



City of Palm Coast

Palm Coast
Community Center
305 Palm Coast Pkwy., NE
Palm Coast, FL 32137
palmcoastgov.com

Meeting Minutes

City Council

Mayor Jon Netts
Vice Mayor Bill McGuire
Council Member Jason DeLorenzo
Council Member Steven Nobile
Council Member Heidi Shipley

Tuesday, September 1, 2015

6:30 PM

Palm Coast Community Center

City Staff

Jim Landon, City Manager

William Reischmann, City Attorney

Virginia A. Smith, City Clerk

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

>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.

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A. Call to Order

Mayor Netts called the meeting to order at 6:30 p.m.

B. Pledge of Allegiance to the Flag

C. Roll Call

City Clerk Virginia Smith called the roll.

Present: 5 - Mayor Netts, Vice Mayor McGuire, Council Member DeLorenzo, Council Member Nobile, and Council Member Shipley

Approval of Minutes

- 1 [15-358](#) MINUTES OF THE CITY COUNCIL'S:
 A. August 18, 2015 City Council Business
 B. August 25, 2015 City Council Workshop
- A motion was made by Vice Mayor McGuire, and seconded by Council Member DeLorenzo, that the Minutes be Approved as presented. This motion was approved by the following vote:**
- Approved:** 5 - Mayor Netts, Vice Mayor McGuire, Council Member DeLorenzo, Council Member Nobile, and Council Member Shipley

PRESENTATIONS

Proclamations and Presentations

- 2 [15-327](#) PROCLAMATION RECOGNIZING SEPTEMBER AS CHILDHOOD CANCER AWARENESS MONTH
- CM DeLorenzo presented this Proclamation.*
- The Proclamation was Received and Filed.**

ORDINANCES, RESOLUTIONS, AND PUBLIC HEARINGS

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

Open Hearing
Staff Presentation
Applicant Presentation (if applicable)
Council Questions of Applicant (if applicable)
Public Comments/ Presentations
Rebuttal by Applicant (if applicable)
Close Hearing
Council Discussion
Council Action

First Reading

- 3 [15-341](#) ORDINANCE 2015-XX ROBERTS ROAD WEST ANNEXATION
- City Attorney Reischmann read the title into the record.*
- Mr. Landon gave a brief summary of the item.*
- Mr. Falgout presented a PowerPoint presentation, which is attached to these minutes.*

Public Comment:

There were no public comments.

Mayor Netts provided a brief history of the vision of Palm Coast from ITT days.

A motion was made by Council Member DeLorenzo, and seconded by Vice Mayor McGuire, that the Ordinance be approved on First Reading. The motion was adopted by the following vote:

Approved: 5 - Mayor Netts, Vice Mayor McGuire, Council Member DeLorenzo, Council Member Nobile, and Council Member Shipley

Resolutions

- 4** [15-340](#) RESOLUTION 2015-XX APPROVING THE PRE-ANNEXATION AND ECONOMIC DEVELOPMENT AGREEMENT FOR FLORIDA LANDMARK COMMUNITIES
- This item was heard under item 3.*
- Public Comments:*
Jack Carall-Do we know what they are going to do with the property after annexing into the City?
- Responses to Public Comments:*
Use of property- Mayor Netts-Portions of the property are already developed, Contemporary Machine is open and operating and functional but what about the rest of the property? Ans: Mr. Falgout-The pre-annexation talks about what the property can become, that will be subject to the public hearings before the Planning Board and Council. Of course, the property has already has entitlements. Contemporary Machine is active industrial, primary job creator here in the community. The property currently owned by Florida Landmark is currently on the County as a mix use PUD. We are similar in a mix use product especially knowing that portions of their area residential, there are of course some areas of industrial uses with Sea Ray and Contemporary Machine so it will be mixed use project.
- Mayor Netts-mix-use, it is a term used, a term of art for planners, once upon a time in planning, the idea was put business here, put residents here, put commercial here, put industrial here and that creates a very, very transportation dependent type of planning. Mixed use tries to integrate these uses in a more functional fashion.*
- A motion was made by Council Member DeLorenzo, and seconded by Vice Mayor McGuire, that the Resolution be adopted. This motion was approved by the following vote:**
- Approved:** 5 - Mayor Netts, Vice Mayor McGuire, Council Member DeLorenzo, Council Member Nobile, and Council Member Shipley
- Enactment No: R2015-92

