-chair from its membership.
- CRC determines its own meeting schedule, with meetings held upon call of the chair or any three members.
- CRC may adopt rules of procedure and establish subcommittees.
- CRC may engage in outreach efforts using City funds approved for that purpose by City Council.
- CRC members may not be compensated for service but may be reimbursed for expenses with verification by a majority vote of CRC.

#### **5. STATUTORY GOVERNANCE REQUIREMENTS**

Although the City Charter provides CRC with a great deal of discretion in operational matters, as described in the preceding section, CRC members nonetheless remain subject to various statutory requirements, including (i) Florida's Government in the Sunshine Law; (ii) Florida law regarding public records; (iii) the Code of Ethics for Public Officers and Employees; and (iv) Florida law regarding elections. More detailed information can be provided to prospective CRC members as the appointment process moves forward, but this section provides a brief overview of these key statutory concerns.

##### **(A) GOVERNMENT IN THE SUNSHINE**

Florida's "Government in the Sunshine Law" is codified in Florida Statutes section 286.011 and provides a right of public access to public boards and commissions, such as CRC. It will apply to any gathering of two or more CRC members discussing any matter that could

foreseeably come before CRC for action, and it imposes three fundamental requirements on any such meeting: (i) the meeting must be open to the public; (ii) reasonable notice of the meeting must be provided to the public; and (iii) minutes of the meeting must be taken and promptly recorded.

**(B) PUBLIC RECORDS**

Florida law regarding public records is codified primarily in Florida Statutes chapter 119, and it provides the public with the right to access any materials made or received by the CRC or its members in connection with the transaction of official business. It applies to any materials that are used to perpetuate, communicate, or formalize knowledge—regardless of format—unless the Legislature has exempted them from disclosure.

**(C) ETHICS**

The Code of Ethics for Public Officers and Employees is codified in Florida Statutes chapter 112, part III, and provides a variety of provisions that may apply to CRC members for the purpose of ensuring that CRC operates independently and impartially. In addition to any ethics provision that applies to a CRC member automatically, City Council has discretion to require CRC members to file a statement of financial interests (the “Form 1”) pursuant to Florida Statutes section 112.3145. If City Council desires to impose that requirement, it should be done by resolution prior to January 1, 2021.

**(D) ELECTION LAW**

Because Charter amendments proposed by CRC will be placed on the ballot, various provisions of the Florida law regarding elections will apply to CRC’s operations. This includes standards for ballot questions in Florida Statutes section 101.161 and the prohibition on expending public funds on political advertisements related to an amendment subject to a vote of the electors in Florida Statutes section 106.113(2).

**6. KEY TASKS**

The following is a preliminary attempt to identify key tasks and responsibilities within City government and CRC over the coming months.

<b>Task</b>	<b>Timing</b>	<b>Admin</b>	<b>City Council</b>	<b>Legal Dept.</b>	<b>CRC</b>
Select and appoint CRC members	Before Jan. 1	●	●		
Identify and refer issues to CRC	–	●	●	●	

Task	Timing	Admin	City Council	Legal Dept.	CRC
Appropriate money for CRC budget	–		•		
Provide information on City operations and related matters	–	•	•	•	
Provide marketing, technical, meeting, and other administrative support	–	•			
Provide legal guidance, amendment language, ballot language, resolutions, etc.	–			•	
Identify, evaluate, and decide upon proposed amendments	Jan.–Jul.				•
Issue final report of proposed amendments and ballot language	By Jul. 31				•
Place proposed amendments on ballot	–	•	•		

## 7. BACKGROUND MATERIALS FOR REVIEW

In addition to the City Charter article governing CRC that is attached to this memo, you may also find it helpful to review the City Charter in its entirety as well as records obtained from the previous two iterations of CRC, which have been organized (when possible) into the following categories:

- Charter amendment development
- Formation and governance
- Information requested by CRC
- Meetings (notices, agendas, and minutes)
- Miscellaneous

These files are available for review online at [http://bit.ly/crc\\_intro\\_files](http://bit.ly/crc_intro_files), using your City ID to log in.

**EXHIBIT A**  
**CITY CHARTER ARTICLE VIII**  
**CHARTER REVIEW COMMISSION**

**Sec. 8.01 Charter Review Commission.**

- (a) During the month of January, 2011 and every ten (10) years thereafter, there shall be established a Charter Review Commission composed of nine (9) members, with each City Council Member and the Mayor to appoint one (1). No members of the Commission shall be elected officials. Each member of the Commission shall be a City resident. Vacancies shall be filled within 30 days in the same manner as the original appointments.
- (b) The Charter Review Commission shall meet prior to the third week in January, 2011, and every ten (10) years thereafter, for the purposes of organization. The Charter Review Commission shall elect a Chairman and Vice Chairman from among its membership. Further meetings of the Commission shall be held upon the call of Chairman or any three members of the Commission. All meetings shall be open to the public. A majority of the members of the Charter Review Commission shall constitute a quorum.

The Commission may adopt other rules for its operations and proceedings as it deems desirable. The members of the Commission shall receive no compensation but shall be reimbursed for necessary expenses pursuant to law.

