APPROVED: 3/15/2018

City of Eustis, Florida

City Hall
10 North Grove Street
Post Office Drawer 68
Eustis, FL 32727-0068

Meeting Minutes – Final*
City Commission Workshop

Monday, February 12, 2018 | **5:30 PM** | **City Hall**

CALL TO ORDER: Mayor Morin - 5:38 p.m.

ACKNOWLEDGEMENT OF QUORUM AND PROPER NOTICE

Present: 4 - Anthony Sabatini; Carla Gnann-Thompson; Marie Aliberti; and Robert Morin

Absent: 1 - Linda Bob

I. Workshop Item #1

18-0033 Presentation: Annexation Incentive Program and Annexation of Enclaves

Ron Neibert, City Manager, presented to the Commission a proposal for the City to initiate an annexation incentive program. He noted the City offered a similar program in 2013 which consisted of a waiver of all annexation fees and resulted in 23 additional properties annexed into the City. He stated that provided an estimated $49,000 increase in ad valorem tax revenues. He reviewed the City's current boundaries and cited various areas of interest for contiguous annexation.

Mr. Neibert stated the program would encourage annexation of both enclave parcels and contiguous parcels within the joint planning area. It would provide a waiver of annexation fees as well as water and sewer impact fees and utility connection fees. He stated that the impact fees and connection fees would be covered by the Water & Sewer Fund Reserves. He then reviewed the benefits to the City as follows: 1) potential increased ad valorem revenue; 2) potential path to contiguous annexation to the east; and 3) potential reduction/elimination of duplication of services to the enclaves.

Mr. Neibert reviewed the definition of enclave and presented some examples of enclaves within the City. He explained there are several ways that enclaves may be annexed including the following: 1) Annex an enclave by interlocal agreement with the county having jurisdiction over the enclave; and 2) Annex an enclave with fewer than 25 registered voters by municipal ordinance when the annexation is approved in a referendum by at least 60 percent of the registered voters within the area. He reviewed the process for the interlocal agreement and stated his belief that the County would not agree to the interlocal agreement.

II. Commission Discussion

The Commission discussed whether or not the County would agree to the interlocal agreement and various issues that have arisen due to enclaves within the City. It was noted that the middle school is just outside City limits and the school officials did not know which police agency to contact during a recent student fight just off school grounds.

Mr. Neibert reviewed the City's options stating that he could contact the County regarding a possible interlocal agreement, the City could identify enclaves that could be annexed by referendum and place those on the 2018 election ballot or they can use the incentive program to encourage them to voluntarily annex. He noted there are additional fees the County has, such as fire assessment fees, that could result in some property owners' tax bills being lower in the City. He commented on the large demands on the City's ad valorem revenues versus the health of the City's utility fund.

The Commission confirmed that undeveloped property would not be eligible for annexation either by interlocal agreement or referendum, only by voluntary annexation.

Lori Barnes, Development Services Director, explained the state statute regarding annexation of enclaves noting that the size of the enclaves that can be annexed by interlocal agreement has been increased from 10 acres to 110 acres and cited the number of individuals who believe they are in the City when they are not.

The Commission questioned how to get the information out to the residents with Mr. Neibert explaining it would depend on the process selected. He stated, if the City wanted to do the referendum process, there would be a statutory process for advertising. He commented on the complications with the voluntary annexation incentive process in the event one non-contiguous property owner wants to annex within the enclave but the contiguous property owners do not.

Ms. Barnes stated that, in the past, non-contiguous property owners in enclaves were allowed to sign an annexation agreement and the fee waiver would apply when they become contiguous. She explained they would advertise in the newspaper and put it on the City's Facebook page.

The Commission questioned how many actually understand with Ms. Barnes explaining she had a number of people that contacted her to determine their tax implication and upfront costs. She explained a number were concerned about impact fees which is why staff is recommending covering the impact fee and connection costs through the utility fund.