Consent Agenda

Public comments shall be held In accordance with Section 286.0114 Florida Statutes. Any member of the public interested in speaking on any item on the Consent Agenda, shall come to the podium, state their name and will have up to three (3) minutes each to speak.

- 5** [15-344](#) RESOLUTION 2015-XX AUTHORIZING THE CITY MANAGER TO EXECUTE THE STATE REVOLVING FUND LOAN APPLICATION FOR WASTEWATER TREATMENT PLANT #2, PROJECT WW18042

This item was removed from the Consent Agenda by CM DeLorenzo. Mr. Landon gave a brief overview to this item. Mr. Adams and Mr. Matthews provided a PowerPoint presentation, which is attached to these minutes.

VM McGuire-What is SRF, ERP and DEP? Ans: Mr. Adams-State Revolving Funds, DEP-Department of Environmental Protection and ERP is Environmental Resource Permit.

CM Nobile-These dates are predicated on growth, correct? Ans: Mr. Adams-Correct. CM Nobile-So if we grow faster, that time shortens, if we grow less we have more time, but we are not looking at, even if the growth were to shorten, we still have to get this going now? Ans: Mr. Adams-Correct. There are a couple of things, what you are asked to approve today is just the loan application. We will be back hopefully before the end of the calendar year with the approval of the loan document, the commitment to borrow the money. This is strictly the application. So each stage of the game as we come along in this project, we have had opportunities to slow down or speed up depending on what the growth was showing us. So here we are today, slightly different than February, we are actually, flows have increased slightly more than what we had projected back in February so there is, but one thing about the DEP loan is that it is only available once a year, so you have to get on their funding list for the SRF hearing, the June date was when we had to submit to the DEP to get us on their list, if we did not do that in June we would not have the opportunity to do it until next year. Then we get to the August hearing, DEP looks at their list of projects and they decide who does and who doesn't qualify, who needs the money who doesn't need the money and then in August they decide if they are going to fund the project. If we did not do it 2015, then we would not get it until August of next year. So as you can see by our schedule we really do not have the time to wait until next year, so now is the time. If things came to a screeching halt and there was no growth between now and January, we would still move forward with the project in January.

VM McGuire-Does your usage numbers include municipalities outside of Palm Coast? Ans: Mr. Adams-We serve Beverly Beach (County system); yes all the flows include all the flows coming to our plant.

Mayor Netts-Should you reach your capacity or exceed your capacity, what are the consequences? Ans: Mr. Adams-it is difficult to say, first of all you would enter into a consent order with the DEP, that would be the first thing because you are violating your permit. Now that could come with daily fines, may or may not depends on how the DEP feels about your progress of your plant. Since you are well into it, if you are moving forward and able to meet treatment conditions, they may let you slide with just a consent order. More than likely there would be a building moratorium until you built the additional capacity.

CM Nobile-We are looking at \$30 mil and the total puts us at approximately \$200 mil in debt, what is the near and median term future look like and how much more debt are we going to have to incur to keep the plant? Ans: Mr. Adams-As you know with our last rate adjustment, we doubled the amount we put in reserves for RnR (renewal and replacements) and that will help a lot to keep from having to borrow additional money for any major capital improvements, replacing existing stuff. So the idea being we have the revenues to support the majority of those types of expenses.

CM DeLorenzo-For the loan, do you have any idea what the SRF interest rate will be? Ans: Mr. Adams- .75%

CM DeLorenzo-That is why it was so important to get in on the DEP schedule, correct? Ans: Mr. Adams-Correct.

