

**DOWNTOWN/BALLOUGH ROAD
REDEVELOPMENT AREA BOARD
MINUTES**

October 5, 2010

There was a meeting of the Downtown/Balough Road Redevelopment Area Board held Tuesday, October 5, 2010 at 12:00 p.m. in the City Hall Commission Chambers at 301 South Ridgewood Avenue, Daytona Beach, Florida:

Board Members

Mr. Al Smith, Chair
Mr. Bob Abraham
Mr. Harold Goodemote (Arrived after roll call)
Mr. Dan Harshaw
Mr. Robert Johnson
Mr. Larry Robinson
Ms. Edith Shelley
Mr. Scott Weidman (Excused at 2:00 p.m.)

Board Members Absent

Mr. Steve Koenig

Staff Members Present

Mr. Jason Jeffries, Project Manager
Ms. Carrie Lathan, Assistant City Attorney
Ms. Cathleen Olson, Recording Secretary
Ms. Diane Beauchamp, Recording Secretary

1. Call to Order

Mr. Smith called the meeting to order at 12:10 p.m.

2. Roll Call

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

3. **Approval of the minutes from September 14, 2010**

Ms. Shelley made a motion to approve the minutes of September 14, 2010. Mr. Harshaw seconded the motion and it was unanimously approved (7-0).

4. **Staff Report**

- a. Police Department
- b. Code Enforcement

Mr. Smith stated that the Police Department representative was not available and a meeting with Code Enforcement would be held at a later date.

5. **DISCUSSION ITEM: Retail Market Study**

Mr. Jeffries introduced Bob Gibbs of Gibbs Planning Group to present on the Retail Market Study for Downtown.

Mr. Gibbs introduced the scope of the study, a comprehensive level 3 study to determine the amounts and types of retail that would supportable the Beach Street historic shopping district today and over the next five years. The study included sales forecasts and names of retailers and restaurants recommended for the area. The level 3 study included a statistical analysis, on-site field analysis, and a peer review by 75 retailers, brokers and real estate developers to gain their insight on the analytical findings and opinions about the market study area.

Mr. Smith remarked that the study was an extension of a study done previously.

Mr. Gibbs explained that six or seven years ago he performed a study for the State of Florida of the Beach Street area to determine what types of retail would be practical and to see if there were any specific constraints to having commerce in this area. This included a study of buildings, parking and streetscapes. Improvements were made to the Beach Street area based on the recommendations from that study.

Mr. Gibbs remarked that the new study would be useful for: Existing business owners, providing specific detailed forecasts that could be used to successfully expand existing businesses; landlords, to target specific names of businesses to seek as tenants; and policymakers, to provide a factual basis for future policymaking.

He stated that the study looked at parking, shopping habits and commercial competition. They went through every shopping center within 10 miles of Beach

Street and looked at the quality of goods and services being sold based on that information created an economic model.

Mr. Gibbs presented a variety of background facts and data, including the following:

There were many forms of shopping centers: Power centers, regional malls, lifestyle centers, internet, downtown. Downtown shopping areas typically had two percent of the total sales in a region, lifestyles had seven and the internet had nine percent. Most people shop in malls, which was in contrast to 1948 when downtowns had about 85 percent of the market share.

Downtown shopping was back in vogue with retailers because it offered the potential for convenience: Parking close to the store and easy access. Malls required a time commitment. On street parking was very important for competitive shopping. The Beach Street streetscape was being modified to include more on-street parking. Downtowns that had metered parking had much higher sales than those without. Shoppers preferred to have the convenience and would pay for it.

Historically in America when you developed a commercial area you had a sequence of first jobs, then housing, then retail. Today, often shopping would be the leader, then jobs and housing would come because of the shopping. Some centers were putting housing on top of shops which was popular with empty nesters, active seniors, young professionals and divorcees.

Offices love to be in town centers. It used to be that offices were located in the suburbs but they were relocating downtown due to the fact that urban areas offered a better green footprint, young professionals preferred to live and work in the city, and clients preferred to visit offices in more urban locations, resulting in less travel for that business.

