



City of Palm Coast

160 Cypress Point Pkwy,
Ste. B106
Palm Coast, FL 32164

Meeting Minutes Special Council Meeting

Mayor Jon Netts
Vice Mayor Jason DeLorenzo
Council Member David Ferguson
Council Member William Lewis
Council Member Bill McGuire

Tuesday, September 30, 2014

9:00 AM

City Offices

IMMEDIATELY FOLLOWING THE WORKSHOP

City Staff

Jim Landon, City Manager

William Reischmann, Esq.

Virginia A. Smith, City Clerk

>Public comment on issues on the agenda or public participation shall be limited to 3 minutes.

>If any person decides to appeal a decision made by the City Council with respect to any matter considered at such meeting or hearing, he/she will need a record of the proceedings, including all testimony and evidence upon which the appeal is to be based. To that end, such person will want to ensure that a verbatim record of the proceedings is made.

>The City of Palm Coast is not responsible for any mechanical failure of recording equipment.

>Other matters of concern may be discussed as determined by City Council.

>If you wish to obtain more information regarding City Council's agenda, please contact the City Clerk's Office at 386-986-3713.

>In accordance with the Americans with Disabilities Act, persons needing assistance to participate in any of these proceedings should contact the City Clerk at 386-986-3713 at least 48 hours prior to the meeting.

>City Council Meetings are televised on Brighthouse Networks Channel 199.

>All pagers and cell phones are to remain OFF while City Council is in session.

A. Call to Order

Mayor Netts called the meeting to order at 11:29 a.m.

B. Pledge of Allegiance to the Flag

C. Roll Call

Records Coordinator Barbara Redline called the roll. All members were present.

Present: 5 - Mayor Netts, Vice Mayor DeLorenzo, Council Member Ferguson, Council Member Lewis, and Council Member McGuire

ORDINANCES & PUBLIC HEARING

Order of Business for Public Hearings (Council may make inquiries at any stage):

Open Hearing

Staff Presentation

Applicant Presentation

Council Questions of Applicant

Public Comments/ Presentations

Rebuttal by Applicant

Close Hearing

RESOLUTION

- 1 [14-364](#) RESOLUTION 2014-XX APPROVING ECONOMIC INCENTIVES FOR THE REDEVELOPMENT OF THE PALM HARBOR SHOPPING CENTER

Attachments: [Resolution Eco Dev Palm Harbor](#)

Mr. Landon - Let the record reflect all of the discussion we had during workshop is our input; just to further highlight this is not providing any dollars to this developer; it is working with them on infrastructure and our impact fees; something we typically do; they are building capacity on Florida Park Drive and in lieu of paying impact fees for us to build the capacity, that is a good thing. They have plenty of capacity right now for expansion for water and sewer; all we are doing is saying that in the future if they go over, they would not have to pay additional capacity fees in the future so there is some certainty for them and that is really the bottom line. This is a real positive project; one that is huge for us; one that is consistent with Prosperity 2021 and one that we have as a high, high priority as a result of direction of City Council to make sure our older neighborhoods continue to be very viable; this is a critical project for that and this is good public, private partnership to help make that happen.

VM DeLorenzo - The transportation impact fees, they are just for the portion of new capacity, not for the (already paid) existing? Mr. Falgout - Right, any time you have a redevelopment project anywhere in the City, the existing use is taken into account when figuring out the new impact so just the additional square footage or use.

VM DeLorenzo - Those additional uses will generate additional property taxes and sales taxes? Mr. Falgout - Correct. Mr. Landon - The other point is, there are two outparcels on Palm Coast Parkway; we hadn't talked about this, they are included and new.

CM Lewis - The Bealls complex is part of this center? Mr. Falgout - Correct.

CM Lewis - Will that have an impact on the Old Kings Road project when it is done? Mr. Landon - The site plan has been provided to our engineering firm that is designing that so they know what the new proposal is. Driveways and those kind of connections to Old Kings Road; no significant changes are proposed; bottom line is no; that has all been taken into consideration.

Public Comments:

Jack Carroll - He is all for it, but commented on what the Mayor said about, it involves the whole community the whole City; people on the other side of I-95 (on the other side of town) don't care about it. They only care about what is happening by their own house; self-centered and think of themselves only.

Alan Peterson - He thinks the transportation impact fee proposal makes a lot of sense; that incentive and change to the agreement makes sense. He doesn't think the incentive for waiving part of capacity for water and sewer; he doesn't think the City should provide that incentive. This is a multi-million dollar project and as a former banker, he would be extremely concerned of the viability of the developer if he is worried about a \$52,000 incentive. You are making an exception for this project that you would perhaps not make for somebody else. He does not see the reason to favor this particular project as what we have as a general rule for everybody else. Publix is not going to walk away from this location. Now you are going to be asked to make exceptions for all the projects down the road.