- (c) Expenses of the Charter Review Commission shall be verified by a majority vote of the Commission and forwarded to the Mayor for payment from the General Fund of the City. The City may accept funds, grants, gifts and services for the Charter Review Commission from the state, the county, the government of the United States or other sources, public and private.
- (d) The Charter Review Commission shall review, on behalf of the citizens of St. Petersburg, the operation of City government in order to recommend amendments to this Charter, if any.
- (e) The Charter Review Commission shall complete its review and submit a report to the citizens of St. Petersburg by July 31, 2011, and every ten (10) years thereafter. Included within the report shall be any proposed amendments to the Charter, together with the wording of the question which is to be voted on by the electorate. Any such amendments may be included on the ballot as a single question, individual questions or any combination of either. If one or more proposed Charter amendments are submitted by the Charter Review Commission, the City Council shall call a special election to be held in conjunction with the

general election in November of the year 2011 and every ten (10) years thereafter, for the purpose of voting on the proposals submitted by the Charter Review Commission. Notice of said election, together with the exact language of the proposed amendments as submitted in the report of the Charter Review Commission, shall be published by the City Council. Passage of proposed amendments shall require approval of a majority of electors voting in said election on such amendment.

(Ord. No. 363-G, § 1, 1-7-99, ratified 3-23-99; Charter Review Commission, Amendment 9, ratified 3-27-01; Charter Review Commission, Amendment 6, ratified 11-8-11)

## Co-Op Presenters



**Erica Hardison** is a long time St. Petersburg resident. Mrs. Hardison comes with a history of working with communities to provide sustainable change. She has worked in multiple domains throughout the community including but not limited to education, healthcare, housing, and food/agriculture. She does this with a foundational goal of making the lives of all people better through sustainable, cooperative and collaborative development. She holds a B.S. in Mathematical Sciences which has help Mrs. Hardison to horn her natural ability to solve problems and think logically and creatively. She thinks globally and acts locally. She is one of the founding members of One Community Grocery Co-op and serves as its' board president.



**Matthew Epperson** is a southern cooperators based in St. Petersburg, FL, and founding Executive Director of the Georgia Cooperative Development Center. He grew up in Tampa, FL and returned to St. Petersburg in 2019. He's a graduate (2015) of the Masters of Management: Co-operatives and Credit Unions program at Saint Mary's University, an online program based in Halifax, Nova Scotia. He is a Certified Cooperative Developer (2017) via CooperationWorks! He was a manager at Daily Groceries Co-op for 9 years. He has helped found the first worker-owned co-op in Georgia, Peachy Green Clean Co-op. He has served on the boards of multiple nonprofits including One Community Grocery Co-op, CoFED (Cooperative Food Empowerment Directive), Rabbit Box Storytelling and BikeAthens. He currently works at Suncoast Credit Union as a Member Advocate in the downtown St. Pete branch.



**Jillian Bandes** is a construction professional who manages commercial projects, with a personal interest in affordable housing and transportation policy. Her experience includes both commercial and residential construction, as well as for-profit and nonprofit development. She has lived in St. Petersburg since 2015. Founder & President, YIMBY St. Pete, *February 2020 – Present*  
Member, State Housing Initiatives Partnership (SHIP) Affordable Housing Advisory Committee (AHAC), St. Petersburg City Council, *September 2018 – Present* Co-Chair, Housing, Land Use, and Development (HLUD) Task Force, St. Petersburg Area Chamber of Commerce, *January 2019 – Present*

Treasurer, Bright Community Land Trust, *January 2019 – Present*, Member, Architectural Design & Construction Technology Program Advisory Committee, St. Petersburg College, *September 2012 – Present*, Member, Urban Land Institute, *March 2018 – Present*



**Leigh Kellett Fletcher** is managing member of the law firm Fletcher Fischer Pollack PL. Leigh has been practicing land use, environmental, real estate and business law since 1997 and regularly represents clients acquiring, developing and selling real estate in Florida and the U. S. Virgin Islands. She has been involved in the purchase, sale and redevelopment of affordable and market rate multi-family residential projects, office, commercial and mixed-use properties and has worked with clients to obtain land use entitlements and environmental permits to develop and expand commercial development. She frequently works with clients acquiring environmentally contaminated properties and assists them with obtaining brownfield designations and completing remediation and development of those

properties. Leigh is also co-founder of Rising Tide Innovation Center a coworking space for entrepreneurs and small businesses in downtown St. Petersburg.

WHY ARE WE HERE  
TODAY?

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## Business Cooperatives & Grocery Co-ops

A solution: That will build a more sustainable, resilient, and united St. Petersburg where we are truly stronger together.



Emilia Romagna is Italy's most prosperous region and Bologna among its wealthiest and best governed cities.

