

**City of DeBary
Economic Development Advisory Committee
Special Meeting
Saturday, June 7, 2003
9:00 AM**

Florence K. Little Town Hall
12 Colomba Road DeBary, Florida

MINUTES

I. Call to Order - Chair Carol Lawrence

II. Roll Call

Members Present: Carol Lawrence, Donald E. Kitner, Dick Tosh, Tom Donohoe, Tracy Good, and Betty Gigantino

Absent: Jane Wright and Don Woodruff

Others Present: City Manager Richard Diamond

III. RFP Presentations - Redevelopment Needs Study

1. GAI Consultants

Dennis Smeltz, GAI's Planning Group Manager, introduced Lead Planner Doug Kelly, Economic Consultant Chris Jones and Lonnie Groot, Attorney, and reviewed their background and credentials; that Doug Kelly would serve as Project Manager; that Rusty Sievers, as Senior Vice President at GAI, would serve as the principle in charge and be responsible for quality control; that Staff personnel had experience in civil engineering, landscape, structural engineering, drainage permitting, environmental and transportation; that the firm was well established and had done projects for the Downtown Development Board in Orlando for several years and had regular renewals of their contracts there; that they were involved with Streetscape design for the City of Winter Park as part of their CRA; and that they were working with the Orange Blossom Trail Development Board as their consultant for five years and were consultants for the CRA running from I-4 to Colonial Drive.

Project Manager Doug Kelly discussed that it was a four-step process to a CRA; that the presentations being heard were part of the first step to make a Finding of Necessity, second to create the Redevelopment Agency, third to create the Redevelopment Plan and last to establish the Redevelopment Trust Fund. Mr. Kelly discussed that the finding process required data analysis and identifying conditions of blight; that, after any finding, a CRA would be created under the terms of State Statutes.

Attorney Lonnie Groot reviewed his background and experience as City Attorney for the City of Lake Helen and with the Seminole County CRA, which included the Seminole Towne Mall; that DeBary did not seem to have the physical appearance of blight but could possibly meet the legal

requirements as there was a broad range of criteria; that initial findings were important in presenting information to area property owners as well as the legal perspective; that Volusia was a charter county and would have to approve the creation of a CRA in DeBary as well as determining what powers would be allowed to the City as well as the amount of the tax increment; that there appeared to be a good foundation for cooperation between the County and the City of DeBary; that the composition of the CRA could include up to nine members; and that there were technical procedures that had to be followed.

It was discussed that a handout had been provided; that the process of the Finding of Necessity required following State Statutes; that slum and blighted areas had to meet the State criteria; that there were 14 factors focusing on physical and economic conditions, including deterioration of buildings, economic distress and reduction of the tax base, public transportation and roadway issues; that other criteria included faulty lot layout; U.S. Highway 17-92 corridor parcels would be reviewed; that crime and public service call statistics and code enforcement statistics were a factor; that other criteria included diversity of ownership where small parcels could create development issues, falling lease rates in non-residential areas in the proposed district, environmental conditions or unsanitary or unsafe conditions which might include bad wells or failing septic systems; and that there could be conditions existing in DeBary that would meet those criteria.

Chris Jones, Economic Consultant, reviewed his professional background and discussed that information that would be gathered to determine economic distress and reduction to the tax base within the criteria of the State Statutes, which could be used to tailor a unique program to meet the specific vision and needs of the DeBary community; that tax increment financing (TIF) was a principle source of funding; that grants could also be sought by the CRA but there was greater competition for that type of funding; that after the base taxable value of the property within the CRA area was established, then increases to that value would become the pool of revenues with which the millage could be assessed up to the State criteria; and that the maximum revenue of 95%, which could be collected, could impact ad valorem revenue available for public services and an optimal balance had to be determined to allow sufficient development without reducing funds for City services.

Dennis Smeltz offered closing remarks: that TIF projections for the proposed districts would be provided as well as a fully-documented Finding of Necessity that would be fully defensible; that there would be a commitment to the City of DeBary as there was to the City of Orlando and the City of Winter Park.

The question and answer period included discussion of how the vision of the City of DeBary would be integrated with the information that would be gathered; that the CRA would have to be consistent with the Comprehensive Plan; that amendments could be made to the Plan to address the vision for a particular area; and that public involvement meetings could identify goals and objectives and establish a more complete vision.