The Commission commented on the County's interest in getting enclaves annexed into the City and the inclusion of the connection fees in the incentive program. The Commission then asked about other cities having problems with enclaves with Ms. Barnes explaining there were properties that de-annexed from the City in the past. She stated other cities have enclave problems but the City does have issues with more centrally located enclaves.

Mr. Neibert commented on the advantage to the incentive program is to get some of the larger tracts of contiguous property or near-contiguous to give them the incentive of waiving the impact fees which would expand the City's boundaries.

Commissioner Sabatini questioned the 1999 two-year agreement with Lake County and why most of the enclaves weren't annexed then with Ms. Barnes explaining most are larger than 10 acres and, at that time, only enclaves smaller than 10 acres could be annexed through interlocal agreement.

The Commission discussed contacting Lake County regarding an interlocal agreement and, if denied, then implementing the incentive program.

Mr. Neibert explained the incentive would consist of waiving the annexation fees, impact fees and utility connection fees. He further explained that undeveloped property would have to be constructed within five years of annexation in order to receive the waivers.

Ms. Barnes noted that there are other benefits to the residents such as the City's ISO rating is lower than the County so their homeowners insurance could be reduced. She further noted the City's award winning local library and the lower utility rate once they annex. She stated that the City could probably do both the interlocal agreement and the incentive program.

Mr. Neibert stated that, if the Commission is agreeable, staff would have the incentive program resolution on the March 1st agenda.

Ms. Barnes cited the various areas where the enclaves are located and noted there are also commercial properties on S. Bay Street that are in the County and noted that some properties would actually see a reduction in their taxes.

The Commission further discussed the sizes and locations of the enclaves and contacting the County regarding an interlocal agreement. It was noted that the City needs to highlight the benefits to the residents and the strain on City public safety services and not the increase in tax dollars to the City.

The Commission noted the number of dirt roads in both the enclaves and within the City.

III. Public Input

Glenn Tyre, local realtor, confirmed that the incentive program would also apply to commercial property. He suggested extending the term for development to longer than five years especially for commercial property. He cited comments he had received from a developer regarding whether or not the City will remain pro growth.

IV. Commission Direction

No further direction was provided at that time.

V. Workshop Item #2

18-0032 Presentation and Discussion: Strategic Plan, Comprehensive Plan, Community Redevelopment Area Plan (CRA), Land Development Regulations and Central Business District Regulations & Vision

Mr. Neibert explained the workshop was suggested when the Commission considered the downtown density and the affordable housing project. He provided an overview of the purpose of the workshop to provide a better understanding of how everything relates to each other including the strategic plan, comprehensive plan, redevelopment, development regulations and the central business district. He first explained the strategic plan, its vision and mission, overall goals, the strategies and actions for each goal and how those are considered.

The Commission asked about the sign code visitations with Ms. Barnes explaining that in 2016 the City updated the sign code and rather than just sending out letters, City staff went to individual businesses to review their signs and make suggestions to deal with nonconforming signs. They also distributed information about the gateway corridor grant program.

Mr. Neibert explained the gateway corridor grant program with Commissioner Sabatini expressing support for expanding that program.

The Commission discussed allocating additional funds to the gateway corridor grant program and expanding the program to encourage residents to beautify their homes with Mr. Neibert indicating that the Commission will have to discuss how to allocate the funds or identify new funding sources due to the demands on the General Fund.

VI. Commission Discussion

Mr. Neibert continued reviewing the individual strategies per goal and cited how the City has addressed those strategies.

The Commission asked about maintenance of the Bay Street medians and when the contract will end with Mr. Neibert stating it is coming up and indicating he would check on the end date. He explained the contract requires certain plantings in the median which are creating a maintenance problem.

The Commission commented on the possibility of installing a gateway sign at Lakeshore Drive and Bay Street on the American Legion property as well as at other gateways.

Mr. Neibert continued reviewing the Goal #2 strategies and cited how the City has been addressing those strategies including infrastructure upgrades, expanding the utility system, and meetings with existing businesses and others by the Economic Development Director. He cited the streamlining of the City's development review process.

