



Office of the
**INDIAN RIVER COUNTY
ADMINISTRATOR**

John A. Titkanich, Jr., County Administrator

Michael C. Zito, Deputy County Administrator
Nancy A. Bunt, Assistant County Administrator

MEMORANDUM

TO: Members of the Board of County Commissioners

FROM: John A. Titkanich, Jr., ICMA-CM, County Administrator

DATE: November 20, 2024

SUBJECT: City of Vero Beach – Request for County Funding for Humiston Boardwalk

Background & Discussion

The City of Vero Beach forwarded the attached letter requesting the County's participation in its Humiston Boardwalk project. The Humiston Boardwalk was constructed over 50 years ago and was damaged during Hurricane Nicole. County Administration was approached this past summer concerning the project following the City of Vero Beach City Council selection of a project alternative. City Manager Monte Falls and I've met and have had several discussions on the Humiston Boardwalk project and the financial issues the City was facing concerning FEMA. On October 23, 2024, Commissioner Moss and I met with City Manager Monte Falls to discuss the project.

Based on a review of the emails and documents provided by the City, they initially sought \$1,991,059 in FEMA Public Assistance to replace the boardwalk, but FEMA deemed the project ineligible as post storm photos, "...showed areas of spalling concrete, rusting rebar cracking and chipping to the boardwalk concrete and pilings indicative of an aging structure that is nearing the end of its useful life." Clarification was provided following FEMA's ineligibility determination, and FEMA and the City at some point agreed \$402,902 was the amount for storm related damages. Subsequently, FEMA informed the City on August 8, 2024, they are only eligible for \$83,095.16 for the Humiston Boardwalk project. The City filed a timely appeal on FEMA's notice of the reduced funding amount with FDEM, who transmitted the appeal to FEMA this past week. FDEM has indicated they support the City's appeal and FEMA has 90 days to render a decision on the appeal.

The City’s is endeavoring to commence construction of the project on November 1, 2025, as sea turtle nesting season on Florida's east coast generally runs from March 1st to October 31st. To accomplish this, the City cannot wait for FEMA’s final decision concerning their appeal. They need to hire an engineer, perform the necessary surveying and geotechnical work, finalize design, submit an application and obtain a permit from the Florida Department of Environmental Protection, and procure a contractor.

Based on conversations, and the attached letter from City Manager Monte Falls, the City of Vero Beach is requesting funding for the Humiston Boardwalk Project from the Tourist Development Tax as, “Humiston Park is one of the most visited beach parks in the entire County by residents and tourists...” The City noted in conversations that District 1 (the City of Vero Beach) respectively accounts for nearly half of Tourist Tax Development revenues. County staff prepared and previously provided the Board a similar version of the below table that details the past five years of tourist development tax collections.

Tourist Tax Collections					
By District - Last 5 Years					
Fiscal Year	District 1 - VB	Percent	District 2 - IRC	Percent	Total
2020	\$ 1,258,509.64	46%	\$ 1,455,753.86	54%	\$ 2,714,263.50
2021	\$ 1,792,828.76	49%	\$ 1,830,385.55	51%	\$ 3,623,214.31
2022	\$ 2,284,753.21	51%	\$ 2,200,723.22	49%	\$ 4,485,476.43
2023	\$ 2,339,163.43	48%	\$ 2,557,761.80	52%	\$ 4,896,925.23
2024	\$ 2,173,285.52	46%	\$ 2,503,439.37	54%	\$ 4,676,724.89
Total	\$ 9,848,540.56	48%	\$ 10,548,063.80	52%	\$ 20,396,604.36

Funding

The Florida Statutes, County Ordinance, and County policy govern the authorized use of tourist development tax revenue. Florida Statute, Section 125.0104(5)(a)5, provides the authorized uses of tourist development tax revenues, which include, “To finance beach facilities, or beach... improvement, maintenance, renourishment, restoration, and erosion control...” Section 210.03 of the Indian River County Code of Ordinances provides the authorized uses of tourist development tax revenue, specifically subsection (a)(4) provides, “To finance beach improvement, maintenance, renourishment, restoration, and erosion control...”

The County’s Outside Agency Funding Policy provides guidelines for staff and the Board of County Commissioners concerning the funding of outside agency requests. Section V declares the policy for funding agencies with Tourist Development Tax revenues. The Outside Agency Funding Policy, as adopted, provides, “The TDC will not accept or fund grant applications from other governmental agencies or municipalities.”

Requests (grant applications) for use of tourist development taxes are reviewed by the Tourist Development Council who consider and make a recommendation to the Board of County Commissioners who must ultimately approve funding requests. The policy requires, to receive funding an agency must promote, enhance, or attract tourism in Indian River County. The City of Vero Beach

notes in its request, "...Humiston Park is one of the most visited beach parks in the entire County by residents and tourists..."

