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**MINUTES OF THE  
CITY OF NEW SMYRNA BEACH  
COMMUNITY REDEVELOPMENT AGENCY  
MEETING OF OCTOBER 6, 2010  
CITY COMMISSION CHAMBER, CITY HALL, 210 SAMS AVE.  
NEW SMYRNA BEACH, FLORIDA**

Acting Chair Steve Dennis called the CRA meeting to order at 2:00 p.m.

**Answering to roll call:**

**Steve Dennis  
James Kosmas  
Cynthia Lybrand  
Thomas Williams  
Doug Hodson  
Charles Belote  
Chad Schilsky**

Also present were CRA Director Tony Otte; CRA Project Manager Michelle Martin; CRA Administrative Assistant Claudia Soulie and CRA Attorney Mark Hall.

**CONSENT AGENDA**

A. Approval of Minutes – Regular Meeting September 8<sup>th</sup>, 2010

**Mr. Hodson made the motion to approve the minutes as written, seconded by Mr. Belote. Motion carried on roll-call vote 7 –0.**

**PUBLIC PARTICIPATION**

In accordance with the City Commission Resolution #11-89, a three-minute limitation will be imposed unless otherwise granted by the CRA Commissioners.

Flare Elliott, 421 Canal Street welcomed Mr. Chad Schilsky as the new CRA Commissioner, thanked him for his willingness to serve and felt that his “restaurant perspective” (he owns a local restaurant) would be a great addition to the CRA.

Ms. Elliott stated that she wanted to clarify the difference between an Independent Business versus a Chain Business as this question had been raised at a previous CRA meeting. Ms. Elliot felt that the difference was the fact that Chain stores would only open up a location if the traffic and market for their product already existed and once the bottom line dropped they wouldn’t hesitate to relocate, while Independent business owners were also thinking about helping the Community grow.

Ms. Elliott felt that the Commissioners should really consider a current proposal for redevelopment of the Badcock Building and commented on prior dealings she had had with the property owners.

Mr. John Green, owner of two Bed & Breakfast establishments on Washington Street commented on the proposed Washington Streetscape project and stated that he learned

48 the project was only proposed for the west side of Washington. Mr. Green strongly urged  
49 the Commissioners to consider upgrading the street on the east side of Washington, as he  
50 felt the current road/sidewalk conditions to be a serious safety hazard and this road was  
51 one of the gateways to New Smyrna's beachside.

52 There being no further request, Mr. Dennis closed the Public Participation portion of the  
53 meeting.

54 **PRESENTATION**

55  
56 Mr. Dennis welcomed the newest CRA Commissioner Chad Schilsky. Mr. Schilsky  
57 stated that he was honored to have been appointed and was looking forward to serving on  
58 the CRA.  
59

60 Mr. Dennis recognized Vice Mayor Plaskett and Mayor Barringer.  
61

62

63 **OLD BUSINESS**

64 A. Washington Street Streetscape - Contract for Engineering Services  
65

66 Mr. Otte stated that the CRA had previously approved the shortlist ranking for the  
67 Washington Street Streetscape project (from US1 to Myrtle Ave) at their September 8,  
68 2010 meeting and that City Commission approval followed on September 14, 2010. Mr.  
69 Otte continued that staff had negotiated a contract and fee proposal for engineering  
70 services with Anderson-Dixon and recommended approval in the amount of \$126,000  
71 and to issue a Notice to Proceed (NTP).  
72

73 **Mr. Hodson made the motion to approve the fee proposal and contract for**  
74 **engineering services with Anderson-Dixon in the amount of \$126,000; seconded by**  
75 **Mr. Williams. Motion carried unanimously on roll-call vote 7 – 0.**  
76

