

**Official Minutes of
MARION COUNTY
BOARD OF COUNTY COMMISSIONERS**

October 27, 2025

CALL TO ORDER:

The Marion County Board of County Commissioners (BCC) met as the Marion County Community Redevelopment Agency Board (MCCRAB) in a special session at 1:31 p.m. on Monday, October 27, 2025 at the Marion County Governmental Complex located in Ocala, Florida.

ROLL CALL AND PLEDGE OF ALLEGIANCE:

Upon roll call the following members were present: Chairman Kathy Bryant, District 2; Vice-Chairman Carl Zalak, III, District 4; Commissioner Matthew McClain, District 3; and Commissioner Michelle Stone, District 5. Commissioner Craig Curry, District 1, appeared telephonically. Also present were County Attorney Matthew G. Minter, County Administrator Mounir Bouyounes, and Assistant County Administrator (ACA) Tracy Straub.

The meeting opened with the Pledge of Allegiance to the Flag of our Country

The Board wished Commissioner Curry a happy birthday.

Deputy Clerk Lewter presented Proof of publication of revised Legal ad. No. 11747641 entitled, "Notice of Revised 2025 Schedule of Meetings Marion County Community Redevelopment Agency" published on Ocala.com on October 17, 2025.

The Deputy Clerk was in receipt of a 163 page Agenda packet.

1. ADOPT THE FOLLOWING MINUTES:

- 1.1.** Request Approval of the Community Redevelopment Agency Board Meeting Minutes from June 17, 2025

A motion was made by Commissioner Zalak, seconded by Commissioner McClain, to adopt the meeting minutes of June 17, 2025. The motion was unanimously approved by the Board (4-0).

2. SCHEDULED ITEMS:

- 2.1.** Request Approval for Correction to Budget Amendment Resolution 2025-R-313 for Silver Springs Community Redevelopment Area Trust Fund Fiscal Year 2024-25 - Administrative (Budget Impact - None)

Senior Planner Christopher D. Rison, Growth Services, presented the following recommendation:

Description/Background: On September 3, 2025, the Silver Springs Community Redevelopment Agency Board approved Budget Amendment Resolution 2025-R-313 for the Silver Springs Community Redevelopment Area Trust Fund's FY 2024-25 Budget. A line-item account number was mis-identified, and staff is requesting approval for a resolution correction for recording purposes. A copy of the original

October 27, 2025

approved Resolution noting the incorrect account number and the proposed corrected Resolution are attached.

Budget/Impact: None.

Recommended Action: Motion to approve the attached corrected Budget Amendment Resolution.

A motion was made by Commissioner Zalak, seconded by Commissioner Stone, to approve the corrected Budget Amendment Resolution 25-R-313. The motion was unanimously approved by the Board (4-0).

- 2.2.** Discussion Regarding Headsprings, LLC., Silver Springs Community Redevelopment Area Grant Applications for Façade and Building Improvement Program Grant (No. SS-FBIG-2025-01), Impact Fee Grant (No. SS-IFG-2025-01), Utility Connection Grant (No. SS-UCG-2025-01), Security Improvements Grant (No. SS-SIG-2025-01), and Sign Grant (No. SS-SG-2025-01) for the Proposed Headsprings Hotel, 2500 Block of the West Side of NE 58th Avenue, Parcel Identification Number 24141-000-00, +4.22 acres (Budget Impact – TBD; formal expenditures not yet established)

Senior Planner Rison, Growth Services, presented the following recommendation:

Description/Background: The Silver Springs Community Redevelopment Area (CRA) is intended to encourage and support property owners in the redevelopment and development of properties within the CRA. Consistent with the Silver Spring Community Redevelopment Plan, and recently adopted Silver Springs CRA Master Plan Update, a series of grants are available for the redevelopment and/or development of properties within the CRA. Headsprings, LLC., is pursuing the development of a new 105 room hotel tentatively branded as a Hilton “Home 2 Suites” and has submitted preliminary grant applications for each of the five (5) grant programs offered within the Silver Springs CRA. The Headsprings Hotel Major Site Plan (AR# 32134) received Development Review Committee conditional approval on October 20, 2025, and the Building Permit (BP# 2025091601) for the main hotel building has been submitted for review.

