

**CITY OF VERO BEACH, FLORIDA  
SPECIAL CALL/WORKSHOP CITY COUNCIL MINUTES  
TUESDAY, OCTOBER 31, 2023 9:30 A.M.  
CITY HALL, COUNCIL CHAMBERS, VERO BEACH, FLORIDA**

**PRESENT:** John Cotugno, Mayor; Linda Moore, Vice Mayor; Tracey Zudans, Councilmember; John Carroll, Councilmember and Rey Neville, Councilmember **Also Present:** Monte Falls, City Manager; John Turner, City Attorney and Tammy Bursick, City Clerk

**1. CALL TO ORDER**

Mayor Cotugno called the meeting to order at 9:30 a.m.

**A) Pledge of Allegiance**

Mayor Cotugno led the City Council and the audience in the Pledge of Allegiance to the flag.

**B) Roll Call**

The City Clerk performed the roll call.

**2. ITEM FOR DISCUSSION:**

**A) Review of Downtown Plans**

Mr. Jason Jeffries, Planning and Development Director, reported that the City has been working on having a new Master Plan for downtown at the direction of City Council. They engaged two (2) consultants to help them with this. Mr. Bob Gibbs from Gibbs Planning Group and Mr. Jared Beck of Stantec who is here this morning to give a presentation. Mr. Beck has concentrated on some former downtown plans and has identified goals and objectives from those former plans and what items are still outstanding. Mr. Beck will present some issues that have been identified downtown and has done a swat analysis for downtown. When he finishes his presentation Council will need to talk about the frame work for downtown going forward.

Mr. Jared Beck of Stantec gave a Power Point Presentation (attached to the original minutes).

Vice Mayor Moore brought up the City initiated the Community Redevelopment Agency (CRA) in 1988 and she asked what would be the downside of forming another CRA.

Mr. Jeffries did some research on the last CRA's that the City had. He went back through their files and old newspaper clippings for information. The Planning Director at the time was Walter Young who had experience with CRA's and created the CRA based on the rules at that time. In 1988 through 1992 there was a lot of controversy in the community about the power that the CRA had. He said the Civic Association led the efforts to have the CRA abandoned. He said there were a couple of different versions. In 1988 the City Council delegated themselves as the CRA. Then they formed a CRA from outside people. The CRA became too much bureaucracy, then in 1992 the City Council disbanded the CRA and then went with the downtown plans in place. It was a market driven approach and they worked on fixing some of the

Codes in place at that time. There was also a lot of investment going on. There was the new Library and Court House being built downtown and then in 1993 the Twin Pairs was instituted.

Mr. Carroll asked when the Economic Development Committee (EDC) came into effect. Mr. Jeffries said that was 2014.

Mr. Jeffries explained Tax Increment Financing (TIF). He said by doing improvements the taxable value of the area increases and that is what you do to improve an area. The EDC has over \$100,000 in their TIF fund.

Mr. Beck added that generally counties participate in that also.

Vice Mayor Moore commented that if they formed a CRA there would be more money generated than what they get from the EDC. Then the time the Twin Pairs project is completed they would be looking at about \$700,000.

Mr. Beck commented that it would depend on if the County participated in being a part of the CRA. He said they would need to use this year as their base year to get it started because it is a slow process. He said the City and the County could come up with whatever percentage they want to contribute.

Vice Mayor Moore commented that she saw a recent article where the new County Administrator is in favor of CRA's. She said after being a member of the EDC it was her understanding that they could only use the TIF money for fiscal capital improvements and spending the money is not easy. She thought by having a CRA that their options are greater and there is greater latitude to spend the money on. They could use grant money for properties to improve their façade.

Mr. Jeffries explained that Chapter 163 governs the way CRA's operate and there are limits. He said public dollars have to be put in public interest. He said that EDC money is constrained by State regulations on what capital expenditures are. He said the statutory limits on how long a CRA can exist has been changed. It used to be 30 years with an extension of 20 to 30 years. Now, the legislation has narrowed down what spending is allowed and whatever dollars are spent they have to be included in a plan produced by the City Council and every year the City Council has to approve a plan.