77 B. Friends of Canaveral – Grants & Aids Question  
78

79 Ms. Pat Skrtic, Paint-Out Project Chair, thanked the CRA for their previous grant  
80 approval and gave a brief summary of the promotional and advertising activities that have  
81 taken place thus far, which have created a more favorable response than anticipated. Ms.  
82 Skrtic continued that they had originally planned on displaying the art and hosting the  
83 gala in the Eldora State House, but in order to keep the displayed art safe and the patrons  
84 comfortable during the Gala; they would now like to reallocate some of the grant funds to  
85 rent a tent to house the gala in.  
86

87 A brief discussion ensued among the CRA Commissioners about a recent advisory  
88 opinion from the Auditor General, which stated that the use of CRA funds for sponsoring  
89 public social events may be outside of the Redevelopment Act scope. The CRA  
90 Commissioners further discussed what type of effect this may have on the Grants & Aids  
91 program that the CRA currently offered and the fact that the requested tent was going to  
92 be placed outside of the CRA District.  
93

94 Mr. Hall, CRA Attorney stated that the CRA was not allowed to expend any monies for  
95 the tent, as it was outside of the CRA district. Mr. Hall continued that he, Mr. Otte and  
96 the City Attorney would further investigate the possible ramifications of the recent

97 Auditor General's Advisory Opinion in order to make a proper recommendation to the  
98 CRA. He stated that the CRA Plan update suggested creating promotional events to draw  
99 "feet to the street" and that staff was working on coming up with a durable solution that  
100 will keep the CRA in compliance. Mr. Hall stated that they would also confer with the  
101 County.

102

103 **Mr. Belote made the motion to deny the reallocation request for tent rental as the**  
104 **tent location was not within the CRA district and per the recent Auditor General's**  
105 **correspondence; seconded by Mr. Kosmas. Motion carried unanimously on roll-call**  
106 **vote 7 – 0.**

107

108 C. Dolphin View Restaurant – Program Request

109

110 Mr. Otte stated that at the September 8, 2010 CRA meeting the owner of the Dolphin  
111 View restaurant made a presentation requesting CRA funds for the renovation of his  
112 business (constructing a covered seating area to allow the restaurant to operate during  
113 inclement or cold weather). Mr. Otte continued that at present the CRA did not offer a  
114 program that could meet such requirements and that the CRA directed the restaurant  
115 owner to meet with CRA staff to draft up a program for presentation at the October CRA  
116 meeting.

117

118 Mr. Otte stated that he and Mr. Hall had met with Mr. Richford (restaurant owner) and  
119 his general manager and had developed two proposals which would require either a 75/25  
120 or 50/50 CRA/requestor participation. Mr. Otte stated that the property owner was very  
121 willing to assist the restaurant owner through a personal loan and in the form of reduced  
122 lease payments, but was against having the reduced lease payments be made directly to  
123 the CRA.

124

125 Mr. Otte continued that the possibility of the CRA leasing parking spaces in the  
126 restaurant parking lot was also discussed. Mr. Otte stated that the Dolphin View  
127 restaurant was currently not in the zone that allowed for 50% reduced parking  
128 requirements and that the City's Planning Manager was willing to recommend that the  
129 zone be expanded to the entire CRA district and that such a change had to be approved by  
130 the Planning and Zoning Board and the City Commission.

131

132 Mr. Otte stated that if approved, 48 spaces in the Dolphin View parking lot could be  
133 leased by the CRA for nearly 3 ½ years until the agreed upon dollar value had been  
134 amortized.

135

136 Mr. Richford, owner of the Dolphin View stated that he was in favor of the parking lease  
137 agreement.

138

139 Mr. Jake Baker, City Planner, commented on the existing special parking district and  
140 stated that any business within this zone was allowed to operate with 50% less parking  
141 than businesses not in this zone. Mr. Baker stated that the Planning Department was  
142 proposing to expand the special parking district in the historic downtown Canal Street  
143 from Riverside Dr to N. Myrtle Ave and Washington St. to Lytle Ave. and that this area  
144 was zoned Mixed Use. Mr. Baker continued that an area from the railroad tracks west  
145 was zoned Highway Service Business District which allowed for different uses. Mr.

