

**DOWNTOWN/BALLOUGH ROAD  
REDEVELOPMENT AREA BOARD  
MINUTES  
February 1, 2011**

There was a meeting of the Downtown/Balough Road Redevelopment Area Board held Tuesday, February 1, 2011 at 12:00 p.m. in the City Hall Commission Chambers, 301 South Ridgewood Avenue, Daytona Beach, Florida. The following people were present:

**Board Members**

Mr. Al Smith, Chair  
Mr. Bob Abraham  
Mr. Harold Goodemote  
Mr. Dan Harshaw  
Mr. Bob Johnson  
Mr. Steve Koenig  
Mr. Larry Robinson  
Mr. Scott Weidman

**Board Members Absent**

Ms. Cathy Washington

**Staff Members Present**

Mr. Reed Berger, Redevelopment Director  
Mr. Jason Jeffries, Project Manager  
Ms. Carrie Lathan, Assistant City Attorney  
Ms. Cathleen Olson, Recording Secretary  
Sgt. Tracy Miller, Code Enforcement

**1. Call to Order**

Mr. Smith called the meeting to order at 12:09 pm.

**2. Roll Call**

Ms. Olson called the roll and noted members present as stated above.

**3. Approval of the minutes: January 11, 2010**

Mr. Koenig made a motion to approve the minutes of January 11, 2010. Mr. Smith seconded the motion and it was approved unanimously (8-0).

4. **Staff Report**

a. Police Department

Mr. Jeffries stated that Captain Skipper had retired, noting that the COMPSTAT report was included in the meeting's packet and that he would pass along any concerns or questions to the Police Department until a new Captain was selected.

b. Code Enforcement

Sgt. Tracy Miller, Code Supervisor, stated that Downtown had been quiet. She stated a Code/COMPSTAT meeting was scheduled for 8:00 am on February 22.

Mr. Smith asked for the overall plan for Downtown.

Sgt. Miller stated that Code was in the process of moving Code officers to different areas as well as trying to hire another Code officer.

Mr. Koenig noted that before and after pictures of properties with Code violation were beneficial.

5. **Redevelopment Incentive Programs (continued)**

Mr. Jeffries noted that an updated memo regarding the redevelopment incentives programs had been attached to the Board packet, including information on the performance of the existing grant programs and a review of expanding the targeted Beach Street shopping district to additional blocks. He outlined the utilization of the existing grants in 2010 and highlighted the new businesses that had been provided grants or lease subsidies for locating Downtown, noting that of the eight new businesses, only Buttonz Shoes and Apparel was no longer in business.

Mr. Smith asked if the incentive programs had been a sizeable factor in the businesses' decisions to move Downtown.

Mr. Jeffries stated that it had been a factor in the decisions to move Downtown, but noted that he was unable to determine whether or not the businesses would have moved Downtown had the incentive programs not been in place. He also outlined Staff's review of an extension of the target retail and dining area, stating that Staff recommended the target area be extended to include Beach Street north to the Post Office, but due to a 19% vacancy in the target area, he stated that Staff recommended focusing on the target area before extending further to Palmetto and other areas.

**Board Action**

Mr. Abraham made a motion to extend the targeting shopping and dining district on Beach Street to the Post Office. Mr. Koenig seconded the motion and it was approved unanimously (8-0).

**6. DISCUSSION ITEM: Downtown Public Market**

Mr. Jeffries outlined the proposed operation for the Downtown Public Market, with 19 retail spaces, at a monthly rent of \$545 for a produce or grocery vendor and \$725 for a prepared foods vendor, open Tuesday to Saturday from 10:00am to 7:00pm, with a focus on grocery businesses and available spaces for other complementary businesses. He stated that the costs were expected to be a \$310,000 for the build-out phase, with a year one subsidy of \$100,000 at 50% occupancy, a phase one subsidy of \$65,000 at 95% occupancy, and no subsidy required for phase two. He emphasized the need for a dedicated entrepreneur through a nonprofit to run the Public Market. He outlined the projected timeline for the project, with the first six months focused on recruiting businesses with the option to terminate the lease if not enough vendors were recruited and the second six months focused on interior improvements to create vendor space.

Mr. Abraham asked about the possible loss in a worst-case scenario.

Mr. Jeffries stated that if not enough vendors were found within six months, \$15,000 of a six-month lease would be lost, and noted that much of the exterior improvements were eligible for exterior grant programs.

Mr. Abraham asked about management costs.

Mr. Jeffries stated there would be no management costs in the first six months.

Mr. Goodemote asked if the lease would be locked in after the first six months and questioned the risk of losing the \$300,000 initial cost as well as the cost of a five-year lease if the Market failed after a year.

Mr. Jeffries stated that the lease would be locked in for five years, but only if 50% occupancy had been reached, so that there would be some revenue coming in from the Market to offset the cost.

Mr. Koenig asked about marketing plans.