Mr. Carroll asked if it was more common now to have a separate CRA.

Mr. Beck explained the way most cities are doing it now is the City Council makes up the CRA and they have an Advisory Board to make recommendations to the CRA. He said the City Council are the decision makers because they need to know where the CRA money is going and what the City is doing. He said there could be matching funds applied between the CRA and the City.

Vice Mayor Moore asked if they would still have the EDC or would they be disbanded. Mr. Jeffries said they would get into that later.

Mr. Jeffries showed a map of the historic downtown economic development zone and a map of the downtown study area.

Mr. Carroll asked where would be the transition zone be.

Mr. Beck said that he did not specifically define that area.

Mr. Carroll asked if it would be defined in the Master Plan. Mr. Beck said that it could be if that was something they were interested in doing. Mr. Carroll said he was very interested in doing it.

Vice Mayor Moore brought up the discussion of density.

Mayor Cotugno felt that they were jumping too far ahead. He thanked Mr. Beck for putting this plan together and where they stand at this point in time. They are in the beginning process of collecting information. He said right now this study is in the discussion stage as Council decides what revitalizing downtown will look like. He said they will need public input to find out what the community wants. He said whatever format they come up with in developing a Master Plan it needs to include their citizens input. As far as financing goes there will be a list of what is available and they will be taking direction from the community on what they want to see downtown.

Mr. Neville wanted the Council to continue with getting answers to their questions. He said some people may not understand the methods of funding for the downtown area and discussion needs to continue.

Mrs. Zudans suggested allowing Mr. Jeffries to continue his presentation and then asking questions once he is finished.

Mr. Jeffries gave a Power Point Presentation following up with what Mr. Beck gave. He went over the Master Plan Scope. The plan would be updated for the market driven approach. He then went over the redevelopment framework and said that Council should determine the framework and funding mechanism it will support to facilitate redevelopment. With the "Existing Approach" there would be no substantial funding mechanism, no dedicated leadership or entity responsible for redevelopment. Downtown as it is today reflects this approach. The "Hybrid Redevelopment Area Approach" would be to establish a funding mechanism in addition to the existing TIF (may also include additional CIP commitment), empower staff to direct regulatory and other interventions, and create a body to represent redevelopment. The last approach would be the "Redevelopment Area" which would be to reestablish a community redevelopment area with County support and contribution to TIF, establish clear and concise actions in the redevelopment plan to align with goals, and consider additional funding sources for catalyst projects. He is looking to Council today to decide what approach they want to take. He briefly went over what a Master Plan is.

Vice Mayor Moore went through all of the years where there has been a new study done for downtown and the same things needed to be done have been implemented in all of these studies, but nothing has been done. They all have the same common denominator that has never been implemented. She agrees if they want nice things it does cost money. She said if they are going through all this work to bring a plan on what downtown should like and striving, for they need to have a funding source. They have to have money to make things happen.

Mrs. Zudans agreed that nice things do cost money. She hated the repetition of continuously doing these plans and not following through. They are wasting resident's money and not following through with the recommendations. She loves the idea of revitalizing downtown and finding a way not to have a financial strain on their residents and being pro-business. She would like to meet with some of their local developers and get their feedback on what is feasible for downtown. She felt they needed to be talking

to the downtown property owners. They all want to see a vibrant downtown. She agrees they need the County to buy in and collaborate.

Vice Mayor Moore brought up that the City of Sebastian has a CRA and questioned if the County supports it. She wondered if precedence has already been set. She asked which consultant talked to the larger downtown property owners about creating a BID (Business Improvement District).

Mr. Beck explained what a BID does is create or define an area that is voluntary by the property owners where they self-tax themselves and decide what those funds are going to pay for.

Mrs. Zudans was a little apprehensive about forming a CRA and have the same thing happen that happened the last time one was formed. She said they seem to take a life on of their own and create a distension and argumentative nature between the City Council and the group. She said if the Council composed the CRA then everyone would be on the same page and it might take away some of that distension.

Mr. Jeffries commented that during the process Mr. Gibbs met with some realtors to get the feel of what they were looking for and Mr. Beck met with the property owners. He said some of the people were the same and some of them were different people.

