CITY OF HOLLY HILL, FLORIDA

CITY COMMISSION

MINUTES ● MARCH 14, 2017

City Commission Chamber	Regular City Commission Meeting	7:00 PM

CITY HALL
1065 RIDGEWOOD AVENUE
HOLLY HILL, FL 32117

City Clerk's office: (386) 248-9441 - Fax: (386) 248-9448

1. CALL TO ORDER

A. Roll Call

Attendee Name	Title	Status	Arrived
Arthur J. Byrnes	District 1 - Commissioner	Present	
Penny Currie	District 2 - Commissioner	Present	
John C. Danio	District 3 - Commissioner	Present	
Chris Via	District 4 - Commissioner	Absent	
John Penny	Mayor	Present	

B. Invocation
Commissioner Byrnes led the invocation.

C. Pledge of Allegiance to the Flag
Commissioner Byrnes led the Pledge of Allegiance to the Flag.

Mayor Penny asked for a motion to excuse Commissioner Via from the meeting tonight.

Commissioner Currie made a motion to ***EXCUSE*** *Commissioner Via, seconded by Commissioner Danio.*

PASSED, 4-0.

Mayor Penny stated there are some amendments to the agenda this evening.

Mr. Forte stated with his apologies, he has to let the Commission and the public know that there was an error in the advertising of the public hearings. They didn't get the advertising done within a 10 day period. So, none of the public hearings can be heard this evening. They will all be advertised again this Saturday and heard as public hearings on March 28th.

Mayor Penny stated, thank you. So, if there is anyone here for the public hearings, they won't be discussing them this evening.

2. RECESS THE CC MTG & CONVENE AS THE CRA

3. CRA AGENDA

1.

Resolution 2017-R-19 A Resolution of the Community Redevelopment Agency (CRA) of the City of Holly Hill, Florida, Authorizing the City Manager to Enter into a Contract with Carter Electric to Bury Overhead Utilities in Accordance with Sealed Bid #13 St 03 Phase III on US1 from Mason Avenue to Walker Street; and Providing Severability; and Providing an Effective Date.

(Requested by Valerie Manning, City Clerk)
Mr. Forte stated this is the next stage of the overhead to underground process. This is burying the primary FPL lines that go from Mason Avenue through Walker Street. The Commission saw the bid number that's in there, they might have seen correspondence that talked about the discount that the city gets for the construction cost of 25% and they city has to reach three pole lane miles in order to achieve that discount and the city isn't there yet but the city is able to accomplish that three mile criteria in phases and when they have to start the next phase within a year after completing the first phase and the city will be on target to go ahead and do that. The other thing the Commissioners have to be aware of is the start to, for AT&T and Bright House to come off the poles or Spectrum to come off the poles, will happen only after FPL comes off the poles. So, it's going to take about this time next year before they will see AT&T and Bright House start to move their items from the poles and then the poles come down sometime after that. So, the city is going to proceed with this portion of the undergrounding of the primaries for Mason through Walker. Carter Electric is in the audience if the Commission has any other questions for them. They are set to move forward.

Mayor Penny opened public participation. No one spoke.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Penny Currie, District 2 - Commissioner
SECONDER:	John C. Danio, District 3 - Commissioner
AYES:	Byrnes, Currie, Danio, Penny

Enacted and approved this 14th day of March, 2017, in Holly Hill

4. ADJOURN AS THE CRA & RECONVENE THE CC MTG

5. PUBLIC COMMENTS

John Cabrey, 737 State Avenue, Holly Hill, spoke to the Mayor and Commissioners about the multiple issues he has brought to the city about trash/litter within the city; mentioned that he has joined with the city to help clean up his area in the community and thanked the Police Department for their efforts in helping with the issues.

6. APPROVAL OF MINUTES

1.

Minutes - February 28, 2017 - Workshop Session

(Requested by Valerie Manning, City Clerk)

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	John C. Danio, District 3 - Commissioner
SECONDER:	Arthur J. Byrnes, District 1 - Commissioner
AYES:	Byrnes, Currie, Danio, Penny

Enacted and approved this 14th day of March, 2017, in Holly Hill

7. CONSENT AGENDA - ITEMS (1 - 4)

Mayor Penny asked if any member of the Commission would like to pull an item from the Consent Agenda for further discussion and if any member of the audience would like to discuss any item on the Consent Agenda. No one spoke or pulled an item.