Public Comments:

Jack Carall-What will this cost the public?

Responses to Public Comment:

Cost-Mayor Netts-Palm Coast is very unusual for cities our size in that our general fund has no debt, the debt that we have is from enterprise funds so this does not costs the taxpayers anything. It is funded by what the rate payers pay. So as the City grows you get more people utilizing the system, they are paying additional funds. These are all funded, these enterprises funds are not general obligation funds so there are no tax dollars involved. Correct me if I am wrong Mr. Landon.

Mr. Landon-You are correct, I can go one step further and state that Mr. Carall's comment about it not being in the budget-that statement is incorrect, it is in the current budget, in fact with this kind of interest rate we do not anticipate at this time as to having a rate increase to be able to pay the bond. We were very conservative in making sure that the amount of money that we are able to put into reserves right now will go towards, if you will, the down payment, the amount is about \$1.6 mil. That will be the bond payment which is based on our current revenue, our current budget, so we do not need a rate increase in our utility fund to actually make the debt payments for this project. That was all part of our 5 year capital improvement plan to make sure we were able to do that.

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

Approved: 5 - Mayor Netts, Vice Mayor McGuire, Council Member DeLorenzo, Council Member Nobile, and Council Member Shipley

Enactment No: R2015-93

6 [15-347](#)

RESOLUTION 2015-XX REVISING THE CITY'S TRANSPORTATION IMPACT FEE SCHEDULE AND ADJUSTING RATES BASED ON THE CONSTRUCTION COST INDEX; INCREASING RATES BY 2.44% TO TAKE EFFECT IN NOVEMBER, 2015

This item was removed from the Consent Agenda at the request of a citizen.

Mr. Quinn, Finance Director provided an overview to this item.

Public Comments:

Jack Carall-When you say transportation is that for the roads, etc.? How will this affect the builder? The buyer of the house? How will this affect our growth?

George Spear-Understand the concept of increase in taxes, could this be why we lose big corporations-impact fees?

Louis McCarthy-If this is enacted, do you have to go according to this rate or could you cut it down?

Responses to Public Comments:

Mayor Netts provided an overview as to how impact fees work with growth. Growth should pay for itself. Described economic incentives. Rate: Is the rate fixed, yes, but we can provide incentives to be competitive.

CM DeLorenzo-We have had a negative balance in the impact fee funds for several years and we have more road projects out there now than I can ever recall in the

City. I think it is important to look at and plan to look at impact fees in the next budget because we are open to other funding areas, so we need to consider those in the overall scheme of how we collect dollars to build roads, capacity building roads. Also, at the workshop I asked for a list which Chris provided in our back-up. I asked for 3 criteria and there is a lot of different criteria for the type of business that you are putting in and the impact fee that you have to put in. Single family home is a flat rate, this index will go into effect in November, the new rate will be \$3,124.67 per household and that is just the transportation and we also have fire, park and school, we do not levy the school. For a 1,000 sq.ft. medical office the new rate will be \$6,224. Commercial impact fees are based on square footage, so there is a multiplier there, and a 1,000 sq. ft. fast food with a drive-thru, I probably should have asked for something better because that is the smallest drive-thru restaurant I can think of is \$40,547, so I think that is pretty straight forward, so if it is 2,000 sq. ft. it would be \$80,000 and if 3,000 sq. ft. it would be \$120,000 for the privilege to build your restaurant in our town and that is just the transportation fee.

CM Nobile-I just want to point out that Mr. Landon hit the nail on the head when he said "It makes a great negotiating piece when someone comes in to build here." They are going to come in and say "What can you do for me?" so it is always good to have something we can use and the impact fees give us a great tool for negotiations.

VM McGuire-We just approved the opening steps of annexing in Roberts Road West and Landmark Communities, if there is a need for roads and road maintenance, where does that money come from? Ans: Mayor Netts-You have two choices, Impact fees or raise taxes and collect it from the existing residents.

