



MINUTES
THE TOWN OF INDIAN RIVER SHORES
6001 North Highway A1A, Indian River Shores, FL 32963
SPECIAL CALLED TOWN COUNCIL MEETING

Monday, May 8, 2017
9:08 a.m.

PRESENT: **Brian M. Barefoot**, Mayor
Michael B. Ochsner, Vice Mayor
Robert F. Auwaerter, Councilman
Richard M. Haverland, Councilman
Deborah H. Peniston, Councilmember

STAFF PRESENT: **Robert Stabe**, Town Manager
Chester Clem, Town Attorney
Mark Shaw, Lt., Public Safety Department
Laura Aldrich, Town Clerk
Heather Christmas, Town Treasurer

OTHERS PRESENT: **RESIDENTS (12):** **Chris Hendricks**, PZV Board Chairman; **Jim & Maddie Higgins**, **Bob Carter**, Pebble Beach Villas; **Bill Kluckas**, **Matt Sitkowski**, **Paul Parparian**, **Joanne Sardella** from Surf/Pebble Lane; **Jim Poole**, Finance Committee Chairman, John's Island; **Bill & Patty Gundy**, **Emily McDonough** from Pebble Bay; **Jerry Weick**, Bermuda Bay; **Nancy Auwaerter**, Ocean Colony; **Dylan Reingold**, IRC County Attorney/Baytree; **Melissa Mittag**, The Estuary; Guests **Mike Hoyt & Howard Gutman**, Lutgert Companies, **Megan Raasveldt**, Dale Sorensen Real Estate; Auctioneers **Wesley Davis & Rick Baker**; Reporter **Lisa Zahner**

1. **Call to Order**

- a. Pledge of Allegiance
- b. Invocation – Vice Mayor Ochsner
- c. Roll Call – Town Clerk

The meeting was called to order by the Mayor at 8:01 a.m. The Pledge of Allegiance and invocation were recited and the roll call is reflected above.

2. **Council Discussion Regarding Auction Results on 5-Acre Parcel**

Mayor Barefoot expressed appreciation to Mr. Baker and Mr. Davis, who reminded the Council that the auction was transparent with “an arms-length transaction;” the only thing negotiable was the price. The Council had previously made the decision not to be in the real estate business, and to allow the Land Development Code and the market be determining factors for developing the property. The 5’ right-of-way did influence the value of the property, which was important to many to have in place.

More than 40 bidders were ready, willing and able to participate in the auction. The property was marketed nationally and internationally, with more than \$35,000 spent for advertising. It **sold for \$4,840,000**, which includes the net proceeds to the Town of \$4.488 million and a 10% buyer’s premium of \$440,000 (including 2% refund of \$88,000 back to the Town). Closing is set for June 16.

Mr. Davis said the appraisal included an assumption that the property could be oceanfront (a \$2 million assumption), but the County refused to allow more than one crossover. Further, the County denied the request to trim the tall sea grape trees to envision the view. Overall, Mr. Davis believed the net proceeds to the Town exceeded the adjusted appraisal by \$285,000. He estimated the added tax benefit from the sale of the property over ten years to be more than \$500,000.

Realtor Megan Raasveldt, Dale Sorensen Real Estate, informed the Council that she has been helping the Lutgert Company search for more than two years to locate a piece of land that suits their plan. In attendance and representing the company were Mike Hoyt, a Vero Beach native and Senior Vice President, and Howard Gutman, President. Answering the Mayor’s question about their vision for the property, Mr. Hoyt said their plan is to have a high-end residential, possibly a single-family home neighborhood, but the plan is fluid. If they went with single-family homes, it would be a number in the teens similar to Surf Lane, and for somewhere closer to the density of 30 homes, it would be multi-family homes. He provided the scenarios for an HOA-regulated single or multi-family development ranging from 2,600 – 3,500 square feet with street lights, an entry, and a community crossover to the beach in a **Density Study**.

Please Note: The Town of Indian River Shores does not routinely keep verbatim minutes. Any party interested in such an appeal relating to any decision made by the Council with respect to any matter considered at this meeting is responsible to record the meeting and include the testimony and evidence upon which the appeal is to be based.

3. **Council Discussion**

One councilman asked Mr. Hoyt if he agreed that the County's decisions had impacted the value of the land, and he affirmed. This was expounded by another, who noted that the rest of the property in the County is not subject to the same strict requirements which caused the devaluation of the property by the County. He opined that the bid is significantly inadequate, and recommended that they remedy the issue with the County and starting the process over. Other elected officials believed this amount was realistic, and were not convinced that the County would change their position. They believed the Council should move forward with the sale. Councilman Auwaerter made a **motion to confirm the bid made on Saturday, May 6 and accept the bid in the amount of net proceeds to the Town of \$4,488,000; and also, to direct the Town Manager to get with the Indian River County Board of County Commissioners to determine if the County wishes to exercise its right of first refusal**, seconded by Vice Mayor Ochsner. The **motion passed 3-2, with Mayor Barefoot and Councilman Haverland casting a vote of Nay.**

4. **Adjourn**

The Mayor thanked them all for being here, and said the Town will continue to try to work with the County to make the property more attractive. With no further comments, the meeting was adjourned at 8:29 a.m.

Respectfully submitted,

/s _____

(Approved by the Town Council at the May 25, 2017 meeting)