

Minutes

Riverfront Park Workshop

The City of Daytona Beach, Florida

February 20, 2019

Minutes of the Riverfront Park Workshop of the City Commission of The City of Daytona Beach, Florida, held on Wednesday, February 20, 2019 at 4:30 p.m., City Hall, Room 149B, 301 S. Ridgewood Avenue, Daytona Beach, Florida.

Attendance

Commissioner Ruth Trager	Present
Commissioner Aaron Delgado	Present
Commissioner Quanita May	Present
Commissioner Robert Gilliland	Present
Commissioner Dannette Henry	Present
Commissioner Paula Reed	Present
Mayor Derrick Henry	Present

Also Present:

James V. Chisholm, City Manager
Robert Jagger, City Attorney
Allyson Brown, Assistant City Clerk

1. Welcome

Mayor Henry welcomed everyone to the City of Daytona Beach City Commission Workshop.

2. Presentation

James V. Chisholm, City Manager, stated it is an exciting time for the redevelopment of the downtown area. This is a project they've been working on for several months and it's a great opportunity for the city to continue moving forward.

Hyatt Brown, Brown & Brown, stated feels that he has a deep obligation to this community; the City of Daytona Beach. He suggested Jeremy Marquis make a short presentation who will then introduce Fred Halback, the original architect for the Lake Eola Park and the case study on the economic impact that occurred when the mayor invested money into the park. He feels this, along with a lot of other things that are happening will be a boom to the City of Daytona Beach.

Jeremy Marquis, Marquis, Latimer & Halback, the project director and lead designer, stated he feels that the impact of Lake Eola is an exciting thing to consider.

Fred Halback of Marquis, Latimer & Halback, stated the proposed project is from Orange Avenue to the Main Street Bridge, approximately 22 plus acres and about a mile of shoreline. They looked at the wide variety of environmental impacts and environmental factors. They also looked at a series of case studies nationally. They recognized that great parks downtown have great economic impacts. Lake Eola Park was opened in 1988 in Downtown Orlando. With nothing going on in the area, Mayor Frederick wanted to create a livable community. Lake Eola Park is similar in size and in acreage and also includes shoreline. Over the years the amount that was invested into the park is approximately 18 million. When it comes to economic redevelopment in a two block area around Lake Eola Park in over 30 years they've had the development of 1,600 condominium units, 167 hotel rooms, 1,816 luxury rental apartments, and approximately 400,000 square feet of office, retail, and commercial space for a current present value of about 826 billion dollars. To maintain the park the City of Orlando spends approximately 1.3 to 1.5 million every year. This covers 40 plus acres of lake as well as 11 acres of land. The City of Orlando creates approximately \$900,000 a year in revenue off the park by charging for private use.

Jeremy Marquis shifted back to Daytona to share where the design process is. They are creating a space that is a magnet for the community, that attracts families, and to interact with one another. They want to tell the story of the past while focusing on the future. He said in order to make a great space one needs to have at least 10 activities. They have a botanical garden proposed, as well as a splash pad, an interactive fountain, a riverfront promenade, a sweetheart trail that already comes through the space, a water garden, a dune overlook, picnic areas, historical storytelling, an events lawn, restrooms, day docks, and a paddleboard area, then Manatee Island, City Island, the library, and the ballpark. They want to put in a significant tree canopy from the start so there's an area that provides shade and respite where you want to be out in the esplanade. There will be plenty of recreation and public art opportunities, and they're also bringing in some of the historic architectural elements of Daytona Beach in the restrooms and some of the pavilions that are being included. Walking through the overall plan there's really three zones; the southernmost with the botanical gardens, which is the Family Garden Zone, and on the other side of the ISB Bridge you have the Arrival and Gateway Zone, and finally you have the Community Gathering Zone on the northern end. In the Botanical Garden Zone they are working with some of the best people when it comes to garden teams. The idea is to have four different pieces of the garden. You'll go through a rose garden, a waterfront garden with a fountain, a palm garden with a splash pad and hammock garden. In the next section, the Arrival and Gateway Zone, there's really two sections of this. The southern section is what they are calling Fountain Plaza and it is where the veteran's memorial is right now. They plan to expand that plaza space as an entry point into the esplanade. The Sweetheart Trail comes around and then it starts to go through what they call tidal pools and landscapes. As it bends around the News Journal

Center they want to do a really dramatic sculpted landscape. A place where folks can have a wonderful view of the river and you can put out a blanket and just enjoy the activity out on the water. As they move to the north side where Mary McLeod Bethune Boulevard comes out they would have what they would call Bethune Plaza with various landscape walls. As they move more north they will have large event lawns that are sloping down towards Manatee Island across the way. There is a large space for a second restroom which they are calling Manatee Plaza. They are reintegrating the Josie Rodgers House into downtown as well.

