

**BOARD OF COUNTY COMMISSIONERS**

**MURDOCK VILLAGE PUBLIC HEARING**

**JULY 6, 2007**

A public hearing of the Board of County Commissioner was held at the Murdock Administration Complex in Room 119, Port Charlotte, Florida. The following members were present: Chairman Loftus, Commissioner Duffy, Commissioner Cummings, Commissioner D'Aprile, and Commissioner Moore. Also in attendance were County Administrator Loucks, County Attorney Knowlton, Chief Deputy White, Executive Assistant Dillon, and Deputy Clerk Mitchell. The following members were absent: None. The public hearing was called to order at **9:00 AM**, followed by the Pledge of Allegiance.

The Board of County Commissioners and ex-officio as the governing body of the Murdock Village Community Redevelopment Agency published a 30-day notice concerning the disposition of property in the Murdock Village Community Redevelopment Area. Proposals were due by June 23, 2007. A public hearing is required to consider the proposals received.

**I. Introduction and overview of the Murdock Village CRA Project**

Bruce Loucks explained the purpose of this public hearing is to discuss the disposition of Murdock Village; two proposals have been received from Kitson & Partners and Tramell Webb Partners and both proposers will make presentations followed by questions; and at that time the Board can accept, reject or modify either or both proposals. Mr. Loucks briefly reviewed the process that has brought them to this point, and stated there will be public input.

Attorney Knowlton said the second public hearing scheduled on July 10th will only be held if it's needed should no decision be reached today and the Board needs more time; referred to the letter from Benderson Development / Neal Communities indicating they were going to submit a proposal but due to the pending tax reform they've decided not to move forward with a proposal; and the Board has the option to go with one of these two proposals, to modify them, or not to do anything at this time.

II. Public Input

Joan Fischer spoke in opposition to the way things have occurred over the past five years, opined the Board has just been digging deeper into the pockets of the taxpayers, commented on the eminent domain process which she felt was totally wrong, on suggestions she felt would make this a more viable project, opined Port Charlotte shouldn't be compared to Orlando, and said she hoped the Board would honestly represent the taxpayers.

**COMMISSIONER MOORE MOVED TO CLOSE THE PUBLIC HEARING, SECONDED BY COMMISSIONER D'APRILE.**

**Motion Carried 5:0.**

III. Kitson and Partners Proposal Presentation

Syd Kitson commented on the key elements of and their vision for Murdock Village, on the exciting prospects of a partnership with Charlotte County on the development of this unique project, and said he felt they have the tools and ability to ensure this will be a successful project.

Chuck DeSanti started the slide presentation titled Murdock Village that paralleled the material and detailed the following: Introduction; Master Plan; Conceptual Land Plan; Conceptual Phasing Plan; Primary Pedestrian Network; Product Mix; Major Points of Interest- Florida Gulf Coast University, North County Regional Park, Elementary School, Neighborhood Commercial, Church Sites & Water Utility, and Town Center; and Roadway Infrastructure.

Tom Hobin continued the slide presentation covering the portion titled Financial Component that recapped the financial offer by Kitson & Partners and detailed the following: K&P Purchase Price; and Other Financial Components.

Mr. DeSanti continued the slide presentation covering the portion titled Redevelopment Agreement that detailed the following: Key Elements of Redevelopment Agreement.

Mr. DeSanti summarized they will be able to timely complete all the required elements necessary to bring them to closing.

Mr. Kitson commended all those involved in the large and complex volume of work that has been done in order to reach this point in the negotiations.

**Chairman Loftus** asked the time lines for completing the infrastructure and the performance bonding. Mr. Kitson said the bonding process would start now, Phase I will begin after closing, and from that point forward a lot will be market driven which he feels will be very good; and clarified Phase I includes the commercial area along Flamingo Boulevard and the traditional design neighborhood units along with the Town Center but they don't have specific time lines because of the market aspect.

**Chairman Loftus** said there are concerns from the citizens about the university selling the property but he understands FGCU doesn't have any vested rights or entitlements, and asked if there is a reverter clause. Mr. Kitson said he believed there is it's just the property they are buying will remain in their hands, and what they negotiate with the Board of Education is something they want to continue with even if the university doesn't go forward. Attorney Knowlton clarified as part of the development agreement there will be a provision with a time line when Kitson & Partners can enter into an agreement with the university and a further stipulation that if the university hasn't begun construction at some point in time yet to be determined the property donated by the County would come back to the County.