Hotels loved town centers where they maintained higher occupancy rates and stronger room rates due to surrounding amenities. The benefits of these locations trump beach and waterfront locations, airport or golf course locations.

Mr. Gibbs spoke of shopping behaviors prevalent today. These included the following:

Today's shopper was a young female who hated the mall, shopped at stores she knew, did more shopping per minute than her mother and spent more, was brand loyal, didn't browse, liked national chains. Women preferred well lit busy streets with stores with brand names they knew. They did not want to park at a distance..

Shoppers preferred to walk counter-clockwise. They did not like to walk past the same storefront twice (which was a challenge for Beach Street because of its single-sided street). The eight second rule in shopping assumed that it took eight seconds to walk past the normal store front and that you would reach the door within four seconds, which meant you only had about 1.5 seconds to stimulate the brain to say "stop, go into the store."

Tourists were responsible for a lot of shopping. The number one thing tourists did on vacation in terms of time was shop. The number two thing they did with their spending money, behind lodging costs, was shop, as a family activity. Tourists preferred familiarity with the same brands as back home. They preferred to buy more expensive, higher quality brands when on vacation than at home. Tourists loved to shop in authentic historic, high quality buildings.

Office workers also did a lot of spending. Forty percent of office workers bought groceries to and from work, 30 percent bought medications and 25 percent bought clothing.

Mr. Gibbs spoke of statistics regarding retail stores, such as: The average retail sales in the US were \$275 per square foot. Rents tended to be eight percent of sales per square foot. The average small, independent retailers tended to have sales of \$80/square foot or one-third the national average. The top retailers had sales of \$600/square foot, double the national average. Last year, 75 percent of all retail sales occurred after 5:30 p.m.

Mr. Gibbs discussed how typically independent stores were undercapitalized but sold unique goods and services. Their challenge was they did not make much money. (On average, they earn less money per hour than if they worked at Wal-Mart.) They generally had to go in debt every year to keep the store open. They were generally not open at night. It was very challenging to have a district with all independent retailers. With regional or national retailers in addition to independents, you would attract more customers and have higher sales and the independents would be stronger because of the increased traffic.

The national retailers loved downtowns. They were increasingly disguising themselves to look historic and they were finding very high sales per square foot in downtown locations.

It is unusual to have a shopping district the size of Beach Street without an anchor store and it was not considered sustainable. Any shopping area larger than 30,000 feet should have an anchor as a basic business model. The right anchor store will drive sales up by 30 percent.

Mr. Gibbs talked of the 50/50/50 rule in retail whereby most retailers would open in a city if you have the two of the three 50s: (1) 50,000 people; (2) \$50,000 average earnings/year; and (3) a street with 50,000 cars on it per day.

Mr. Gibbs presented his company's findings by first focusing on some statistics about the Daytona Beach area. First, a primary and total trade area was determined. The primary trade area was about five to six miles east/west of Beach Street and eight to ten miles north/south. The total trade area was ten miles east and west and 12 miles to the north and south.

Mr. Smith asked about the three mile radius in retail and wondered why Mr. Gibbs expanded the Beach Street area to ten miles.

Mr. Gibbs responded that the trade area depended on your location. A three mile radius would apply if you had three houses per acre on average. But because the Beach Street area was surrounded by rural areas it was easily a ten mile trade area. Some of those who peer reviewed the study felt the trade area could actually be much bigger. Grocery stores tended to look at a two mile trade area. Restaurants looked at larger than ten miles.

The population of the total trade area was 256,000 residents in 112,000 households. Seventy-one percent of the people in the trade area live in owner-occupied homes, which was an unusually high number. There were 66,000 workers and 23,000 students in the total trade area. Sixty percent of the residents held white collar jobs and 23 percent have college degrees. The median household income was \$44,000 and the yearly average household income was \$52,000, which was in line with county, state and national averages. An average of 7.75 million tourists visited the trade area each year.