The grant applications submitted propose obtaining the maximum eligible award, subject to the respective grant’s maximum amount and/or percentage limit, whichever is less; however, at this time, the grant applications are not accompanied by sufficient information to demonstrate the projected costs required for the grants (e.g., contract estimates, etc.), except for the estimated Transportation Impact Fees (based on 105 rooms). The attached table lists the eligible grant types and their maximum award amounts, projected cost if available, and “requested” amount with the percentage.

At this time, staff recommends the applicant’s request be recognized, and Board discuss and provide direction to staff regarding the applications, and enabling the applicant to provide contractor estimates, etc. as required, particularly given the applicant’s proposal to seek a potential tax increment funding (TIF) rebate related to the project.

Budget/Impact: Neutral, Program/project funds budgeted - \$745,077 FY 2025-26.

Recommended Action: Provide direction to staff regarding the applications, including providing for estimates, etc., regarding the continued processing of the grant applications.

Senior Planner Christopher Rison provided a brief overview of the grant requests. He stated the gross projected cost for the project is approximately \$26,000,000.00; however, staff has not received more specified costs. Mr. Rison advised that the project with its permit was submitted prior to October 1, 2025; therefore, the applicant is not subject to the Fire Impact Fee and are subject to the prior Transportation Impact Fee rate. He stated the proposed grants are for reimbursement.

Mr. Rison commented on the maximum amounts available for each grant type, as well as what is being requested by the applicant. He stated if a project were to reach the maximum amount it would be approximately \$393,000.00, noting this project would qualify for roughly \$103,000.00 depending upon what happens with the Façade and Building Improvement grant. Mr. Rison advised that prior to October 1, 2025 the County only had a Transportation Impact Fee, but as of October 1, 2025 there are both Transportation Impact Fees and Fire Impact Fee.

In response to Chairman Bryant, Mr. Rison advised that the applicant has applied for their permit.

Mr. Rison referred to the renderings as seen on the overhead screens showing the layout of the hotel. He advised that staff is looking for direction from the Board on how to move forward. Mr. Rison advised that staff should have the utility connection amounts within the next month.

Commissioner Zalak requested Agenda Item 2.3 be addressed prior to making a decision on Agenda Item 2.2. It was the general consensus of the Board to concur.

2.3. Discussion Regarding a Silver Springs Community Redevelopment Area Tax Increment Rebate Grant Program (Continued from September 3, 2025).

Senior Planner Rison, Growth Services, presented the following recommendation:

Description/Background: During the September 3, 2025 meeting of the Silver Springs Community Redevelopment Agency, James W. Gooding, III, Esq., representing Headsprings, LLC., requested consideration of a tax increment rebate related to the Headsprings hotel (hotel) proposed within the Silver Springs Community Redevelopment Area (CRA). The hotel is currently proceeding through the County's development review processes. Attorney Gooding shared information about the tax increment rebate program currently used by the City of Ocala and other communities. The Agency Board requested additional details and for this conversation to continue to today.

As part of the September discussion, the Agency Board identified concerns related to conducting and evaluating a program, such as eligible projects, methods of determining possible rebate amounts, potential maximum rebates, and how such rebates would function in conjunction with other CRA programs. Staff have drafted a potential worksheet as the basis for discussion regarding qualifying projects, and methods to evaluate their eligibility for further discussion. Mr. Gooding also intends to provide additional information regarding the hotel project.