146 Baker informed the CRA that the Planning Department would take this topic before the  
147 Planning and Zoning Board as a Visioning Item as well as before the Economic  
148 Development Advisory Board and if an agreement was reached it would be brought  
149 forward to the City Commission as a Zoning Text Amendment to expand the district.

150

151 A discussion ensued about perceived parking problems in the downtown district and how  
152 the City was being made aware of them and properties for sale that might sell quicker if  
153 more parking were available.

154

155 Mr. Kosmas stated that he was a frequent patron of the Dolphin View restaurant and was  
156 in favor of the CRA granting some form of assistance, however, he was concerned about  
157 expanding the special parking district as an incentive in order to assist the Dolphin View  
158 and then leasing spaces back from them, as he felt that there was ample parking on Canal  
159 Street. Mr. Kosmas would like to see more participation from the property owner as well  
160 as the business owner.

161

162 Mr. Williams stated that he would not be able to vote on this topic as he was the Engineer  
163 on record.

164

165 Mr. Belote questioned if the CRA should assist every business within the CRA district  
166 that may be struggling during this current economy.

167

168 A brief discussion ensued about the business owner's total investment and if they had  
169 tried to secure funding from other sources before coming to the CRA.

170

171 Mr. Schilsky felt that the Dolphin View was a staple in the Community which brought  
172 diverse demographics to the Downtown, but cautioned that funding the improvements  
173 through what was currently proposed may set the wrong precedent.

174

175 Mr. Dennis felt that the indoor dining was necessary to the restaurant for continuous  
176 service year-round and that the CRA needed to make this investment which would re-  
177 establish the restaurant as an anchor. Mr. Dennis continued that the business owner also  
178 had planned activities that expanded the business hours way into the evening, however,  
179 he did not agree with using the parking as an incentive.

180

181 Mr. Dennis was of the opinion that the CRA was in favor of expanding the special  
182 parking district as proposed by the Planning Department and to make that  
183 recommendation to the City Commission, but not to use it as an incentive to aid in  
184 funding the Dolphin View proposal.

185

186 The CRA reached the consensus to have the applicant get back with Mr. Otte to develop  
187 further alternatives and bring the results back to the next CRA meeting.

188

189 Mr. Otte asked that the CRA Commissioners call him individually with potential ideas.

190

191 D. Badcock Building – Progress Report

192

193 Mr. Otte stated that the potential buyers and redevelopers of the Badcock Building at  
194 the SE corner of US 1 and Canal St wished to address the CRA and give a progress  
195 report.

196

197 Mr. Ernie Johnson, 524 Canal Street stated that they had approached a variety of  
198 businesses that he felt the CRA was looking for based on previous comments made by  
199 the CRA Commissioners. Mr. Johnson continued that some of those businesses stated  
200 that they were concerned with the available parking for this building and that he was  
201 checking into options of where the additional parking spaces could come from.

202

203 Mr. Johnson informed the CRA that they had received favorable replies from Banks;  
204 they had checked into securing Federal/State funding sources and were told to check  
205 with local funding sources first and that the Badcock Family was very cooperative.

206

207 A brief discussion ensued on where the developer was proposing to get the additional  
208 parking from; the potential costs and effects on the surrounding businesses and that any  
209 possible CRA funding should not be used to pay for a potentially inflated sales price for  
210 the Badcock Building.

211

#### 212 E. Flagler Boardwalk Seawall Report

213

214 Mr. Otte stated that Dave Dacar and Ted Williamson made a presentation at the  
215 September 8<sup>th</sup>, 2010 CRA meeting regarding the seawall investigation and that they were  
216 requested to return with a follow-up report with the estimated costs for the repair of the  
217 seawall, and the cost of the replacement of the railing and the handicapped ramp.

