

**BOARD OF COUNTY COMMISSIONERS - SPECIAL MEETING: MURDOCK VILLAGE**

**MARCH 19, 2008**

A meeting 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 D'Aprile, Commissioner Cummings, Commissioner Duffy, Commissioner Loftus, and Commissioner Moore. Also in attendance were County Administrator Loucks, County Attorney Knowlton, and Deputy Clerk Manley. The following members were absent: None. The meeting was called to order at 1:00 PM, followed by the Pledge of Allegiance.

Citizen Input - Agenda Items only - None

Kitson and Partners - Syd Kitson

Syd Kitson explained that everyone involved with the Murdock Village vision worked hard to transform the platted tract sitting dormant for decades into a vibrant, social, and economic center for Charlotte County. Mr. Kitson stated that their problem at Murdock Village is the same that currently affects the entire nation; that they have been up against market forces and going through credit crisis, which are beyond their control. Mr. Kitson stated that he is positive with the long-term prospects of Southwest Florida and opined that the real estate and credit markets would recover.

Mr. Kitson opined that one day Murdock Village will be an economic engine for all of Charlotte County; that it is a fully entitled asset and fully vested for concurrency; and that it is a good project with unfortunate timing. Mr. Kitson stated that he and his partners are committed to help the County find ways to re-position the Murdock Village property for the future; indicated that the thoughts he would like to share are in the spirit of being a good friend to the County with no self-interest at heart for either himself or the company; and explained that Kitson and Partners fully removed themselves from the Murdock Village deal and are prepared to share with the County in the spirit of cooperation the millions of dollars of work that the company has already completed.

Mr. Kitson provided a slide presentation based upon the information contained in the packet material furnished; indicated that if the items highlighted in the Recommended Next Steps to Consider are completed it would allow for a quicker closing and potentially more value; pointed out that that many of these items are well along the way; and encouraged allowing staff to finish the items they have already begun.

Mr. Kitson advised that the due diligence and development documentation is rather extensive; indicated that these items would be furnished to the County; stated that the goal is to make it easier for the County to dispose of the property going forward; and opined that anything done for Murdock Village creates value going forward.

**Chairman D'Aprile** confirmed that Kitson and Partners was giving to the County all of the documentation that it had worked on for the past several years. Mr. Kitson replied affirmatively; indicated that a full package would be sent to staff; that staff is familiar with many of the documents; and that representatives of Kitson and Partners are available to help staff wherever possible.

Mr. Kitson commented on the site location and why Kitson and Partners is confident over time it would be of great value to the region; and opined that when going through a phasing plan it is critical to look at infrastructure costs associated with opening each phase. Mr. Kitson encouraged putting in Toledo Blade Road and indicated that doing so would open up an entire section, which would allow the County going forward to sell that in parcels; commented on the plans of Phases I, II, and III on the Possible Phasing Overview slide; and stated that the key to the phasing plan is to be mindful of the infrastructure up front and what is marketable to builders and developers.

Mr. Kitson stated he believes the university campus is a critical element; indicated that Florida Gulf Coast University (FGCU) is still enthusiastic about working with the County and he hopes the County will continue working with the school to help facilitate it coming here; and advised that all information Kitson & Partners has on the college would be furnished to the County.

County Attorney Janette Knowlton asked if Kitson & Partners would assign their rights to the County for all work product documents, including survey and zoning code. Mr. Kitson replied affirmatively.

Mr. Kitson reviewed the Parcel Sketch slide; commented on opportunities for development; and indicated that retailers would not go into this parcel unless they had visibility and access to U.S. 41. Mr. Kitson reviewed the Commercial Plan and Link to Main Street slides; pointed out areas on the site plan where national retailers would have been located; indicated that the intent was to be certain the internal road system would bring people to Main Street; and opined that the commercial center would be an anchor and catalyst to get things started.

Mr. Kitson reviewed Conceptual Renderings of Main Street and Conceptual Master Plan slides. **Chairman D'Aprile** stated that he believes Murdock Village is still a good project, but that the County is chained by the current economy; and inquired if the 37 more or less acres would not still be a viable option versus buying the U.S. 41 frontage property because of Toledo Blade running adjacent to the property. Mr. Kitson explained that the retailers Kitson and Partners talked with made it clear that visibility and an access point off U.S. 41 was critical to them.