The Agency Board is not being asked to approve a particular rebate request today but instead provide insight as to whether or not such a program is suitable for the Silver Springs Community Redevelopment Area (CRA). Staff notes that such a rebate program is not specifically identified in the Silver Springs CRA's Redevelopment Plan (Plan) or in the Silver Springs CRA Master Plan Update (Update). However, such a program conforms to the activities and potential uses

October 27, 2025

of tax increment funds, and in particular how to "leverage increment revenues through grants, short term commercial loans, or other financial mechanisms to expedite the completion of projects," as well as how to "undertake individual project pro forma analysis ... to determine projected revenues and devise strategies to maximize the use of these resources on a site-specific project or on an area wide programmatic basis."

For additional reference, information from the City of Fort Myers [Florida] CRA is also attached.

Budget/Impact: None.

Recommended Action: Provide direction regarding a potential Silver Springs Community Redevelopment Area Tax Increment Rebate Grant Program.

Mr. Rison advised that this is a continuation from the September 3, 2025 meeting relating to potential tax increment rebates for the hotel project. He stated the tax increment rebate presumes an increase in tax revenue collections calculated on the site's pre and post investment values. The increment revenue represents funds received from the taxing authorities based on taxable value increases above the base year taxable value. The increased tax revenues generated following the investment serve as the basis for determining potential rebates. The rebate is from the CRA's increment revenue and is not from Marion County. Also, it is not a tax rebate and not an obligation of Marion County. Rebates may be in addition to other CRA funding program options and any other potential funding sources.

Mr. Rison advised that the Board would have to consider how to quantify what may be allowed for rebates, noting the CRA is not obligated to implement the rebates. He stated the information provided by staff is at a maximum rate of 75 percent (%), but the Board has the ability to move forward at a higher rate if they so choose. There can also be a maximum amount either on an annual basis, cumulative basis or both. Mr. Rison advised that staff's focus was on new construction, greenfield or a full demolition and rebuild project. He stated the Tourist Development Council (TDC) has 6 different classes of hotel types, which is reflected in the chart shown on the overhead screen. The proposed hotel is classified as an upper midscale.

Commissioner Zalak questioned if other CRA's utilize a classification system. Mr. Rison advised that some do, noting there a number of factors that the Board can consider. He stated some CRA's review the overall revenue collected from the tax increment revenue and other activities. In the case of a hotel there might be things, such as the bed taxes, employment rates, salaries and things of that nature. Mr. Rison advised that the County did something similar with the Impact Fee Rebate Program, noting the entity had to document they had a certain number of positions with a certain salary level in order to qualify.

Mr. Rison commented on the different levels of restaurants and retail operations. He stated the Board can also consider the primary design characteristics, secondary design characteristics, transit accommodations, and compliance with the sign provisions. Mr. Rison reiterated some of the factors that may be considered for the Tax Increment Rebate Grant Program are minimum investment(s) by participant; qualified use/business and/or minimum size and/or density/intensity; rate (e.g. flat rate each year, sliding rate overtime, etc.); duration (time limit and consideration of CRA's "lifetime"); reductions in property values, particularly in relation to CRA funding availability; and including a binding agreement between parties and CRA Board.

Mr. Rison stated the Board has to determine the maximum ratio of the tax increment increase, noting it can be a percentage of the tax increment increase or a set amount. He stated the Board also has to determine the function of overall return to the community, gross maximum amount and the proforma analysis.

Mr. Rison advised of a meeting between staff and some professional consulting operations on Thursday, October 30, 2025 to discuss options.

Commissioner Zalak questioned if the Board could apply to extend the CRA early. Mr. Rison stated they could, noting approximately 10 years could be added.

Chairman Bryant advised that there is roughly 18 to 20 years left on the current CRA timeline and questioned why they would need to extend it further. Mr. Rison advised that there has been proposals made to the Legislature to end CRAs completely and to not allow them to extend. He recommended if the Board thinks they would want to extend then they should move forward now, noting the Board could decide to end early if they so choose.

