MINUTES
City Commission Workshop: Downtown Master Plan Implementation

9:00 AM – Wednesday, June 24, 2026 – City Hall

Call to Order: 9:00 a.m.

Acknowledgement of Quorum and Proper Notice

PRESENT: Commissioner George Asbate, Vice Mayor Gary Ashcraft, Commissioner Willie L. Hawkins, Mayor Emily A. Lee

ABSENT: Commissioner Michael Holland

1. Workshop Item with Discussion and Direction

Interim City Manager, Rick Gierok, opened the meeting and introduced Dr. Richard Levey.

Dr. Richard Levey advised that this was the fourth workshop in the Downtown Master Plan process and that previous discussions had provided valuable direction from the City Commission. He indicated that the purpose of the workshop was to provide an update on the evolving capital project list, confirm Commission support, and begin discussing potential financing strategies. He noted that representatives from PFM Financial Advisors LLC were present to discuss municipal financing options. He commented that he community center and hotel discussion would be addressed separately due to the complexity of those projects.

Dr. Levey recognized the work of the Downtown Implementation Team, noting that staff had collaborated to evaluate projects, develop cost estimates, and create an implementation program. He explained that project costs and descriptions had been updated since the previous workshop and staff would continue refining recommendations.

Projects had been organized into two phases:

- Phase One: Projects anticipated to begin within approximately one to five years (potentially sooner)
- Phase Two: Longer-term projects requiring additional planning, coordination, and study

<u>County Trail and City Trail Network</u>

Dr. Levey stated the County Trail remained a Phase Two project due to the need for additional planning, environmental review, design, and right-of-way coordination with the County and partner agencies. He noted the City’s commitment to participate remained important because the trail supports the Downtown Master Plan goal of connecting neighborhoods to downtown.

The City trail system had been refined into Phase One and Phase Two improvements. Phase One trails would prioritize connections with the greatest immediate benefit by linking neighborhoods to downtown, while Phase Two segments would coordinate with future County Trail development. He presented a socioeconomic analysis of proposed trail connections using census tract data, noting that the Phase One trail network would serve neighborhoods across a range of income levels.

Bandshell Improvements and Long-Term Entertainment Vision

Dr. Levey described the Bandshell as a significant community asset and recommended Phase One improvements to expand the stage, improve production capabilities, support larger performances, and replace temporary event infrastructure with permanent improvements. He presented a long-term conceptual vision of the Bandshell area as a premier entertainment venue, potentially incorporating a future community facility near the existing pool site. He clarified that the concept was visionary only and not a current recommendation.

Commission discussion supported the concept. Commissioner Asbate asked whether the conceptual buildings represented a future community center. Dr. Levey clarified that the rendering was conceptual and that any future building placement would likely be adjusted. Mayor Lee, Vice Mayor Ashcraft, and Commissioner Hawkins noted support for the concept, stating it was a great idea

Pool Relocation

Dr. Levey explained that any future redevelopment of the area behind the Bandshell would require relocation of the existing pool, and staff had evaluated potential locations, with Sunset Island Park identified as a strong option; however, there was no Commission consensus that Sunset Island Park was the preferred location. He commented that Commission direction was for staff to continue evaluating alternative pool relocation sites. Dr. Levey commented on implementation impact noting that no pool relocation funding was included in Phase One to allow additional time to refine the overall Bandshell, community facility, and Ferran Park vision.

Waterfront Improvements

Dr. Levey presented Phase One recommendations for downtown waterfront improvements, including, expansion of existing boat dock system from approximately 22 slips to nearly double capacity, approximately 800 linear feet of additional seawall improvements, and continued development of the southern lakefront as an active public waterfront while preserving the more natural character of the northern shoreline. He estimated costs for boat dock expansion are approximately $2 million and seawall improvements approximately $4.8 million.

Downtown Property Acquisition

Dr. Levey stated that the implementation plan continued to include $12 million for strategic downtown property acquisition opportunities. No specific properties were recommended for purchase at this time; funding would provide flexibility if opportunities arise.