It was discussed that several of the Staff of GAI had substantial experience in Volusia; that relationship and communication with the County was key; that in their opinion there appeared to be good possibility for County approval of a CRA; that there was diversity of ownership of

commercial parcels in DeBary; that eminent domain would be one of the powers of a CRA in order to assemble properties to maximize development potential; that the team would have the expertise to evaluate property, address issues and minimize adversarial actions; and that they would provide expertise in eminent domain actions. It was asked how many CRA's the GAI team had taken from conception through implementation; that there were close to ten that had been established through the services of GAI; that there might be options for acquisition of property for City use; that it would be important for the CRA to mesh properly with the Comprehensive Plan and Land Development Regulations; that standards for park space should be set in the Comprehensive Plan as a public necessity and included in the CRA plan; and that it would have to be within the CRA boundaries and that boundaries would have to be carefully considered.

It was also asked whether there would be modeling for the TIF and it was discussed that a fiscal impact analysis could be done to show the impact to the community as a whole; that scenarios would be presented to show what the impact would be at differing incremental levels and would be determined by the City. It was also discussed that all criteria for determining blight would be studied and that as many as possible would be included; and that the most serious areas would then be focused on to present as strong a case as possible.

There was further discussion that: property owners could be sent surveys in order to try to obtain feedback for focus groups; that involving the business community would be crucial; asked the source of seed money to initiate the program; that there were certain grants that could be applied for; that most TIF projects were bonded; that research and planning components could be included with the estimates for improvements and acquisitions and a financial package presented to the investment markets for bonding; and that there might be funding available from federal agencies such as HUD and the Department of Agriculture and Community Development Block Grants.

2. Herbert Halback, Inc. (HHI)

Ginger Corless, Director of Planning at HHI, introduced Tom Kohler of RERC and Greg Kern AICP with DRMP. Ms. Corless reviewed the agenda for the presentation; that HHI would provide project management, direct the assessment of the Finding and would be assisted by Real Estate Research Consultants (RERC) who would address the economic issues and project feasibility and offer alternatives; that Dyer, Riddle, Mills & Precourt, Inc. (DRMP) would assist with infrastructure assessments and the determination of Findings; that the three firms had worked together for over ten years in redevelopment work; that the Senior Staff had extensive experience and was familiar with the area; that HHI had been in redevelopment for over 25 years in the area with many local projects completed; and that they also had Staff experienced with implementation.

Tom Kohler discussed that he had over 25 years experience with the City of Orlando and was involved with the Downtown Development Board and had expertise in setting up the CRA there as well as implementation; that the firm had been established as a real estate research market feasibility firm since 1986, performing economic action plans and market feasibility studies for both public and private sectors; that they had been associated with HHI on several projects; that

they had extensive qualifications and successful development in similar projects to that considered for DeBary; that market analysis would be done to compare DeBary to surrounding areas; and that they had been hired by the local communities for the feasibility study for a convention center.

Greg Kern discussed that DRMP was established in 1977 and was the largest engineering based firm in Central Florida with over 230 employees and had recently opened an office in Volusia; that they were working on a CRA project in Fort Meyers; that their expertise was infrastructure, including traffic planning and engineering; and that they had seven survey crews in Central Florida and were committed to working with municipalities and counties on these type of projects.

Ms. Corless noted that their redevelopment experience with RERC and DRMP included over 50 projects over the last decade; that projects ranged from performing Finding of Necessity through community redevelopment plans and implementation; that they had performed two studies since the recent legislative changes to the determination of blight; that they were conversant with the legal requirements for the creation of the CRA and the Trust Fund; and that they had a working relationship with David Cardwell, the Redevelopment Counsel for the Florida Redevelopment Association and relationships to bond counsels. Ms. Corless reviewed CRA projects currently underway and successful resolution of issues related to those projects; that in some areas special assessments were utilized in conjunction with TIF's. She discussed that corridor development was an issue in many projects and they would work with DOT on transportation issues that would support redevelopment objectives; and that Mr. Kohler had experience in working with DOT as well as other county agencies on corridor issues and parking issues.

Ms. Corless discussed the importance of the involvement of the community; that senior staff would be committed to the project and that they were staff liaison to Volusia County. Ms. Corless also discussed redevelopment and Chapter 163, and projects to eliminate and prevent blight and the process of a Finding of Necessity; that extensive documentation was required to provide strong legal standing; that if blight was found a resolution could be adopted to move forward. Recent changes defining blight were discussed, including the finding of a substantial number of deteriorating structures with 25% or greater being the accepted criteria; that additionally two of 14 blight factors had to be present; that those factors included transportation and parking issues, lack of increases to property values, faulty lot layout, unsafe or unsanitary conditions, deterioration of site improvements, storm water and drainage failures, parking lots and unpaved roads, falling lease rates, tax and special assessment delinquency, property vacancies, crime, code violations, diversity of ownership and that each category had to be defined; that if the County was willing to go into partnership, only one factor of blight could be used; that as a charter county, Volusia County would have control over the delegation of power to the City; that bringing the County into the process from the start would be the best scenario; and that HHI would assist in facilitating that process.