In response to Commissioner Stone, Mr. Rison advised that the Marion County BCC is the one who approves the extension of the CRA. He clarified that in this meeting they are sitting as the Marion County Community Redevelopment Agency, not the Marion County BCC.

Commissioner Zalak opined that before things change Legislatively, the Board should consider an extension.

Jimmy Gooding, SE 36th Avenue, attorney on behalf of the applicant, advised that a bill passed the House that would have precluded extensions, but fortunately it was held up in the Senate and did not pass. He opined that it would not hurt to extend the CRA. Mr. Gooding presented a PowerPoint presentation (shown on the overhead screens) and provided a brief overview of the discussion that took place at the previous CRA meeting on September 3, 2025.

Mr. Gooding commented on the difference between the TIF being considered today for the applicant's property and the way the TIF is done for the overall CRA. He stated the applicant is requesting the frozen value be the value from the year before the project and not the year the CRA started. As the values increase the increment between the frozen value and the value that year is deposited into the trust fund up to 95%. As the taxable property values increase due to redevelopment projects, the development fund also increases. The tax increment fund is not an additional tax to the property owner. Mr. Gooding referred to the graph on the overhead screen showing the baseline property value and the tax increment. He stated when the CRA ends all the tax revenue will go directly to the County. Mr. Gooding commented on the condition of the existing hotels in the area, noting the only extended stay hotel is a moderate hotel.

Mr. Gooding advised that the applicant owns the existing Holiday Inn Express next to the subject property, which has 75 rooms. The proposed project will be larger and contain 106 rooms. He stated Home2 Suites was rated in 2025 by J.D. Power as the best upper midscale and midscale extended stay brand, noting they have a well designed business plan and facilities that are designed to attract visitors.

Mr. Gooding stated the current design is consistent with the CRA guidelines, which are above the Hilton requirements and at a significant cost to the developer. He advised that economic incentives are permitted by State Law and TIF incentives are a common tool within CRAs. Some CRAs offer multi-year grants to developers of privately owned property per development agreements, typically calculated as a percentage of the TIF. Mr. Gooding provided several examples of TIF Grants throughout the State of Florida,

October 27, 2025

such as the City of Ocala, Jacksonville, Miami, Fort Myers and Panama City. He clarified that some call them TIF Rebates, but they are grants from the TIF receipts. They are based on a TIF formula, usually a percentage of the 95% the CRA receives. Mr. Gooding advised that the following can be included in the redevelopment agreement: performance requirements, development requirements, compliance with other requirements, stipulations for this particular project, provide for suspension or reduction if other values decrease in the CRA, and cap the grant amount. He stated the Master Plan contemplates the TIF can be used for projects and recognizes that hotel uses remain in need with the CRA to help facilitate and support tourist economy. The Master Plan states "Hotel rooms are a key to the overall redevelopment efforts in the CRA catering to a tourism based economic approach." Mr. Gooding advised that hotels are a part of the catalyst concepts and the Master Plan contemplates a hotel in almost this exact location. He stated complying with the CRA has increased costs, noting it is tough to redevelop in a blighted area. Mr. Gooding opined that the proposed high-end Hilton product is more valuable to the CRA than a traditional hotel. He commented on the need for additional flagship hotels that cater to the traveling public.

Mr. Gooding provided a brief overview of the reason why hotels are critical. He stated the County's Master Plan includes a series of catalytic concepts, which increase the taxable value of property within the CRA. Mr. Gooding advised that Catalyst Concept 2 in the Master Plan is almost the same location as where the proposed project will be constructed.

Mr. Gooding addressed concerns expressed at the previous meeting. The first concern was that there were no public spaces for anyone other than hotel guests, which is not an obstacle to a CRA grant. Studies performed by the Ocala/Marion County Chamber and Economic Partnership (CEP) found that out of town guests bring new revenue to the County. He advised that the stated purpose of the Silver Springs CRA is to promote ecotourism, noting this exists without a local involvement dynamic. Mr. Gooding opined that this project would serve as a catalyst for other catalyst projects, noting this is the only new hotel built in the area for a long time. Typically, extended stay hotels do not have public spaces.