**Chairman Loftus** asked about green design buildings. Mr. Kitson responded all aspects of green design buildings will be incorporated.

**Chairman Loftus** referred to the pending super homestead, and asked if there was an escape clause should that be detrimental to either party. Mr. Kitson said he thought there was for both but reiterated they will live by their agreement regardless of what the legislature does.

**Commissioner D'Aprile** said he just wanted to clarify something, and asked if they were still willing to do Murdock Village no matter what the state does regarding the pending tax legislation. Mr. Kitson said yes.

**Commissioner D'Aprile** said he had no doubt things will change for the better, property values will start going back up again and sales will continue, he felt this is a very unique project that will be very attractive to a lot of people, and he also felt that home sales in Murdock Village will be positive. Mr. Kitson commented on the by-products of this project that will benefit the surrounding areas, opined Option B will prove very beneficial, agreed this is a very positive redevelopment project that will be very successful, and said Charlotte County needs a downtown area and this project will do that.

**Commissioner D'Aprile** said he didn't know if it was possible and he didn't expect an answer right now, and asked if Kitson could leave the \$82 million but add to that the 1.5% to show the people of this County that Kitson is the right developer for this project.

Mr. Kitson responded Kitson & Partners has gone to the limit regarding pricing especially with the tax ramifications.

**Commissioner D'Aprile** said he appreciated Mr. Kitson's candid answer.

**Commissioner Cummings** referred to the phasing and asked what's in Phase 1. Mr. Kitson said the Neighborhood Residential on the west side, the Community Commercial and the Town Center areas shown in blue on the Conceptual Phasing Plan.

**Commissioner Cummings** asked if there were plans for light industrial. Mr. Kitson said no.

**Commissioner Duffy** asked the type of affordable housing. Mr. Kitson said mostly multi-family.

**Commissioner Duffy** asked if they'd considered doing the buying in phases. Mr. Kitson said yes but with a complex project such as this it is important to work on the entire site versus just sections.

#### IV. Trammel Webb Partners Proposal Presentation

John "Chip" Webb said their proposal is to join the County in a planning effort and commented on their proposed approach.

Mr. Webb distributed and reviewed his handout titled Murdock Village Community Redevelopment Area that detailed the following: County Baseline (Asking Price); Low Value; Medium Value; and High Value.

Mr. Webb commented on the consulting fees they would be requesting over an 18 month period and the sales fee for marketing the project that would be paid to them by the County.

**Commissioner Cummings** asked for clarification on the net present value shown on page 1. Mr. Webb explained their calculation process.

**RECESS: 10:23 AM - 10:35 AM**

#### V. Financial Overview

Ray Sandrock introduced the County's Financial Advisor Alex Bugallo from Stifel Nicholas who has worked many long hours to provide in-depth bond analysis, and updated the Board on the changes related to Kitson's offer since the May 24th workshop. Mr. Sandrock stated the first change is the revised total expenditure is \$105 million less Kitson's first year payment of \$15 million leaving the need for a \$90 million bond instead of an \$80 million bond, the second change is the property tax reform which consists of two parts -statutory and constitutional, and reviewed the impacts of these two components, especially the impact if the super exemption referendum is passed.

**Commissioner Cummings** asked how confident he was with the square foot figures. Mr. Sandrock said the overall range was \$125 to \$200 per square foot, and both staff and Kitson used \$175 per square foot which was within that acceptable range.

Mr. Sandrock said regarding the statutory portion, back in May the County's contribution for the debt service under Scenario A would be about \$500,000 annually, now after considering the tax reform part 1 plus the debt service the annual impact would be \$1.4 million or an increase of \$900,000, and though there are many variables he was comfortable with these figures. **Commissioner Cummings** said those figures don't reflect any impact for the referendum. Mr. Sandrock responded that was correct.

Mr. Sandroek commented on the impact if the super exemption is approved.