Mrs. Zudans felt that the “developer” portion of this discussion was missing.

Mr. Neville was interested in getting the sense of how the property owners feel.

Mr. Beck expressed that everyone he spoke to wanted to see a vibrant downtown and felt that density was prohibiting that. They wanted to see more bodies and activity going on downtown. They all questioned the need for additional parking. A lot of the people that he talked to felt that downtown needs a fresh look. He said overall in talking to the property owners they are people that care. Some of the property owners feel fatigued. They said they have gone through this process before and wanted to see something happen going forward. He said generally everyone is supportive of this plan.

Mayor Cotugno continued to express the importance of having the citizens input in developing this plan. He said that density downtown is tied into the City Charter and in order to modify the density they would have to go to referendum. The development of the Master Plan shows the citizens of the community what a revitalized downtown could look like, but the density change must happen to bring it to the next level. He thinks a Master Plan is necessary to bring it to this point in time. There needs to be a density change made to downtown in order to transform downtown. He said if they go to referendum and the residents vote not in favor of changing the density, then it will remain the way it is.

Mrs. Zudans brought up the Three Corners Project where they first came up with a Master Plan and then took it to referendum. She said that process worked.

Mr. Carroll said his personal opinion was that they needed to have a CRA and do the Master Plan based on opportunities for downtown and then adjust the zoning accordingly.

Mr. Neville wanted to make it clear that they were just talking about changing the density, but not the height limitation. Councilmembers agreed they were not touching the height limit. Mr. Neville said as you increase density parking becomes an issue and he wondered if they could accommodate parking. He

was worried about going down a path that would not be successful. He questioned if they could increase density and still have the right amount of parking, live in the greater density and be successful.

Mr. Beck explained his role was to do a general assessment, which did not include talking about density, etc. He feels there is enough flexible parking for commercial property downtown. He said the standard would be to look at what the necessary parking requirements are. They also might want to consider having shared parking.

Mr. Carroll felt that where the Department of Natural Resources (Fish and Wildlife building) used to be located would be an ideal location for a boutique hotel and the City could build a parking lot there.

Mayor Cotugno said it was too late because that property has been sold.

Mr. Falls said that this is a policy decision that the City Council will need to make and it is an important one. They have heard Mr. Beck and Mr. Gibb's presentations and they both agreed that downtown looks tired. It needs to be better maintained, which is just a function of money. He went over the loss of employees over the years in the Public Work's Department has been close to 33%. Then the glide path that they were under after the sale of the utilities was not easy. He told Council that whatever they decide they are going to do they have to find a way to improve maintenance downtown and make that a commitment.

### **3. PUBLIC COMMENT**

Mr. Keith Drewett commented that after listening to all the different failed projects/studies they all have one thing in common and that is incremental financing. He said as they develop the plan if they don't address the financing issue then they will be back in the same place five (5) years from now. He said they need to plan a big event to kick this off when they are ready and have a financing plan in place.

Mr. Neville commented that the downtown business owners need to have a major buy in on this.

Mr. Joe Cataldo stated that he thought the Master Plan is a great idea. He referred to one of the photos that Mr. Beck showed where you can see that the building is hanging into the street. He said if they miss the boat to improve the safety and walkability downtown it will be a much tougher project. They will be able to find the money if the deal makes sense. He said without density it won't work. Also, without appeal people won't come downtown. Right now downtown is not a jewel and has terrible streetscape. The store fronts are not even open to the street. There is no interaction within the street. He sees that every plan deals with the same issues, not to mention the City Council changes every two (2) years. The study presented by Kimely-horn shows that not much has changed, except for the cost. There are limited funds available through the EDC. This is a great opportunity to do something since Florida Power and Light stepped up to help with the lighting downtown. There are a lot of people who want this to happen, but a lot of people have given up. Mr. Cataldo talked about the Twin Pairs situation and some solutions that he has come up with.

Vice Mayor Moore asked Mr. Cataldo how he felt about having a BID put in place to help finance the routine maintenance downtown.

Mr. Cataldo said that he personally would be on board, but he doesn't know how other people downtown would feel about it.