Mr. Gooding stated there is a huge demand for an extended stay hotel and short supply, noting there is a 3 to 6 month waiting period for a cabin at the Silver River State park. He stated the proposed hotel's annual daily rate will average between \$150.00 to \$160.00 and have an average stay of 5 to 6 nights.

In response to Chairman Bryant, Mr. Gooding advised that he does not know the rate for the cabins at the Silver River State Park.

Mr. Gooding stated an extended stay hotel is a top choice for sports and leisure travelers. This is in close proximity to other public spaces and is an ideal location for families attending tournaments at Rotary Sportsplex, Shocker Park and Big Sun Soccer. He stated another concern was that the property does not front on Silver Springs Boulevard, but the entrance and main signage will be off the Boulevard, as well the hotel will be visible from the Boulevard. Unfortunately, the applicant was unable to find property on Silver Springs Boulevard that would work for this project.

Mr. Gooding questioned how likely will the catalyst the Master Plan references be built without this type of development. He stated according to a document from 2024 the County spent approximately 45% of the TIF revenues on community policing, noting this is not the case today.

Chairman Bryant advised that community policing is still included in the budget. She stated the amount has not changed, but the percentage may have decreased due to the increase in revenue collected.

Mr. Gooding opined that it is a good use of funds, but it is not a typical use that will attract economic investment.

Chairman Bryant advised that the request for the community policing came from the businesses and residents within the CRA to make it safer for people to come there.

Mr. Gooding expressed support for the community policing, noting as development increases in the area the same amount of funds will be a smaller percentage. He stated TIF revenues have been slow to increase. The projection through 2028 is only expected to be approximately \$17,000.00 more than the current amount. Mr. Gooding advised that the CRA is set to expire in 2045 unless extended.

Mr. Gooding provided a brief overview of the extra cost for this project compared to actual costs spent by this developer on his other hotels. He stated the applicant is applying for approximately \$400,000.00 in grants, noting they are also seeking another \$560,000.00 on the CRA TIF Grant. Mr. Gooding stated as property values increase the revenue comes in quicker, which could make the CRA Grant shorter. He advised that the assumption is there will be a 2.5% increase in property values each year. If that happens and the applicant receives 100% of the 95% TIF revenues the CRA Fund receives, it would realize the \$560,000.00 target in the last year of the CRA. Mr. Gooding stated the percentage of the funds is not the critical factor the property value increase is the driving factor. He advised that he has shown the value the project will contribute to the community, the extra cost associated with the project, the CRA contemplates economic development for this, and other communities use this type of economic incentive. Mr. Gooding opined that this will be an ideal project to help kick start the Silver Springs CRA and finally get some economic activity in the area to spur more development. He requested he be allowed to work with staff on the redevelopment agreement.

Navroz Saju, NE 1st Avenue, applicant, provided a brief history of his family's experience with hotels in Ocala/Marion County, which began in July of 1981. He commented on the cost and risk associated with the hotel development. Mr. Saju opined that there is not a brand stronger than Home2 Suites by Hilton. He advised that a hotel can be built on 2 acres, noting this hotel will be on over 4 acres. There will not be a restaurant on site, but there will be bike racks, extensive sidewalks, landscaping and a variety of parking sizes. Mr. Saju commented on the cost of constructing this hotel within the CRA.

In response to Commissioner Curry, Mr. Saju stated assuming they max out on the grant and the TIF the request is approximately \$1,000,000.00, noting the total project is \$25,000,000.00. He advised that if the maximum request is not received he still plans to move forward with the project, but it will be difficult.