Mayor Henry asked how many people visit Lake Eola Park a year and how that compares to before.

Mr. Halback said he can get those numbers, but he can state with confidence that the park is full of people from dawn until it closes.

Mayor Henry asked if there were additional questions from the Commission for the presenters.

3. Discussion

Commissioner Trager asked if the proposed veteran's plaza will be incorporated into this plan.

Mr. Halback stated that they would be more than happy to do that. He thinks it is an important asset to the park and they are fully prepared to integrate it into the fountain plaza.

Commissioner Gilliland stated there was never a plan to do that. It was just a concept.

Mrs. Wheeler stated there will be a plaza, a better plaza. They've got fundraising going on and ECHO grants.

Commissioner Gilliland asked if the funding's been identified.

Mrs. Wheeler stated it's coming together.

Mr. Marquis said he's ready to embrace what is there and add to it to accentuate it.

Mayor Henry asked if there were any additional questions for the presenters.

Commissioner May asked when he mentioned two blocks around Lake Eola changed would that take her to the railroad tracks in Daytona or beyond that; or would it only impact the area to the east.

Mr. Halback said the railroad tracks are further than two blocks off the river.

Commissioner May asked if the activities would only impact the area to the east.

Mr. Halback stated that his data came from the Economic Development Board and their numbers encompassed the entire downtown area. He took the data they gave him and boiled that down to two blocks all the way around to simply give them some sort of measure.

Commissioner May asked if he was saying that with the water directly in front of the park people are going to come in and invest and develop more west to stay within close proximity to the park.

Mr. Halback said absolutely, the amenity of being a few blocks from the park and the riverfront has a high value to it.

Commissioner May asked about the City and private functions that will be held at the park and the revenue that is generated.

Mr. Halback said his comment was in reference to how Lake Eola is operated. The city has a way to offset the costs by charging to have those functions.

Commissioner May asked if the City owns the park.

Mr. Halback stated the City owns the park.

Commissioner Henry stated she loves the concept of the park, and asked how they are going to ensure the future commission will maintain it.

Mr. Halback stated that fundamentally that is the basis of Hyatt and CiCi Brown's desire to not only want to be a benefactor for this park but to set up a foundation that can help operate and maintain the park because there are some things that the private side can do differently from the public side. Their desire is to set up a foundation so there's a sort of governing structure that helps maintain and operate the park. He applauded the Brown's for not only wanting to be a benefactor but to also make sure that it's a living legacy.

Mayor Henry stated that was a question they would have to discuss with the staff and asked the Commission if there were any other questions.

James V. Chisholm, City Manager, stated he wanted to focus in on the question asked, whether or not the City will carry on long term in planning the asset so that it can continue to shine as it does once it's finished. That's encumbering \$15,000,000 more or less depending on the cost of the project. Also, the City is benefactors of a new project that Brown & Brown is investing in the downtown area with corporate offices and buildings. That stands to be a source of TIF (Tax Increment Financing) that could sustain the ultimate cost of the project at the level it was requested. Currently, the City has \$374,000 in their TIF funding they have dedicated to the parks and the total budget for the CRA (Community Redevelopment Agency) Downtown is \$1,138,885. The proposed TIF from the new Brown & Brown project would be estimated at a value of \$50,000,000 with a current mileage rate that will generate \$641,465 at 100 percent but if they go to 95 percent once it's established it will be \$609,292 in funding for the project that could be applied to the Riverfront project. It would then give them a total of \$983,000 that would be available to fund the current projects

now. The CRA ends in the year 2036 and it would be his recommendation that the City seeks action by the County to extend it by 30 years so they can capture the new projects and other projects that are being worked on. It would be a sustainable mechanism that covers both projects now and the other projects in the pipeline.

Mayor Henry asked is the City able to make that request now or will they have to wait until it sunsets.

Mr. Chisholm answered no, it would be now. There's some time in between now that both projects will be finished as well as the Brown & Brown project which is two years off. So in the two year period their hoping to get a favorable ruling by the County to allow the City to extend the timing for another 30 years. The CRA has several projects downtown, another project on the beachside that could fit the same mold and likewise have the capability of long term funding. In order to make a request to the County there would have to be a project the City has a target on and identify the need with the project. Otherwise the City would have to look for other funding at the end of year 2036 if for some reason they weren't able to achieve the County's approval.

Mayor Henry stated he wasn't aware of that information but thinks it would be a great idea. Also in his perspective he's realized it will be an expensive adventure and doesn't take it likely. It will be something made known not only to the children but to their children's children and they'll have to maintain the park but believes it will be something worth having in the center of downtown for the duration of the next several generations. It will and could be something they'll be proud of and he doesn't know the expense of why the City wouldn't be able to do it given the economic windfall it would have on the entire community and downtown. The City is well aware of the many other plans and things that are in the pipeline for downtown and in order to make the City's downtown world class there will be no other opportunity they'll have like that one. The City themselves would not have been able to do it without that type of benefactor.