Mr. Kitson stated that in real estate location is very important, but equally important is timing. **Chairman D'Aprile** agreed that Toledo Blade is important to this complex and inquired if having access from Toledo Blade would at least create a look at Murdock Village by other developers. Mr. Kitson replied affirmatively; and indicated that improving Toledo Blade opens the 200 acres, adds tremendous value, and the ability to sell those parcels.

**Chairman D'Aprile** inquired if Kitson & Partners would still be interested in partial operation of Murdock Village in the future. Mr. Kitson replied affirmatively provided they are treated equally as everyone else in a bid process just as before.

**Commissioner Moore** stated he appreciated Mr. Kitson's assistance and for providing the documentation. **Commissioner Loftus** indicated he appreciated everyone's efforts; that he looks forward to working with Mr. Kitson and representatives of his

company through Babcock; thanked Mr. Kitson for the documentation being furnished; and hopes Kitson & Partners will be able to help with Murdock Village at a later time. **Commissioner Duffy** said it has been a pleasure working with Mr. Kitson and his staff and that she appreciates their integrity.

**Chairman D'Aprile** stated he is disappointed Murdock Village did not come together as planned; that he appreciates the documentation being given to the County to avoid additional costs; and thanked Mr. Kitson for the offer to help in the future.

**Murdock Village Considerations** - Bruce Loucks, County Administrator

Mr. Loucks commended Mr. Kitson, Mr. DeSanti, and the many others that have spent so much time on the project; and indicated that they have conducted themselves professional, looking out not only for their company, but for the interest of Charlotte County.

Mr. Loucks indicated that the County must now assume the role and responsibility of master developer and deal with the financial aspect of the project and the redevelopment effort. Mr. Loucks reviewed the Financial Considerations comments and Murdock Village Loan Status table included in the packet material and indicated the County must make an effort to retire the principal and outgoing costs at every opportunity.

Mr. Loucks stated it must be understood that with recent property tax limiting legislation the County's ability to utilize fund balances for future years' operational costs will be negated; indicated that means as we deal with budget caps, property tax limitations, and whatever else comes from Legislature or the Tax Commission, local governments use fund balance, or reserves, to buffer those impacts; and pointed out that this action means we no longer have that option.

**Commissioner Cummings** clarified that if the County uses the cash reserve to pay an annual recurring cost it means that you get yourself into a problem the following year; that you could pay it one year but the next year you are prohibited from raising enough dollars to match that money. Mr. Loucks said the short answer is yes.

**Commissioner Loftus** explained that this would be a one-time pay down of the debt, not a recurring expense. **Commissioner Cummings** stated that because it is a one-time cost those funds could be used for this purpose and not something like keeping the libraries open longer. Mr. Loucks recommended waiting until July 1, 2008 before utilizing the fund balances because the property valuation will not be known until that time.

**Commissioner Loftus** opined that all projects in the Capital Improvement Program (CIP) must be reviewed before moving forward with anything. Mr. Loucks agreed; indicated that in 2010 there are .6 mills available in the CIP Fund; and that if the funds are not used now that money can be programmed for this sooner.

**Commissioner Cummings** stated it appears one of the big operational problems under our financial circumstances is manning the jail expansion which we are about to spend the .6 mills to build; indicated that is a capital expenditure with a high operational cost; and opined the Board would have to think hard about it. Mr. Loucks agreed and advised it is scheduled for discussion on March 25, 2008. **Chairman D'Aprile** indicated there are difficult decisions to be made, but that safety of the public cannot be sacrificed; and agreed it must be reviewed carefully. **Commissioner Duffy** inquired if the .6 mills we currently use for capital improvements could be changed over to retire debt. Mr. Loucks explained that the .6 mills is a countywide millage rate used for capital projects; and that acquisition of land is considered a capital expenditure.

Mr. Loucks advised there needs to be discussion on the transfer fee in Option B; that Option A was a cash payout; that Option B was a reduced cash payout with a transfer fee applied to residential property, excluding commercial property in affordable housing, which generated some \$12 million at a rate he could not recall, which is money that can be used to help with infrastructure improvements and retiring debt on the property; stated that the Board would be requested at the end of the meeting to vote on moving forward with that; and explained that there is some state legislation moving forward through the process which may limit that, so this may be one of those things we don't wait to do and have conversation with.

