CITY OF HOLLY HILL, FLORIDA

CITY COMMISSION

MINUTES ● MAY 28, 2019

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

Commissioner Currie made a motion to ***EXCUSE COMMISSIONER JOHNSON FROM THE CITY COMMISSION MEETING****, seconded by Danio.*

PASSED, 4-0.

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

b. Invocation

Commissioner Penny led the invocation.

c. Pledge of Allegiance

Mayor Via led the Pledge of Allegiance to the Flag.

2. POSITIVITY AWARD - NONE

3. PRESENTATION

1.

LPGA Sub-Area Study Presentation

(Requested by Brian Walker, City Planner)
Kok Wan Mah, PE from Volusia County showed a PowerPoint presentation to the Mayor and City Commissioners pertaining to the LPGA Sub-Area Study that was completed by the County on April 16, 2019.

RESULT:	NO VOTE NEEDED

4. RECESS THE CC MTG & CONVENE AS THE CRA

5. CRA AGENDA ITEM

1. –2019-R-29

A Resolution by the Community Redevelopment Agency (CRA) to Approve the Contract with Charter-Spectrum for the Relocation of Their Existing Facilities on Fpl Poles and Authorizing the City Manager to Execute the Agreement for the Stated Amount of $705,746.23.

(Requested by Antoine Khoury, Public Works)

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

Enacted and approved this 28th day of May, 2019, in Holly Hill

6. ADJOURN AS THE CRA & RECONVENE THE CC MTG

7. PUBLIC COMMENTS

8. APPROVAL OF MINUTES

1.

Minutes - May 14, 2019, Regular City Commission Meeting

(Requested by Valerie Manning, City Clerk)

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	John C. Danio, District 3 - Commissioner
SECONDER:	John Penny, District 1 - Commissioner
AYES:	Via, Penny, Currie, Danio
ABSENT:	Johnson

Enacted and approved this 28th day of May, 2019, in Holly Hill

9. CONSENT AGENDA - ITEMS (1 - 4)

Mayor Via asked if there was anyone in the audience who wishes to speak on any item on the Consent Agenda and there was no one.

Stella Gurnee, Finance Director, gave a brief staff report as to where the funding was coming from for each of the Consent Agenda items, as well as, for the regular agenda item for Charter-Spectrum, Resolution 2019-R-34.

1. –2019-R-30 Resolution

A Resolution of the City Commission of the City of Holly Hill, Florida, Awarding the Bid to the Lowest Responsive/Responsible Bidder; Authorizing the City Manager to Execute the Agreement with R&R Industries to Perform City-Wide Re-Roofing; Providing for Severability; and Providing for an Effective Date.

(Requested by Antoine Khoury, Public Works)

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

RESOLUTION
2019-R-30
A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLY HILL, FLORIDA, AWARDING THE BID TO THE LOWEST RESPONSIVE/RESPONSIBLE BIDDER; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT WITH R&R INDUSTRIES TO PERFORM CITY-WIDE RE-ROOFING; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLY HILL, FLORIDA, AWARDING THE BID TO THE LOWEST RESPONSIVE//RESPONSIBLE BIDDER; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT WITH R&R INDUSTRIES TO PERFORM CITYWIDE RE-ROOFING; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City has planned and budgeted for the re-roofing of City Hall, the Public Works Administration Building, Motor Control Center I, the North Fleet Shop and the Dog Fanciers Pavilion; and

WHEREAS, two contractors submitted qualifications and costs for this work; and

WHEREAS, an Evaluation Committee reviewed the qualifications of the submitting firms; and

WHEREAS, the Evaluation Committee unanimously found R&R Industries to be the lowest and most responsive bidder.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF HOLLY HILL, FLORIDA:

SECTION 1. That the City Commission of the City of Holly Hill, Florida, does hereby authorize the City Manager to enter into an agreement with R&R Industries to perform re-roofing of (5) above referenced buildings in the City.

SECTION 2. SEVERABILITY. If any section or portion of a section of this Resolution proves to be invalid, unlawful, or unconstitutional, it shall not be held to invalidate or impair the validity, force, or effect of any other section or part of this Resolution.

SECTION 3. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

APPROVED AND AUTHENTICATED on this 28th day of MAY, 2019.

Enacted and approved this 28th day of May, 2019, in Holly Hill

2. –2019-R-31 Resolution

A Resolution of the City Commission of the City of Holly Hill, Florida, Approve and Award the Agreement with Spatco Energy Solutions as the Lowest Responsive/Responsible Bidder to Construct a 12,000 Diesel Fuel Tank and Abandon in Place the Existing Fuel Tank; Authorizing the City Manager to Execute the Agreement; Providing for Severability; and Providing for an Effective Date.