Commissioner Reed stated she's for it but wants to make sure the City can afford it. \$374,000, she thought there was only \$200,000 allocated for the park and wants to know where the other \$174,000 came from.

Mr. Chisholm answered both amounts are budgeted in the budget this year. They initially estimated from \$200,000 - \$400,000 and had to pull the funds that were in the budget all together.

Commissioner Gilliland asked are they going to carry the insurance on the property.

Mr. Chisholm stated he doesn't know because the City is self-insured, it would be in the package, he doesn't know if it includes insurance.

Commissioner Gilliland stated the City has a policy for damages to the properties but isn't sure this park would fall under it.

Commissioner Trager asked Robert Jagger, City Attorney could they use more of the CRA cover it somehow.

Commissioner Reed asked it is 3 years.

Commissioner Trager stated 17 years.

Commissioner Gilliland stated it's 17 years or less so it's 33 years short of the length of the lease. He asked, is the lease 6 years.

Mr. Chisholm answered it's in the original draft because it was a 50 year lease. That's something they'll have to negotiate on how they will get there and hopes they can find the Resolution and the best answer is to extend the CRA.

Commissioner Trager asked the City will be locked in at 50 years.

Mr. Chisholm stated if it's left in the contract the way it is. They can amend the contract to correspond with the length of time they have with the CRA.

Commissioner Trager asked what they would do...[inaudible]

Mr. Chisholm stated anytime there are catastrophes of any kind in the government there can be changes made to any agreement the City has.

Commissioner Gilliland asked if there are any damages due to a storm will they reimburse it.

Mr. Chisholm stated they are and one of the things the City initially will be doing is raising the sea wall and raising the level of the park to get beyond what would be required to keep the salt water from invading the park itself. He says, it's eligible as far as he knows now on the reimbursement of the improvements that are invested in public places.

Commissioner May asked if the park starts to reduce revenue, where does it go.

Mr. Chisholm stated currently it would go to the operations of the park through the foundation they've created.

Commissioner May asked would that save the City anything in the future.

Mr. Chisholm stated part of what they're doing is a reimbursement based project where they would be reimbursed for their expenses of operation.

Commissioner Trager asked if they rent out will the money got to the foundation or the City.

Mr. Chisholm answered to the foundation.

Commissioner Trager asked will the foundation reimburse the City for maintenance.

Mr. Chisholm stated not for maintenance but to prefer that then they'll have to refresh their investments capital wise. It doesn't what is being used there's still an ongoing cost capital wise.

Commissioner Trager asked will taking care of the plants and things be the foundations responsibility.

Mr. Chisholm answered yes it will be the foundation.

Commissioner Gilliland stated they are getting a little bit into the lease at this point, which hasn't been negotiated. From his understanding the foundation will have at least an employee so the revenue of the foundation will cover the cost through the revenue generated but there expenses they have that are outside of it. Those are the operating expenses.

Commissioner Trager asked who would pay the employees.

Mr. Chisholm answered they're going to pay their employees they bring on, but the maintenance part of it is just like they do with a maintenance contractor.

Mr. Brown stated he anticipates they cover the cost of a park manager because someone has to be in that park every day. They're are going to set up an endowment in addition to \$15,000,000 which will then fund the cost of those two people. He doesn't know what will be available and the bottom line is that the people who know about running a triple AAA park, so \$35,000 an acre is about the going costs now. The contractors probably won't have retirement benefits. And there will be other costs that will not occur so therefore those costs will not be reflected in the contract that they would enter into in order to the makings. There are other things that happen in parks and in that situation one of the maintenance problems that is always in a park like that are the splash pads. It costs money to do that but they don't know how much it's going to cost but they'll be able to take care of it on an ongoing basis that's included in the \$800,000. He's never been involved in a park but told the City Commission they won't be disappointed and he knows it's going to cost more buy they're going to do it right. He believes will be great for the City and think it's the greatest thing he and his wife could do to help the community rise economically. There will be no crime or low crime because people like beautiful places. He stated whatever they want to talk about in terms of the lease agreement. The key to doing it right the first time is to make sure it is properly funded. They would not be able to do some of the things they do if there was no endowment. When they built the museum one of the things they did was raise \$15,000,000 of an endowment for which four percent goes out every month to the museum to maintain all the operating expenses. They could never operate a museum at a profit, it would always be a big loss. That is what we are going to have to do here also. Four percent is a properly run endowment, properly set up, will throw off about seven or eight percent over any 10 year period. So if they take four percent out each year for expenses then the endowment will grow over a long period time and then the four percent will grow as the [inaudible] grows. This planning through a foundation can be done and done forever.

Commissioner Henry asked will the foundation be responsible for the day to day operation if someone wants to rent out the park.