Mr. Jeffries stated that there was money budgeted towards marketing in the *pro forma*, and noted that the Public Market was tied into the overall Downtown marketing plans.

Mr. Abraham asked if there were a *pro forma* available.

Mr. Jeffries stated that a *pro forma* was in the works and would be provided to the Board once it was finalized.

Mr. Smith stated that it was difficult to give an informed opinion without knowing the numbers.

Mr. Koenig asked what factors contributed to the success of other public markets.

Mr. Jeffries stated that occupancy was the most important factor, with an emphasis on groceries to offset the lack of a Downtown grocery store as well as specialized foods to draw customers, noting the need for non-food vendors to complement the grocery vendors.

Mr. Koenig asked if providing a substitute for a grocery store was a practical reason to establish a public market, noting the need to create an appealing space conducive to personal interaction, and emphasized that the design of the public market must follow the function.

Mr. Jeffries stated that the targeted list of types of businesses would be followed.

Ms. Naomi Weiss, Daytona Beach Partnership Association, stated that the conceptual development was underway to provide a strong framework as a starting point, but acknowledged that further development was needed, noting that the goal was to obtain community support on further development of the concept. She stated that the nonprofit and Board of Directors of the Public Market would be the entity predominantly responsible for bringing the Market to fruition, and noted that the Market was intended to function as a community gathering place, providing both retail necessities but also as a place for community connections and interactions. She stated that the in-depth marketing plan would ultimately be developed by the entrepreneurial entity taking charge of the Market.

Mr. Koenig asked if any vendors had expressed interest in participation.

Ms. Weiss stated that there were businesses who had expressed interest, including Noah's Market, Upper Crust & Crumb, Balough's Gifts, vendors from the Farmer's Market, and OC's Grocers. She emphasized the importance of the recruitment period, noting that some architects had offered to do some preliminary renderings on a volunteer basis, and stated that another presentation could be prepared to provide more information and illustrations.

Mr. Koenig expressed concern with the possibility of wasting \$50,000 of renovations if the recruitment period failed, and asked if the project could be abandoned at that point.

Mr. Jeffries stated that the project could be dropped at the end of the six month period if the recruitment failed.

Mr. Smith emphasized the need to tie the Farmer's Market in with the Public Market and noted the need to create economic drivers Downtown.

Ms. Weiss emphasized the need for an anchor store to attract customers and new businesses and stated that the Farmer's Market and the Public Market should be partnered.

Mr. Jeffries noted that many public markets across the country were partnered with a Saturday farmer's market.

Ms. Weiss noted that moving the Farmer's Market to Magnolia Avenue had been discussed, which would improve the synergy with the Public Market, but the structure was not yet in place for the Farmer's Market Manager to take on the Public Market as well.

Mr. Smith emphasized the need to start the Public Market right from the beginning and to consider what influence the Market could have in creating more opportunities around it.

Mr. Jeffries noted that the building for the Market had not been occupied even at peak economic times and that the Market was an opportunity to create some economic synergy Downtown.

Mr. Abraham expressed concern that the Board did not yet know to evaluate the risk sufficiently to commit without a solid business plan.

Mr. Jeffries stated the details of the business plan were being finalized and would be presented at a future meeting, emphasizing that the main question was if the City should continue pursuing the undertaking of the Public Market.

Mr. Koenig stated that the Public Market should continue to be pursued, noting that financial statements illustrating what the finances would look like were the Market successful.

Mr. Jeffries emphasized the need to involve the Board and obtain feedback regarding direction and whether it was worth the time and money involved in pursuing.

Mr. Goodemote asked for a completion date of the *pro forma*.

Ms. Weiss stated that the *pro forma* was nearly complete and would be presented to the entity running the Market. She emphasized that current efforts focused on recruitment, meeting with vendors, and finalizing the lease agreements.

Mr. Smith asked about the involvement of the Economic Restructuring Committee.

Ms. Weiss stated that the Economic Restructuring Committee was supportive of the project and had been discussing the process with Mr. Jeffries.

Mr. Dan D'Antonio, 123 Live Oak Avenue, member of the Economic Development Committee, stated that the Market had been on the agenda for the last several meetings. He stated that an entity was needed to focus on establishing the management structure and noting the recommendation for a nonprofit structure, and stated the need to work with the City to try to implement the project in about six months. He recommended considering hiring a contract employee to work between Staff and the CRA and focus on establishing momentum behind the project.

Mr. Smith asked for further details of the recommended structure.

Mr. D'Antonio stated that the recommendation was to establish a nonprofit structure with a Board of 13 members, seven of which would be appointed by the CRA and the Chamber of Commerce, and those seven would then appoint the other six members. He also recommended considering appointing the contract liaison employee to the executive director position of the nonprofit.

Mr. Smith asked about the possibility of tying the Public Market to the Farmer's Market.

Mr. D'Antonio stated that the Farmer's Market could easily be structurally tied to the Public Market but noted that the management structure of the Public Market had not yet been integrated with the Farmer's Market.