CM DeLorenzo-Mr. Nobile, so you are aware, in case you are not, an impact fee can be used as a negotiation sure, but what you are going to replace that with is tax dollars, because you can not eliminate an impact fee for a particular project. The fees are by Ordinance are across the board, so if you are giving that company dollars, those dollars are paid from tax dollars.

Mayor Netts-If you waive impact fees or reduce impact fees across the board, everyone benefits whether you want that business or not, when you negotiate with a company, business, an industry that wants to come here, there are two possibilities, You can give them money up front, here is a \$2 mil. incentive to bring your company to Palm Coast, very very risky and has proved disastrous for many states in the United States. Just because you gave them \$2 mil. up front does not mean they are going to stay in business, does not mean they will keep their business here. There is a term "claw backs" if you give the money up front and the company does not meet your expectations, then you are trying to get the money back; a much better approach (in my mind) is performance based incentives. You say you are going to build a 10,000 sq. ft. building, you say you are going to have 100 employees each making \$50,000 a year, well at the end of the first year if you have met that objective, we will give you 1/5 of a five year incentive and in the second year if you have continued to meet that incentive then you get your money. It is a lot easier to have performance based objectives. That is the kind of thing we try to negotiate for. I am very reluctant to give away tax payer dollars without some assurances that we are going to get a return on investment.

CM Shipley-Have we had any businesses, big businesses that want to come here and have not due to the impact fees? Ans: Mr. Landon-While we wait for Beau, Island Walk Shopping Center is a good example. They actually did the left turn lane on Florida Park Drive to add capacity, because of the added traffic impact that they were going to have and the dollars that they put into that went towards their impact fees. Lots of time businesses like to use impact fee dollars to make street

improvements. In front of Walmart that extra lane that Cobblestone put in, instead of paying us impact fees, they added a lane. Those are the kinds of things that businesses like because it helps get people in and out. The larger businesses like the medical building and Carrabbas-instead of paying us dollars actually contributed to the whole system and it is a win-win for a lot of people.

Beau Falgout-There has been none to my knowledge, Ms. Shipley. The worse thing for an economical development to pitch a site, would be one with no infrastructure, no roads, no sewer. An economic prospect will ask when are you going to get that to me and we reply in a couple of years, so, no we always pitch deferral of impact fees through their increase property taxes, kind of that benefit of what is your capital investment, what is your jobs investment with us. We front load the impact fees so it is kind of a wash for the business and they get some kind of incentive that way.

VM McGuire-Perhaps Beau could discuss impact fees with Buxton. Ans: Mr. Landon-We have had those discussions with Buxton. What is it that we need to not lose an opportunity.

A motion was made by Vice Mayor McGuire, and seconded by Council Member Nobile, that the Resolution be Adopted. This motion was approved by the following vote:

Approved: 4 - Mayor Netts, Vice Mayor McGuire, Council Member Nobile, and Council Member Shipley

Denied: 1 - Council Member DeLorenzo

Enactment No: R2015-94

D. Public Participation

Public Participation shall be held 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 and state their name. Each speaker will have up to three (3) minutes each 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.

CarlMichael McMillan-Requesting help for the Belle Terre Swim and Racquet Club.

George Spear-Amenities of Palm Coast.

Wilfredo Lleras-Belle Terre Swim and Racquet Club.

Mr. Worski-Belle Terre Swim and Racquet Club.

Dee Fox-Lifeguard at Belle Terre Swim and Racquet Club.

Angeles Glick-Belle Terre Swim and Racquet Club.

Elaine Brodsky-Belle Terre Swim and Racquet Club.

Barry Kipnis- Belle Terre Swim and Racquet Club.

Richard Campbell-Belle Terre Swim and Racquet Club.

Jack Carall-Life is full of disappointments (Belle Terre Swim and Racquet Club) and workshop items of importance.

Mary McCrohan-Belle Terre Swim and Racquet Club.

George Santos-Belle Terre Swim and Racquet Club.

Donald Overka-County resident-Belle Terre Swim and Racquet Club.