Mr. Loucks advised there are a number of considerations that need to be attended to in getting the property where it can be sold and start the redevelopment project itself; indicated that no Tax Increment Financing (TIF) revenues would come to the County as long as it owns the property; and pointed out that TIF revenues were one of the cornerstone revenue sources to pay for infrastructure and retire debt on the property. Mr. Loucks stated the objective, for a number of reasons in terms of redevelopment, is to get the property redeveloped as quickly as possible and in order to do that conditions precedent reflected in the status table in the memo need to be completed.

Mr. Loucks indicated that serious consideration needs to be given to 4-laning Toledo Blade from U.S. 41 to SR 776; that he presently does not have an answer how it would be paid for; and requested that the Board give direction to come back with a financial plan as to what it would take to finish the project.

**Commissioner Duffy** inquired if a developer could build the road quicker than the County. Mr. Loucks opined it would take a developer equally as long. **Commissioner Cummings** stated our time line for major roads is eight (8) years. Mr. Loucks explained this is an expansion and is closer to five (5) years, but every effort would be made to do it as quickly as possible. **Commissioner Duffy** questioned the feasibility if it takes five (5) to eight (8) years. Mr. Loucks stated that is why staff needs to come back with a financial plan, cost estimates and time frame. **Commissioner Cummings** opined it creates value when a developer looks at what has been done.

**Commissioner Moore** commented on the period of time it took to get a go-ahead on the Coral Creek Bridge. **Commissioner Duffy** expressed concern with the length of time required to get Aqui Esta Drive done; and opined it should not take that long. **Chairman D'Aprile** stated that the rules must be followed but possibly it can be done sooner because it is an expansion.

Mr. Loucks said the Board appears to be in agreement and hopefully at the end of the meeting direction from the Board will be to move forward and bring information back; and summarized the financial considerations based upon the memorandum furnished.

Commissioner Moore inquired if there would be TIF funds. Attorney Knowlton explained that is not known yet because the Supreme Court has not ruled. Mr. Loucks said if all goes according to plan the external debt could be repaid within the next seven (7) or eight (8) years. Mr. Loucks commented on the re-development efforts as reflected in the memorandum; and indicated an independent partner is needed to work with the County on sale and marketing.

Murdock Development Redevelopment Project - Debrah Forester, Redevelopment Manager, Economic Development

Debrah Forester indicated that the goal of the County with Murdock Village was to look at an urban infill site and sustainable smart growth principals to redevelop this as a quality development; and stated that over the last couple years the County was fortunate in moving forward with a number of activities that added extra entitlements to the property.

Ms. Forester reported that in 2005 Charlotte County adopted the Community Redevelopment Plan; and commented on the guiding principals outlined in the plan and the Community Redevelopment Area (CRA) Concept Plan, which is included in the redevelopment plan.

Ms. Forester advised that in October 2007 Kitson & Partners submitted their concept plan, which is part of the disposition agreement that was terminated last week; pointed out that the concept plan is very flexible, that the location of the town center has moved, and there were minor changes to the roadway alignments. Ms. Forester indicated that the total redevelopment parameters are vested from the Development of Regional Impact (DRI) analysis; that we are vested for just over 3 million square feet of commercial; and have approximately 3200 residential units available. Ms. Forester reported that an effective date of February 2008 was received from Department of Community Affairs (DCA) of the Comprehensive Plan (Comp Plan), and pointed out the binding letter received from DCA in 2008 allows use of the equivalency matrix, which provides additional value because it allows a developer to convert some of the commercial uses to additional residential.

Ms. Forester stated that there is some required land use mix in the Comp Plan as it was important to DCA to commit to a mix of uses; that there is a minimum of 50% of residential units and a minimum of 35% for non-residential units; that currently the town center is a minimum of 80 acres, but can be expanded upwards, the neighborhood residential is a minimum of 300 acres, and the community commercial, which is more general commercial type retail, is a minimum of 10 acres.