- The per capita income of the region's residents is the country's highest
- Unemployment is the nation's lowest
- Its products — among the world's most coveted brands



# Why is this? What's working in Italy?

- The foundation of this economic powerhouse and a key reason for its success, is the world's most successful and sophisticated co-operative economy.
- Although co-operatives are present in nearly all the key sectors, they predominate in construction, agriculture, food processing, wine making, transport, retail, machine production, housing and social services.
- Sixty percent of the region's inhabitants are members of at least one co-op and fully ten percent of Bologna's residents work for a co-operative.



# OUR CITY'S PROBLEM?



It's Part Economic



It's Part Educational



It's Part Health Related



It's Part Social

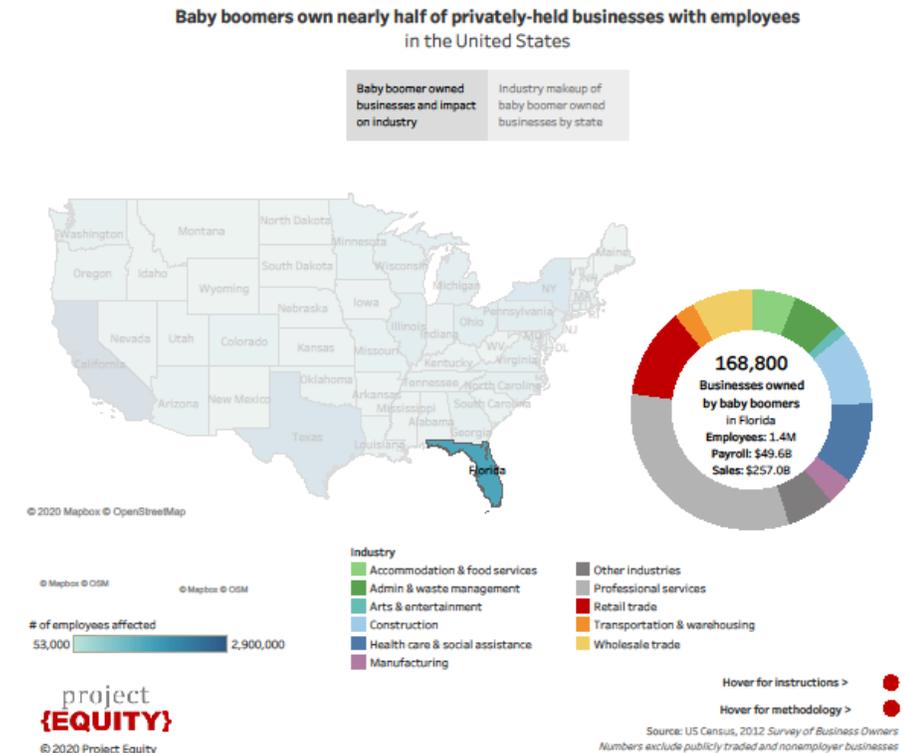
# QUESTION: How do we solve it?

- **The Ecosystem Approach**- Building up a population of co-op developers, incubators, educators, and lenders charged with starting or converting worker-owned businesses. (Richmond, California, New York, Madison, Minneapolis, Austin).
- This is associated with cities whose residents have near or higher than average incomes, many with an existing mass of worker cooperatives or a group of interested nonprofit organizations. Funding has come from city operating or capital budgets.

The reasons cities cited for emphasizing *cooperative* development as opposed to traditional economic development include:

- **Economic Inclusion**
- **Investments in Divested Neighborhoods**
- **Job Quality**
- **Survival Rates:** Erik Olsen found in 2013 that when comparing worker cooperatives to conventional firms, comparing studies from the UK (1988), Canada (1989), Israel (1995), France (2004), and Uruguay (2012) that several specific conclusions can be drawn from these studies.
  - All find that the early survival of worker co-ops meets or exceeds those conventional firms in the same country or in the US.
  - Worker co-ops also suffer from elevated hazard in their early years, which peaks in the second or third year and then declines.
  - The overall impression of these studies is that worker co-ops face a hazard that is lower than conventional firms, at least in the short term, and this gives them a median lifespan at least as long or longer. This advantage is small but is observed in a variety of national contexts.
  - Worker co-op long-term survival also appears comparable to conventional firms, but this deserves more study before it can be assessed with a high degree of confidence.

The following data from Project Equity shows the potential of legacy business owners in Florida who are most likely to not have a succession plan for their business to be able to preserve their legacy by selling their business to their employees:



# A Lesson from Quebec

- *Source: 2008 data from the Quebec Ministry of Economic Development, Innovation and Export; data tracked since 1990*

<b>Quebec</b>	<b>5 Year Business Survival Rate</b>	<b>10 Year Business Survival Rate</b>
<b>Co-op survival rate</b>	<b>62%</b>	<b>44%</b>
<b>Private sector survival rate</b>	<b>35%</b>	<b>20%</b>

Why does this matter?