1.

Labor Attorney Rate Adjustment

(Requested by Valerie Manning, City Clerk)

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Arthur J. Byrnes, District 1 - Commissioner
SECONDER:	Penny Currie, District 2 - Commissioner
AYES:	Byrnes, Currie, Danio, Penny

Enacted and approved this 14th day of March, 2017, in Holly Hill

2. <u>Resolution</u>

Resolution 2017-R-23 A Resolution of the City Commission of the City of Holly Hill, Florida, Appointing Gilles Blais to the Bicycle and Pedestrian Advisory Committee (BPAC).

(Requested by Valerie Manning, City Clerk)

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Arthur J. Byrnes, District 1 - Commissioner
SECONDER:	Penny Currie, District 2 - Commissioner
AYES:	Byrnes, Currie, Danio, Penny

RESOLUTION

Enacted and approved this 14th day of March, 2017, in Holly Hill

3. Resolution

Resolution 2017-R-24 a Resolution of the City Commission of the City of Holly Hill, Florida, Amending the Fiscal Year 2016-2017 Annual Budget; and Providing for Severability; and Providing for an Effective Date.

(Requested by Kurt Swartzlander, Finance)

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Arthur J. Byrnes, District 1 - Commissioner
SECONDER:	Penny Currie, District 2 - Commissioner
AYES:	Byrnes, Currie, Danio, Penny

RESOLUTION

Enacted and approved this 14th day of March, 2017, in Holly Hill

4.

TPO Project Carry Forward Request to the TPO to Carry Forward Projects on the Project Priority Lists.

(Requested by Thomas Harowski, Board of Planning and Appeals)

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Arthur J. Byrnes, District 1 - Commissioner
SECONDER:	Penny Currie, District 2 - Commissioner
AYES:	Byrnes, Currie, Danio, Penny

Enacted and approved this 14th day of March, 2017, in Holly Hill

8. REGULAR AGENDA

1. Resolution

Resolution 2017-R-22 A Resolution of the City Commission of the City of Holly Hill, Florida, Authorizing the City Manager to Enter into a Contract with Carter Electric to Bury Overhead Utilities in Accordance with Sealed Bid #13 St 03 Phase III on US1 from Mason Avenue to Walker Street; Providing for Severability; and Providing for an Effective Date.

(Requested by Valerie Manning, City Clerk)
Mayor Penny opened public participation. No one spoke.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	John C. Danio, District 3 - Commissioner
SECONDER:	Arthur J. Byrnes, District 1 - Commissioner
AYES:	Byrnes, Currie, Danio, Penny

RESOLUTION

Enacted and approved this 14th day of March, 2017, in Holly Hill

9. PUBLIC HEARINGS

Postponed to the March 28th City Commission meeting due to the legal ads incorrectly advertised per, F.S. 166.041(2).

1. Ordinance

   Ordinance 2987 An Ordinance of the City of Holly Hill, Florida, Amending Section 82-322 (Evaluation of Request for Accommodation Pursuant to the Fair Housing Act) of the City of Holly Hill Code of Ordinance to Incorporate Recent Changes in Federal Law Regarding the Review and Approval of Group Homes; Providing for Conflicting Ordinances; Providing for Severability; and Providing an Effective Date.

   (Requested by Thomas Harowski, Board of Planning and Appeals)

RESULT:	**MOVED TO NEXT MEETING**	**Next: 3/28/2017 7:00 PM**

2. Ordinance

   Ordinance 2988 An Ordinance of the City of Holly Hill, Florida, Adopting a Twelve (12) Month Moratorium on the Approval of Any Development Order or Issuance of Any Business Tax Receipt for the Growing, Processing, Manufacturing, Distribution, Dispensing and Selling of Medical Cannabis Within the City Limits; Providing for Conflicting Ordinances; Providing for Severability; and Providing an Effective Date.