The Commission discussed the City's reputation for not being business friendly and how to combat that image.

Mr. Neibert continued the review citing the need for revenues to improve the City's services. He noted the City's efforts to assist Lake Tech in establishing their Center for Advanced Manufacturing as well as efforts to assist Trout Lake Nature Center to develop more ecotourism. He commented on methods for focusing on development in the gateway corridors and support of economic development throughout the City. He explained the limitations for offering incentives stating that those must be offered through either the CRA or from utility funds. He commented on the need to support education initiatives in order to promote job growth.

The Commission discussed various ways to support education and job growth including specialized training for different industries including hospitality training.

Vice Mayor Aliberti noted she is working with Steamroller Studios to provide some job shadowing as well as with the Chamber. She noted that the Leesburg Chamber is very involved with education.

The Commission discussed partnering with the Chamber for training programs and discussed with Eustis Housing Authority Director Horace Jones the former JTPA federal job program and other strategic plan strategies for education.

Mr. Neibert continued the review noting the recent recruitment of a company doing fuel blending that will be shipping throughout the state. He cited the City's mow to own program.

The Commission discussed better publicizing of the gateway corridor grant program and encouraging employees to frequently mention the program to residents who contact the City for other issues.

Mr. Neibert reported on the City's event program particularly the upcoming Georgefest. He announced that Jefferson Starship will be performing for Georgefest with the majority of the cost being covered by sponsorships.

Commissioner Sabatini encouraged staff to get Michael Ray back. Events Coordinator Erin Bailey explained his recording contract precludes him from performing within a 90 mile radius for a certain period of time. She indicated she would keep trying to get him to perform in the city.

Mr. Neibert reported on the completion of the kayak launch and stated staff is still working on getting a boat vendor for the lakefront. He then reviewed Goal #3 strategies and programs to identify each of the identified actions. He reported on the need to replace the City Hall roof with an estimated cost of $200,000 and other issues with the City's building maintenance plan. He noted that the roof replacement had to be accelerated partially due to Hurricane Irma.

The Commission discussed the roof replacement and funding with Mr. Neibert indicating there is approximately $1.3 million in reserves. It was noted that the City should utilize local vendors as much as possible.

Mr. Neibert reported on the development of a competitive compensation/benefits program and the difficulty in reaching the 2014 Commission goal of being in the top quartile. He commented on the effect on union negotiations and stated reaching the top quartile is not possible at this time. He stated the City could be able to be in the top 50%. He added that staff would be bringing forward an internal study to do an external comparison. He cited the difficulty in obtaining and maintaining quality employees and the effects on internal parity. He emphasized that the City's salary ranges have not been adjusted in ten years.

The Commission discussed the building official position with Mr. Neibert stating right now the City does not have a fulltime building official. He explained that staff has advertised twice and cannot find one with the necessary skills at the set pay range. He added that the City currently has a contract employee two days per week.

The Commission discussed internal parity and how positions are compared to determine salary levels.

Mr. Neibert reviewed future priorities and actions from the 2013-14 plan and the current and future initiatives as follows: 1) annexation incentive program; 2) expansion of joint planning area; 3) expansion of CRA incentive programs; 4) capital improvement plan; and 5) identify opportunities to increase the General Industrial land available for development.

Further discussion was held regarding pay classifications.

RECESS: 7:09 p.m. RECONVENE: 7:14 p.m.

Lori Barnes, Development Services Director, provided an overview of the City's Comprehensive Plan and explained its purpose. She noted that the Commissioners had been provided a full copy of the Comprehensive Plan in a separate binder.

Commissioner Sabatini stated his understanding that the workshop was to be about downtown density and the central business district and expressed his preference to skip to discussion about downtown density.

Mayor Morin stated his desire to be provided an understanding of how the strategic plan, comprehensive plan, land development regulations and master plan work together. He commented on his understanding of how those work together and questioned what is the controlling document for the City.