218

219 Mr. Otte announced that a Public Meeting to gather input on the future of the Flagler  
220 Ave. Boardwalk Structure was set for Monday, November 1, 2010 at 6:00 pm at the  
221 Coronado Civic Center in New Smyrna.

222

223 Mr. Dacar with Williamson Dacar and Associates stated that they had received the soils  
224 report on the seawall area, which did not reveal anything out of the ordinary. Mr. Dacar  
225 stated that the seawall should be replaced 100% only if the City decided not to replenish  
226 the sand along the seawall, otherwise if the beach would be rebuilt, than only the cap,  
227 railing and tie-backs would need to be replaced in the cost range of around \$300,000  
228 versus \$1 Million for the entire seawall.

229

230 A brief discussion ensued about the type of railing and the best material to use to prevent  
231 rusting; using a special camera to find out about possible voids beneath the walkway;  
232 areas where “flowable” fill had to be placed; density tests obtained for the soil underneath  
233 the seawall and placing coquina rocks in front of the seawall to further protect it.

234

235 Mr. Williams was concerned that the cost for the railing represented almost 25 – 30% of  
236 the total project cost and questioned if this railing would be in line with the possible  
237 design of the Boardwalk structure. Mr. Dacar suggested listing several bid alternates in  
238 the bid package, e.g. wood, concrete or aluminum details.

239

240 Mr. Kosmas stated that he was in favor of using the railing proposed by the consultant.

241

242 Mr. Otte asked if the seawall repairs would be easier to complete if the Boardwalk  
243 structure was removed. Mr. Dacar felt that the structure would not hinder the seawall  
244 repairs.

245

246 Mr. Otte clarified that the CRA staff's recommendation would be to replace the cap; the  
247 tiebacks; the dead-man; fixing the cavities and putting in railing and a handicap ramp.

248

249 Mr. Dennis felt that the work on the seawall as well as the Boardwalk structure could run  
250 simultaneously.

251

252 Mr. Dacar commented on the proposed new handicap ramp and a brief discussion ensued  
253 that the City would be taking over the maintenance from the County.

254

255 **Mr. Williams made the motion to bid-out the repair of the seawall cap and**  
256 **associated items in the amount of \$292,278 and to obtain three additional price**  
257 **quotes for the railing; seconded by Mr. Hodson. Motion carried on roll-call vote 7 –**  
258 **0.**

259

260 F. Independent Business Move-in Incentive Program

261

262 Mr. Otte stated that the purpose of the proposed Independent Small Business Move-in  
263 Incentive Program was to provide an incentive for independent businesses from outside  
264 the City that did not duplicate existing business types, to locate to vacant leasable spaces  
265 within the CRA. This program was discussed at the July, August, and September CRA  
266 meetings as well as a meeting held August 17<sup>th</sup>, 2010 with Canal St property owners and  
267 Ned Harper of the Small Business Development Center, Daytona State College. Mr. Otte  
268 continued that he had added the requested clarification of what was considered an  
269 independent business as well as a ranking system based on the type of business and its  
270 hours of operation with the highest points awarded to a restaurant.

271

272 Mr. Kosmas was in favor of clarifying the verbiage *limited number of locations* and  
273 would like to have points allocated for a business open on weekends.

274

275 Mr. Otte stated that he did not want to consider a business with two or three additional  
276 stores a national franchise, but he would add more specificity.

277

278 **Mr. Williams made the motion to approve the Independent Business Move-in**  
279 **Incentive program with the above changes; seconded by Ms. Lybrand. Motion**  
280 **carried on roll-call vote 7 - 0.**

281

282 G. Commercial Property Improvement Grant – Proposed Changes to Grant  
283 Guidelines

284

285 Mr. Otte stated that the description of the CRA Commercial Property Improvement Grant  
286 Program needed to be clarified and that staff recommended a number of changes to the  
287 grant guidelines that would assist applicants in understanding the grant requirements and  
288 avoid confusion. Mr. Otte continued that in addition to the clarifications there were also  
289 three substantive additions to the requirements:

- 290 1. A new provision requiring that applicants meet with Planning and Building Dept  
291 staff at the beginning of the process to ensure that the project can be permitted.  
292 2. Several references have been added to alert applicants to obtaining the proper  
293 permits.  
294 3. A deadline for the submission of applications, to provide adequate time for  
295 applications to be thoroughly reviewed.