(Requested by Antoine Khoury, Public Works)

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

RESOLUTION
2019-R-31
A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLY HILL, FLORIDA, APPROVE AND AWARD THE AGREEMENT WITH SPATCO ENERGY SOLUTIONS AS THE LOWEST RESPONSIVE/RESPONSIBLE BIDDER TO CONSTRUCT A 12,000 DIESEL FUEL TANK AND ABANDON IN PLACE THE EXISTING FUEL TANK; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLY HILL, FLORIDA, APPROVE AND AWARD THE AGREEMENT WITH SPATCO ENERGY SOLUTIONS AS THE LOWEST

RESPONSIVE/RESPONSIBLE BIDDER TO CONSTRUCT A 12,000 DIESEL FUEL TANK AND ABANDON IN PLACE THE EXISTING FUEL TANK; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City has advertised for the construction of a new diesel fuel tank at the public works yard; and

WHEREAS, two contractors submitted qualifications and costs for this work; and

WHEREAS, an Evaluation Committee reviewed the qualifications of the submitting firms; and

WHEREAS, the Evaluation Committee unanimously found SPATCO Energy Solutions to be the lowest and most responsive bidder.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF HOLLY HILL, FLORIDA:

SECTION 1. That the City Commission of the City of Holly Hill does hereby authorize the City Manager to enter into an agreement with SPATCO Energy Solutions to complete the construction of a 12,000 gallon diesel tank at the public works yard.

SECTION 2. SEVERABILITY. If any section or portion of a section of this Resolution proves to be invalid, unlawful, or unconstitutional, it shall not be held to invalidate or impair the validity, force, or effect of any other section or part of this Resolution.

SECTION 3. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

APPROVED AND AUTHENTICATED on this 28th day of May, 2019.

Enacted and approved this 28th day of May, 2019, in Holly Hill

3. -2019-R-32 Resolution

A Resolution of the City Commission of the City of Holly Hill, Florida, Authorizing the Agreement with US Submergent Technologies to Perform Cleaning of BTU #2 Unit at the Waste Water Treatment Plant; Authorizing the City Manager to Execute the Agreement; Providing for Severability; and Providing for an Effective Date.

(Requested by Antoine Khoury, Public Works)

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

RESOLUTION
2019-R-32
A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLY HILL, FLORIDA, AUTHORIZING THE AGREEMENT WITH US SUBMERGENT TECHNOLOGIES TO PERFORM CLEANING OF BTU #2 UNIT AT THE WASTE WATER TREATMENT PLANT; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLY HILL, FLORIDA, AUTHORIZING THE AGREEMENT WITH US SUBMERGENT TECHNOLOGIES TO PERFORM CLEANING OF BTU #2 UNIT AT THE WASTE WATER TREATMENT PLANT; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City has advertised for the cleaning of the BTU #2 unit at the Waste Water Treatment Plant at the public works yard; and

WHEREAS, one contractor submitted qualifications and costs for this work; and

WHEREAS, an Evaluation Committee reviewed the qualifications of the submitting firm; and

WHEREAS, the Evaluation Committee unanimously found us Submergent Technologies to be the lowest and most responsive bidder.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF HOLLY HILL, FLORIDA:

SECTION 1. That the City Commission of the City of Holly Hill, Florida, does hereby authorize the City Manager to enter into an agreement with US Submergent Technologies to clean BTU #2 Unit at the waste water treatment plant.

SECTION 2. SEVERABILITY. If any section or portion of a section of this Resolution proves to be invalid, unlawful, or unconstitutional, it shall not be held to invalidate or impair the validity, force, or effect of any other section or part of this Resolution.

SECTION 3. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

APPROVED AND AUTHENTICATED on this 28th day of MAY, 2019.

Enacted and approved this 28th day of May, 2019, in Holly Hill

4. –2019-R-33 Resolution

A Resolution of the City of Holly Hill, Florida, to Approve and Award the Contract to Replace Filter Media at the Holly Hill Water Plant with S4 Water Sales and Service; Authorize the City Manager to Execute the Contract; Providing for Severability; and Providing for an Effective Date.

(Requested by Antoine Khoury, Public Works)

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

RESOLUTION
2019-R-33
A RESOLUTION OF THE CITY OF HOLLY HILL, FLORIDA, TO APPROVE AND AWARD THE CONTRACT TO REPLACE FILTER MEDIA AT THE HOLLY HILL WATER PLANT WITH S4 WATER SALES AND SERVICE; AUTHORIZE THE CITY MANAGER TO EXECUTE THE CONTRACT; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLY HILL, FLORIDA, APPROVE AND AWARD THE CONTRACT TO REPLACE FILTER MEDIA AT THE HOLLY HILL WATER PLANT WITH S4 WATER SALES & SERVICE; AUTHORIZE THE CITY MANAGER TO EXECUTE THE CONTRACT; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City has issued an Request For Proposal to seek a qualified contractor to replace Filter Media at Holly Hill Water Plant; and

WHEREAS, the City's Evaluation Committee met on Monday, May 6, 2019 in a properly noticed public meeting and reviewed the qualification of the submitting firms; and

WHEREAS, the Evaluation Committee reviewed and found that S4 Water Sales & Service is the lowest most responsive bidder.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF HOLLY HILL, FLORIDA:

SECTION 1. That the City Commission of the City of Holly Hill does hereby authorize the City Manager to enter into an agreement with S4 Water Sales & Service per the terms and conditions for an amount not to exceed $88,250.00.

SECTION 2. SEVERABILITY. If any section or portion of a section of this Resolution proves to be invalid, unlawful, or unconstitutional, it shall not be held to invalidate or impair the validity, force, or effect of any other section or part of this Resolution.