In evaluating the City of Vero Beach's request for Tourist Development Tax (TDT) funding for the Humiston Boardwalk, the use of TDT revenues would be an authorized use in accordance with the Florida Statutes and it would not be inconsistent with the County's Ordinance regarding uses of TDT revenue. However, the request, albeit not in the form of a grant application, is not consistent with the County's adopted Outside Agency Funding Policy. Again, the policy provides to, "...not accept or fund grant applications from other governmental agencies or municipalities." Historically, the TDC and Board of County Commissioners have not wavered in the application of this policy.

Absent the County's Outside Agency Funding Policy, the Humiston Boardwalk project would be eligible for use of Tourist Development Tax (TDT) revenues, at least in consideration of the City's request. The Board of County Commissioners need to consider if they are willing to deviate from the Outside Agency Funding Policy. To fund the City's request with TDT revenues the County would have to do so through the fund balance.

One concern would be how approving this project would affect future requests, or would it lead to additional requests and unnecessarily strain future tourist development tax resources. A majority of Indian River County voters recently voted to levy an additional one cent in tourist development tax to benefit beach renourishment. The cost to maintain, restore, and renourish our beaches continues to escalate. The County last completed a Sector 5 Beach and Dune Project in the spring of 2020, and it roughly cost \$5.97 million. The County is planning to undertake a 2025/2026 Sector 5 project next winter and the estimated costs are between \$7.65 and \$8.5 million.

Humiston Boardwalk is unique given its historical significance and because of its immediate proximity to many hotels and surrounding establishments, it arguably serves as one of the primary hubs of tourism within Indian River County. Conceivably, the boardwalk is an extension of the beach infrastructure, and it promotes access, use, and enjoyment of the beach and its ecosystem, a well-known magnet for tourists.

If the Board of County Commissioners were to declare an exception to the policy it could 1) refer the project to the Tourist Development Council for consideration and a recommendation to the Board, or 2) declare the exception to policy and have the Board make the decision. If the Board were opposed to using Tourist Development Tax revenues but supported the project and wanted to participate in funding the City of Vero Beach's request, staff can evaluate other potential funding sources.

If the Board of County Commissioners are supportive of the Humiston Boardwalk project, there are three alternatives the City has presented. The three alternatives are for a Concrete Boardwalk at the face of the dune; a Wood Boardwalk at the back of the dune; and a Concrete Sidewalk at the back of the dune. At its June 11, 2024, meeting the City of Vero Beach City Council selected Alternative 3 (Concrete Sidewalk).

The County’s Natural Resources staff has indicated a back of the dune alternative is preferred. Thus, staff recommends Alternative 2 (Wood Concrete) or Alternative 3 (Concrete Sidewalk) for the Board’s consideration.

In addition to the boardwalk alternatives considered by the City Council, the City Manager’s letter also proposes adding two pavilions (\$40,000 est.) and a new lifeguard tower (\$150,000 est.). These additions would generally increase each alternative by at least an estimated \$230,000 and they are not reflected in the estimated costs in the table below.

Alternative No.	Boardwalk Type	Facility Location	Estimated Cost
Alternative 1	Concrete Boardwalk	Face of Dune	\$1,991,059
Alternative 2	Wood Boardwalk	Back of Dune	\$1,594,008
Alternative 3	Concrete Sidewalk	Back of Dune	\$ 709,097

In my discussions with the City Manager, to include our meeting with Commissioner Moss, the pavilions and the new lifeguard tower were not discussed. We were presented with the above table of alternatives and costs estimates (Attachment 3). I believe the project as originally presented to the County, less the pavilions and lifeguard tower, are more consistent with the County’s ordinance.

There is a difference between the authorized uses set forth in Florida Statute and the County’s Ordinance. “Beach facilities,” are not specifically included in the County’s Ordinance. Thus, if the Board of County Commissioners were to decide to support the Humiston Boardwalk project and use tourist development tax revenue, I recommend the Board consider the City’s request based on the (original) alternative table provided above.

Finally, if supportive, I believe the Board of County Commissioners should view this project as a partnership with the City of Vero Beach recognizing FEMA will provide some level of funding, at least \$83,000 and up to approximately \$403,000, depending on the outcome of the City’s appeal. Regardless of the funding source, the Board should consider an amount or percentage of the balance of the project when the FEMA funding is lessed out.

Staff Recommendation

Staff is requesting the Board of County Commissioners review the information contained herein and the attachments and provide staff direction.

Attachments

1. November 19, 2024, letter from COVB City Manager Monte Falls
2. Attachment (Alternatives) to COVB letter
3. Original COVB Boardwalk Alternatives (presented at October 23rd meeting)
4. COVB City Council June 5, 2024, Agenda Item