Ms. Forester stated that the town center looks at smart growth principals, increases the density up to 24 dwelling units per acre, and provides a mix of uses from commercial to civic; that neighborhood residential looked at creating walk ability by insuring there was some minimum and maximum densities; and indicated that allowance was made for internal commercial, which are small neighborhood pods of commercial that allow walk ability and promote internal capture of trips.

Ms. Forester explained that the maximum for community commercial is 25 acres; that it was looked at as not having very large retail establishments; but indicated that it could have two within the Murdock Village area. Ms. Forester advised that general commercial includes the properties along U.S. 41 that the County does not have complete ownership of; and that allowance of some mix of uses there is anticipated if someone wants to do some residential along that area as well as the commercial they currently have, which the Comp Plan allows.

Ms. Forester stated that Office Showroom was an idea that came forward during discussions with Stock Development; that it is a way of creating an employment base within Murdock Village; that currently it is from 0-40 acres and allows for light fabrication; and that the specific types of uses would be further defined when the zoning code is done.

Ms. Forester stated that the university campus was an idea brought forward by Kitson & Partners; that the Comp Plan currently allows from 0-55 acres for the higher educational site; that the County has always worked with the School Board; and that the exchange of property has gone forward and the School Board owns the 35 acres within Murdock Village.

Ms. Forester advised that other key parts of the Comp Plan is the transportation component, which includes the internal capture, a bicycle and pedestrian facilities plan to be prepared by January 1, 2009, looking at the interconnect activity within the project, and the creation of the east/west connector that shows on our Concept Plan and the Concept Plan of Kitson & Partners. Ms. Forester explained that with the assistance of Kitson & Partners the conditions precedent that have been completed from the land use perspective are the Comprehensive Plan, Equivalency Matrix, Habitat Conservation Plan, Vesting Rights Ordinance, and the Plat Vacation.

**Commissioner Duffy** inquired what the status was of conversations with FGCU. Ms. Forester explained they were working on a package but conversations are on hold temporarily. **Chairman D'Aprile** said he understands there are no grants available for any of the colleges. **Commissioner Moore** opined it is necessary to keep conversations going with FGCU so they know Charlotte County still has an interest. **Chairman D'Aprile** concurred.

**Commissioner Loftus** explained that on the Federal level several Representatives are looking into acquiring research and development funds for a university in our area and indicated that we certainly want to keep the door open with the university. **Commissioner Duffy** stated she wants to be certain we have a plan, do it right, and are all aware of the status; and opined we need to be creative and find a way to make it happen. **Chairman D'Aprile** stated that all Commissioners agree they want the university here; that funds are not available right now; but that we want the college to understand we still have considerable interest in it coming here.

Attorney Mark Lawson of the law firm Bryant, Miller, & Olive, P.A., advised he has been very involved with the project and applauded Kitson & Partners and all involved for a fine job done with many difficult circumstances; pointed out that the project is laden with entitlements, but there presently is no market. Attorney Lawson advised his responsibility today is to discuss what is referred to as the condition precedents, which accomplish full entitlements so that the property is more attractive and the redevelopment vision can be achieved.

Attorney Lawson stated that the Disposition Agreement Mr. Kitson advanced is a great checklist to work from, but opined the County needs a change in paradigm in terms of its approach to the project. Attorney Lawson explained that because of the current market conditions the previous strategy of using the private sector to master plan a community is not viable and the County needs to change from looking to a single redevelopment partner to accomplish redevelopment objectives and develop a coordinated process to accomplish the goals but look to have several development entities do that.

Attorney Lawson commented on the condition precedent list attached to Mr. Loucks' memorandum, transfer fee covenants and related legislation. Attorney Lawson explained that if the fee is in place it is hoped it would survive whatever the Legislature does; indicated if the fee is drafted and finalized it could be brought back to the Board by the mid-April meeting; and that the Board would have to make a business decision as to how much fee is imposed on each transaction going forward, which should be a balance between how you believe those fees would chill the future market and what is acceptable in terms of attracting development partners.

Attorney Lawson explained that the de-platting/vacation process for the large core area, which is the area the transfer fee would be applied to, has begun; commented on the importance of having interim development covenants to maintain usage of the canals, have access to the park, and leave certain roads open for access; and opined this needs to be done right away.