   (Requested by Thomas Harowski, Board of Planning and Appeals)

RESULT:	**MOVED TO NEXT MEETING**	**Next: 3/28/2017 7:00 PM**

3. Ordinance

Ordinance 2989 An Ordinance of the City of Holly Hill, Florida, Amending the Land Development Regulations, by Rezoning the Parcels Described in Exhibit "A" from City of Holly Hill R-7 Medium Density Multi-Family Residential to City of Holly Hill R-3 Medium Density Single-Family; Providing for Conflicting Ordinances; Providing for Severability; and Providing an Effective Date.

(Requested by Thomas Harowski, Board of Planning and Appeals)

RESULT:	**MOVED TO NEXT MEETING**	**Next: 3/28/2017 7:00 PM**

4. Ordinance

Ordinance 2990 An Ordinance of the City of Holly Hill, Florida, Amending the Land Development Regulations by Rezoning the Parcels Described in Exhibit "A" to City of Holly Hill CC-1 Commercial Corridor; Providing for Conflicting Ordinances; Providing for Severability; and Providing for an Effective Date.

(Requested by Thomas Harowski, Board of Planning and Appeals)

RESULT:	**MOVED TO NEXT MEETING**	**Next: 3/28/2017 7:00 PM**

5. Ordinance

Ordinance 2991 An Ordinance of the City of Holly Hill, Florida, Approving the Fountainhead Mixed Use Planned Unit Development (MPUD) Agreement; Providing for Conflicting Ordinances; Providing for Severability; and Providing an Effective Date.

(Requested by Thomas Harowski, Board of Planning and Appeals)

RESULT:	**MOVED TO NEXT MEETING**	**Next: 3/28/2017 7:00 PM**

6. Ordinance

Ordinance 2992 An Ordinance of the City of Holly Hill, Florida, Approving the Sixth Amendment to Marina Grande Residential Based Mixed Use Planned Unit Development (MPUD) Agreement; Providing for Conflicting Ordinances; Providing for Severability; and Providing for an Effective Date.

(Requested by Thomas Harowski, Board of Planning and Appeals)

RESULT:	MOVED TO NEXT MEETING	Next: 3/28/2017 7:00 PM

10. COMMUNICATIONS

a. City Manager and Staff Comments

A. City Manager and Staff Comments

Mr. Forte stated he has two items. He has two applications that are being sent to the Fish and Wildlife Commission and the other one is for FIND, the Florida Navigation District and these are to request dollars to assist in removing derelict vessels from Halifax River. Staff thought they had a program in place working through the County and it turns out that program is not in place and that the city needs to try to apply for these dollars as soon as possible. One is for $11,075 and the other is for $2,768.75. The money needs to be laid out and then will be reimbursed if the city gets the grant awarded. He just needs the Commissioners authorization to allow him to sign for these and get the process started.

Commissioner Danio made a motion to ***AUTHORIZE the City Manager to sign the grants and get the process started****, seconded by Commissioner Byrnes.*

Mayor Penny opened public participation. No one spoke.

PASSED, 4-0.

Mr. Forte stated the second item he wants to discuss is with regards to the Fountainhead project. As they know, that item was postponed for this evening but part of tonight's discussion was going to also include notice to the Commission that they will be seeking an extension to the purchase and sale agreement and that comes for a couple of reasons. One, is there was a two-week delay on the Board of Planning and Appeals meeting, there's a two-week delay as a result of tonight's cancelled meeting. In addition to, Fountainhead is working with a lender who he has been in communication with and that lender is requesting certain documents from the developer and it's going to take time for those documents to be presented and for the Board of Directors to authorize the lending agency to provide those funds. So, by the next meeting, on March 28th, he is hoping that they will have a more solid answer from the architect and engineer who is going to be providing the information to the bank and then the bank can then tell the Commission how long it's going to take to get the dollars approved for the loan. In addition to that, there's a requirement in the contract that said that the developer needs to produce approximately $5 million in order to closing. Part of this process will determine what the actual cost of Phase 1 is going to be. For example, if Phase 1 comes in at $4 million then that should be the requirement to go to closing. If it comes in at $5.5 million then that should be the requirement of closing. The complication comes in if the city requires them to have $5 million and the value of the product is only $4 million, there's no bank that's going to give them $5 million. So, the city would be asking for an undue, almost an impossible loan to be achieved if the value of the development doesn't hit that threshold. So, that will also be part of the extension to that contract.