Capital Project Summary

Dr. Levey summarized preliminary Phase One recommendations to include a City trail network (approximately eight miles) at $5.8 million, bandshell stage improvements at $450,000, boat dock expansion of $2 million, and seawall improvements of $4.8 million. He shared that no Phase One funding was recommended for pool relocation or a community center, although it remained a potential Phase Two project.

Economic Impact Discussion

Vice Mayor Ashcraft asked how the City could measure the return on investment from projects of this scale, particularly the broader economic impact beyond construction costs.

Dr. Levey explained that economic modeling could be used to evaluate potential impacts.

Economic Development Director Al Latimer noted that the REMI economic forecasting model was available through LEAD and could be used for an economic impact analysis.

Dr. Levey commented that while models are useful, outcomes depend on assumptions. He stated that the City's strongest opportunity was investing in amenities it controls, such as the lakefront, downtown environment, and bandshell, rather than attempting to force redevelopment of privately owned properties. He explained that improving public assets would create conditions that encourage private investment.

Consensus**:** Vice Mayor Ashcraft agreed with the approach of focusing on controllable public investments to attract private development. Commissioner Asbate supported the philosophy, comparing it to the concept of becoming the right partner rather than simply searching for one.

Implementation Schedule and Project Management

Dr. Levey reviewed the preliminary implementation schedule developed by staff, noting that although Phase One projects were identified as near-term, many would realistically occur in 2028 and 2029 as financing, design, and construction progressed. He highlighted that successful implementation would require the City's ability to manage multiple major capital projects simultaneously. Vice Mayor Ashcraft stressed the importance of project management. Dr. Levey stated that project management resources had been included in cost estimates and additional support would likely be needed to successfully oversee larger, more complex projects.

Financing Discussion

Dr. Levey stated that the discussion of the community center and hotel would continue at a future workshop. Dr. Levey introduced Brent Wilder and Jackie Bickerton of PFM, explaining that the firm would assist staff in developing financing options for the proposed capital program.

Mr. Wilder provided an overview of municipal financing, explaining that cities evaluate whether projects should be funded through available resources or debt financing. He noted that debt financing allows costs to be distributed over the useful life of improvements and among future users. He reviewed tax-exempt municipal bonds, including general obligation and revenue bonds, and explained that fixed-rate financing is commonly used for long-term budget certainty. He also discussed bank loans and bond financing, noting that Eustis' strong credit rating would make it an attractive borrower. PFM's role as an independent municipal advisor is to recommend the financing approach that provides the City with the greatest flexibility and lowest overall cost.

Commissioner Asbate asked about current interest rates. Mr. Wilder explained that PFM compared a hypothetical $20 million, 20-year financing and found public bond financing could provide slightly lower long-term costs than bank financing. He noted PFM would evaluate actual market conditions through lender proposals before making recommendations.

Mr. Wilder explained that Eustis' strong credit ratings reflect sound financial management and can reduce borrowing costs. He noted that financing must serve a valid public purpose and comply with state and federal requirements. Dr. Levey clarified that the City's constitutional reference to extraterritorial powers primarily relates to utility operations outside City boundaries.

Vice Mayor Ashcraft asked whether the City had issued bonds for projects other than water and sewer. Dr. Levey stated that, to his knowledge, the City had only issued bonds for water and sewer improvements.

Mr. Wilder clarified that previously referenced lower interest rates applied to state revolving fund loans, while outstanding revenue bonds carried rates of approximately 3% to 4%. He stated refinancing was not currently advantageous due to the City's favorable existing rates. PFM will continue monitoring refinancing opportunities. Ms. Carr noted rising interest rates contributed to the decision to internally finance the CRA property.

<u>Community Center and Hotel Redevelopment</u>

Dr. Levey stated that the Commission previously identified a hotel as a priority and directed staff to evaluate an unsolicited proposal for the community center property while considering future community center options. Staff analyzed facility usage, events, attendance, revenues, expenses, and capacity and determined that the building's primary value was its civic function.