296  
297 Mr. Otte stated that the wanted to withdraw his suggestion of the phrase *for existing*  
298 *commercial buildings* for the Parking Areas under Eligible Expenditures.

299  
300 The Commissioners stated that they would like the text of the second bullet on page 3  
301 completely removed and clarified their interpretation of the applicant being either the  
302 property owner or the tenant.

303  
304 Mr. Belote asked how staff can better educate residents and businesses within the CRA  
305 district that those grants were available. Mr. Williams inquired if a mass mailing could be  
306 send to addresses within the district. Mr. Kosmas suggested supplying information at  
307 time of building permit issuance. Further discussion ensued about putting an insert into  
308 the Utilities Commission (UC) billing. Ms. Soulie stated that she would contact the UC  
309 again, but in the past they had reserved their mailings for UC business only.

310  
311 Mr. Otte stated that staff would come up with some more options on this topic and bring  
312 it back as a future agenda item.

313  
314 **Mr. Hodson made the motion to approve the proposed changes to the Commercial**  
315 **Property Improvement program with the above changes; seconded by Mr. Schilsky.**  
316 **Motion carried on roll-call vote 7 - 0.**

317  
318  
319 **NEW BUSINESS**

320 A. W. Canal Streetscape - Change Order # 4

321  
322 Mr. Otte stated that Change Order # 4 was submitted by the design build team, ThadCon,  
323 for added items of work, which were not described in the original scope of work in the  
324 City RFP or in their Proposal.

325  
326 Mr. Otte continued that Change Order # 4 consisted of added drainage work which was  
327 requested by the FDOT and will be fully reimbursed by the FDOT. Mr. Otte informed the  
328 CRA that staff had thoroughly reviewed these items and had conducted several meetings  
329 with the design build team and the FDOT to discuss each item with them, which resulted  
330 in many of the items being re-negotiated. Staff was recommending approval.

331  
332 **Ms. Lybrand made the motion to approve change order #4 in the amount of**  
333 **\$53,439.89; seconded by Mr. Williams. Motion carried on roll-call vote 7 - 0.**

334  
335 B. Recommendation for Designation of Chair and Vice Chair

336

337 Mr. Dennis stated that each CRA Commissioner was eligible to be recommended for the  
338 position of CRA Chair or Vice Chair and that this recommendation would take effect  
339 after approval by the City Commission.

340

341 Mr. Kosmas stated that Mr. Belote brought excellent perspective to the CRA and that he  
342 would recommend him as CRA Chair and Mr. Dennis, with his vast knowledge to  
343 continue as CRA Vice Chair.

344

345 Mr. Williams suggested Mr. Kosmas or Ms. Lybrand as Vice Chair, but was also aware  
346 of Ms. Lybrand's busy schedule as an accountant during certain times of the year.

347

348 Mr. Kosmas stated that he was honored to be nominated, but declined as he was hopeful  
349 that Mr. Dennis would continue in the role of Vice Chair.

350

351 **Mr. Kosmas made the motion to recommend to the City Commission that Mr.**  
352 **Belote serve as CRA Chair and Mr. Dennis continue to serve as CRA Vice Chair;**  
353 **seconded by Mr. Hodson. Motion carried on roll-call vote 7 - 0.**

354

355

## 356 REPORTS AND COMMUNICATIONS

357

### A. Director's Report

358

359 Mr. Otte stated that the Asbestos removal is scheduled to be completed by October 18,  
360 2010 and that the buildings on the Dunn Lumber site would be demolished after  
361 Biketoberfest towards the end of October.