Cecelia Pugliese - One side is exempting and setting up a precedent for other incoming developers. On the other hand, people need work; we want to keep a nice place around our houses. At this point, she is not sure what is best as residents and taxpayers. In the past we lost a hotel that we never recovered, but the City Manager did gain us a golf course; her concern is demolition. Don't let us be left with an eyesore of demolition or half finished project. We have to be very careful with the developers; strict limitations which cannot be moved. She also mentioned there is land clearing going on and trunks of trees that developers have been seen dumping; City needs to check into these things.

Responses:

Mayor Netts - Mr. Carroll, you are right everybody thinks about their own self-interests, but our job as City Council is to think about the impact on the City and the poet, John Donne, had a line that said, "if a clod be washed away . . . Europe is the less . . . send not to know for whom the bell tolls, it tolls for thee." If a portion of Palm Coast is diminished, the entire City is diminished. Conversely, if this redevelopment occurs and there is increased jobs and increased property taxes and increased sales taxes, the entire City benefits. Clearly, the residents in the B, C and F Sections get direct benefit.

Mayor Netts - Capacity fees - our County government has made concessions to developers and businesses before; they built a big aircraft hangar at the airport; using some County or airport dollars with the hopes of attracting a business; we have had a number of such instances; do they come with guarantees? He wished they did. Do we wish Centex had done differently with the Palm Coast Resort? We certainly do. This is a private developer and private property; he has made his position clear that we need to do everything we can do to insure that we get a good outcome. Don't level the whole shopping center; do it piece by piece; level a piece, build a piece. The alternative is to let it continue to deteriorate; that is not in the best interest of the City. Does it come with a guarantee? Boy, he wish it did.

CM Lewis - Capacity, he is wondering what we are giving for \$52,000; how is it that important? Mr. Falgout - The agenda item is written in our terms as far as cost, the \$52,000 is the potential cost if they ever get to that amount (capacity); economic funds would pay those fees. For the developer it's much more significant to their bottom line and making this project go. The capacity improvements and the impact fees is probably around \$300,000 on their side of the ledger. It provides assurances

in their numbers and to their investors and their potential tenants in the future that the City is committed to this partnership is providing surety in those numbers so when they go for their final construction loan closing, that they have met all their conditions. While for us it is only doing things that we normally do with regards to transportation and up to \$52,000 if they ever meet those capacity numbers, for them it is a lot more significant. Mr. Landon - This is a multimillion dollar project, there are a lot of issues and a lot of costs; we have been working months through this and it comes down to just this package and these are the items that require City Council approval in addition to the zoning and those types of things. Secondly, it is very consistent with what we have said about shopping centers. City Council took action and said for redevelopment or shopping center; we are going to say this is what your impact fees are upfront and when you change that mix, you don't tell somebody they have to come to the table again. We are not giving this to an individual business, we are giving this to the whole center; that is a major difference; regional center. We don't want them to change their mix because it may save them dollars in the future or chase away a restaurant because they are going to have to pay additional impact fees. It just makes good common sense in a business relationship, now and in the future with tenants. We want to be part of the solution. Mayor Netts - It was alleged by a speaker that you are now setting a precedent; no, it is a decision that City Council makes case by case.

VM DeLorenzo - Publix the anchor, so when you talk about transportation impact fees, there is a big long formula but the basis is the term called, "the trip." The trip is when you leave your house and to where you end up at. The anchor is so important; the trip is to go to Publix, but why does everyone else want to be there, why do all the other tenants want to be there, because you are going to eat, get a haircut go to Publix, etc. Mayor Netts mentioned, "internal capture." VM DeLorenzo - So the basis for the impact fee, includes that initial trip but each use in there gets counted as that. He has no problem with the transportation part of this and with them building the infrastructure themselves; makes perfect sense. It is going to be a better shopping center.

A motion was made by Vice Mayor DeLorenzo, and seconded by Council Member Ferguson, that the Resolution be adopted. This motion was approved by the following vote:

Approved: 5 - Mayor Netts, Vice Mayor DeLorenzo, Council Member Ferguson, Council Member Lewis, and Council Member McGuire

Enactment No: R2014-122

2 [14-362](#)

RESOLUTION 2014-XX APPROVING PURCHASE OF BUDGETED WHITE FLEET FOR FISCAL YEAR 2014-2015

Attachments: [Resolution White Fleet](#)
 [Fleet Replacements 2015](#)
 [Fleet quotes](#)

Mr. Landon gave a brief overview of this item.

Public Comments:

Cecelia Pugliese agrees with what Council is proposing; one year difference (in model year) isn't going to be a big difference and they sell for a good price on auction.