Responses to Public Comments:

Belle Terre Swim and Racquet Club-Mayor Netts-If at one time you had 400 members and now you are down to 100, you should look at why they are leaving. The issue of the Belle Terre Swim and Racquet Club is an item that Council can consider if it so chooses.

Code Enforcement-Jack, we never said that code enforcement was not important. What I said is and what I tried to explain at the last meeting was workshops are a place for discussion, the business meeting is a place for action. There was nothing at the workshop that required action that needed to be voted on by City Council.

E. Discussion by CITY COUNCIL OF MATTERS NOT ON THE AGENDA

VM McGuire-Joint meeting with BOCC, agenda topic-County's holding of the certificate that does not allow the City to have an ambulance service. Mayor Netts has responded to the Chair of the BOCC and I have requested we have an agenda.

CM Nobile-For the last 30 years I have tried to promote industry here. I have been told Palm Coast was created and developed as a retirement community. How can we be a retirement community and not have a senior center. Can we look at the Belle Terre Swim and Racquet Club to see if it could fill that niche that we have nothing for? Would like to see something that benefits the seniors in Palm Coast that we do not have.

CM DeLorenzo-Legislative delegation meeting in a couple of months-would like to prepare a resolution opposing the utility realignment issue. Mayor Netts-We will look to draft a joint resolution, and absolutely address that at legislative delegation.

CM Shipley-First she agrees with VM McGuire that we need to sit with the BOCC regarding having our own ambulance service, just because it seems we do double the work to get out there, which means double the cost but also agrees with CM Nobile. this is what I ran for office for, all these people are coming to us telling us what they want and they all have, well different strokes for different folks, I know there are different gyms that opened here and I am glad they opened because they do employ people here but it is not exactly what my mother would want. She would want to go to the gym and swim in a pool with people she can talk to and identify with. So I think we should have a city workshop just to see if they are asking for help, if we have some way of helping I have already spoke with someone that if there is some sort of fund raising that I would be willing to help with the fund raising but we

have a great Parks n Recreation and they can't do the advertising, our Parks n Recreation can make anything work but we do give money to golf courses and we do give money to this and that, I think they have a good argument with that.

F. Discussion by CITY ATTORNEY OF MATTERS NOT ON THE AGENDA

Nothing at this time.

G. Discussion by CITY MANAGER OF MATTERS NOT ON THE AGENDA

Council asked for an overview of senior programs-what are the gaps and where do we go from here. Also asked for us to look into the Yacht Club as that facility is for sale. Presentation scheduled for a workshop in October.

Hero's Park 9/11 Memorial-on 9/11 at 8:00 am at Hero's Park on Palm Coast Parkway.

Gold Standard from the Florida Green Building-received a re-certification this week. Not an easy award to achieve. We are the 3rd highest score in Florida.

Nice to see the storms disappearing but we have to be prepared continuously. We actually kicked in the storm preparedness activities and am very proud of City staff and our ability to be prepared. That is actually good training when you have training for what might be a real live event. I just want to reassure everyone that we are ready, as much as you can be ready for a big storm and would encourage everybody else to realize there is another storm out there eventually and everyone needs to continue to be prepared. We have a County wide readiness preparedness guide. If you do not have it, it is available on the website, here in this building, and we have them at all our fire stations. it is a nice step by step pamphlet.

*Mayor Netts-Is there County interest in the Belle Terre Swim and Racquet Club?
Ans: Mr. Landon-The superintendent of school invited all City Managers and the County Administrator to discuss if there was any interest in the Club. County Administrator stated County has some interest because of their senior programs also. So that is a possibility.*

Mayor Netts-Would like the meeting with County sooner rather than later.

H. Adjournment

The meeting was adjourned at 8:04 p.m.

*Respectfully submitted,
Virginia Smith, City Clerk*

Calendar and Worksheet

[15-360](#)

MEETINGS CALENDAR AND AGENDA WORKSHEET

[15-359](#)

ATTACHMENTS TO MINUTES