The trade area was then divided into lifestyle groups. Ten percent were classified as midlife junction. This group earned \$41,000 per year and tended to be frugal. Eight percent were old and newcomers. These were people that had just moved into the region. This group of 10,000 earned about \$40,000 per year and were either younger families or empty nesters that had just moved into the area. Twenty percent were classified as silver golds. This group of 23,000 was the largest demographic and were fairly wealthy 60+ seniors with a low cost of living and a fairly predictable income stream from their investments. Fourteen percent or 16,000 were classified as the sun seeker seniors. This group lived frugally, often on a fixed or limited income and tended to have a conservative lifestyle.

In total 35 percent of the population in the trade area were seniors whose income did not show up in the demographics. As a result, the average trade area income was higher, in the range of \$75,000 to \$80,000 per year. This information must be

presented to retailers because it would not be reflected on demographic charts. The study can be used to help present this to potential retailers.

In addition to the above, Gibbs also looked at 30 micro divisions that were not included in today's report and would be provided at a later date. For instance, the report showed that beach area homes had an actual average income of \$95,000 per year. This detailed report included breakdowns showing the entertainment spending habits per year by location, credit card ownership by area, car purchasing habits, etc. for a total of 30 different categories.

Mr. Gibbs explained spending statistics for the trade area: Daytime workers spent about \$570 million per year on dining out and shopping. Tourists spent about \$811 million per year. Altogether, \$5.2 billion was spent by people in the trade area, most of which was leaving the trade area for places such as Orlando or for vacations.

Mr. Gibbs presented conclusions from his study, many of which were summarized on Table 1 in the PowerPoint packet. The chart included results for a total of 35 categories that included women's apparel, unisex, shoes, specialty foods, entertainment and restaurants.

Overall in 2010, people living in the trade area spent \$5.2 billion in retail and restaurant spending, of which Mr. Gibbs felt the trade area could conservatively capture \$451 million in sales and the Beach Street area could capture \$38 million.

In 2010 people living in the study area spent \$129 million on women's apparel. Of the \$129 million spent, Beach Street historic shopping district could conservatively capture \$1.77 million of those sales. That would support 4,500 square feet of women's apparel stores or two to three women's apparel stores such as Gabriel's Closet, Freestyle Clothing or similar. They would generate sales of \$400/square foot per year (twice the national average).

Mr. Smith asked why there were no women's apparel shops Downtown when there was such a demand.

Mr. Gibbs stated it was usually due to one of three reasons: Downtown didn't have a business recruitment/leasing agent presenting at trade shows and major retailers learned of possible locations at trade shows. Second, property owners may not be accommodating to potential business owners, not returning phone calls, etc. and third, there was branding confusion related to Daytona Beach, i.e., Bike Week, Speedway/NASCAR, best beaches on East Coast of Florida. Sometimes the Daytona Beach image didn't match the retailers' brand image.

Mr. Gibbs stated that there was strong demand for restaurants yet Beach Street restaurant owners claimed restaurant sales were declining. There were a number of reasons but it was not because of lack of demand; it was lack of supply of right brands and right restaurants and the hours of operation.

The study concluded that Daytona Beach had a strong demand not being met by supply for non-market reasons, i.e. image branding. It was a good position to be in compared to lack of demand in other cities throughout Florida and other states. Daytona Beach met the 50/50/50 retail rule in that it had five times the population, met the average income level and in addition had 7.75 million visitors and a very strong world class name brand.

The study recommended adding an additional 86,000 square feet of retail space, even taking into consideration the national recession. If the country were not in recession the recommendation would be justified to add closer to 250,000 square feet. The 86,000 was broken down into 26,000 square feet of entertainment, such as Dave & Busters, Lucky Strike or even an upscale bowling alley; 12,000 square feet of clothing/shoe retailers; 18,000 square feet of miscellaneous retail; and 30,000 square feet of restaurant space.

The study did not show support for a grocery store, which did not mean the right one could not be successful but statistically it is not supported. Mr. Gibbs stated he thought a grocery store could be a great anchor in downtown and might bring in young families.

Mr. Smith asked if the grocery store was not supported because of the two mile radius.

Mr. Gibbs responded that was correct; there was not much demand within the two mile radius but on the fringes there was a much higher demand.