A motion was made by Council Member McGuire, and seconded by Council Member Lewis, that the Resolution be adopted. This motion was approved by

the following vote:

Approved: 5 - Mayor Netts, Vice Mayor DeLorenzo, Council Member Ferguson, Council Member Lewis, and Council Member McGuire

Enactment No: R2014-123

D. PUBLIC PARTICIPATION

In accordance with Section 286.0114 Florida Statutes, after the Mayor calls for Public Participation, each member of the audience interested in speaking on any topic or proposition not on the agenda or which was discussed or agendaed at the previous City Council Workshop, shall come to the podium, state their name and will have up to three (3) minutes to speak. The Mayor will advise when the three (3) minutes are up and the speaker will be asked to take a seat and wait until all public comments are finished to hear answers to all questions. Once all members of the audience have spoken, the Mayor will close public participation and no other questions/comments shall be heard. Council and staff will then respond to questions posed by members of the audience. Should you wish to provide Council with any material, all items shall be given to the City Clerk and made part of the record. If anyone is interested in discussing an issue further or ask additional questions, individual Council Members and staff will be available after the meeting to discuss the matter and answer questions.

Jack Carroll - A few years back when you decided on fees for the wastewater, you gave these corporations/people a break; 90% discount on fees for their water runoff and Mr. Meeker said that we had one of those 100-year events that happens when you get those big rains. Well since then, we have had two. He thinks we should re-evaluate those fees again to see if those people with the flat lands without buildings on them, they have to have runoff with all this rain.

Cecelia Pugliese - Yes, I like the approval for the shopping center and has confidence in our City Manager that it is going to be done right. She wants the City to be on the watch when we have developments around the waterfront that there is no dropping/dumping of discards in our waterways and canals. She has seen it, on the first and second canal after Palm Point apartments (off Club House Drive) needs to be looked at; someone is dumping land clearing, also she heard at the Palm Coast marina. Mayor Netts asked Ms. Pugliese to share her information with Mr. Nestor Abreu, Community Development Director, to look into it.

Responses:

Mayor Netts - Stormwater fees, very complex issue we went through several years of intense scrutiny and the bottom line; if you are going to have a fee then according to State law there has to be rational nexus between the amount of the fee and the service that you receive. The problem of course is determining what service you receive. Somebody with vacant land next to a canal, clearly they have runoff into that canal. People further west, one lot away, not adjacent to the canal, they don't get a fee but he can't be convinced that they don't get a service; very complex issue, etc. What we have now is probably a compilation of, "as good as you can get." At the risk of incurring the wrath of a whole bunch of people, the easiest, from a practical point of view, is simply do away with stormwater fees altogether and pay for it out of taxes. Then everybody is going to pay something; City-wide benefit.

CM McGuire - Didn't we spend a pile of money on a consultant to do a lengthy, exhaustive study on ways of charging stormwater fees? Mayor Netts - And we didn't like the results; that is the problem, we are constrained by State law. If we were a

homogenous community; if Palm Coast was nothing but quarter acre lots or nothing but five acre horse farms, then it would be a much easier job to come up with an equitable stormwater fee but the reality is that we have all different kinds of land uses, sizes and shapes and different ways of accessing stormwater.

VM DeLorenzo stated Mr. McCarthy said his house is fine but the vacant lot next to him that he owns is full of water and his wife wants him to do something about it. That is the point, it is a vacant piece of land and it is holding its own water until it seeps down into the ground; he is sure some if floating down to the swale and that is why even vacant land is paying something but the majority of it is just sitting there waiting to be absorbed. Mr. Landon added it's very complicated; can't meter it; we are just now settling in with all the changes that were made; to make changes again right now and the turmoil that causes with the customers and the time and effort by the Finance Department. You don't change the way you calculate it every other year. Mayor Netts - We are moving ahead with our modeling and then the following taking the results and making stormwater improvements; with unlimited funds we could do a lot more. Mayor Netts mentioned Port Orange spending millions of dollars and not getting the desired result.

E. DISCUSSION BY CITY COUNCIL OF MATTERS NOT ON THE AGENDA

No Council comments.

F. DISCUSSION BY CITY ATTORNEY OF MATTERS NOT ON THE AGENDA

City Attorney had no comments.

G. DISCUSSION BY CITY MANAGER OF MATTERS NOT ON THE AGENDA

Mr. Landon - Hot off the press FDOT (Florida Department of Transportation) has sent out an email saying they will begin constructing the right lanes on State Road 100 at I-95; end of October they are going to start construction. Mayor Netts - Send our deepest thanks to the secretary.

Mr. Landon - We asked for deceleration lanes also, but FDOT said they weren't warranted but the right turn lanes are warranted.

H. ADJOURNMENT

The meeting was adjourned at 12:00 p.m.

*Respectfully submitted,
Barbara Redline*