Ms. Barnes explained the City has a number of documents that interact to help the City regulate, control and incentivize development. She stated staff's understanding that the intent was to review all of the documents and then pull together how they all work together. She explained that the Strategic Plan is the City's visioning document that provides a broad overview. The Comprehensive Plan is the regulatory framework as required by the Florida Statutes. The Land Development Regulations (LDRs) are based on the Comprehensive Plan and provide the detail. She explained the Commission cannot waive something that is in the Comprehensive Plan only what is in the LDRs.

Commissioner Sabatini expressed his desire to amend the Comprehensive Plan to increase the downtown density.

Mr. Neibert stated the issue was density but it was not his understanding that all of the Commissioners wanted to increase the downtown density.

Mayor Morin responded that the rest of the Commission wanted an explanation about what increasing the density would do before making a decision.

Ms. Barnes explained that staff wanted to make sure there was a broad understanding of all the documents in play before delving into those details about the downtown and before making any changes. She offered to skip the CRA review and move to the details about the downtown.

It was a consensus of the Commission to continue with the CRA review first.

Tom Carrino, Economic Development Director, provided a history of the CRA since its creation in 1990 and how the plan has evolved since then. He explained the basic goal for the CRA is to encourage private investment in the CRA.

The Commission discussed the loss of the hospital and the need to redevelop the vacant downtown site.

Mr. Carrino explained the recent renewal of the CRA to extend its timeframe to 2047 and reviewed the 2016 CRA plan goals. He commented on the goal to leverage City and CRA resources to support private investment and redevelopment efforts on identified catalyst sites and other sites where redevelopment is feasible. He then reviewed the 2016 fiscal policies and highlighted providing financial assistance as permitted to encourage private side developers to complete those certain private actions and activities as outlined in the plan. He stated that the City can use CRA resources to invest in both commercial and residential properties. He explained methods for creating development and redevelopment within the CRA as follows: 1) Pay as you go - A project is built and a percentage of the taxes paid annually are rebated to the owner; and 2) Bonding/borrowing - The City borrows money and funds the repayment with tax proceeds from the project.

Mr. Carrino reviewed the top nine responses from the CRA community survey noting that they are mostly about aesthetics, investing in properties and infrastructure. He noted the CRA Board packet for the February 15th meeting includes a breakdown of the survey results.

Ms. Barnes informed the Commission that in the binders provided there are complete copies of the 2016 Redevelopment Plan, the historical plans, and the downtown master plan. She explained the purpose of the Land Development Regulations, provided an overview of the regulations and explained the use of the future land use and design district maps and how they work together. She provided examples of how a property would be developed and the regulations applied.

The Commission discussed how properties are developed with waivers and confirmed that nothing specified in the Comprehensive Plan can be waived. They also discussed how the Comprehensive Plan was developed and why various regulations were included in the LDR's rather than the Comprehensive Plan.

Commissioner Sabatini stated his belief that there is too much regulation and that the City needs to free up use of the land. He expressed concern with the recent $800 CUP application fee for a pottery shop in a building on Bay Street. He commented on the amount of vacant building space and expressed support for either reducing application fees or changing the map.

Vice Mayor Aliberti responded that is a cost of doing business and questioned what the intent of the application was.

Ms. Barnes responded that the property in question is designated Residential/Office Transitional (RT) and explained the purpose of the RT designation. She stated that the transition areas allow residential development and professional offices and services with anything more intense requiring a Conditional Use Permit. She stated this provides due process for the areas that are in transition and notification to the residents. She added that the CUP is not designed to encourage placement of more intense uses in the transitional areas. She noted the vacant storefronts and those existing designations would have allowed a retail establishment without a CUP application or fee or a public hearing requirement. She stated that staff can make whatever changes the Commission directs; however, there is a balance between encouraging economic development and negatively impacting existing residences.

Vice Mayor Aliberti stated that the CUP fee is there to insure that neighbors are notified and have a public hearing they can attend if they choose to so they can protect their own property value.