Mr. Gibbs added that the study showed support for a public market.

Mr. Jeffries indicated he was looking into feasibility and may have a suitable location. Public markets (enclosed air conditioned/heated building open 365 days per year made up of small vendors selling meat, produce, cheese, prepared food, fish and some gifts) had up to 20 mile trade areas. They worked well with competing vendors and were popular with seniors, young professionals, office workers and tourists. People might come from as far away as Orlando to shop at a public market. Two successful markets to look at were the North Market in Columbus, Ohio, which was 25,000 square feet and Covenant Gardens Market in London, Ontario both of which were profitable markets. There was federal help through the USDA to start a public market, which would be a great anchor to bring young families and residents into the downtown area.

Mr. Smith asked who runs the public markets.

Mr. Jeffries responded that they were usually non-profit entities.

Mr. Gibbs stated the study's conclusions that directly referenced the existing storefronts on Beach Street. The independent retailers on Beach Street tended to have inflexible hours and should consider remaining open later in the afternoon/evening to tap into additional sales. Beach Street storefronts were challenged because of their dark reflective glass fronts, which prohibited shoppers from viewing the merchandise. These stores depend on purpose-driven visits not browsing/impulse buying which limited their sales.

Additional positives from the study included the fact that Daytona Beach was a classic historic town, which was what retailers today were looking for. Downtown buildings were the classic one and two story main street businesses. There was a great selection of retailers already located on Beach Street that were surviving without an anchor store. Daytona Beach had addressed some challenges in the area with the streetscape proposal currently in progress and Beach Street currently had about an 8.5 out of ten rating in terms of its walkability index.

Some of the challenges the study suggested were the fact that Daytona Beach was straddled on both sides by high speed roads. This would need to be overcome by proper planning, design and marketing. Beach Street was a challenge for pedestrian crossing and making it a more walkable environment should continue to be addressed.

Local brokers may have a negative perception of the historic district and would tend to show prospective businesses coming into a region the newer shopping centers. With a national broker or business recruitment consultant it could position Daytona Beach to attract strong retailers. Also, spend time with the shopping center industry, specifically the International Council of Shopping Centers. (Mr. Jeffries and Reed Berger were members of ICSC and attend the Kissimmee conference.) That's where retail deals were done, at national conferences. The national show in Las Vegas usually had 50,000 attendees and it was not unusual for a retailer to sign up 30 to 50 new stores in a two/three day period. Finally, the Board might consider assigning a brand manager for the City to improve and clarify its image, institute better building standards on downtown storefronts and identify someone to work with the private sector to build buildings to a higher standard.

Mr. Gibbs stated the bottom line of the study was a very favorable report at a very negative time, which was good news for Daytona Beach.

Mr. Johnson commented that based on the report it would appear retailers would be "beating our doors down" to locate here but they were not. He asked if it was because of Daytona Beach's image not being attractive.

Mr. Gibbs felt that was not the only reason but it could contribute. There was a blurred image about what Daytona Beach was. He recommended giving consideration to going through a branding process if not already done.

Ms. Shelley stated that was in process of being done.

Mr. Jeffries stated that in the past we might not have been catering to the right target demographic, such as going after young professionals which were not in significant numbers in this region. Downtown merchants indicated their customers were the seniors, coming from the edges of the trade area into Downtown. Marketing and promoting Downtown must be geared toward that demographic.

Mr. Smith commented that speaking for his business, 40 percent of the customers were from one zip code, beachside.

Mr. Abraham asked for clarification from Mr. Gibbs: On the one hand he said Daytona Beach had strong name recognition but on the other hand there was a lack of identity.

Mr. Gibbs said yes, Daytona Beach was known around the world but what that meant was confusing and often unfairly negative.

Mr. Goodemote commented that there was an unfair negative perception that the downtown area was unsafe. He asked what other communities had done to help with fixing that perception.

Mr. Gibbs stated that generally the perception related to the percentage. If they represented a large percentage of people on the street, the image was worse than if there was a smaller percentage, even if it was the same number, i.e. 25 homeless people on a street of 50 people would be a worse negative perception than if it was 25 homeless on a street of 250 people.