Attorney Lawson stated that one of the fundamental components of the entire exercise is being able to recycle the difference in tax dollars that come from the property (tax increment), which is under attack in Tallahassee by the Florida Supreme Court; that it is hoped the Supreme Court leaves the tax increment in place; and pointed out that the decision would have a substantial impact on all redevelopment in the State, and certainly on the Murdock Village project.

Attorney Lawson concurred that the more done to accomplish the entitlements of the property is to the County's advantage; indicated that it is expensive to add entitlements; but that it

raises the value of the property even though we do not have control over the economy.

**Commissioner Cummings** requested clarification that no one ever develops property without getting all the tax money back. Attorney Lawson explained that the tax increment is an extraordinary incentive; that it does not mean you cannot develop the property or that you are not going to get the tax increment; that "the Strand ruling" means that money cannot be bonded without a referendum; that the flow would still be there; but from a development standpoint the leveraging of that tax increment is enormously powerful and attractive; and pointed out that all is a function of the market.

**Commissioner Cummings** opined if offering someone a revenue stream they would pay the value of the revenue stream plus the value of the property being purchased, but that it would have to be worked in together when doing the negotiation. Attorney Lawson indicated the market is upside down; that the common principals are not in play; that progress would be slow in the beginning and initial offers low; that a momentum must be created to bring people to the table willing to recognize more standard economic concepts and pay more money; and that there are many ways to use an increment.

**Commissioner Moore** expressed concern with certain language about conditions precedent in Mr. Loucks' memorandum; and indicated that the County having no partner to negotiate with does not mean that what is written up would be acceptable. Mr. Loucks agreed that **Commissioner Moore's** comment was valid; explained that each property sale segment would have different conditions to be dealt with; and opined that the master set of standardized documents could be done fairly quickly with the understanding that there is built in flexibility.

Attorney Knowlton acknowledged that going back to standardized documents does not mean it is the end product and stated there would be revisions for future developers. **Commissioner Loftus** stated he wants to be certain the standards have flexibility built in. **Chairman D'Aprile** indicated that the County has the choice to accept or reject what is offered from a developer and believes the County has a good chance of surviving this issue.

Attorney Knowlton stated that final decisions do not have to be made today, but that direction is needed from the Board on staff moving forward on the conditions precedent, the transfer fee, Toledo Blade, and where the Board wants staff to go from here with the Trammell Webb proposal.

**Commissioner Cummings** opined the situation should be viewed as an opportunity; commented on financial choices to be made; opined that taking a one-time cash reserve and getting the ability to ride out the long haul is the most prudent for the community as a whole, and that the hardest part is the use of some revenues that are needed for construction projects for growth.

**Commissioner Cummings** stated it is questionable that there would be operational funds for some of the projects anyway, such as the jail; opined that the proposal put forth by the Administrator is likely in the long-run to be the most prudent but would create some obstacles for the budget; and commented on the opportunity to re-assess the whole approach, the importance of the university, and the need for FGCU to do a lot more research, indicating that for the university to work as an incubator for economic diversification it needs to have a serious research component associated with it; that it cannot be doing everyday education; that you need that component for the workforce, but it needs to be an incubator for business as well, which means research and development.

**Commissioner Cummings** suggested consideration of shifting some of the residential single family zoning and making some type of industrial zoning work to reduce trip generation; stated that he has become leery of the complexities of tax increment financing, impact fees, transaction fees, etc. and is tempted to look for a more simple approach; and commented on Trammel Webb's approach and consideration of that type of partnership.

**Commissioner Cummings** opined this needs to be done in smaller pieces for whatever the market conditions may be, raise the competitiveness, and perhaps give the local dealers an opportunity to be involved; stated he needs more information on the Toledo Blade proposals; that he is ambivalent to the transaction fees and what he expects in return by giving those revenue streams; and agreed that the conditions precedent is a given.