SECTION 3. EFFECTIVE DATE. This Resolution shall take effect immediately upon adoption by the City Commission.

APPROVED AND AUTHENTICATED this 28th day of May, 2019.

Enacted and approved this 28th day of May, 2019, in Holly Hill

10. REGULAR AGENDA

1. 2019-R-34 Resolution

A Resolution by the City Commission of the City of Holly Hill, Florida, to Approve the Contract with Charter-Spectrum for the Relocation of Their Existing Facilities on FPL Poles; Authorizing the City Manager to Execute the Agreement for the Stated Amount of $705,746.23.

(Requested by Antoine Khoury, Public Works)

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	John Penny, District 1 - Commissioner
SECONDER:	Penny Currie, District 2 - Commissioner
AYES:	Via, Penny, Currie, Danio
ABSENT:	Johnson

RESOLUTION
2019-R-34
A RESOLUTION BY THE CITY COMMISSION OF THE CITY OF HOLLY HILL, FLORIDA, TO APPROVE THE CONTRACT WITH CHARTER-SPECTRUM FOR THE RELOCATION OF THEIR EXISTING FACILITIES ON FPL POLES; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT FOR THE STATED AMOUNT OF $705,746.23.

A RESOLUTION BY THE CITY COMMISSION OF THE CITY OF HOLLY HILL, FLORIDA, TO APPROVE THE CONTRACT WITH CHARTER-SPECTRUM FOR THE RELOCATION OF THEIR EXISTING FACILITIES ON FPL POLES; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT FOR THE STATED AMOUNT OF $705,746.23.

WHEREAS, the City is currently constructing the US1 Utility Under Grounding Primaries Conversion (Mason Avenue to Walker Street); and

WHEREAS, the City desires to execute an agreement with Charter-Spectrum to convert their aerial fiber and coax cables to underground; and

WHEREAS, the payment to Charter-Spectrum for this is $705,746.23 and is charged to the US1 Utility Under Ground Primaries conversion budget account.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF HOLLY HILL, FLORIDA:

SECTION 1. That the City Commission of the City of Holly Hill, Florida, does hereby authorize the City Manager to execute an agreement with Charter-Spectrum for the relocation of their existing facilities on FPL poles and authorize the City manager to execute the agreement for the stated amount of $705,746.23.

SECTION 2. SEVERABILITY. If any section or portion of a section of this Resolution proves to be invalid, unlawful, or unconstitutional, it shall not be held to invalidate or impair the validity, force, or effect of any other section or part of this Resolution.

SECTION 3. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

APPROVED AND AUTHENTICATED on this 28th day of MAY, 2019.

Enacted and approved this 28th day of May, 2019, in Holly Hill

2.

Fountainhead Lease Agreement for Lot 1 of the Fountainhead Plat

(Requested by Joseph Forte, City Manager)
Mr. Forte stated in their packet is the lease agreement that was put together by Attorney Simpson and Attorney Mark Watts of CobbCole. This is the result of the discussions that they've had with the developer with regards to them purchasing Parcel 1 and making modifications into the Incentive Agreement and into the PUD Agreement. After several weeks of trying to come up with an agreement the developer had contacted the city and he said he wanted the city to go back to the lease option. What they have before them, is a lease of the area that is "just the parking". It is not all of Parcel 1. His concern with doing a lease for the entire area of Parcel 1 is there are still too many unknowns of what would be there in the future versus the work that would be there in the near future. Staff will probably come back at some time in the near future with possibly a lease agreement for the rest of that property or maybe even a purchase agreement for that property. At this point, they have on the table is a request to lease the area of Lot 1 for the parking lot that's on the south side of the entranceway of the property. There are a couple of blanks in the agreement. One blank is under the area of Section 5 for Rent and he has a couple of options for the Commission to discuss. One is a dollar a year rent for the property, another option was a fair market value for vacant land lease rate that would be approximately $250 a month and a third option would be at the dollar a year rate they would maintain the grounds, do the lawn cutting on the property. If that is the case, and again, it will be based on the Commission's discussion, he would expect that the property maintenance out there would be the same level of what the city is doing now, which is approximately two mows a month, 24 mows a year. He words it that way because in some of the grows season months, they may cut three times a month to where in winter

months they may cut one time a month. He would leave that schedule to the Public Works Department if that's the direction that the Commission wants to go. The city has estimated that the cost of the maintenance that the city has been doing out there is roughly $3600 a year, which is almost equivalent a little more than what the $250 rent per month would be. If the developer can do the lawn maintenance out there at a cheaper price at his cost then what the city is paying then that could be a good deal for both parties. Staff is available to answer any questions. This evening the developer is represented by Mike Woods, Attorney for CobbCole and is here if any of the Commissioners have any questions.

Michael Woods, Attorney for CobbCole, 231 North Woodland Boulevard, DeLand stated he is here on behalf of Attorney Watts and appreciates their time. As Mr. Forte said this is a very limited scope, ground lease just for the parking accommodations. He came here expecting discussion amongst themselves for what the Commissioners want that property to function as. In his opinion, he thinks the ability to provide for maintenance of the property is a pretty good kind of like-kind exchange. As Mr. Forte said, probably a good win-win but he wanted to reemphasize, when seeing the text, this doesn't modify or change the terms or conditions of some of the other more global documentation the Commissioners have regarding the Fountainhead project. This is really trying to be a limited scope and purpose so that they can address this one issue. As Mr. Forte said, whether they come back to lease the remainder or purchase, those plans kind of still move forward but right now, it's just all about parking and making sure that they can mow that space for the city.