Mr. Gooding advised that the Downtown project had the benefit of both City of Ocala and County funds, noting the total public investment was roughly 10% of that project. He stated applicant is requesting 100% of the 95% TIF for the Home2 Suites project. Mr. Gooding advised that if the CRA is not extended and property values increase 2.5% the agreement will sunset at \$560,000.00.

Commissioner Curry questioned if this TIF project will impact other projects. Mr. Gooding advised that it would not directly, noting he spoke with staff at the Property Appraiser's Office who informed him that this project will not have a direct impact on adjacent property values.

October 27, 2025

Commissioner Stone expressed support for placing a limit on the amount of TIF that can be received.

Mr. Gooding advised that if the values increased by 5% the applicant's return would end roughly midway through 2043. He commented on the TIF agreement for the Downtown Ocala hotel under construction.

In response to Commissioner Stone, Mr. Gooding advised that the funds would be provided back to the applicant as a grant, noting the agreement would include performance requirements.

Commissioner Stone recommended having a condition relating to the number of employees or certain category of employees.

Mr. Saju advised that this is a service industry and the General Manager will be paid above and beyond what the mean salary is in Marion County. He stated a line level front desk person would make approximately \$17.00 to \$18.00 hourly plus benefits if full time. General discussion ensued relating to staffing.

Commissioner Zalak requested more information relating to reorientation of the building. Mr. Saju advised that initially the plan was to have the hotel perpendicular to Baseline Road and Silver Springs Boulevard, but after conversations with staff there was preference to have the hotel parallel to Baseline Road. He stated a civil engineer has evaluated the property and there is a lot of karst activity; therefore, to change the orientation of the building it would cost approximately \$900,000.00.

General discussion ensued related to the building orientation.

Chairman Bryant commented on the impact this project will have on surrounding local businesses. She stated she had the opportunity to visit one of the applicant's other sites, which was very nice. Chairman Bryant opined that this project will be a catalyst to bring more development to the area. She expressed support of the Board moving forward and letting staff work with the applicant to bring back a proposal for review.

In response to Commissioner Zalak, Ms. Straub advised that she was not involved with the conversations relating to the orientation of the building, but there is a note from 9-1-1 Management indicating the address will likely change to reflect the main access off of Baseline Road.

Chairman Bryant stated the address does not dictate the orientation of the building.

Commissioner Zalak advised that he does not care which way the building is oriented. It was the general consensus of the Board to agree.

In response to Mr. Bouyounes, Mr. Rison stated the Home2 Suites would share the access with the existing Holiday Inn Express. There is also a rear access on SE 25th Street.

General discussion ensued.

Mr. Rison advised that staff are looking for direction from the Board on how to move forward. The Board can decide if they want this to be a one time catalyst for this project or an ongoing program.

Chairman Bryant stated she dose not want to slow this project down while the County develops a program. She opined that the Board could move forward with the agreement for this project and then put a program together.

Commissioner Zalak concurred, noting this project can be done as a one off. He commented on the benefits of creating a program that allows people to anticipate what is expected of them.

Chairman Bryant stated it will also set a standard for the Board on what should be expected.

It was the general consensus of the Board to allow staff to work with the applicant and bring back an agreement for Board review, as well as options for guidelines for a TIF Grant program.

Mr. Rison advised that staff will work to bring back more information on the other available grants, noting they can be used to compliment the TIF rebate.

In response to Commissioner Zalak, Mr. Gooding advised that he will work with staff to show how grants will impact the maximum amount of the TIF.

3. NEW BUSINESS:

Mr. Rison stated at the next CRA meeting there will be a presentation relating to the award received for the Silver Springs Master Plan update.

ADJOURN

There being no further business to come before the MCCRAB, the meeting thereupon adjourned at 2:47 p.m.

Kathy Bryant, Chairman

Attest:

Gregory C. Harrell, Clerk

DRAFT

THIS PAGE INTENTIONALLY LEFT BLANK