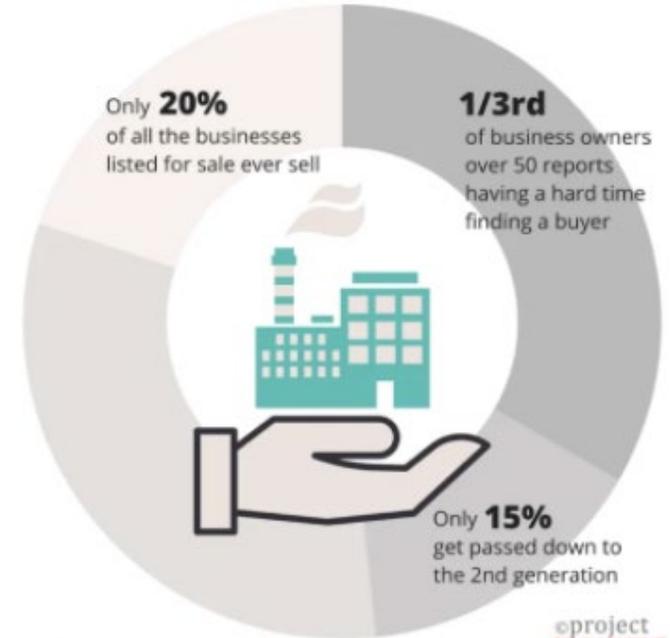
## Why does this matter?

Local businesses circulate 3x more money back into the local economy



Source: Ohio Economics & Impact Study, 2012

©project (EQUITY)



Source: US Small Business Administration 2004 study and BizBuySell.com

©project (EQUITY)



Sustaining quality jobs is critical to allow people to afford to live in the Bay Area and support their families. When businesses stay in operation and offer employees the option to become owners, it strengthens our local economy, provides quality jobs and increases opportunity.

**Annie Campbell Washington**  
Vice Mayor, City of Oakland

# HOW ARE CO-OPS AND TRADITIONAL BUSINESSES ALIKE?

- Store front and consumer experiences are very similar
- Both traditional businesses and co-op may have a board of directors
- Both have several structural models:
  - Traditional business: S-corp, C-corp, sole proprietorship, etc
  - Co-ops: Consumer, Producer, Shared Services, Worker Multi Stake
- Both use accounting and bookkeeping protocol
- Both Business Feasibility, Metrics and Marketing Plans



## WHAT IS THE DIFFERENCE BETWEEN A CO-OP AND TRADITIONAL BUSINESS?

	<b>Cooperative</b>	<b>Investor-owned</b>	<b>501c3 Nonprofit</b>
Owned by:	Members	Investors	Community
Legal purpose:	Serve its members	Return on investment	Public benefit, charitable purpose
Governed by:	Board – of members	Board – of investors	Board – of community representatives
Financed by:	Member investment, earned income	Investors, earned income	Grants, donations, fundraising, earned income



### **VOLUNTARY AND OPEN MEMBERSHIP**

Cooperatives are voluntary organizations open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

### **DEMOCRATIC MEMBER CONTROL**

Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. The elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are organized in a democratic manner.



### **MEMBERS' ECONOMIC PARTICIPATION**

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefitting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

### **AUTONOMY AND INDEPENDENCE**

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.



### **EDUCATION, TRAINING AND INFORMATION**

Cooperatives provide education and training for their members, elected representatives, managers, and employees so that they can contribute effectively to the development of their cooperatives. They inform the general public, particularly young people and opinion leaders, about the nature and benefits of cooperation.



### **COOPERATION AMONG COOPERATIVES**

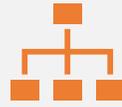
Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.



### **CONCERN FOR COMMUNITY**

While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

# THE CASE FOR CO-OPS: HOW CAN CO-OPS HELP OUR CITY?



Co-ops meet the needs of and solve problems/concerns for the community



Co-ops bolstering business development & the local economy



Co-ops provide job opportunities



Co-ops provide education and training for the community

# The Economic Impact of Co-op In the U.S.

## ECONOMIC IMPACT OF **COOPERATIVES** IN THE U.S.

**80%** Of Milk in the US is  
produced by a Dairy Co-op.



### Cooperative Stats

-  **1/3** Electric Co-ops account for 1/3 of US Electric Service.
-  **50%** Cost of a NYC Condo is about %50 less in a housing co-op.
-  **38%** 38% of a food co-op's revenue is spent locally.
-  **1/3** 1 out of 3 Americans are members of Credit Unions.
-  **5/10** 5 of the 10 largest insurance agencies are mutuals (co-ops).

## Co-ops Build Jobs in the US:

**2.1 Million Jobs in Total**

71,000 Electric Cooperative Employees

191,000 Employees at Farmer Owned Co-ops

275,000 Co-op Credit Union Jobs

# WE HAVE A PROBLEM....FOOD INSECURITY!!

## Food Desert:

Low-income with tract's poverty rate at 20% or greater; median family income is less than or equal to 80% AMI

Low-access with at least 33% of the population being greater than 1 mile from the nearest supermarket, supercenter, or large grocery store in an urban area

- Food insecurity is caused by a number of factors in St. Petersburg - national chain grocery stores closing or relocating, unemployment, high housing cost, low wages, and more recently a global pandemic just to name a few.
- 134,650 persons are food insecure in Pinellas County, which equates to 14.2% of the population