It was discussed that the scope of work would include a physical environment inventory to include natural and built environment and the study should include the maximum area that could then be reduced if necessary; that past development trends would be studied; that a regulatory review would be done to determine consistency with the Comprehensive Plan; and that the

Finding of Necessity would provide the legal standing to proceed. Ms. Corless noted that there appeared to be moderate deterioration in DeBary, but did not appear to be substantial; that there were some issues with lot sizing, parking and transportation; that there might be alternatives to a CRA; and that the purpose of the study would be to provide the best solution for the City of DeBary for redevelopment objectives.

Mr. Kohler further discussed that a CRA was not always the appropriate solution; that the Finding of Necessity would be needed to determine the best options; that special assessments, rebate of impact fees, incentive packages, public and private partnerships might be options; that grants were difficult to obtain but might be possible; and that there were other opportunities if a Finding of Necessity did not support a CRA. It was discussed that HHI would provide comprehensive information to attain the objectives that were desired by the City; that their firm would be time and cost effective.

It was asked what relationship HHI had with Attorney David Cardwell; that he could be brought in or bond counsel was available to provide the legal expertise; that if the finding appeared to support a CRA, Mr. Cardwell would review the legalities. It was discussed that compared to other areas DeBary was a small area and a CRA would provide limited revenues and that was the reason that options to a CRA might be appropriate; that it should be readily determined when the study was started whether additional areas of the City should be included; that caution should be used with the inclusion of any residential areas; that new development would be the catalyst for revenue from a TIF; and that the focus should be the creation of a sense of place for the City and then determine the source of revenue that would be most appropriate.

There was further discussion of experience with smaller communities with rapid population growth; that other resources for redevelopment within the City should be reviewed; that DeBary had already completed many of the steps that would assist with the study; and that RERC would provide analysis to determine the most effective methods to attain the vision for redevelopment in DeBary. It was further discussed where boundaries would be set; that the Finding could be done for the entire area and then set boundaries for CRA's in smaller areas; and that the Finding would help define zones of priority.

It was discussed that the process for each presenter would be similar; that the purpose of the RFP was to determine the best methods to achieve the vision of the community. City Manager Diamond noted that the vision for the City had been established through planning and policy including the Overlay District, the Streetscape Plan, the Gateway Standards, the new sign and development ordinances and the proposed Town Center; that the County had been consulted as to what type of policy they would consider for CRA proposals in the area; that they would approve CRA's under certain conditions, one of which was not to utilize the tax increment for streetscape improvements; that the increment would be on a sliding scale that would decline over time; that it would probably be less than a 30-year time period; that, with the low tax rates in DeBary, it would probably take a longer time to realize any revenue from tax increment financing; that other alternatives should be considered; and that the EDAC would recommend a consultant to the City Council of the City of DeBary by ranking and that costs could then be negotiated.

11:30 AM Conclusion of morning session

3. Civic Design Associates

Chris Brown, Principal of Civic Design Associates, introduced Phil Genott of PNG Associates, who had worked with Civic Design on other CRA projects and who had expertise in market research and economics; that Civic Design Associates specializes in urban planning and CRA's; that David Cardwell would be on the team as an attorney with experience on previous CRA's in Volusia County; and that Mike Langton was a grant writer who also had extensive experience in identifying supplemental sources of funding. He further discussed experience and background of the firm and team members; that they usually preferred community involvement with the projects; that he had headed the CRA for Delray Beach; and that they were working on the implementation of a CRA in Bartow.

Phil Genott discussed experience and background of his firm, including that of economic consultants for the Central Florida Regional Planning Council; that they would provide TIF projections including time frames and stabilization rates; and that David Cardwell and Mike Langton would offer additional expertise.

The scope of work was discussed; that the Finding of Necessity would be the first step, then creation of the CRA and then setting up the Trust Fund; that the new legislation for a Finding of Blight was more stringent; that evaluation of boundaries was crucial; that there appeared to be existing conditions in DeBary to meet the other tests of which two out of seven were required, including faulty lot layout, faulty street layout, crime, unsanitary conditions, declining tax base and etc.; that the challenge would be defining boundaries; that a public hearing process would be required both in the City and the County; that the public should be involved in workshops; that they would like to find redevelopment sites within a boundary area; and that CRA's would appeal to developers.