362

363 Mr. Otte informed that a Wayfinding System Kick-off meeting had been scheduled for  
364 October 27, 2010 at 5:30 pm in the City Commission Chamber.

365

366 Mr. Otte stated that it had been suggested not to hold a CRA meeting in December. A  
367 brief discussion ensued about the size of the recent agendas and if it wouldn't be better to  
368 have a short December meeting rather than a very long January meeting. Mr. Otte stated  
369 he would bring this topic back before the CRA as an agenda item in November.

370

371 Note: Michelle Martin, CRA Project Manager left at 4:30 pm.

372

373

### B. CRA Attorney's Report

374

375 Mr. Hall commented on an email of the Attorney General's advisory opinion dated  
376 9/27/10, which stated that the use of CRA funds for sponsoring public social events may  
377 be outside of the Redevelopment Act scope. Mr. Hall continued that he, the City  
378 Attorney and Mr. Hall have investigated this topic a little further and had conferred with  
379 Florida Redevelopment Association (FRA) legal counsel and were informed that while  
380 funding social events may be "pushing the envelope" a bit, it was not illegal. Mr. Hall  
381 was of the opinion that the CRA had properly established its Agency trust fund; had a  
382 current Redevelopment Plan and that the events the CRA was sponsoring were all taking  
383 place within the CRA district. Mr. Hall stated that he intended to report back on all items

384 that were allowed, proscribed or questionable as well as defining what was considered a  
385 project or a program.

386

387 Mr. Hall suggested setting up a working group with staff, one CRA Commissioner and a  
388 Volusia County representative. Mr. Kosmas volunteered to represent the CRA.

389

390 Mr. Dennis felt that funding only bricks and mortar projects did not guarantee success in  
391 “putting feet on the street” and that promotions and marketing were very important  
392 factors in this equation.

393

394 Mr. Kosmas was concerned that the Attorney General (AG) issued this advisory opinion  
395 in a vacuum and hoped that the FRA Attorney would be able to educate the AG of the  
396 possible ramifications his statement could have on the CRA’s redevelopment efforts.

397

398 Ms. Lybrand stated that she interpreted the AG’s opinion to mean that the CRA was  
399 allowed to spend money advertising social events, but was prohibited from granting  
400 funds to groups to do their own advertising.

401

402 A brief discussion ensued that the CRA only offered reimbursable grants for eligible  
403 items versus just granting funds to an organization to spend on whatever they chose.

404

405 **Mr. Belote made the motion to recommend that Mr. Kosmas work with CRA staff,**  
406 **CRA Attorney, City Attorney and a Volusia County representative to further**  
407 **investigate this item; seconded by Mr. Williams. Motion carried on roll-call vote 7 -**  
408 **0.**

409

410 C. Capital Projects Report

411

412 No additional comments.

413

414 D. Commissioner Report

415

416 Ms. Lybrand would like to receive a Year-to-Date budget report.

417

418 Mr. Kosmas thanked staff for providing the information about the striping on US1 and  
419 Canal. Mr. Kosmas would like staff to produce an agenda item for discussion pertaining  
420 to repairing the curbing from US1 to the Railroad tracks. Mr. Otte stated he would bring  
421 this item back at the November meeting.

422

423 E. Tracking report

424

425 Mr. Belote inquired if the funding for banners for an event at the Marine Discovery  
426 Center had been presented to the CRA. Mr. Otte stated that this item had been presented  
427 at a prior meeting under Presentations and the Commissioners directed the respondent to  
428 get with staff to come to an arrangement.

429

430 F. Correspondence

431 Mr. Dennis reminded the CRA Commissioners who had registered that the Florida  
432 Redevelopment Association conference was just around the corner (October 13 – 15,  
433 2010).  
434

435 **ADJOURNMENT**

436  
437 **A motion was made to adjourn; all agreed. Meeting adjourned at 4:36 pm.**