Mayor Via stated when talking about specifically just about this lease project, would his client be open to if the city were to make a decision tonight to lease the property to them for a $1.00 a year and be able to put something into the agreement that they have to keep it up, say 24 cuts a year or whatever the current plan is?
Attorney Woods stated, yes. The language, he thinks, Attorney Watts and Mr. Forte were working with was keeping it to the standards of the city or otherwise hold it to whether that's an average number, he doesn't see there would be a problem with it that, yes.

Mayor Via stated, okay. Something else he wants to bring up, Mr. Forte, is that he has no doubts that Synergy Billing wants to keep up the property if they go into that 100%, Mr. Forte wants it to look good as well, but is there any language that would be put in "if" for instance, they were not to, let's say a fine of some amount? Has that been discussed at all Mr. Forte?

Mr. Forte stated not yet.

Mayor Via stated, okay.

Commissioner Penny stated he hears where the Mayor is going and he doesn't want the city to get into a situation where the city has to impose Code violations and so, four, which he would propose, is to make the rent $300 a month, which is $3600 a year, which is what the city is paying right now. That's the rent, that covers the cost, let the city direct how many cuts the city wants to its standards. Fair market value is $250; he doesn't think they can really cut it any cheaper than $300 a month with that big chunk of dirt but it would give control to the City Manager to make sure the standards are met and they don't have to go back and worry about checking. Are they cutting it enough? Are they not cutting it enough? Someone's going to complain they're not cutting it enough and then Code Enforcement goes out there then it goes to the Special Master and then its 90 days down the road. He thinks, just keep it simple. Charge them $300 a month and the city will keep cutting the grass.

Mayor Via stated, Mr. Forte, correct me if I'm wrong, but the fair market price was $250 a month, right?

Mr. Forte stated, correct.

Mayor Via stated he sees what Commissioner Penny is saying, but he's more in line of really trying to help this out an extra step there but he thinks it would be a good deal all the way around if the developer would cut it for the city because when he was looking at the numbers, $250 a month is $3,000 a year so we're still paying $600 over for that. He would be more in line of allowing the developer to maintain it at a $1.00 a year.

Commissioner Currie stated she respectfully disagrees with the Mayor and this maybe will point out why. She would like to know an estimated cost of the attorney's fees (Attorney Simpson) for the issue with this, "we're not buying Lot 1, we're doing parking."

Mr. Forte stated at this time, he doesn't have an answer to that direct question.

Commissioner Currie asked do you have an estimated cost? Attorney Simpson might be able to answer.

Mr. Forte stated they have about 100 man hours invested in…

Commissioner Currie stated for the city staff.

Mr. Forte stated between myself, Attorney Simpson, and Brian there's probably about 100 man hours that have been put into the discussion of the purchase option.

Commissioner Currie asked do you have a clue as to an estimate, Attorney Simpson?

Mr. Forte stated $6,000 to $8,000.

Attorney Simpson stated he's trying to see if he can pull something up real quick. He doesn't know how much was on the last bill.

Commissioner Currie stated she's not going to hold him to an exact figure.

Attorney Simpson stated he would say, his guess would be, somewhere between $8,000 and $12,000.

Commissioner Currie stated between $8,000 and $12,000.

Commissioner Penny stated just for Attorney Simpson.

Attorney Simpson stated but he's just guessing. He's trying to add in what may have been last month and this month.

Commissioner Currie stated so, we're ballpark, $8,000 and $12,000.

Attorney Simpson stated he doesn't think it can be more than $12,000 but it can be less than that.

Commissioner Currie stated she will let him know and the Commissioners know that she's not all warm and fuzzy about this, Attorney Woods, not anything personal towards you or to Jayson Meyer or anybody else with Synergy. The problem is, this has been going on for 2 to 2.5 years now. They have had so much discussion in the beginning if everybody remembers. The City Manager, back then, it was Mayor Penny and constant discussions because nobody could figure out exactly what they wanted to do there she guesses. She doesn't know what the whole deal was. She thought they had a grand plan but it didn't turn out that way. They have veered every cent and that is her problem. She is not willing and she will not vote for dollar a month, dollar a year, anything of that nature because she feels as though we're impacting our constituents now. We're costing them money now because our Attorney has had to spend on this one little issue of this lease and this Parcel 1, $8,000 and $12,000 is an estimate and we've had a 100 man hours from our staff. Commissioner Currie stated she can't give them a dollar cost of that but that's significant in her eyes. That's significant to the city's budget, it's significant to the constituents, and she's not willing to give anymore. She's not willing to do that. Now, she will support a lease. She doesn't have a problem doing that. She will not support a lease in the future just so the Mayor knows. Her and Mr. Forte might have some discussions about that in his office but she thinks this just needs to be done. We need to be done and move forward. She will compromise to the fact of $300 month and the city does maintenance but she will not go any lower than that. Fair market value, that's cool but $300 a month because that's going to cover the city's cost of the maintenance of that property, which she thinks is kind of fair but she will not bend any further than that. So, she'll either have a yes vote on that or a no vote if the Commission doesn't go that route.