Ms. Shelley agreed. There were homeless in pretty much any city's downtown area and it was a perception or feeling that you were in the minority versus the number of homeless.

Mr. Gibbs added the other challenge was that downtown's competition did not have homeless. There were not homeless in the malls or in the town centers so the issue was exaggerated Downtown.

Ms. Shelley commented on the need to have a Downtown leasing agent. The community had not actively and positively sold Downtown at trade shows. She also commented she felt the report was excellent; it gave the Board a lot to work with and was right on target.

Mr. Gibbs noted that it was fairly unpopular in his segment to recommend national chains. Many other organizations' policy was to not have national chains. Their policy was to compete with malls by having independent stores in downtown areas. He stated he differed from that opinion and felt national brands work in downtown areas. Because many cities choose as a policy not to have national brands, it was controversial and he recommended the Board give it some thought.

Ms. Shelley stated that when traveling she liked to shop local but in her opinion she was more comfortable with visiting that shopping area if there was a store she was familiar with. The national brand would bring her in then she would visit the local independent retailer.

Mr. Gibbs indicated his research supported that.

Mr. Harshaw said for 10 years an effort had been made to get people to live Downtown. He asked what Mr. Gibb would recommend in the interim.

Mr. Gibbs stated that more housing would be great but the study showed statistically it was not needed. The numbers showed there was already a huge unmet demand that would drive revenue if parking were a little more convenient, with better promotions and marketing and a better selection of preferred stores.

Mr. Harshaw commented he did not see high rise condominiums in the downtown areas in Mr. Gibbs' presentation. He commented that the efforts made to get high rises with 500 units per building may not have been the right thing to do.

Mr. Gibbs stated he did not have enough knowledge to comment on that.

Ms. Shelley commented that she had seen the areas where they had built the housing over the storefronts. She felt it was interesting that we had that and we had not capitalized on what others were building.

Mr. Gibbs stated that it was difficult to finance that type of project. The theory was if you put housing on top of retail with offices and hotels all mixed together

that it would be recession-proof because of the multiple uses. What had been learned was if one use went bankrupt the entire project failed. Currently they tended to be building by block, a block of residential housing with a corner market or an entire block of retail.

Three hundred town centers had been built in the last ten years. Most were failing, either because they were in bad sites or they were unanchored. This was why the banks would not finance without a grocery store and a department store or other anchor store.

Beach Street did not have very many vacancies and was functioning as a viable shopping district unanchored. It went against the odds but showed they could function without an anchor but bringing in an anchor would make it even stronger.

Mr. Weidman asked if in talking with the peer groups if there were any retailers that expressed an interest in moving into the Beach Street downtown shopping district.

Mr. Gibbs said yes, retailers expressed interest both directly and through third parties.

Mr. Goodemote asked if Mr. Gibbs could comment on the hours of operation as far as the demographics because Beach Street Downtown tended to closed by 5:00 or 6:00 at night and most stores were closed on the weekends.

Mr. Gibbs stated that about 75 percent of sales occurred after 5:30 at night and on Sunday. Beach Street retailers were giving up a large percentage of the market share by not matching those hours.

Mr. Goodemote asked if the residents or stores came first. He commented the same thing applied to hours of operations. Business owners wanted to see people coming into the store to justify keeping it open but it hurt the Downtown area because the stores were not open later.

Ms. Shelley mentioned that this was typical with local stores. Chains were the retailers that set the standard for later hours.

Mr. Gibbs stated that national brands would not invest in an area where they would be the only good looking storefront on Main Street or if there was not strong enough standards to prevent other store owners from building something tacky.

Ms. Shelley agreed it was important to have high standards.

Mr. Goodemote asked if shifting hours of operation would be recommended.

Mr. Gibbs stated 10:00 to 6:30 time worked well. But it had to be done as a group and must be done with a marketing strategy and there would be a six month lag time for the adjusted hours to become known. Also, restaurants and entertainment were open at night. Bringing in restaurants and entertainment would encourage retailers to maintain later hours.