Commissioner Currie asked what is the extension date that you're looking at?

Mr. Forte stated I don't know at this time. My rough calculation, based on what I think the deliverables are and what the demands of the bank, they are probably looking at closing somewhere around August.

Mayor Penny stated and the one thing that was discussed, with the extension, there would be an additional $25,000 nonrefundable deposit.

Mr. Forte stated, correct. It would be the additional $25,000 and while the Mayor has mentioned, there was supposed to be an additional $15,000 deposit, which the city will also delay that for another two weeks because he doesn't think it's fair that Fountainhead puts their nonrefundable deposit down and the Commission didn't make the decisions tonight that they were expecting.

Commissioner Danio asked about the $4 million versus the $5 million.

Mr. Forte stated when Mr. Meyer goes to build, he's going to get engineers estimates that's going to say, based these drawings and the…there's a table out there that kind of dictates and determines what the value, the construction value of these items are and that's how they come up with an approximate cost of construction. So, based on that, they will have an engineers' estimate to present to the bank that says it's going to cost "x" number of dollars to build what we're showing you here on paper.

Commission Danio asked is the bank going to approve regardless of whatever he estimate is?

Mr. Forte stated, no. That's not necessarily true.

Commissioner Danio stated he thought so. That's why he was wondering.

Mr. Forte stated, no. The bank still has to agree to get Mr. Meyer the loan. Now, the city is also looking for, to go to closing, is the loan commitment, not necessarily dollars in hand. So, in other words, the bank may say, "here's a letter of loan commitment for you that when you do go to closing, you can then draw down from that loan "x" number dollars."

Commissioner Danio stated that loan commitment won't necessarily match the…

Mr. Forte stated it will. The loan commitment has to match the value of the construction.

Commissioner Danio stated in order for the city to move forward.

Mr. Forte stated in order for Mr. Meyer to go to closing. The loan commitment plus any cash he brings to the table has to total the value of the construction.

Commissioner Danio stated but that's not a guarantee according to the engineers chart that Mr. Forte just talked about.

Mr. Forte stated he doesn’t know what he's going to qualify for in terms of…

Commissioner Danio stated that’s what he’s saying. There’s no guarantee. It’s just a chart to go by.

Mr. Forte stated, right. The engineers’ just going to say it’s worth this much and then the banks are going to say, “we’re either going to lend you that much or we’re going to lend you this much and then you have to come up with the balance in order to go to closing.”

Commissioner Danio stated, right.

Mr. Forte stated he just wanted to see if the Commission had any concerns with that process as they start to move forward.

Commissioner Byrnes stated at one point he thought they were talking cash. So, where does this leave the city if there's a default?

Mr. Forte stated it doesn't. Mr. Meyer was originally going to use cash to purchase the land, now he is going to use bank money to buy the land and then the balance of the bank money to do the construction. So, Mr. Meyer still has cash he’s bringing to the table, about 20% based on that $5 million. So, where does it leave the city in case of default? If Mr. Meyer buys the property, the city has the money.

Commissioner Byrnes stated so then the bank owns it, Mr. Meyer defaults to the bank.

Mr. Forte stated the bank would put a note on it that he owes the bank but the city will have the purchase money. So, in other words, if Mr. Meyer has to spend half million dollars on buying that land, the city has that money and then if Mr. Meyer doesn’t perform then the bank wants to foreclose on him, that’s between him and the bank. The city will have had its money.

Commissioner Byrnes stated and if the bank forecloses, they can do anything they want with that property that's within the zoning.

Mr. Forte stated, right. Well, it will be zoned a MPUD so the bank would have to handle it that way and any future buyer would then have to come back and probably rezone land.

Commissioner Byrnes stated, right. Thank you.

Attorney Simpson stated they would have to move their headquarters there.

Commissioner Currie stated so the verbiage in the Ordinance is going to be changed now to read what Mr. Forte just stated to the Commission.

Mr. Forte stated the language in the ordinance, which had already been changed for the effective date, will be changed to…it doesn't matter when the PUD becomes effective, that's the zoning that goes with the land. What's more important is the loan commitment and the closing on the property. That's the trigger that holds everybody accountable.