Mayor Via asked if there were any questions from the Commission for the attorneys or staff? **At this time, Mayor Via opened it up for public participation.**

Heidi Heller, 460 Ridgewood Avenue, Holly Hill, stated she has just a few little concerns or thoughts. Years ago, the city purchased this property for $1.5 million, in today's money that's probably like $10 million, that's a lot of money and the city is just barely getting that money back with all the incentives, advancements, deposits, whatever they're called, the city is barely getting that money back. She really hopes that this follows through. That this project follows through because the city does want to increase its tax base. Her concern is that she wants to make sure that Synergy understands that none of the parcels or other businesses that are there will be tax exempt, where the city doesn't get its money back. They can't be schools, they can't be cemeteries. Just saying stuff that is tax exempt. She wants to make sure that Synergy knows that their 3rd party partners aren't eligible for tax exempt status. There's taxes, she thinks she read taxes are supposed to be paid on this property by Synergy. On Lot 1, right now the property's under Cylinder City of Holly Hill so there is not taxes on that parcel, Lot 1 and she was wondering how and why it was in for taxes.

Mr. Forte stated there's no taxes on Lot 1. It's owned by the city.

Ms. Heller stated even when they lease it, there's still no taxes?

Mayor Via stated the city owns Lot 1 now.

Attorney Simpson stated it could trigger to become taxable.

Ms. Heller stated so, when they lease it, it will be taxable then?

Attorney Simpson stated that's up to the Property Appraiser.

Ms. Heller asked do we tell them or they just have to find out on their own?

Mr. Forte stated the amount of tax that would be applied to the $300 per month is minuscule.

Mr. Heller stated, okay. Thank you.

Mayor Via closed public participation.

Mr. Forte stated he just wants to make one comment so that Ms. Heller understands. Any taxes that come off of this property, get set aside to a fund and will be reimbursed back to the developer for the work that they're doing on the property. So, whether they pay zero taxes or a million dollars in taxes, the money is going to go back to them as an incentive for the development that they're putting on there, until the end of the CRA, which is in 2026. They have to have qualifying expenses of course but we suspect, based on what the projected taxes are, which are the revenues that they will be putting into it, they should qualify for a full return of the tax money through 2026.

Mayor Via stated before he entertains a motion, he just wants to say that he would personally like to see the $1.00 a year and maintain the grounds. He thinks that would help them to move forward. He thinks that…they need to move their employees over and this is an ideal but he believes it's the best for both parties. That's what he would be in support of. He's not so in support of the $300 a month just because it's over what fair market price is already, which is $250. He knows that's a little bit of money but he thinks that is important. In the motion, needs to be how much they want to charge for the rent and if there's any stipulations to…

Mr. Forte stated they have a deposit and rent.

Mayor Via stated before they entertain a motion, let's talk about the deposit. What was the recommendation for the deposit.

Attorney Simpson stated he guesses it would depend on, typically with deposits you see first and last month's rent or something like that then a security deposit, with typical leases. But if the intent of the deposit is to cover a breach and then the city is going to deduct that and then you would set up a specific dollar amount. If it's not the mowing then it won't be a fine amount but the city would take the $300 out of that deposit and then the developer would have to replenish it if they don't make a monthly payment. One of the things he thinks the Commissioners need to think about, typically you set up a deposit because you're going to say, "how long does it take to evict somebody?" That deposit will cover the eviction, the time for eviction. Eviction in this case is a very difficult thing to contemplate doing, just so the Commissioners understand because this is where the employees park. That's going to create a problem if the city terminates that agreement then the employees have no place to park and then that's going to create other Code Enforcement issues for the city. There's kind of a domino there that, he doesn't think the deposit will accurately or sufficiently cover regardless of the amount the Commissioners put there to be perfectly honest with them. There's a variety of ways they can do it. They can say, if it's the $300, put $3600 in there and the city will deduct it down per month and when next year rolls around they have to replenish it. So, they would pay in advance for the year and they would draw it down so that they don't have to pay it each month; the money's there, the city draws it down. There's a variety of ways they can do it. He just wanted to let the Commissioners know that and he's talked to Mr. Forte about it, is yes, the lease solves an immediate issue for the developer and addresses a concern, but he's given thought to, my job is "what if" things don't work out? What are our options and that's a difficult option if the developer breaches the lease and the city wants to evict them out of the parking lot, they don't have a parking lot. So then what does the city go with? He sees that being a difficult scenario and so, hopefully, it will never come to that.

Mr. Forte stated the lease term, hopefully, it will be sooner on their end but the lease term would expire on August 31, 2021.

Commissioner Penny stated, which is their option to purchase the property.

Mr. Forte stated that ends the option period for them to purchase and at that time they either, if they're still leasing, they need to either purchase by that date or vacate the property by that date because at that time then…

Attorney Simpson stated and it also ends when they buy, if they buy the property too, whichever occurs first.

Mr. Forte stated maybe they will buy it before then.

