

City of DeBary
City Council Workshop
WEDNESDAY
March 20, 2002
7 PM
Florence K. Little Town Hall
12 Colomba Road
DeBary, Florida 32713

MINUTES

I. Call to Order

II. Roll Call

Members Present: Mayor Carmen Rosamonda, Vice Mayor Greg France, Council Member George Coleman, Council Member Danny Allen, Council Member Bill Long

Others Present: City Manager Richard Diamond, Assistant City Manager Maryann Yaskanich, and City Attorney Kurt Ardaman.

III. Business

1. Town Center - Empire Cattle

Mayor Rosamonda reviewed the City Council's visit to Winter Springs Town Center, currently under construction. He stated that the information gathered might assist in compiling figures and coalescing the concept. Steve Costa presented a pro-forma conceptual plan drafted with the assistance of HDR; that density for retail support was crucial before numbers could properly be determined; that one concept was for 25 x 100 foot lots that could be combined for specific uses; that a 100-foot lot would support a building of approximately 18,000 square feet; that the average gross income would be approximately \$217,000, estimated gross income \$240,000 and net operating income \$188,698, based on current average rents; that appraised value of such a property at that rate would be approximately \$1,886,000; that a building cost of \$75 per square foot would be approximately \$1,350,000 plus developer profit; and that the breakdown would be a selling price of approximately \$40,000 per 25-foot lot. A land use budget based on total acreage was approximately \$10 million dollars if sold in total. A table was provided projecting a buildout of approximately six to seven years and included an estimated total of proceeds; that an overview of project costs showed an approximate appraised land value of \$4.5 million; engineering, permitting and design costs of \$475,000, construction costs of \$3.4 million, for a total of \$8,462,753 to begin selling lots; that public participation would be approximately \$2.9 million; and that there would be 3 to 4 acres of park and open land for Parks and Recreation and City building sites.

There was a discussion concerning the requested \$2.9 million in public participation costs; that the costs included the park area and two building sites for the City; that all improvements would be made to the property at the proposed cost; that adjustments could be made for fluctuations in market values; that the majority of costs would be incurred in the first year for infrastructure and integration based on the proposed concept; that road layout required more infrastructure for common elements and storm drainage in the first year; and that impact fees would be the responsibility of the developer.

The possibility of grant funds were discussed; that grant funds for parks might be available; that there appeared to be a significant difference in the cost ratio of Winter Springs development and the cost of the proposed DeBary project; that DeBary had substantial road infrastructure to be installed compared to Winter Springs; that the average cost of land along Highway 17-92 was at \$75,000 per acre; that density in Winter Springs was estimated at 16-20 units per acre for multi-family; that the overall DeBary population would support the project and future retail anchor; that the incentive to the developer was the discount rate for the developer; that the increase in infrastructure cost between the original plan and the neo-classical plan was due to the additional common infrastructure required; that City participation could include tax incentives, grants or other options in addition to any cash outlay to reduce the developer's risk; and that the land owners risk would be based on the terms of the developer's agreement.

The type of buildings and their usage was discussed; that potential tax revenue and increases to property values were noted; that the value of surrounding properties would be increased which might be of benefit to interested parties; that it was not clear whether residential usage might be available on other properties in the area; that mixed use might not necessarily require residential usage on a specific parcel; that parcels available for residential use were limited; and that density was limited to 8 units per acre.

The direct impact of permitted uses affecting land value was discussed; that tax benefits would be more significant for the County than the City; that an impact study regarding other services and intangibles, such as school, fire and police, was needed; that taxes to be collected on all businesses and residences would total approximately \$190,000 based on the current proposal; that a referendum would be required to provide participation funds; that an offer to purchase the property outright might be considered; that outright purchase might allow more property for municipal purposes; and whether to allow multi-family or single family residences was at the option of the City.

Additional discussion was held regarding the developer financing the City's cost share is participation, rather than obtaining funds by referendum; whether multi-story dwellings would decrease public participation costs; that increases to dwelling heights would impact other infrastructure elements as well as absorption rates; that utilizing medium density allowances of 16-20 units per acre, additional open space could be obtained; that residential allowance could be condensed to one area and eliminated on other properties; that a study was required to determine if elimination of rental properties was feasible; that there was need for some type of rental properties in DeBary; that high-end rental properties had been proposed; and that there was a demand for retail development in the area.

City Manager Diamond was asked what might be required to move the process forward to negotiate and finalize the details; additional costs for consultants was discussed; that the final amount and terms of City participation might need to be negotiated; that figures presented appeared to show a breakeven point at approximately 6 to 7 years; that additional services and intangible expenses might exceed projections; and that removing residential elements and focusing on commercial and retail uses might allow more immediate revenues.

Additional facts gathered at the Winter Park meeting were discussed; that there was strong activity in Winter Springs in rental properties; that the Winter Springs City Manager reported a 70% to 80% acceptance by homeowner's associations of their Town Center; and that there seemed to be community support in DeBary for a Town Center project. It appeared to be the consensus of the City Council that the project was worthwhile, but that further consulting services would be needed for exploration of all alternatives and related costs of impact on services. City Manager Diamond was asked to provide proposals for consulting fees for the April 3rd meeting. One estimate given by Florida Planning Group, currently working on the Economic Development Study, was \$3,000 to provide construction costs analysis for successful development and estimated taxes and returns to the City. It was also asked that the City Finance Administrator examine the numbers.

It was remarked that there was additional information to be gathered; that a decision to engage a consultant could be made on April 3rd; that the developer extend his cooperation in allowing the City to reach a decision, as this was a new endeavor for the City; that a five-year development budget analysis be reviewed; that City Manager Diamond be given any additional details to be included in the proposal for the consultant; that uniformity should be maintained in the pro-forma evaluation in order to receive true comparisons; that compromises could be reached if opinion differed; that an independent appraisal might be in order; and that the County Property Appraiser might be utilized.

IV. Adjournment

**Approved June 5, 2002
City of DeBary
City Council**

Carmen Rosamonda, Mayor

ATTEST:

Maryann Yaskanich, City Clerk