Mr. Bugallo commented on the County's options to structure their debt to pay off their loans regarding Murdock Village. (Discussion ensued regarding the impact to TIF revenues if the super exemption is approved and growth projections.)

Mr. Sandroek summarized this is a great project and his goal is to provide enough financial information to enable the Board to make a good decision. **Chairman Loftus** thanked Mr. Sandroek for all his work and the information he continues to bring forth.

Mr. Bugallo added that prior to the possibility of the super exemption the projection was there would be excess TIF revenues coming to the County but that wouldn't be the case if it's approved.

**Chairman Loftus** asked if Kitson was comfortable with the projections mentioned. Mr. Kitson said yes.

**Commissioner Cummings** said he'd still like to see cash flow analyses under various scenarios, i.e., current scenario, super exemption scenario, and the County's \$175 versus Mr. Kitson's scenario with his valuation and growth rate.

Mr. Kitson summarized they're simply not in agreement with the County on the TIF revenue projections, and agreed Kitson will be impacted but not to the degree indicated.

**Commissioner Duffy** asked Mr. Bugallo's recommendation. Mr. Bugallo said he's not in real estate so he can't make a recommendation. **Commissioner Duffy** asked Mr. White's opinion. Mr. White said the County owns the property, the County has to determine if they are in a distress situation, the County will have to carry the debt in total if they don't accept Kitson's proposal which is a bird in the hand, and opined the market will get better but no one knows when.

**Commissioner D'Aprile** opined they've been looking at the worst case scenario but they also need to look at the positive side, they need to go forward, said he felt this is a very positive

project for this community, and agreed there will be advantages to the surrounding areas.

**COMMISSIONER D'APRILE MOVED TO ACCEPT THE KITSON & PARTNERS PROPOSAL UNDER OPTION B, SECONDED BY CHAIRMAN LOFTUS.**

**Chairman Loftus** stated he felt moving forward will be a positive economic engine for development in that area, and he really felt they will all benefit if this project moves forward.

**Commissioner Cummings** opined Mr. Kitson will put forth his best effort to make this happen but everything will depend on the market, agreed they need to work with a positive attitude, there are ways to increase the land values, opined it won't take much value increase to reach the point where the dollars aren't coming out of the taxpayers' pockets they just need to exercise patience right now, they should pursue using the eastern 125 acres for industrial light as already allowed under the Comprehensive Plan, and they should move the town center west which would put it within a five minute walk as they had originally wanted. **Commissioner Cummings** summarized he felt these changes would result in a better plan with more valuable land, and it would serve an additional need in the community that being a location for light industry businesses for which there is a deficiency in mid-County.

**Commissioner Duffy** opined they won't make a profit no matter what they do but there are also a number of potential benefits, said she doesn't want to do anything that will result in citizens having interest payments taken out of their taxes, they can't predict the future but they need to look beyond the financials to the long-term benefits to the community, history has shown that what goes down must come up, she felt Murdock Village will have residual financial benefits, this isn't an easy decision, and there certainly isn't an easy solution.

**Commissioner Moore** said they are not and should not be developers, they need to stop the bleeding, and he will support the motion.

**Commissioner D'Aprile** said he feels very confident this needs to move forward, and he's positive when this project starts people will start buying.

Commissioner Duffy said her biggest concern is what happens in the legislature - whether they do offer protection for the CRAs or not and then what the voters decide in January, Kitson & Partners and the County still have the option available of not moving forward, they need to work closely with their state legislators to ensure Charlotte County gets protection for the CRA, and if that happens she will feel a lot better about this.

Commissioner Cummings said they simply waited too long, this is the lowest bid they've had, they bought high but are selling low, agreed the market won't stay down, and opined if they exercised some patience they'd get a better price and a better plan such as Kitson's original land use layout plan.

Motion Carried 4:1. Commissioner Cummings opposing.

ADJOURNED: 11:45 AM

Signature on file in Commission Minutes  
Chairman

ATTEST:

BARBARA T. SCOTT, CLERK  
OF THE CIRCUIT COURT AND  
EX-OFFICIO TO THE BOARD  
OF COUNTY COMMISSIONERS

By: Signature on file in Commission Minutes  
Deputy Clerk

/ksm