Commissioner Gnann-Thompson confirmed the location in question and that they paid an $800 fee and questioned whether all cities do that with Ms. Barnes responding affirmatively. Commissioner Gnann-Thompson further commented on the high fees possibly keeping out businesses.

The Commission discussed the use of the CUP fee as a deterrent to keep the more intense commercial uses out of the residential areas.

Mr. Neibert explained that the City could change the area to general commercial; however, there are other uses in that area that would then become nonconforming and, if damaged, they would not be allowed to rebuild. He explained that is why the CUP process works. It provides a slow transitional process. He indicated that in ten years it might be more appropriate for general commercial.

The Commission further discussed the CUP and fees with Commissioner Sabatini further expressing concern regarding the need for development.

Mr. Neibert further explained that economic development works if it's done in the proper locations. He stated that economic development and land use have to blend.

Commissioner Sabatini expressed support for opening up the corridors to allow commercial development stating that it is a bad idea to limit it to traditional office space.

Mr. Neibert questioned whether he was opposed to the application or the fee with Mr. Sabatini indicating both.

Vice Mayor Aliberti commented on her experience with a CUP for a business she had. She stated that sometimes the CUP can provide benefits for a business. She questioned whether or not the City's fees are in line with surrounding cities. She noted that, if the applicant was also purchasing the property, then she would be spending a lot more than the $800 to develop the property.

Mayor Morin expressed concern about using the CUP application process and fee as a deterrent.

Mr. Neibert explained that the CUP process gives the City time to carefully evaluate each application to make sure it fits in with the area and to ensure that the new business doesn't drive out existing uses. He indicated that staff can do a comparison of fees with other cities.

Commissioner Sabatini asked that staff members instruct any applicants that they may request a fee waiver from the Commission.

Ms. Barnes explained how staff handles CUP applications and how they may encourage an applicant to look at other sites before applying for a CUP. She noted the previous CUP application for a propane site on Grove Street. She explained that the CUP allows the City to determine whether or not the proposed use is appropriate and if impacts can be abated with conditions.

Commissioner Sabatini further expressed his opposition stating that the CUP process deters people who are trying to open interesting stores that will improve the City.

Commissioner Sabatini left the meeting at 8:18 p.m. Mayor Morin confirmed there was still a quorum present.

The Commission further discussed the fee levels with Mr. Neibert asking if the Commission wants to keep cutting fees and taxes how will they still be able to implement the programs they want. He stated staff will compare the City's fees with other cities.

Commissioner Gnann-Thompson commented on the loss of the hospital and the need for the Commission to look at both the present and the future and the welfare of the entire city.

Mr. Neibert noted he was hired due to his experience in economic development. He indicated that if there are issues depressing development, he will bring it to the Commission to address. He noted his support for utilizing the CRA to support economic development. He indicated that statements that he is not in favor of development are untrue, he is all for economic development. However, he will be providing recommendations on how to do that in a balanced way to control growth while promoting development.

Commissioner Gnann-Thompson commented on the City's past reputation as being anti-growth.

The Commission and staff discussed how to encourage development and how to utilize the CRA to do that.

Pam Rivas commented that the individual could have utilized existing retail space and would not have had to pay a fee.

Ms. Barnes explained how all of the planning documents and regulations are used to encourage infill development in the downtown. She reviewed the strategic plan and comprehensive plan provisions that are downtown specific. She noted that the City is funded for a complete streets planning study in cooperation with the Lake Sumter MPO and FDOT which is slated for 2018-19. She explained the study is intended for specific streets in and around the downtown area to address pedestrian crossings, traffic calming, slowing traffic down and improving safety.

Ms. Barnes then noted the 2016 update to the Redevelopment Plan established a record of completed projects and cited areas where additional time is needed for revitalization. She added that CRA meetings have been held and surveys conducted to help prioritize public improvements. She stated that the Future Land Use Element of the Comprehensive Plan defines the Central Business District and outlines a general range of uses. She added that it specifies that the maximum density of 40 du/acre applies in the core area with 12 du/acre in the remainder of the Central Business District unless a Conditional Use Permit is approved by the Commission. She reviewed a map of the core area - bounded by Clifford, Bay, Orange and Center on the Future Land Use Map and on an aerial map of the City.