Staff developed a mitigation plan to transition events to other City facilities if redevelopment occurs. Staff determined that more than 95% of current community center events could be accommodated elsewhere, with additional opportunities through partnerships with private venues. Dr. Levey stated this addressed the primary barrier to redevelopment.

Dr. Levey explained that the revised concept includes a mixed-use development with hospitality, residential, dining, recreation, event space, and public gathering areas. He emphasized maintaining public waterfront access while creating a destination that supports downtown investment.

Dr. Levey recommended that the City enter into a Memorandum of Understanding (MOU) with the development team to allow due diligence without a final commitment. The MOU would require an independent appraisal, hotel feasibility study, professional consultants, and evaluation of financial feasibility. The City would maintain waterfront ownership, evaluate the developer's qualifications, and provide a limited exclusivity period of no more than 180 days. A future Purchase and Sale Agreement would include statutory requirements, development approvals, and a build compulsion provision allowing the City to repurchase the property if the approved project was not completed.

Consensus: The Commission supported moving forward with the MOU process to further evaluate the redevelopment opportunity while protecting City interests and maintaining public waterfront access.

Mayor Lee asked whether the City could repurchase the property at the original sale price if the developer failed to complete the project. Dr. Levey stated that the City would generally repurchase the property at the original purchase price and noted that the community center would continue normal operations unless redevelopment moved forward.

<u>Commissioner Discussion and Direction</u>

Commissioner Hawkins questioned whether the mitigation plan addressed future growth and expressed concern that relying only on existing facilities would not expand event capacity. Dr. Levey acknowledged that a future community center remained a long-term goal and noted that staff would explore potential event space opportunities within the proposed hotel development.

Commissioner Hawkins questioned granting exclusivity to one developer and supported exploring multiple options simultaneously. Dr. Levey explained that the recommendation was based on the applicant's prior investment, continued commitment, and willingness to purchase the property at fair market value. He stated an RFP could be considered if the Commission preferred a broader approach.

Mayor Lee supported moving forward with the MOU, stating the City should evaluate the opportunity rather than delay progress. Vice Mayor Ashcraft supported the MOU, citing the applicants' continued commitment and the community's desire to see downtown improvements advance. He stated an RFP could delay progress and risk losing momentum.

Commissioner Hawkins maintained his preference for pursuing multiple options and remained opposed to exclusivity. Commissioner Asbate stated he understood both perspectives but supported moving forward with the MOU to evaluate the opportunity, citing the applicants' local experience and the need for additional downtown investment.

Capital Plan and Next Steps

Dr. Levey presented three recommendations: acknowledge the proposed capital improvement plan with future refinements; direct staff and PFM to develop a preliminary financing strategy; and direct the Interim City Manager to prepare a draft MOU for future Commission consideration.

Vice Mayor Ashcraft and Mayor Lee supported all three recommendations. Commissioners Hawkins and Asbate supported the first two recommendations, with Commissioner Asbate requesting MOU consideration be delayed until August due to a scheduling conflict.

Dr. Levey stated staff would schedule the discussion to allow full Commission participation while maintaining timely progress. Commissioner Asbate requested consideration of remote participation options if legally available. Interim City Manager Gierok stated he would consult with the City Attorney and suggested the first August meeting for discussion. Dr. Levey agreed, and Mr. Gierok noted additional time was appropriate given the lack of unanimous agreement.

Dr. Levey concluded that staff would continue refining the capital plan, working with PFM on financing strategies, preparing the MOU, and coordinating future workshops and Commission agenda items.

2. Adjournment: 10:22 a.m.

**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. If available, the video recording may be accessible at https://www.youtube.com/@EustisComRel/streams or an audio recording may be requested from the office of the City Clerk.*

CHRISTINE HALLORAN City Clerk	EMILY A. LEE Mayor/Commissioner