

MINUTES
HARBOR COMMUNITY REDEVELOPMENT AGENCY
ADVISORY COMMITTEE MEETING
MARCH 11, 2026 - 5:30 PM1
DESTIN CITY HALL ANNEX CHAMBERS

1. CALL TO ORDER:

The Harbor Community Redevelopment Agency Advisory Committee meeting was called to order by Chairman Stephens in the Destin City Hall Annex Council Chambers at 5:30 p.m., on March 11, 2026, followed immediately with the Pledge of Allegiance.

2. ROLL CALL:

<u>Present</u>	<u>Absent</u>	<u>Staff Present</u>
John Stephens	James Howard	Kim Montgomery, Deputy City Clerk
Lance Johnson		Jesse Hernandez, Senior Planner
Guy Tadlock		Kim Kopp City Attorney
Jim Green		
Casey Jones		
Marium Paulino (In at 5:33 p.m.)		

3. AGENDA APPROVAL:

Motion by Committee member Green seconded by Committee member Jones to approve the agenda. Committee member Paulino was not present for the vote. The motion passed 5-0.

4. MINUTES FOR APPROVAL: February 11, 2026 Minutes

Motion by Committee member Green, seconded by Committee member Jones, the members voted 5-0 to approve the minutes of the February 11, 2026 meeting as written. Committee member Paulino was not present for the vote.

5. NEW BUSINESS:

- **Long Term Financials – Krystal Strickland Finance Director**
 - Ms. Strickland presented the Harbor CRA long-term financial outlook.
 - She advised that the CRA budget is projected to go negative beginning in 2028 due to debt service obligations related to the purchase of 1 Harbor Boulevard and the CRA's contribution toward the Crosstown Connector.
 - Explaining that the 5-year balloon loan is expected to be paid off in 2029, with the Harbor CRA projected to return to a positive cash flow in 2031.
 - She advised against pursuing any new major capital projects until the CRA returns to a more positive financial position.
 - Additionally, she encouraged the Board to continue advocating for the Harbor CRA Master Plan priority projects and to pursue partnerships with other city departments, committees, and funding sources to advance those projects without direct CRA expenditures.

❖ Discussion of Priority Master Plan Projects

- She highlighted several Master Plan items that may still be advanced through partnerships or alternate funding sources, including:
 - Crosstown Connector extension along Azalea
 - Stahlman Avenue/Highway 98 intersection improvements
 - Under-the-bridge pathway
 - Harbor Boardwalk Safety Improvements
 - Zerbe Street Parking Improvements
 - Marler Street Parking Deck Concept

❖ 1 Harbor Boulevard Property

- Committee member Green asked whether there had been any new discussions regarding use of the 1 Harbor Boulevard property to generate revenue.
- Ms. Strickland stated that the tax-exempt financing for the property includes restrictions because the property was financed for public park use.
- She explained that revenue-generating uses could trigger the need to refinance under taxable rates, which would be substantially higher rates.
- She also noted that if any portion of the property were ever acquired by FDOT for bridge-related purposes, the Board would likely need to make a recommendation to the CRA Board regarding the use of any proceeds. However, with the bridge now looking to be repaired and not replaced, that outlook may not be feasible.
- The Board members discussed requesting future staff updates on selected Master Plan projects.
- By consensus, staff were asked to return with updates on:
 - Crosstown Connector extension through Azalea
 - Stahlman intersection improvements
 - Zerbe parking lot improvements
 - The Under-the-bridge boardwalk project was briefly discussed but not selected as one of the primary requested updates, although staff indicated an update may still be provided.

❖ Parking and Funding Discussion

- Ms. Strickland advised that parking-related funds could potentially be used for parking projects in the Harbor District.
- Discussion also occurred regarding whether the Okaloosa half-cent infrastructure surtax could support water-quality related work such as oyster projects.
 - The surtax is intended more for infrastructure-type projects and that the NPEB fund would have been a more appropriate source for oyster-related work, though that fund is currently not functioning well under its present structure.

❖ **Homestead Exemption Discussion**

- In response to a question regarding Homesteaded properties, Krystal stated that a potential expanded homestead exemption would likely have limited impact on the Harbor CRA because the district contains relatively few homesteaded properties and is largely commercial or non-homesteaded residential property.