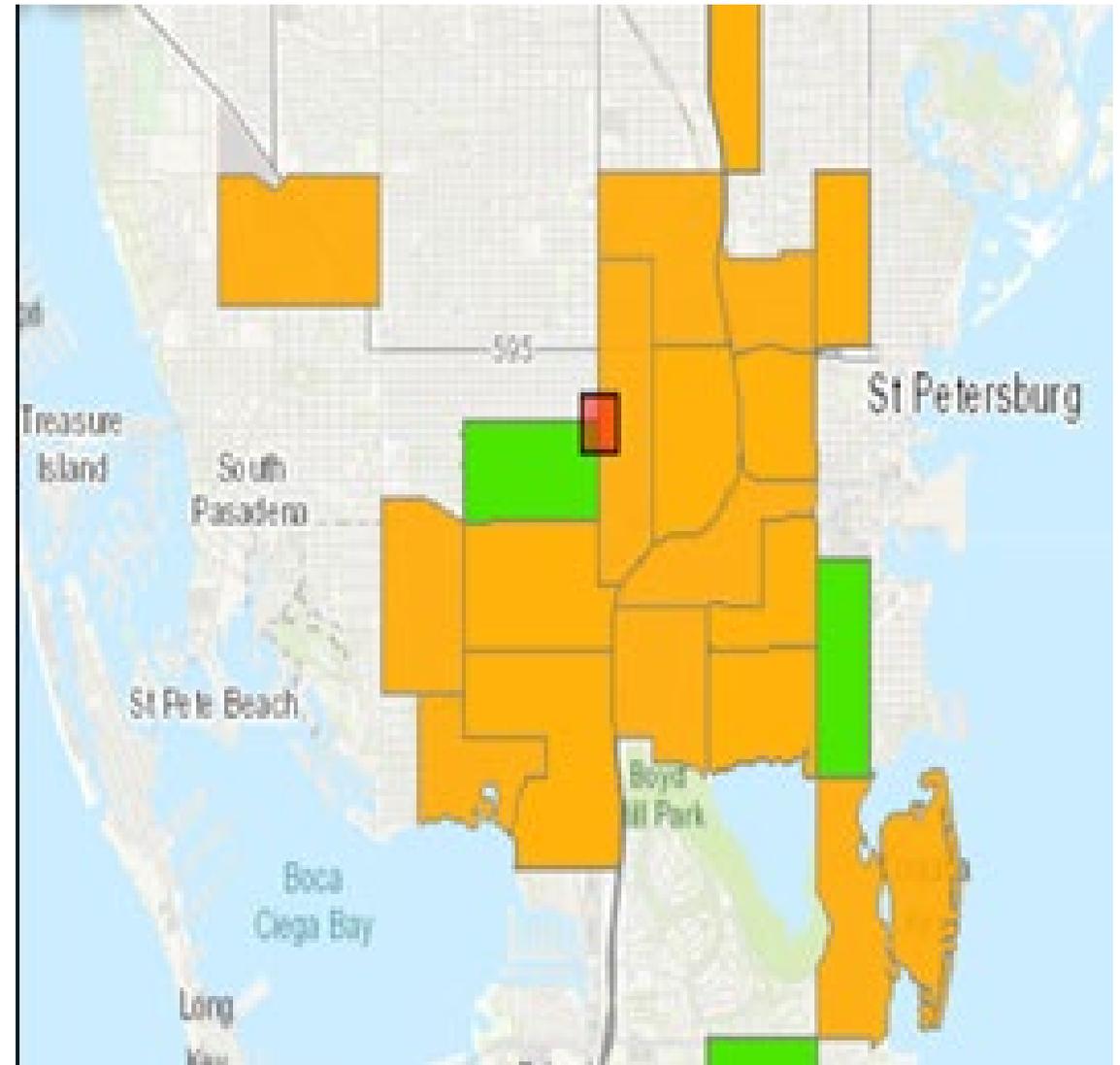
<https://feedingtampabay.org/hungerrealities/>

- 13.5% of Pinellas County Community Health Needs Assessment survey respondents indicated they ate less than they felt they should because of lack of money

[http://pinellas.floridahealth.gov/programs-and-services/community-health-planning-and-statistics/data-and-reports/\\_documents/2018-pinellas-co-community-health-assess.pdf](http://pinellas.floridahealth.gov/programs-and-services/community-health-planning-and-statistics/data-and-reports/_documents/2018-pinellas-co-community-health-assess.pdf)

- 24.9% of Pinellas County Community Health Needs Assessment survey respondents had no place to go for food when money was tight

[http://pinellas.floridahealth.gov/programs-and-services/community-health-planning-and-statistics/data-and-reports/\\_documents/2018-pinellas-co-community-health-assess.pdf](http://pinellas.floridahealth.gov/programs-and-services/community-health-planning-and-statistics/data-and-reports/_documents/2018-pinellas-co-community-health-assess.pdf)



<https://www.ers.usda.gov/data-products/food-access-research-atlas/go-to-the-atlas/>