Mr. Brown stated it would come through them and then they would have to get it approved by the City. It's a process.

Commissioner Henry asked what the plans for security at the park are.

Mr. Brown stated when the park is completed they will have extra security and will discuss how they will interact with the City's Police Department in order to provide security. They will have a security camera system and record what's going on. When people know that there's cameras looking at them all the time that's an additional peace of security, but they're going to have to have it during the first two years for extra support.

Commissioner Henry asked if someone calls because they want to rent the park they'll have to go through the City. So the City will not have an actual employee for that.

Mr. Brown stated it will go through the Permits and Licensing Department.

[Unknown Speaker] stated doesn't think the park will be open 24 hours a day. There will be issues to deal with because someone will have to go around and check the park after a certain hour. There will be restroom facilities that will need to be locked and they're not locking anyone in to provide shelter. So there will be things that need to be done and the law enforcement has indicated they'll be there to help make it work.

[Unknown Speaker] stated when Lake Eola was designed the infrastructure had the electric, sound, security cameras and Wi-Fi systems throughout the park. It had dedicated park rangers and a different staff. One way he kept people out the park was by the irrigation sprinkler system turning on in those hours. People will get the message.

Mayor Henry asked will Wi-Fi be a part of the park.

Mr. Brown stated he has a security consultant that's on the team who will look into those different kind of systems.

Mayor Henry stated he thinks that will be a great idea.

Commissioner Gilliland stated he's gotten emails from people questioning whether or not it was a good decision. He's been trying to think of it like a partnership and usually both sides are getting something out of it. So in that case the City is getting a park, economic developments and all those benefits and the Browns aren't getting anything out of it. It's been hard for him to balance out and see what makes sense but clearly this is something he wants to see in all downtown redevelopment areas. It took him a while to think about the project in the right way because it's not a hotel and nor an outlet mall. It was TIFF but they still made a contribution out of what they thought they would get in new tax dollars. He

doesn't see why the City shouldn't move forward with the project as quickly as they can.

Mayor Henry stated there's no disagreement from him.

Commissioner May stated she appreciates the endowment that helps to offset any future events that could happen. Because sometimes the things you may want in the park could be greater than what we can actually afford and the endowment would go a long way toward helping that. So it's a good thing.

Mayor Henry stated he agrees with Commissioner Gilliland and doesn't want the project to be behind the office building. He would like to get started so the City can have that wow moment and continue downtown. He feels they are charged with taking the City further into the future. Although they are making a financial commitment they are also making an investment that generations in the future will be proud that they did it.

Commissioner Trager stated that she feels confident that whatever Cici & Hyatt put their name on is going to be great.

Mayor Henry asked Mr. Brown if he has any questions or comments

Mr. Brown suggested if they could have something to kind of move along because everything is a little slower than what he's normally used to. He stated let's say that they could be on first reading the next Commission and then second reading the next commission. If they get the contract signed by April 1st then they can go out to the public gathering and talk and listening to everyone. Then they could come back by September to the Commission to show them the final schematic, let them look at it, critique it, and then finally approve that. On or about October 1st they would start the first phase. He stated that Mr. Chisholm has told him that it will be pretty much impossible, when the seawall is being constructed, to be involved in doing what they need to do on ISB and Orange Avenue. In fact what they would do is start at the other end and move south. That would take probably all of the rest of this year and all of next year. At that juncture by end of this year, by December, they would be ready, hopefully to start on the seawall, which would take about a year, and then they would be able to start on the second phase. The second phase is more delicate than the first phase because all the goodies are going to go in there. That means they would finish it by sometime in 2021 at which time the building would be on the tax rolls and the money would come in, and in the meantime they would fence the whole park. They have to do that because they can't have people coming in there flipping and falling because that's a big problem. The Commission would be able to save that money for two years and do something else with it, or put it down in someplace. That would be funding the first 800,000 or whatever that number if the expenses are at that level.

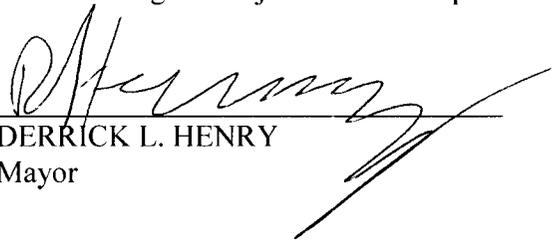
Mayor Henry asked Mr. Chisholm if can manage that.

Mr. Chisholm responded absolutely.

Mayor Henry stated everyone is excited. He thanked the Browns for their investment. He thanked the County and District representatives for coming.

3. ADJOURNMENT

There being no further discussion or comments the meeting was adjourned at 5:37 p.m.


DERRICK L. HENRY
Mayor

ATTEST:


LETITIA LAMAGNA
City Clerk

Adopted: June 19, 2019

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