Phil Genott discussed regional economics and observation in a one, two and three mile radius; that Highbanks and U.S. Highway 17-92 was a central area; that average commuting distance for residents was 33 minutes; that there was a substantial average household income that might actually be a detriment for a CRA, but was a positive factor for marketing; that he viewed the area as having two markets with both older and newer areas; that he saw a need for an office complex; and that there was a need for core services for the area.

Boundaries were discussed; that it was important to mix better areas with deteriorated areas as a factor in setting the boundaries with the County; that there would be financial considerations; that the market would be impacted by the depth of available commercial areas; that Volusia County relations would be considered; that there might be an advantage to taking some of the older residential areas into the boundaries to create an additional tax increment; that it was suggested that one side could extend to I-4 and as far north as possible; that a conceptual master plan should be created with a 20-year vision; and that existing streetscape would be incorporated.

Examples of CRA's were presented where areas had been created for town centers; that there had been creation of parking areas to create pedestrian friendly retail areas. It was discussed that charettes could be held and community input would be solicited to create a plan. Mr. Genott spoke further on market analysis; that enough information had to be provided to persuade the cooperation of the County; that determination of needs would be made; that demand forecasting for retail square footage would be based on average disposable income; that documented specifics would be provided to support the need for TIF funds; that other options for redevelopment could include grant funds for capital projects and private and public partnerships; that a definitive capital improvement program would be created; that financial projections would be important in the negotiation process with the County; that financial incentives for development would be needed; and that land acquisition would be part of a CRA to promote specific types of development.

Marketing was discussed; that U.S. Highway 17-92 would lend itself to market promotion; that streetscape was crucial; that creation of parking areas would be an attraction to business; that a marketing program was a needed component; that planned events could be held to promote the area; that a small business loan program could be created; that redevelopment through land acquisition involved reselling sites to developers; and that urban housing was another option. Areas of DeBary were reviewed; that pedestrian sidewalks were important; that it should be considered in a 20-year vision to move civic buildings onto the main street area; that industrial and commercial parks could be included in a CRA area; that inclusion of the Florida Power and Light plant should be considered; that mixed use areas would be an issue in the future; that there were redevelopment opportunities in the area; and that lack of parking had impacted the retail shopping in DeBary.

Residential areas were discussed; that there was diversity of housing existing in DeBary; that residential areas might need to be included in a CRA area due to impact of commercial development on neighborhoods; that, by inclusion, there would be better control that the central area should not intrude into neighborhoods; and that compatible uses on the roadway could be better controlled. It was noted that DeBary was not an obvious slum and blight area; that the challenge would be to meet that criteria and support negotiations with the County; and that the vision of the City would be the goal of their team.

In the question and answer period it was discussed that it could take 5 to 10 years to realize TIF revenue; that the stabilization rate was based on the time that it would take for a facility to be constructed and fully leased to generate taxes. It was also discussed that, through the study, counseling would be provided where analysis showed that options other than a CRA should be pursued; that State Statutes allowed up to 40 years and projections would be provided to negotiate the best terms with the County; and that a 20-year vision was more realistic in terms of planning. It was further discussed that the small business loan programs were directed toward smaller retail concerns; that partnerships could be set up with local banks with the CRA prepaying interest but not guaranteeing or administering the loans; that the firm had implemented very aggressive programs in many of their projects; that another incentive program had been a return of TIF funds to developers; that under the CRA, land could be acquired and combined and resold for development; that there could be a separate CRA staff to handle issues; that an economic development program could be set up to have a director dedicated to

marketing; and that acquisition was usually more feasible than eminent domain procedures. It was discussed that CRA's would provide additional avenues to obtain grants including federal monies such as brown fields to clean up sites. It was also discussed that their Staff would be brought to DeBary to gather information and prepare the study; that detailed information would be compiled for each property in the area; and that focus groups would be held.

4. Ivey, Harris & Walls, Inc.

Iris Bly, Marketing Director for Ivey, Harris & Walls, Inc., introduced her firm associates and Andersen & Associates and stated that she was a resident in Volusia and that the firm had close relationships in Volusia through VCARD. Joel Ivey, President of Ivey, Harris & Walls, Inc., discussed his background and credentials as a planner; that Colleen Nicoulin, Project Planner, who resides in Volusia, with the responsibility of base data gathering and compiling information for the Finding of Necessity; that George Kramer, Planner, would be responsible for public participation and coordination as well as meeting the requirements of Chapter 163; and that Bruce Andersen of Andersen and Associates was an Architect and Developer.