Vice Mayor Moore suggested setting up a meeting with the downtown property owners to find out how they feel about it. She said as a business owner that she is all for it.

Mr. Mike Johansen suggested focusing on the process. He said having a 10-year plan with a one (1) year Council does not equate. He told Council to use the process that they developed for the Three Corners project, because it worked.

Ms. Andrea Scers (spelling may not be correct) commented that she has lived in the downtown area for the last 13 years and she loves it. She knows there are a lot of logistics that need to be worked out in order for this to work. They don't want to spend money when they don't have any money coming in. She suggested having a Farmers Market downtown like what they have on Saturdays on Ocean Drive. She thought that would draw people downtown.

Vice Mayor Moore informed the public that there would be a Farmers Market held downtown on Wednesday's and the same person who organizes the Farmers Market on Ocean Drive would be organizing the one downtown.

Mr. TP Kennedy talked about the density issue downtown. He said that he was a big believer in increasing density. He had a good project for downtown, but they couldn't get it going because it didn't meet the density requirements. He said they can go up five (5) stories downtown, which might help in having a vibrant downtown. He said the agreement in reducing lanes is what killed downtown. The community is big enough to have a Farmers Market on the beachside and mainland and having them both held on Saturday mornings. He agreed having enough parking downtown is key to making a plan work. There are a couple of vacant lots downtown that maybe the City could purchase.

Vice Mayor Moore asked Mr. Kennedy if he would be in favor of having a BID. Mr. Kennedy said that he would support it.

Mrs. Andrea Scers asked if people could be given grants to start businesses downtown. She said that might be a possibility to get more businesses downtown.

Mr. Carroll commented that the Council met on this matter in January or February and agreed to do this downtown review process. They made a decision at that meeting and spent the money for this study. This process is part of the Master Plan that Council has agreed to.

Mr. Jeffries felt the next step would be to collect some additional data. They will look at identifying issues downtown and will develop goals and objectives of the plan. They will have a charrette to get the public's input, similar to what they had for the Three Corners project.

Vice Mayor Moore commented that they would need all this wrapped up by June so they can get the referendum question on the ballot. She asked when they would have the charrettes.

Mayor Cotugno felt that they might be jumping the gun somewhat.

Mr. Ken Daige brought up the Vision meetings that the City held, which he sat through all of them. He said they seem to be netting the same things over and over again and then doing nothing. He was around when they formed the CRA and it got beat into the ground pretty good and then it was crushed. He

suggested doing the remodeling in phases. There are some things that they need to do right now. They have heard from two (2) developers this morning who both had concerns regarding the Twin Pairs. He suggested that Council take a vote on the Twin Pairs before the upcoming Election. He said if you ride around City Hall you will notice a lot of slum areas and he questioned who would want to come here. He brought up the building in poor shape on 14<sup>th</sup> Avenue across from United Way. He asked why the City was allowing that. It needs to be looked at by the Police Department. He knew there were things that could be done now if staff was given direction to do it. They will figure out where to get the money. They are going to have to work hard with the County and some of the County Commissioners who will not be thrilled with helping out with the financing. He said staff needs good direction on where to go with the tourist tax money. He felt that they needed to do something today. As far as the density issue goes it can be put on the next ballot, but the community needs to know the details and that it will be on the ballot.

Vice Mayor Moore commented that next year's Election will be a Presidential Election and a lot of people will get out to vote. It is crucial that they have the density issue on that ballot. They started this process a while back and she doesn't feel like there are any reasons between now and June not to have the public charrettes and be prepared to get the density issue on the ballot.

Mayor Cotugno asked Mr. Jeffries what his timeline was.

Mr. Jeffries explained that the planning process will take about seven (7) months. The Comprehensive Plan updates and the Zoning Code changes won't happen until after the vote of the citizens has taken place.

Mayor Cotugno understood that Mr. Jeffries wanted them to define the scope for them and to come up with one of the alternatives. He asked how this would relate to the Master Plan. He said the Master Plan has to stand on its own and how will the Master Plan be funded.