Attorney Woods stated he thinks to answer the two issues, first and foremost for the term, it is kind of drafted to dove tail end with the potential purchase price deadline on that so that the concern about ejectment or how does this wind up is that this is a short-term lease meant to tie in with the overall issue. So, the city isn't going to have that problem within that first year. Again, moving forward, this is for the parking to allow for the property to move forward. As for the security deposit, part of that is, this drafting comes from the standard form of a municipal lease arrangement they've utilized in other projects, but he thinks in his reading contemplation, it doesn't function kind of ejectment traditional sense that you would normally have but he kind of looked at it as in the scenario whereby the city allowed their client to do the lawn maintenance and that scenario of, "well, they didn't mow it this week, we had to send a crew", the city would still have all the powers with Code Enforcement or whatnot but if there's a security deposit in place there, that would be the one action that the tenant would be responsible for doing and if they fail to do and that's why the city would have that security deposit in place there. For instance, if it is the $1.00 per year and the tenant maintains the lawn mowing, maybe the city allows for a chunk of money in that security deposit in case the mowing doesn't happen. Alternatively, if it's the $300 flat rate where they don't get into who's maintaining the lawn, now the need for the security deposit kind of goes away and it can probably be a zero.

Commissioner Currie stated actually, it doesn't because if you don't pay the lease it comes out of that.

Attorney Woods stated he guesses that would be a fair point.

Commissioner Currie stated so, it doesn't go away either way.

Attorney Woods stated fair enough but the dollar amount would be what's their rent, two month's rent, three month's rent or the proposal of paying it in advance and it gets deducted down. He doesn't think there's a concern or a risk how you choose to structure that. He thinks they're here trying to be as accommodating to the city as the city is being to them.

Commissioner Danio asked Mr. Forte what works better for the city.

Mr. Forte stated when they get into having the developer take care of the maintenance of the property then that leads into other questions of liability, doing work on other property that's owned by the city, are they going to do it themselves, are they going to hire a third party to do it. Probably the best scenario, now that we're thinking it through a little bit more is that we get a monthly rent and we still maintain the mowing this way we take out that the risk of somebody getting injured on our property, we have to throw in additional insurers. There's a little bit more complications as we're kind of thinking it through.

Commissioner Danio stated he trusts the City Manager.

Commissioner Penny stated he would like to ask Attorney Woods something. He's trying to get a motion here that's going to get approved. Would the applicant have any problem paying $3600.00 onetime, up front, payable by June 1, 2019?

Attorney Woods stated, no. He doesn't think so. However they choose to split the baby. They are willing to work with the city.

Commissioner Penny stated, okay.

*Commissioner Penny made a motion that **THE RENT IS $300 A MONTH, ZERO SECURITY DEPOSIT, PAYABLE FOR ONE YEAR IN FULL BY JUNE 1, 2019 AND THAT THE CITY WILL CONTINUE TO DO THE MAINTENANCE**, seconded by Commissioner Currie.*

Commissioner Penny stated he understands the Mayor's concerns about fair market value and if they were talking about the difference between $300,000, $400,000 then that's a big deal. They're talking about $50.00 a month and if the city has to worry about a third party going out there, a rock flying through someone's windshield while going down Center Avenue and suing the city or a Workers Compensation claim or going to Special Master, we're talking $3,000. He thinks the city wouldn't even be in this situation if Synergy…their pond is a little bigger than they thought. So, the pond took up some of their parking. Some people would argue that's not the city's fault but the city wants to continue the progress and in the spirit of cooperation, lease them the land but not lose anything on it. It is taxpayers dollars. Not penalize anyone but try to be accommodating and fair and he just thinks his motion is rather fair.

Attorney Simpson asked is the intent to make this just a one-year lease for this period of time? Because it's a longer term than…

Commissioner Penny stated he wants them to be able to lease it up until the…

Attorney Simpson stated the time they have in there.

Commissioner Penny stated the theory is that, when it renews, what do they have left? Eight months left in the second renewal?

Attorney Simpson stated basically, what he's saying, then implied within his <u>motion</u> is in May…

Commissioner Penny at renewal, they will pay however many months there are.

Attorney Simpson stated and in May they will pay up to, he thinks it's another…it's more than a year.

Mr. Forte stated, fourteen.

Attorney Simpson stated fourteen months. So, they'll pay another year in advance in May 2020.

Mr. Forte stated they're going from June to June and then they have another year from June to August.

Commissioner Penny stated, okay.

Attorney Simpson stated and then if there's a closing that occurs, any funds left over will be provided as a credit at closing.

Commissioner Penny stated, right. That's his intent.

Mr. Forte stated and monies would be put into the General Fund and because the property is maintained by General Fund services.

Commissioner Currie stated she feels as though the $300 is very fair and in trying to show cooperation that the city would still like to see this project go forward, she thinks that does that, especially since the city isn't asking for a deposit. She is still trying to play it fair and nice.

Commissioner Danio stated all he wanted to say is they're talking $3,000; we're talking $3600.00. If they were talking $5 million or talking $25 million, from one extreme to the next, he doesn't think $600 is going to be that big of a difference. If that's the City Manager's advice, I'm all for it.

Mayor Via stated he just wants to say for the record he will be voting yes for this because he wants to see this property leased so they can continue moving forward there. He would had much rather see a dollar per year as they are working with Synergy very much still and he doesn't think that the city would lose anything by them maintaining the grounds but he will be voting for this lease agreement.