Mr. Jeffries stated that the City had a lease subsidy program that encouraged later hours and was being written into the lease subsidies and some shops had started to do that. It was still not seven days a week, but some shops were now closing Mondays and staying open on Saturday.

Mr. Gibbs stated that Mr. Jeffries had indicated the Board was looking at putting in vendor carts.

Mr. Jeffries stated vendor carts were in the master plan.

Mr. Gibbs stated that would be a huge plus. They would yield high sales and add to the variety of Beach Street stores. He commented there was also a concept called pop-up stores, retailers that came in for a short term, build a fabulous store, open and then try out the area for six months then often end up staying.

Mr. Goodemote asked how critical Mr. Gibbs felt it was to have vendors on the riverside to eliminate the one-sided corridor.

Mr. Gibbs responded on a scale of one to five it would be a four. It would be a big bonus if it could be done.

Mr. Abraham commented about the rebranding efforts that had taken place over the past year, specifically the orchestra and other cultural events that had been taking place. He asked if anyone in the peer discussions mentioned anything culture about Daytona Beach.

Mr. Gibbs stated no, but added that the people who participated in the peer review groups were not necessarily very cultural.

Mr. Abraham asked if Daytona Beach was rebranded to some extent as a cultural destination through symphony orchestras or music festivals and performances, if it would attract retailers.

Mr. Gibbs stated that adding to the cultural events of Daytona Beach would be very positive in almost every way. It would help to bring art galleries, bookstores

and coffee shops to the area among others but it would not necessarily help retailers.

Mr. Harshaw asked Mr. Gibbs' opinion about narrowing the traffic and putting cars on the east side of the street for parking. He stated it was being considered with differing opinions.

Mr. Gibbs stated he felt that eliminating two of the travel lanes and making it one wider travel lane and adding a wider sidewalk with parallel parking, would be very positive moves toward increasing commerce in the Beach Street shopping district. He did not see any negatives.

Mr. Gibbs added that consideration should be given to adding parking meters on a trial basis then have an independent CPA firm voluntarily monitor sales and foot traffic before and after. He also recommended implementing beta tests of other proposed changes, including the widening of the sidewalk, and cable advertising, to see the impact on sales and traffic. He felt the board should consider including factors such as the weather, the overall economy, the unemployment rate and daily sales in the beta test results.

Mr. Smith asked if Mr. Gibbs could share the dollars estimated for implementation of parking meters.

Mr. Gibbs stated that his firm estimated that every metered parking stall generated about \$180,000 to \$200,000 a year in sales, assuming 20 turns per day and two stalls for one store. He recommended using the old style meters, not the new cluster type.

Mr. Smith stated that the reason the study was commissioned was to give the City the tools for moving forward. He stated that the purpose was for relationship building and begin to aggressively try to sell.

Mr. Gibbs agreed and added that the big picture was to say there was an unmet market demand.

Mr. Jeffries stated that the study would be very useful and would build credibility when speaking with developers and individual retailers.

Mr. Gibbs added that it would also help landlords identify new tenants and existing business owners to determine whether or not to expand.

Ms. Shelley stated that Lynn Dehlinger should be brought up-to-date with the study's results as she was very active in ICSC.

Mr. Gibbs stated that having a database of spaces, owner's names, floor plans, cost to bring up to code, rates and sizes was very helpful.

Mr. Jeffries stated that the next step was to evaluate the study and continue to talk with property owners. He mentioned the big elephant in the room was Burgoyne Properties. A trip to Jacksonville was needed to try to get the absentee property owner on the same page as the rest of Downtown.

Mr. Smith thanked Mr. Gibbs for his presentation and opened the questions to the public.

Mr. Big John asked for the cost of the study.

Mr. Jeffries stated under \$25,000.

Mr. Big John asked if the study looked at the Pavilion.

Mr. Smith stated yes.

Ms. Shelley stated that it was talked about several times.

Mr. Jeffries stated that it was referred to as the "one to the south."