Mr. Jeffries did not need to know what the funding source was going to be, but in the future if they are not going to have a funding source then there would be no reason to go through a whole Master Plan and spend money for one. Today's decision would be are they going to do the dedicated funding source or not. He said a lot of these decisions still would come out of the planning process.

Mrs. Zudans had some concerns with how much money is that dedicated source and what will the potential debt service be. They already have an obligation for water and sewer that has the potential for significant debt service. Then there are other things that they have prioritized that also play into that. She asked how they find a dedicated source to move forward on this that is not a significant financial burden. She said they have done rate increases, they have done millage increases so how do they do this and make it still palatable for the community.

Mr. Jeffries answered that one (1) option would be to form a CRA. He said they currently have TIF money generating every year.

Mrs. Zudans asked Mr. Jeffries to explain how the TIF money works and how it comes into the CRA. She agreed that they need the County to buy in on this also, otherwise they would be limited with their funds. She knows that it is not mandatory that the County join in, but they need the additional funding that the County could provide. It is hard to make a decision today without knowing how much financing is going to be needed and if they do go with forming a CRA would there be the County buy in.

Mayor Cotugno stated that they need to make a decision based on what is needed for their City. Then if the County decides to help them that is great. But, if the County decides not to help them it should not preclude them from working on the Master Plan and improving downtown. He said it might limit it to the extent on what they can do, but it will not limit the fact that that they need to take some action. He thinks that the Council should be making a decision as to what kind of Master Plan they were looking for and what kind of way things will be funded. He asked Mr. Jeffries if that was all the guidance that he needed.

Mr. Jeffries said yes that at this point that is all that he needs.

Vice Mayor Moore wanted to direct staff to pursue the option of a CRA and a dedicated funding source.

Mrs. Zudans commented that it sounds to her that Council is in agreement with going with the "Hybrid" Redevelopment Area Approach.

Mrs. Zudans asked in the existing plan what would be the dedicated funding source. She was told there is no funding.

Mr. Carroll asked Mr. Jeffries to explain what the Hybrid Redevelopment Approach was and what the Redevelopment Area approach was.

Mr. Jeffries explained when they say full redevelopment area they are using the full powers under Chapter 163, which was pursued in 1988. The hybrid redevelopment area approach is building upon what they already have today. He said they have the TIF District, but they will need to look for some additional financing mechanisms to compliment the \$150,000 it is generating today. It also involves meeting with the property owners and discussing the BID.

Mr. Falls asked if there could be a customized CRA as part of the hybrid.

Mr. Jeffries said that you can and that is the approach that Sarasota has taken.

Mrs. Zudans asked if they have anything like this on Ocean Drive, which is another business district.

Mr. Jeffries explained they would now be setting an example of what could happen.

Mayor Cotugno closed public comments at 11:28 a.m.

**Mr. Carroll made a motion to proceed with the "Hybrid" Redevelopment Area Approach and have completion by May 30, 2024. Mrs. Zudans seconded the motion.**

Mrs. Zudans questioned if that would be a reasonable date.

Mr. Falls asked that a date not be put in the motion and Mr. Jeffries could bring them back a schedule.

Mr. Jeffries said since they are going with the Hybrid he knows the cost will be over \$50,000 and the scope of services for the selection of the consultant will be coming back to Council.

Mr. Falls did not know how they can come up with a schedule if they haven't picked a consultant yet.



Mr. Jeffries said that he could have the scope of work to the City Council on December 12<sup>th</sup>.

Mrs. Zudans did not feel it was necessary to put a date in the motion. She said Mr. Jeffries needs to be given the flexibility to do his job. She still felt they would be able to get the matter on the referendum without having a specific date in the motion.

**The Clerk polled the Council on the motion and it passed 4-1 with Mr. Neville voting yes, Mr. Carroll yes, Mrs. Zudans no, Vice Mayor Moore yes, and Mayor Cotugno yes.**

Mr. Falls asked what is due by May 30, 2024.

Mr. Carroll said that he would want to have the preliminary plan and that they have enough information to develop the referendum question.

#### **4. ADJOURNMENT**

Today's meeting adjourned at 11:32 a.m.

/tb