PASSED, 4-0.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	John Penny, District 1 - Commissioner
SECONDER:	Penny Currie, District 2 - Commissioner
AYES:	Via, Penny, Currie, Danio
ABSENT:	Johnson

Enacted and approved this 28th day of May, 2019, in Holly Hill

11. PUBLIC HEARINGS - NONE

12. COMMUNICATIONS

A. City Manager & Staff Comments

Mr. Forte stated with regards to the Pickleball, they've taken on Teresa Rand who is going to work with them on fundraising and trying to get the additional monies because that project, as the Commissioners know at this point, has also exceeded the budget that was anticipated. So, Mrs. Rand is going to assist the city in writing for a Racing and Recreational Facilities Grant, the same grant that they received for the Outdoor Fitness Court at Sunrise Park. He doesn't have time right now to bring the Commissioners anything today. He just wants to get by ***consensus*** the Commissioners support of the city applying for that grant. At some point, he will probably need a Resolution from the Commission in support of that grant but he doesn't want to go forward doing anything just yet but he just wants the Commissions support for the city to go ahead and go down that road and try and get that grant.

Mayor Via asked are we only allowed to get one of those grants per year?

Mr. Forte stated you can get multiple grants. For Holly Hill, we're thankful, we've received in his career, two. The city had the support of George Burden, highly, at the last one and he thinks if they go for more than one this year, he doesn't think they would fund more than one for the city. At least, that's what his opinion is.

Commissioner Penny asked should we go ahead and give direction to let them apply for any grants because they may be applying for an ECHO grant in the future?

Mr. Forte stated that's the next part of the conversation. An ECHO grant is going to cost money up front. One of our previous consultants would charge $40,000 to write an ECHO grant, a consultant through the YMCA that Mrs. Rand knows, may charge $10,000 for that. It's a lot of money and it's like anything else, if they don't do it they get nothing. If they try to do it, it cost them $10,000 that would be the city's loss if they didn't get it but if the city got it they would get a significant amount, that would help reduce the cost. He doesn't have that application process in front of him but that is anticipated.

Mayor Via stated so that ECHO grant process would have to just come back to the Commissioners?

Mr. Forte stated yes but it would come quick.

There was *CONSENSUS* from the Commissioners for Mr. Forte to move forward with applying for a Racing and Recreational Facilities Grant.

Mr. Forte stated while they are talking about the Pickleball courts, as they know the city had pledged $1 million for this project to do the site work, the civil work on the property. That also has exceeded in anticipated funding and came in at about $1.5 million, the city anticipated $1 million. They were able to engineer some of the items out of that. They went from a large Lift Station to a small pump station but they are still a couple of $200,000 or $300,000 over. They've asked the city to continue funding the site work and find $200,000 or $300,000 on the city's end to finish the site work. On their end, the $3 million that Mr. and Mrs. Martens were anticipating, is getting closer to $4 million and maybe a little bit more when you talk about furniture, fixtures and equipment. The cost of this is going up. Keeping in mind that at the end of the day, the city still owns the asset. He doesn't have any way to come up with $200,000 or $300,000 more out of the CRA fund with one exception and that is suspending the CRA grants that the city does. Those CRA grants, Mr. Conte provided him a list, early on the city was paying out quite a bit of money. More recently, the city is probably paying out somewhere between $50,000 and $80,000 a year and in small CRA grants, things like sign grants, paving grants, mostly a lot them are paving grants more than anything. The Commissioners don't have to make that decision now but they're coming into the budget and if that's going to be the direction, if the Commission supports suspending the grant for three (3) years, he can at least pledge that money. If the Commission decides not to suspend the grant program, they are going to have a problem coming up with another $200,000 to $300,000 to get that site work done.

Commissioner Penny stated Mr. Forte, what if they cut the grants to $50,000 for the next six (6) years instead of zero for three (3) years? It’s the same money. There’s $100,000 in the budget so if they eliminate it for three (3) years, that’s your $300,000. The CRA, if they put it from $100,000 to $50,000, we still would have something for Mr. Conte to work with, with people and then just reduce the budget by half. It would take six (6) years to generate the same amount of revenue. He would hate to go from 100 to zero. There’s got to be something in there. There’s got to be a project that’s worth that.

Mr. Forte stated he would have to work with Mrs. Gurnee on that. There’s monies in the Reserve that they can take from and replenish. That’s not a bad idea to do it over six (6) years but if he gets the Commissioners support in looking at that, he will work with Mrs. Gurnee through this budget process. He will let the Martens know that the city can do that and it’s almost like borrowing from the CRA Reserve and then paying it back. He doesn’t know if that’s the right terminology but he will work with Mrs. Gurnee on that.

Commissioner Danio stated even if it’s $50,000 over five (5) years, it’s still something.

Commissioner Penny stated, yes. Whatever the numbers were.

Mr. Forte stated so, something along those lines.

Mayor Via stated he wants to look at all the options but we need kind of an answer to them soon, right?

Mr. Forte stated, yes. The answer for them is moving forward and the Martens are willing to put in another million or at least raise the funds for that million dollars. So, at the end of the day, the city is going to end up with a $6 million asset owned by the city. Close to $6 million.