## WE HAVE A SOLUTION - ONE COMMUNITY GROCERY CO-OP!

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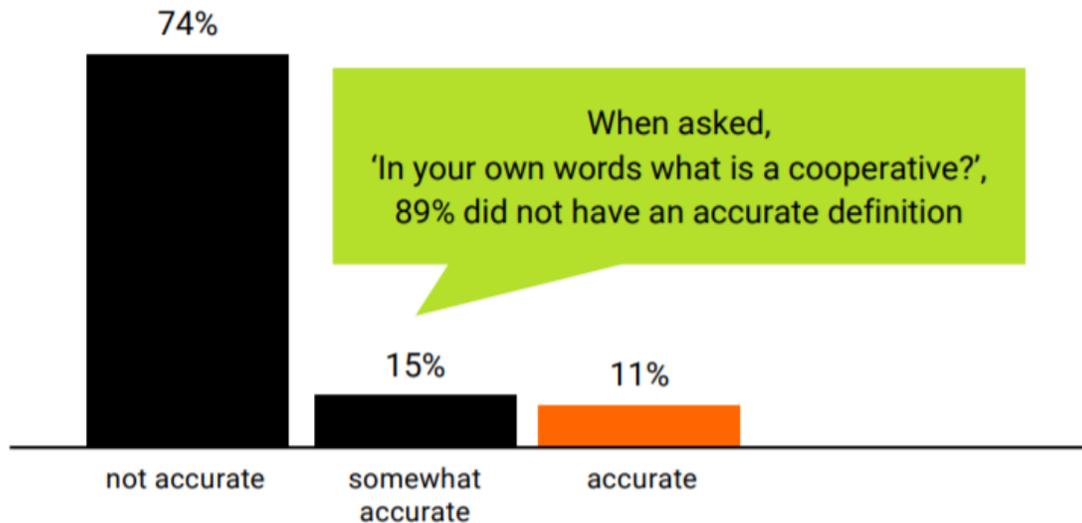
- One Community Grocery Co-op(OCGC) is a start-up grocery co-op. We exist to provide health and economic equity to the South St. Petersburg community and its members through co-op membership, education, and providing healthy and locally grown food. In the latter part of this presentation we intend to show how grocery co-ops contribute to community wealth and health-thus help to create a more sustainable economy and food system.



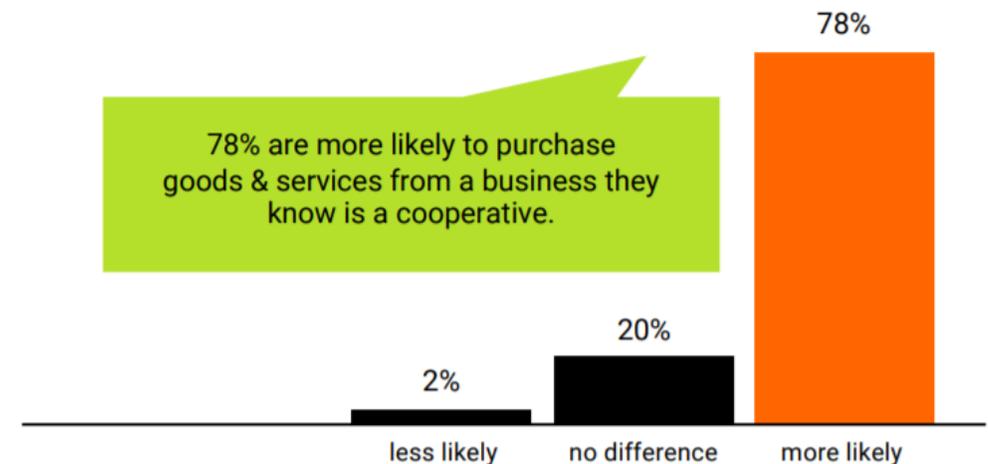
# Barriers to Co-op Development

- The biggest barrier to co-op development is the lack of education on cooperative business. You can get an MBA and never once hear about co-ops. You can go to the Small Business Administration and ask for help in starting your business, and never realize a co-op was an option. We have an opportunity to change this!

## Most people don't know what a co-op is...



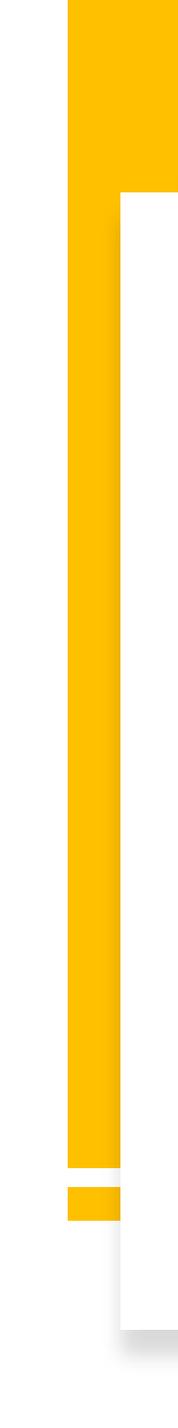
## ...but once they do, they prefer them.