➤ **Development Update – Jesse Hernandez**

Mr. Hernandez informed the members that currently there is not a lot of activity in the Harbor CRA District.

- A new minor development order application has been submitted for property at 865 Harbor Boulevard, for the vacant property next to McDonald's, for a proposed dental office; the application is currently in completeness review.
- A question was raised regarding the status of Harborwalk Village Phase II.
 - Staff indicated the applicant was expected to present the project to the City Council at a Special Meeting date, with discussion underway as to whether that would occur at a special meeting or a regular meeting, tentatively around early April.

➤ **COMMITTEE MEMBER COMMENTS:**

❖ **Committee member Paulino**

• **Wayfinding / Signage**

Committee member Paulino shared her ideas for improving navigation in the Harbor District, including:

- Better wayfinding signage
- Public information boards
- Parking, beach access, and fishing information
- QR codes linked to a digital or interactive Harbor District map
- Members discussed that such a system could help visitors locate businesses and amenities not directly on the waterfront.
- A one-page work plan was suggested by the Chairman for future discussion.

❖ **Vice Chair Johnson**

• **Undergrounding / Fiber Work**

- Concern was raised about damage to properties, sidewalks, and underground infrastructure resulting from current undergrounding of the utilities and fiber network.
- Ms. Strickland responded that the Harbor District undergrounding project along Highway 98 is on time and under budget.
- The city limits permits to one group at a time in a work area to improve accountability and is coordinating closely with utilities.
- She further stated that vendors are not being paid until any damage issues are resolved.

- It was suggested that updated public information be shared again regarding who residents and businesses should contact with their concerns.

❖ **Chairman Stephens**

• **Code Compliance**

- Chairman Stephens reported having met with the Code Compliance Manager, Chris Koch and how they conducted a walk-through and boat tour of the Harbor District.
- Code Compliance is becoming more familiar with Harbor-area issues and may assign an officer in the district during certain daytime hours.
- A report from Code Compliance is expected at an upcoming Council meeting.

Marler Parking Lot Fees

- Discussion was held regarding the possibility of changing Marler-area parking fees from a daily rate to an hourly rate.
- The Chairman expressed the view that hourly rates may encourage greater use, particularly for shorter visits to restaurants and harbor businesses.
- Ms. Strickland recommended first discussing the issue with Mr. Michael Burgess, especially since parking rate changes are already being reviewed.
- Staff member Jesse Hernandez agreed to reach out with Mr. Burgess and return with an update before a motion is considered.

• **Trash Can Placement / Responsibility**

- Discussion was held regarding trashcan placement along the Harbor boardwalk and whether businesses or the city is responsible for providing receptacles and the locations.
- Concern was expressed that some business patrons are using City trash cans because no receptacles are being provided nearby at private businesses.
- Staff agreed to research:
 - Trash can placement
 - Responsibility for service
 - Whether misuse is creating operational problems for City staff.
- Staff also agreed to coordinate with the Parks & Recreation Dept. team for additional input, since they handle the trash removal at city locations.
- Ms. Stickland noted that broader community-based waste collection models used in other tourist-heavy areas based on a special assessment, may be worth revisiting in the future.

❖ **Committee member Green**

• **Harbor Dredging**

- Commended the superb job on the channel dredging and how he can now get his boat in and out with no issues or concerns and that channel conditions have improved significantly.

- He also praised the dredging contractor for their professionalism, courtesy, and quality of work and suggested that the contractor be considered for future similar work.

6. **NEXT MEETING: April 8, 2026**

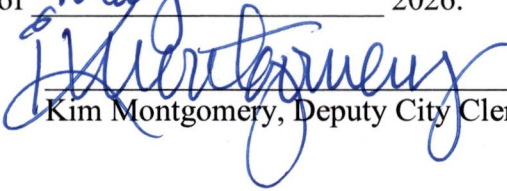
7. **ADJOURNMENT:**

Having no further business at this time, the meeting was adjourned at 6:25 PM.

Adopted and approved this 13th day of May 2026.



John Stephens, Chairman



Kim Montgomery, Deputy City Clerk