Attorney Knowlton requested approval for going forward with the conditions precedent. Consensus was given. Attorney Knowlton requested direction on bringing back the transfer fee to the Board; indicated that one half percent (1/2 %) was negotiated with Kitson & Partners; and that the County experts had indicated that the property could withstand a one percent (1%) transfer fee. **Commissioner Loftus** stated he would like to see that move forward. **Commissioner Cummings** requested clarification that if this was done, all documentation put in place, got close to a sale, and decided it as an obstacle, that there was no requirement to proceed. Attorney Knowlton replied affirmatively, commented on some cautions, and explained it is possible if this is not imposed by July 1, 2008, depending on what happens with the Legislature, you may not be able to do this again.

**Chairman D'Aprile** requested clarification that presently we have an option to do it or not; that if we go forward with it now we have the option to continue doing it; but if it goes through Legislature and they cancel it out we have no option. Attorney Knowlton replied affirmatively. **Chairman D'Aprile** concurred with going forward, but opined it could be a hindrance in a sale.

**Commissioner Moore** opined it is important to move forward to protect our options and indicated that he is inclined to keep it at a half a percent (1/2%); and stated he votes to move forward to secure that ability. **Commissioner Duffy** agreed with **Commissioner Moore** but requested clarification if this was on the sale or resale. Attorney Knowlton advised it is on any subsequent re-sale. **Commissioner Duffy** inquired about potential future developers.

Attorney Lawson explained that it was anticipated to simplify the fee; that the fee would only be imposed for every transaction in the core area; that certain transactions would be exempt, such as transactions between governments and the first transaction from the County to the developer, but all transactions thereafter would pay the fee; that the fee would go into the community redevelopment trust fund, for which the County could choose to reimburse itself for advancing the funds, which is the whole point; that if the price of the property is so low this is a way to charge those people who, but for the County doing this,

benefit from it over time as the transactions occur; and indicated that the design is to share the cost into the future.

Attorney Knowlton advised that this is proposed to be done on commercial and residential, which is different than what was negotiated with Kitson & Partners. **Chairman D'Aprile** stated there was no commercial involved in that negotiation, just residential. Attorney Lawson stated it would include every transaction; indicated that we want to do this across-the-board for many reasons; and commented on the ability for commercial properties to change hands by an LLC purchasing the property and when the property changes hands the purchaser doesn't buy the parcel, they buy the LLC and there is no fee to be had.

**Chairman D'Aprile** inquired if Attorney Lawson had ever seen property values decrease and not increase in the future. Attorney Lawson commented on his experiences; indicated he is troubled with the tax structure in the State of Florida; and stated that the reality is that markets tend to come back.

**Commissioner Moore** said he is uncertain why it was changed from residential only and expressed concern of venturing into the commercial side. **Commissioner Duffy** agreed; cautioned on doing the same thing as what happened with the impact fees; and suggested asking staff to come back with negative and positive impacts of doing commercial.

**Commissioner Cummings** opined if the Board wants it as an option the full thing should be done because it is easier to choose not to do it later on; pointed out that there has been discussion on it; and the recommendation was 1% on everything, which he supports. **Chairman D'Aprile** concurred, but opined it would be an obstacle in negotiations. Attorney Knowlton inquired if the Board wants staff to bring back a plan on Toledo Blade. Consensus was given.

Attorney Knowlton explained that the Board received a letter from Trammell Webb; that if the Board was to go to a facilitator-type approach instead of a redevelopment partner it could go to Trammell Webb without having to do the thirty (30) day notice now; that the proposal would require updating because many items factored into their proposal have already been accomplished through negotiations with Kitson & Partners; and that staff

would like direction from the Board to go back and negotiate with Trammell Webb. **Commissioner Loftus** stated he would like to see staff move forward with this and come back to the Board for final approval. **Commissioner Cummings** said he would be interested in looking at a proposal. **Chairman D'Aprile** agreed, but wanted it known that the County is not a wounded animal. **Commissioner Moore** stated he does not mind looking at a proposal from Trammell Webb, but that he wants the ability to take offers from others. **Commissioner Duffy** agreed the facilitative approach is an excellent option and that she is in favor of looking at a proposal from Trammell Webb, but suggested taking it slowly because the County may get responses from others.

**Chairman D'Aprile** thanked everyone in attendance; stated he looks forward to a satisfactory solution; and that he is open to all suggestions.

ADJOURNED: 2:45 PM

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

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