George Kramer discussed the CRA and Needs Study; that it was a multi-step process; that the first step was community involvement and the second step was the Study; that the Needs Study would be the foundation for the community vision; that Chapter 163 defines the standards for a CRA that would have to be followed; and that the needs study would be used to provide the County with reason for the granting of a CRA in the area.

Joel Ivey presented credentials for the firm; that the firm had been established in 1986 and provided Land Planning, Civil Engineering, Transportation Planning, Landscape Architecture and Ecological Services; that it was a full service firm able to utilize all disciplines in resolution of problems. Mr. Ivey presented information on both CRA and non-CRA projects that the firm had worked on; that the firm had the ability to bring parties with conflicting goals and interests to a resolution; that their firm had worked on the U.S. Highway 17-92 corridor in Winter Park as well as a CRA in Gainesville; that they encouraged public input; and that they had worked with the FDOT in Rockledge and Cocoa.

Bruce Andersen reviewed his role; that he was an architect, planner and developer; that he was an award-winning designer; that he understood the marketplace; that he was involved in the DeBary Town Center concept in resolving the final conceptual plan that was approved; and that he was working with the proposed DeBary Center for the Arts.

Mr. Ivey noted that his firm was familiar with the area and that they were currently assisting Volusia County with other projects and had an established working relationship; that they would be able to address the specific challenges of presenting a strong case to the County; that project management was a strength within the firm and, as a planner, had coordinated large projects such as the Disney Celebration New Town; that he made each project goal focused and achieved cooperation with parties with conflicting expectations and goals; that his focus in DeBary would be to clarify and define the goals of the City; and that work would be completed in a timely fashion.

Colleen Nicoulin discussed the time line anticipated for the project beginning with a kick-off meeting, then information gathering and a public workshop; that after a team meeting a draft report would be compiled and submitted for Staff review; and that their commentary would be submitted in the final report for presentation.

Mr. Ivey addressed the fact that his position as planner would be to accomplish the desired goals of the City; that their project experience had significant CRA involvement; that they had local knowledge and relationships; and that they had the management experience and focus to complete the project in a timely a cost effective manner.

In the question and answer period it was discussed that there was not an attorney on staff; that they had done the majority of their CRA work without an attorney on staff; that they did consult with legal counsel for local governments; and that their experience with CRA's provided them the ability to meet the terms of Chapter 163. It was discussed that the largest incorporated city that the firm had worked with had been Gainesville and that the smallest had been Winter Park in 2001.

IV. Ranking of Proposals

It was discussed that the EDAC could present rankings and then negotiate with the firms or City Manager Diamond could negotiate and then present the results with recommendations to the EDAC for consideration; that the cost of the project would cause it to fall under the Florida Statutes regarding the Consultants Competitive Negotiations Act; that the firms must be ranked first and then negotiated with as to price; that the success in negotiation was a mutually agreeable pricing; and that Mr. Diamond would bring the negotiated prices to the EDAC to provide the recommendation to the City Council.

Opinions of ranking were discussed among the members of the Committee; that some factors considered were the number of projects already underway, size and availability of staff and level of commitment that it appeared they would give to the community; that it appeared to be the consensus of the Committee that Mr. Diamond would negotiate with GAI first, HHI second and Civic Design third; and that Mr. Diamond would bring back the results of negotiations with GAI and determine whether there was consensus for recommendation or whether to move on to HHI. It was discussed that the Committee would meet prior to the City Council meeting of July 2, 2003.

V. Other Business

The City web page was discussed; that the current web designer could provide enhancements; and that Betty Gigantino would contact him to discuss the website.

City Manager Diamond discussed that the County Council had approved \$10,000 for the partnership with the City for the individual firm considering relocation to DeBary; that an architect was completing a Space Needs Survey for a future City Hall to determine a site location; that the City had responded to comments from FDOT for the median landscaping permits; that the decorative streetlighting figures were not yet complete from Progress Energy

but should be completed within the next week; that the decision by the School Board on the DeBary site would not be made until August 26, 2003; and that there was a division of opinion within the City on the suitability of the site.

It was also discussed that the Adams firm had pulled their permits and would begin construction in the Springview Industrial Park; that the ordinance for the salary requirements under the Opportunity Fund had been approved by the City Council at the last meeting.

VI. Adjournment The meeting adjourned at 3:31 PM.

**APPROVED October 16, 2003
CITY OF DeBARY
Economic Development Advisory Committee**

Carol Lawrence, Chair