Commissioner Currie stated she wants to make sure that the verbiage is going to be changed for the extension pending the engineering and the banking commitment, so that’s going to be in there now?

Mr. Forte stated that’s going to be in there and it’s going to say something along the lines of that Mr. Meyer has to have $5 million dollars or the value that the engineering estimate comes back and the bank has the loan.

Commissioner Currie stated, correct.

Mayor Penny stated and the purchase contract will have to be amended.

Commissioner Currie stated, right.

Mr. Forte stated the contract has to be extended. The contract expires May 31st. Mr. Meyer isn’t going to have that by May 31st.

Attorney Simpson asked if the Commission is agreeing to extending it?

Mr. Forte stated that’s what they are talking about. It’s going to come back to the Commission…

Attorney Simpson stated oh, it’s going to come back but they’re not putting language in there now for it.

Mr. Forte stated, no. This is what’s coming back.

Commissioner Currie stated they’re discussing it for the next meeting.

Mr. Forte stated nothing’s changing here tonight.

Commissioner Currie stated which, she completely appreciates, due to the fact, that she’s not going to be here at the next meeting, so she completely appreciates this. The second thing is, the Phase 1 actual cost, is there something about that, that’s going to change?

Mr. Forte stated that’s the engineers estimates.

Commissioner Currie stated so, it will all be wrapped up. Okay, she’s happy with that.

Commissioner Danio asked who is the engineer?

Mr. Forte stated Mr. Meyer is using Joe Hopkins as his engineering service. He’s a known engineer in this community and he is doing the design work for him.

Mayor Penny stated so, up until now, the drawings have been 30,000 foot estimates, until you have the engineer certified drawings, they don't know exactly how thick the wall has to be, how much concrete has to be in there, all these construction variables.

Commissioner Currie stated they've been huge guesstimates.

Mayor Penny stated they've been estimates and so, the bank won't lend money on a guesstimate. So, they have to get the engineer drawings to figure out then how much is it going to cost to build those drawings…

Commissioner Danio stated he understands all of that…

Mayor Penny stated then how much will the bank lend…

Commissioner Danio stated he's just trying to see whose team is the engineer working for.

Mr. Forte stated the engineer works for the developer.

Commissioner Danio stated, right. Mr. Meyer's team.

Mayor Penny stated, right.

Commissioner Currie stated however, the engineer has his name stamped on it too.

Mr. Forte stated, right and Mr. Meyer can't fudge that and the bank has to verify that too. The bank is the one that's on the hook for lending the money based on what's being presented. So, the bank…they have a Board of Directors.

Attorney Simpson stated and they get an appraisal based on the drawings and those estimates.

Commissioner Danio stated, okay.

Mayor Penny stated so that will be coming back at the next meeting.

B. City Attorney Comments

None.

C. Mayor's Comments

Mayor Penny announced that the 14th Annual Easter Egg Event will be at City Hall on Saturday, April 8th from 10:00 AM to 12:00 PM. If anyone is interested in being a vendor, the cost is $50.00 which gives them a place to set up, advertise their business or church and 300 candy filled plastic eggs.

D. City Commission Comments

Commissioner Byrnes mentioned it is nice to see life come back to the area with Bike Week, tourists and visitors; businesses are busier than they have been in a long time.

Commissioner Currie mentioned she had the opportunity to attend the IEMO III

Leadership Challenge session and it was a very good class; she likes the idea about the new way for the Easter Egg Event, this will be good; she will be absent for the next meeting.

Commissioner Danio agreed with Commissioner Byrnes about the Bike Week traffic and good for the businesses.

Mayor Penny reminded everyone about the VLC dinner in Pierson; spoke about the Faith Organization, more information coming forward about that; Faith Organization invites elected officials to a meeting and will be asking if the cities will be donating funds, he will attend but will not give a commitment to funding anything at this time, the city supports it but will not know how much the city will commit at this time but will support it to the city's best abilities and will know more once they start going through the budget cycle. There was ***consensus*** for the Mayor to say that the city supports the organization and future funding will be determined during budget period.

11. ADJOURNMENT

The meeting adjourned at approximately 7:30 PM.

Valerie Manning

Valerie Manning, City Clerk, CMC 3/14/2017

John Penny, Mayor 3/14/2017