Mr. Big John asked if Mr. Gibbs said Beach Street should have a GAP and for clarification of what was said about the GAP.

Mr. Gibbs stated that the study did not find support for the GAP and it was not being recommended as a result of the study. Daytona Beach did not meet their criteria.

Mr. John Nicholson, 413 N. Grandview Avenue, commented about the five downtowns all located in the Daytona Beach area, including Seabreeze, the Speedway, the e-zone, all within the core trade area. He asked if the trade area could sustain everything mentioned or if the other areas would have to sacrifice to sustain downtown. He also asked if the historic colors were conducive for downtown buildings that were used in other historic districts.

Mr. Jeffries stated that when the study was done it accounted for all of the different existing nodes of retail in that trade area and the result was 86,000 square feet of development was what the downtown historic shopping district could support for its portion of that trade area.

Mr. Gibbs agreed and added that he did not know what the other shopping areas were planning to do. He cautioned that if someone built 150,000 square feet close

to the downtown historic shopping area that included the tenants such as Lucky Strike and Dave & Busters, they could take business away from the downtown historic shopping area.

Mr. Nicholson asked if they could be symbiotic if both were built.

Mr. Gibbs stated yes, the surrounding shopping areas and downtown could be symbiotic and they could benefit each other. He cautioned that it was also possible that the demand could be met elsewhere by another shopping district.

Mr. Gibbs stated great historical storefronts could be monetized into higher sales and more foot traffic. New centers cannot recreate history and Daytona Beach was missing a great opportunity by not having more stringent standards.

Mr. Jeffries stated that he anticipated coming back to the board when strategies for the downtown historic shopping district were refined, including business incentive programs.

6. **DISCUSSION ITEM: Downtown Streetscapes**

Mr. Jeffries updated the board on downtown streetscapes, which were the first step in the master plan offered to the board. He stated that the first priority project was to update the Land Development Code and the first module of the Clarion report was included in the packet. Over the next month there would be public meetings and it would be on the agenda to be discussed at the next meeting.

Mr. Jeffries stated the next module was the urban form. Recommendations made at a prior meeting were forwarded to Clarion, some of which would be incorporated into the second module. He stated he was working with the design committee on the architectural details and they would present recommendations for consideration in the next couple of months which would then be forwarded to Clarion.

Mr. Jeffries stated the business incentives were being implemented and promoted. A report would be made to the board on the status and a strategy would be fine-tuned based on the retail market study.

Mr. Jeffries stated that the marketing plan was being implemented through the Downtown Development Authority. They were focusing on marketing and promotions, including a citywide branding effort. There were also specific branding efforts going on for downtown that the promotions committee was working on. The recommendations from the promotions committee would be presented to the Board and to the Downtown Development Authority. He stated

he would present the findings of the retail market analysis to the promotions committee to incorporate into their work.

Mr. Jeffries stated the implementation of the Riverfront Master Plan was currently underway. Four aspects of the plan to be implemented that were currently being worked on included the Beach Street 2011 design RFP which had been issued. Six responses were received and had been narrowed down to two finalists. There would be oral presentations in the next month. He stated that the Mike Curb Project was under the direct control of Daytona State College.

Mr. Jeffries presented improvements to the Riverfront Park which included a Brownfield analysis, for which an RFP was issued for continuing engineering services focused on brownfields. He stated a meeting was set up in the next month with TBE Engineering and staff to discuss proceeding with a feasibility study for the Brownfield in the Riverfront Park, dealing with going after Brownfield funding to deal with stormwater issues as the basis for doing improvements to the Park.

Mr. Jeffries stated that negotiations had been completed on the ISB streetscape project with the design engineer and was awaiting a CRA meeting for the contract to be authorized, which was anticipated at the November 3rd meeting. Upon approval the first phase would begin and Board involvement would be required, as will stakeholder meetings with ISB business owners in the downtown area. The intent was to wrap the Beach Street look into downtown ISB and also deal with that intersection at Beach Street. FDOT engineers would be involved to assist with shortening the distance to walk across ISB to Beach Street.