Mayor Via stated he likes Commissioner Penny’s idea more than going to zero, definitely, because Mr. Conte will tell them, but those monies are probably important to him, right?

Mr. Conte nodded yes.

Mr. Forte stated he will look for a five (5) or six (6) year return and he will work with Mrs. Gurnee.

Mayor Via stated and before they even dove into that, he would like to follow up on some fundraising opportunities possibilities; not saying that the city will get them but some funding opportunities through that way.

Mr. Forte stated like he said, Mrs. Rand is handling that unless the Mayor has something else…

Mayor Via stated not from Mrs. Rand, from private as we spoke about previously.

Mr. Forte stated, okay. And then the last thing that he has, is that they are all aware that the Sales Tax initiative failed, the voter referendum. The city did put in its budget that the city was going to borrow a million dollars from the Solid Waste Fund to do paving in the city. Going forward with that plan is okay, it’s a good plan, but what it does is it gives the city by economies of scale, the ability to do a lot more paving than $100,000 a year, they can do a million dollars but then the city can’t pave another road for ten years. He just wants everybody to understand that. This is shooting the bullets out of the gun all at one time. The city will get more roads done this way due to the economies of scale but in three years from now when a road goes bad or five years or whatever, the answer is we don’t have a paving budget anymore. His point in saying that is, is Mr. Khoury is working on the evaluation of the roads that staff had recommended to the Commissioners and what he wants to do is bring that back in a near workshop session to go over that list of roads to make sure that everybody is buying into that.

Commissioner Danio asked if they have to spend it all?

Mr. Forte stated they don’t have to spend any of it. What they’re doing is they’re borrowing the money from the Solid Waste Fund and through the Local Gas Tax Revenues the city is going to pay the Solid Waste Fund back and then in ten years when its paid off, they will repeat it. So, in ten years from now they can pave another million dollar worth of roads. That’s kind of the cycle that they are in. Now they really haven’t done a whole lot of paving in the past. They’ve done Center Avenue, and a couple of streets up here. It’s real small pickens. They don’t have a big budget for road resurfacing.

Commissioner Danio stated what about the rumor that the Sales Tax might go…

Mr. Forte stated he wishes them a lot of luck in that request but he doesn’t have a lot of hope for that. Something doesn’t fail at 55% and somebody brings it up to bring it up for the next election as a referendum, he just doesn’t see it happening. He will bring the evaluation of the roads back at a workshop session for everybody to look at and give it one last look and if the Commissioners drive around and see a road that is bad. Your opinion is valued but not as much as the evaluation from an engineer that’s coming in and saying this road needs it more than that road. He just wants them all to be aware that. Like Commissioner Penny was saying, they can do it in two years or do it in five years. Do $500,000 and then in five years do another $500,000.

Commissioner Danio stated that’s what he was trying to say.

Mr. Forte stated so that they can try to spread it out a little bit. Maybe make it look like they’re doing more but at the end of the day, it’s all the same. They have those options. He’s meeting with Mr. Khoury tomorrow and he will send an email out to the Commissioners.

Mr. Forte mentioned that the State Highway Lighting, Maintenance and Compensation Agreement Work Order FY19-20 with FDOT is for informational/reporting purposes only. This is done annually.

a.

State Highway Lighting, Maintenance & Compensation Agreement Work Order FY19/20

(Requested by Valerie Manning, City Clerk)

RESULT:	INFORMATION ONLY

Enacted and approved this 28th day of May, 2019, in Holly Hill

B. City Attorney Comments
None.

C. City Commission Comments
The Commissioners congratulated all of the Police Officers for the awards they received during their program before the City Commission meeting; thanked Mr. Gutauckis for getting the TV monitors installed in the Commission chambers for them to be able to view the agenda packet much better from the dais.

Commissioner Danio encouraged everyone that they need to keep moving forward and keep the momentum going.

D. Mayor's Comments
Mayor Via mentioned that they have to appoint a Voting Delegate for this year's 93rd Annual Florida League of Cities Conference.

Commissioner Danio made a motion to ***APPOINT COMMISSIONER CURRIE AS HOLLY HILL'S VOTING DELEGATE DURING THE 93rd ANNUAL CONFERENCE****, seconded by Commissioner Penny.*

PASSED, 4-0.

Mayor Via congratulated all the Police Officers who received their award tonight; attended the Memorial Day service at the Box Car yesterday, very nice; himself and Mr. Forte will be heading over to MG on the Halifax next week to answer some questions the residents have; shared his thoughts and ideas about a creating a Memorial Day monument out front of City Hall in remembrance of all those that have served our Country; Boys With A Purpose is tomorrow night at Sica Hall; Boys and Girls Club is having a Pavilion Dedication this Friday at 4:00 PM, the Sheriff will be there playing kickball with the kids; visited the Minority Racing Association the other day and it's a great place to see, there will be a ribbon cutting there on Wednesday, June 5th at 9:30 AM for those that are able to attend.

13. ADJOURNMENT

The meeting adjourned at approximately 8:15 PM.

Valerie Manning
Valerie Manning, City Clerk,CMC 5/28/2019

Chris Via, Mayor 5/28/2019