Mr. Harshaw asked if it would be better to put money up front for recruiting and marketing than to spend \$50,000 improving the structure first, noting the need to avoid wasting the money on structural improvements if the Market did not come to fruition.

Ms. Weiss stated that from a Downtown perspective, the building had been an eyesore for many years.

Mr. Berger stated that part of the negotiations with the building owner included improvements to the building in exchange for a better rate.

Ms. Weiss noted that there were brokers on the Economic Restructuring Committee who had volunteered to participate on the recruitment team marketing the project.

Mr. John Nicholson, 413 N. Grandview, stated the need to consider the endgame when providing funds for the project, emphasizing the need for more information, and noted that questions needed to be anticipated and presented in advance. He also stated that 10x10 was too small for vendor stalls.

**7. Redevelopment Projects Update**

Mr. Jeffries outlined updates from the January Downtown Development Authority meeting, noting that the DDA had selected Mastando Media & Marketing to work on Downtown branding; had elected to provide marketing funding for the Downtown Trolley in the form of rack cards for major area hotels; and had reviewed the 2009/10 DBPA grant audit and quarterly report. He stated that Board appointments would be on the agenda for February 16 or March 2 and the Downtown Trolley service would commence on February 7, with an opening ceremony at 5:30pm.

Mr. Harshaw asked for clarification about the Downtown Branding process.

Mr. Jeffries stated that Mr. Mastando had given a presentation outlining ideas for branding and would be working with the Promotions Committee to develop a Downtown brand.

Mr. Goodemote asked for updates on the Beach Street project.

Mr. Smith expressed concern with overall understanding of the Riverfront Master Plan in that the Beach Street improvements were the first steps of the plan and not the end goal. He noted that two issues had become apparent: merchants did not understand the process and goals of the construction of Beach Street; and International Speedway Boulevard should be addressed before Beach Street. He also stated concerns with the cost of the project, noting that \$1.2 million had been estimated for the first phase of the project.

Mr. Berger stated that the \$1.2 million estimate had come from the selected contractor, but the process was still underway and discussions were taking place to consider other ways to implement the project while addressing concerns about the overall cost. He emphasized the need to be clear regarding priorities and

objectives and noted the possible need to borrow money for the ISB and Beach Street projects.

Mr. Smith noted the timeline of the Riverfront Park Master Plan project, stating that it had begun in 2004, with at least 18 public meetings to discuss the project, and emphasized the need to begin action on the project.

Mr. Berger stated that the Beach Street improvements would likely be on the April CRA agenda.

Mr. Goodemote asked about the impact of funding the Public Market on the Riverfront Park Master Plan and vice versa, and emphasized the fear that no action would end up taking place.

Mr. Berger noted problems with priorities changing.

Mr. Harshaw asked how the timeline would be affected if ISB was addressed before Beach Street.

Mr. Berger stated that part of the Riverfront Master Plan discussions hinged on whether to separate the Main Street project from the Downtown project. He stated that the overall goal was not to halt the project but to consider implementing the project in a different way.

Mr. Harshaw emphasized the need to complete construction on the streets first and improve property values, noting that borrowing money was the cheapest way to fund the projects. He also expressed concern with difficulty in implementing Beach Street construction after the closure of the Orange Avenue Bridge.

## **8. Public Comments**

Mr. John Nicholson, 413 N. Grandview, expressed concern that the ISB project only addressed ISB from Beach Street to the Ocean and ignored the two blocks of ISB between Ridgewood and the railroad tracks. He also noted that the public had been assured that there would be public meetings to determine the scope of the ISB project if it were approved, which had not yet taken place, and that street narrowing had been approved without a public meeting. He also expressed the need for a good playground on City Island, since a children's library and a theater already existed and there were problems with transients around that play area.

Mr. Berger stated that street narrowing had not been approved, clarifying that the Riverfront Park Master Plan had been approved with an option of narrowing streets.

Ms. Cindy Ritzi, 160 S. Beach Street, President of the Downtown Partnership, expressed support for the ongoing projects and emphasized the need for things to happen.

Ms. Quanita, Quanita's Ballroom & Dance, 115 Magnolia, emphasized the need for the Public Market Downtown to provide energy and a Downtown core. She also noted that there was space in the building for dance, which could also contribute to the space as a community gathering center. She stated there needed to be schedules and timelines of the project to demonstrate that things were happening Downtown.

Ms. Giuli Schact, 208 Wall Street, stated that the Public Market was essential to stimulating energy, innovation and creativity Downtown and provide a place to refocus, energize and educate people. She also noted that the Public Market could be up and running by the end of the year if the entities involved remained thoughtful and focused.

**9. Board Comments**

There were no Board comments.

**10. Adjournment**

There being no further business to come before the Board, the meeting was adjourned at 1:34 pm.

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Mr. Al Smith, *Chairman*

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Ms. Cathleen Olson, *Recording Secretary*