Mr. Jeffries stated the historic district sign standards were moving forward and the subcommittee set up by the Historic Preservation Board was meeting. They had narrowed down their recommendations which would be brought back to the Board for review.

Mr. Jeffries stated the alcohol beverage regulations had been approved by the Planning Board and City Commission hearings would be held in November.

Mr. Jeffries stated the public market had been presented to the board at a prior meeting. The operations plan was being refined and the intent was to present it to the CRA for consideration of a lease on a building in the next month or two.

Mr. Harshaw asked about the ISB design contract and whether anything had been done.

Mr. Jeffries stated no. He explained that the engineer had to be hired to do the construction drawings which would coincide with the stakeholder meetings. He

stated that feedback he got from merchants related to the timing of the construction, preferably for it not to occur between October and March at the height of the shopping season. Because the changes were cosmetic, construction should be conducted much like the Boardwalk construction to keep access to businesses open.

Mr. Goodemote asked why there was a whole year for design of the Beach Street construction and if it could be streamlined.

Mr. Jeffries stated the proposal that was submitted included timelines of 9 to 12 months for design. The review process was what caused the longer timeline, including public input at the beginning and then the staff review process.

Mr. Smith commented that a presentation of the economic impact analysis of the Mike Curb College of Arts, Music and Science was presented to Daytona State College and should be favorable to moving forward on the project.

7. **DISCUSSION ITEM: Redevelopment Plan Update**

Mr. Jeffries stated Board discussion should center around feedback on target sites, taking into consideration the suggestions from the Retail Market Study. He stated that he would update Burgoyne Properties on the study findings and get their reaction.

8. **Redevelopment Project Updates**

Mr. Jeffries presented the redevelopment project updates. He stated the Promotions Committee was working on the branding for Downtown and that would be presented to the DDA then come before the Board.

Mr. Jeffries discussed Ballough Road projects, specifically the negotiations with the Salvation Army site for relocation. He stated there was interest in them moving west but there was a problem with the lack of utilities in that area to support development. He stated staff would be meeting with the Utilities Department.

9. **Public Comments**

Mr. John Nicholson, 413 N. Grandview Avenue, remarked about the street lights being replaced in the pavilion at City Island, which would be the fourth design of lighting on the island and he did not think it was being maintained. There were vulgarities on the new picnic tables and the bathroom bars were rusted and needed to be replaced. He recently toured the island with both current and former board members and a member of the City Commission. He stated there were things that

could be done inexpensively to draw people to the island, such as creation of a children's center, which would in turn promote traffic to the Downtown shopping district.

10. Board Comments

Ms. Shelley asked about the request from Marina Point to be taken out of the district and the process was for that.

Mr. Jeffries clarified that the district was the DDA and it was a costly process for which the DDA would bear the cost, estimated to be about \$30,000. It would involve a public hearing, which included the costs of public notice and staff costs. Following the public hearing there would be a referendum which may have to include freeholders and property owners. A state attorney's opinion was needed on how to proceed on the election. Finally, there is also the cost of holding the election. He stated Marina Point made up \$15,000 of DDA revenue.

Ms. Shelley asked if because one person made the request the process must move forward.

Mr. Jeffries stated that it was up to the DDA whether or not to proceed.

Mr. Abraham added that it was very costly and funds were not in the budget. He stated it would also raise the issue of who else might want to leave the district and if everyone who did not live on Beach Street, which was perceived to be the beneficiary of the funds that were raised, wanted out, what the impact would be. He stated it was not just a financial issue; it was also a policy issue and there was not an indication of how it would develop.

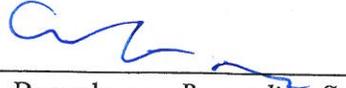
Mr. Jeffries added that one issue the Marina Point residents had was a water line issue that may be driving the request because they felt the City was ignoring their concerns. He stated discussions were being held regarding public improvements for future development which may resolve the matter.

13. Adjournment

There being no further business to come before the Board, the meeting was adjourned at 2:25 pm.



Mr. Al Smith, *Chairman*



Ms. Diane Beauchamp, *Recording Secretary*