# Barriers to Co-op Development

- The second biggest barrier for co-ops is access to capital. This is why most startup co-ops are either in low capital intensity industries, high profit industries, or both. We are asking the city to make this easier, too, by looking at options like loan guarantees or preferential procurement policies or incentive programs for doing business as a cooperative.

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# How can cities support vibrant, local economies?

Invest in employee ownership as a central part of their business retention strategy. Baby boomer retirements are real, and with boomers owning a significant portion of our locally-owned companies, understanding the pending impact on business retention and having the tools to address it is critical.

# Five practical steps cities can take to support employee ownership transitions

- 1. Track impact on small business ownership*
- 2. Outreach to businesses that are over 15 years old*
- 3. Contract with succession planning resources that include employee ownership*
- 4. Fund technical support for businesses to sell to employees*
- 5. Provide Capital & Technical Support to Cooperative Businesses*



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# COOPERATIVE HOUSING FOR AFFORDABILITY

# COOPERATIVE HOUSING FOR AFFORDABILITY

When you talk about "housing cooperatives" as a way of increasing affordability, we should be more specific about what this means.

"Housing cooperatives," by themselves, do not increase affordability. Instead, we'll focus on two things under this "cooperative" umbrella that **do** increase affordability:

**(1) LAND TRUSTS**

**(2) LIMITED EQUITY HOUSING COOPERATIVES**



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# WHAT IS A LAND TRUST?

**It is a non-traditional form of property ownership, where the ownership of the land (horizontal property) is separate from the ownership of the building (vertical property).**

**A nonprofit or government entity usually owns the land and the "ground lease" to it. The building is owned by an individual homeowner, who is typically income-qualified.**

**The entity holding the ground lease can enact restrictions on the income eligibility for the individual who would buy the building.**

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# HOW DO LAND TRUSTS WORK?



• An income-qualified homeowner buys a new land trust house. Through a special deed, the homeowner owns the house, and the land trust owns the land underneath the house. The homeowner pays a mortgage to a bank that has experience with the land trust model. Many banks hold such mortgages.



• To cover the cost of running the program, the homeowner pays the land trust a monthly “maintenance” fee. The fee could be as low as \$50. The land trust oversees the sale process, which is a little more difficult than a typical home sale, and often provides ancillary services like homeowner counseling and assistance if the homeowner has trouble paying the mortgage.

# HOW DO LAND TRUSTS WORK?



When the homeowner wants to sell, the equity they can maintain in their home is limited by perhaps 25% of market value. So if their home increases in value by \$50,000, they would only pocket \$12,500 of that increased value. That's how we ensure the affordability of the home for the next income-qualified buyer. It's a win-win: the first owner keeps a fair amount of the increased sale price of the home, and the new buyer gets a home that remains affordable.

**In other words, most of the equity is transferred to the next low-income resident instead of the ALL equity being transferred to the original homeowner.**

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# ST. PETE ALREADY HAS LAND TRUSTS

There are already two land trusts in Pinellas County that we can work with:



These land trusts already hold about 300 properties in Pinellas County.

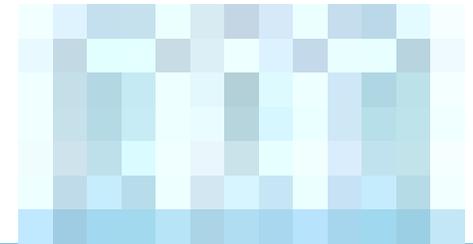


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# THE BEST WAY TO MAKE HOUSING TRUST PROPERTIES WORK BETTER

## Upzoning.

You don't have to upzone to make this policy work better, but it's the #1 way to create more housing.