Ms. Barnes stated the Economic Development Element calls for promoting continued development and redevelopment consistent with the downtown, now the Community Redevelopment Plan, and also avoiding adoption of regulations that would impede redevelopment and infill projects. She added that the Strategic Plan calls for removing uncertainty in the development process. She then reviewed the Downtown Master Plan established to develop a vibrant central business district. She commented on amendments to the Land Development Regulations done in 2016 and which established mandatory minimum 2-story and mixed use areas. She then noted that the downtown architectural designs were also codified so they could be enforced and cited those areas and types of projects that require review by the Historic Preservation Board. She presented a map which showed the various regulatory layers.

Commissioner Gnann-Thompson questioned whether building improvements, such as paint, can be done in the Historic Commercial District without approval of the Historic Preservation Board.

Ms. Barnes responded affirmatively noting that they must be within certain parameters that are consistent with the historic character of the property. She reviewed those types of items which can be done without the Historic Preservation Board approval. She then reviewed the map showing those areas where the maximum density is 40 du/ac. She stated that outside the core area is 12 du/ac.

The Commission questioned how much actual property is available that could be developed at 40 du/ac with Ms. Barnes indicating the property on the map. She indicated that the available property would probably yield about 300 units.

Ms. Barnes then stated that professionals will tell you that a vibrant downtown comes with residential densification. She emphasized that people living in the downtown support the downtown businesses on a daily basis.

Commissioner Gnann-Thompson confirmed that is why staff recommended approval for the previously submitted housing development application.

Ms. Barnes then recommended that if the Commission wanted to make a change, staff would recommend considering a transitional density or land use designation between the CBD core area (40 du/ac) and the surrounding area. She noted that currently the density goes from 40 immediately *down to 12 unless the Commission approves a CUP. She stated a transitional density would provide a smoother transition from the core area to the outer areas.*

The Commission discussed the abrupt change in density and the need to have the downtown residences.

Mayor Morin noted the concern with having affordable housing within the downtown district.

Mr. Neibert emphasized that the City cannot use income as a basis for consideration of a housing unit based on federal law and Ms. Barnes stated that federal law, state law and the comprehensive plan requires the City to provide for future housing for disadvantaged, low income and very low income population and they cannot discriminate by designating certain areas in the City where they will be permitted. She clarified that the City wants residential densification in the downtown; however, the City cannot decide what that looks like beyond the architectural standards and density requirements.

The Commission discussed the need to have market rate housing downtown with Ms. Barnes noting that development begets development and when the new 20-unit complex goes under construction more interest may be generated.

VII. Public Input

Pam Rivas stated that mixed use would bring in the market rate housing and expressed support for the transitional density.

Ms. Barnes responded that mixed use development is a niche market. She stated that it is more difficult to finance and only a certain number of developers do it. She added that if the City has too much mixed use it may discourage development. She explained planning requires a balance of economic interests, protecting residential neighborhoods, promoting development and including enough controls to not discourage development.

VIII. Commission Direction

Mr. Neibert asked if there was any interest in having staff bring back a proposal for a transitional density.

The Commission discussed the proposal with Ms. Barnes indicating that the new already approved development will consist of 20 units on a half acre. She summarized that increasing the density drives the development unit cost down and acts as an incentive for development.

The Commission indicated they wanted additional time to think about the transitional density proposal.

IX. Adjournment

Mary C. Montez
MARY C. MONTEZ
City Clerk

Robert R. Morin, Jr.
ROBERT R. MORIN, JR.
Mayor/Commissioner

*These minutes reflect the actions taken and portions of the discussion during the meeting. To review the entire discussion concerning any agenda item, go to www.eustis.org and click on the video for the meeting in question. A DVD of the entire meeting or CD of the entire audio recording or verbatim transcript of the meeting can be obtained from the office of the City Clerk for a fee.