### Why?

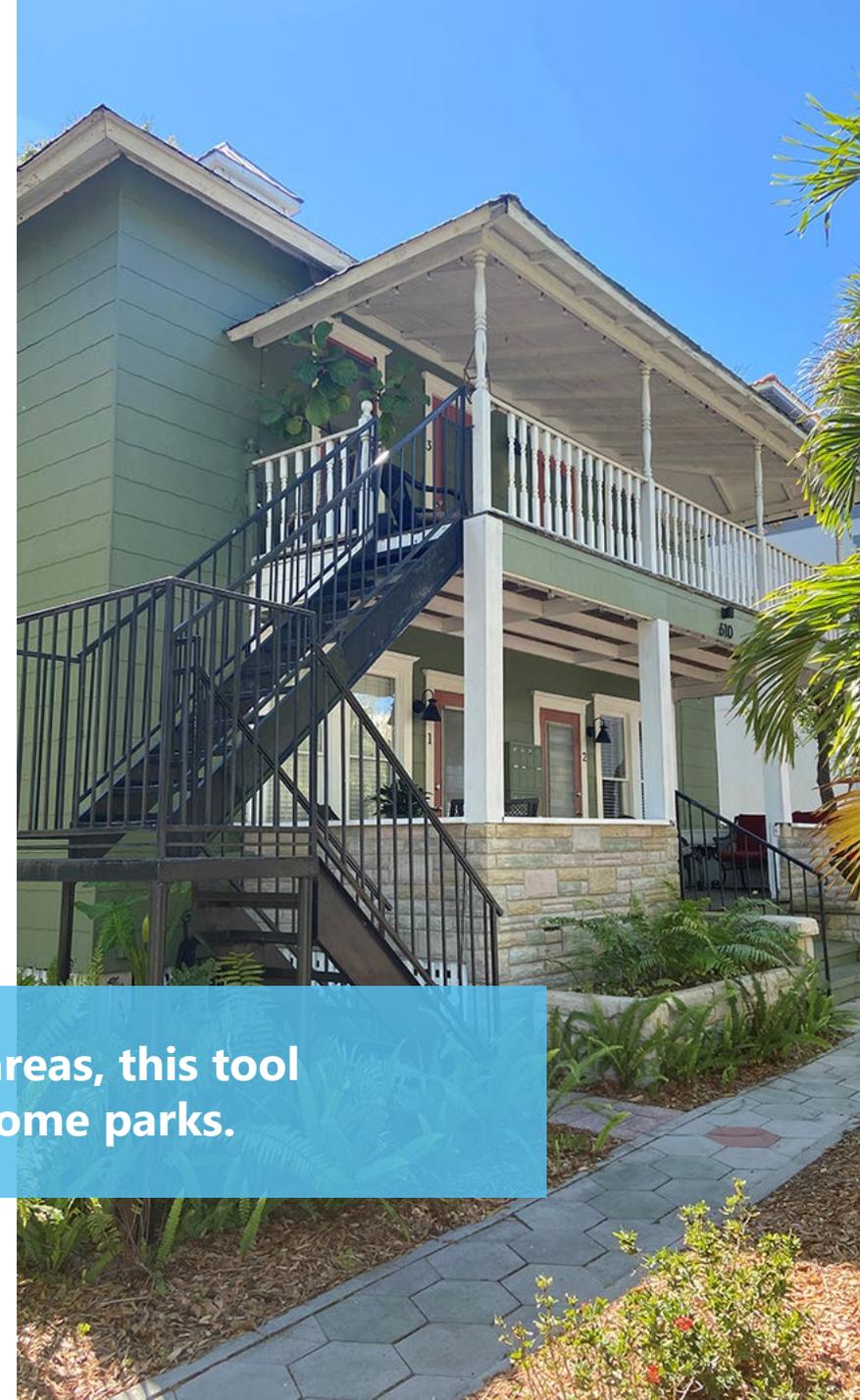
If a single-family lot is upzoned, you get two or three houses for the price of one. Also, when houses are smaller (which they necessarily are) then affordability is much, much easier to accomplish.

# WHAT IS A LIMITED EQUITY COOPERATIVE (LEC)?

A limited equity cooperative (LEC) is a homeownership model in which residents purchase a share in a development, rather than an individual unit. They commit to reselling their share at a price determined by formula - an arrangement that maintains affordability over the long term.

Thus, as the value of the development increases over time, the original shareholder receives a restricted / capped profit by selling their share, and the new buyer gets a share at an affordable price.

**While LECs are frequently found in multifamily buildings in urban areas, this tool can also be used in townhomes, single-family homes, and mobile home parks.**



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# MORE ON LECs

Shares in limited-equity cooperatives have restricted resale values, and there are income limits for potential members.

LECs tend to offer deeper affordability than other permanently affordable shared-equity housing models, like community land trusts or deed-restricted inclusionary housing. That's because they can bring the benefits of those models to even lower-income households.



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# POSSIBLE NEXT STEPS FOR CITY COUNCIL ON HOUSING TRUSTS & LECs

- Embark on a 2-3-month process to hammer out exactly how we would implement Land Trusts and Limited Equity Housing Co-Ops in Pinellas County.
- Create a small working group to lead this process. It would include, perhaps, one member from the City's Neighborhood Affairs team, either Rob Gerdes, Joshua Johnson or Susan Ajoc, one member from either the Florida Housing Finance Corporation or an independent member (Leigh Fletcher is a local attorney with a lot of experience in this area), and one member from a housing trust, either Bright Community or Pinellas County Finance Authority.



# POSSIBLE SOLUTIONS DOWN-THE-ROAD

- Turn over multiple vacant lots to entities and require that they go into a ground lease, instead of just to a nonprofit developer that could sell the house however it wants.
- The key here is volume.
- Upzone single-family lots into duplexes or triplexes by way of a City ordinance, so the pro-forma works out even better: the houses are smaller, and therefore more affordable. This integration of affordable housing into existing neighborhoods is proven to reduce poverty, as opposed to bigger beehive-type housing complexes that concentrate poverty.
- Work with Bright Community or Pinellas County Finance Authority to ensure that infrastructure is sufficient to service St. Petersburg properties.

# POSSIBLE SOLUTIONS DOWN THE ROAD

- Consider fee waivers.
- Waive burdensome development standards such as minimum parking requirements.
- Waive burdensome administrative hurdles required of typical subdivisions.
- Provide city-owned land for long-term ground leases.
- Support urban land trusts as they manage the land and agreements associated with housing cooperatives and train owners on how to manage their property.
- Create programs to give legal, financial and technical support to housing cooperatives.