CITY OF HOLLY HILL, FLORIDA

CITY COMMISSION

MINUTES ● JUNE 28, 2018

Large Conference Room	Work Session	3:00 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

2. PICKLEBALL IN HOLLYLAND PARK DISCUSSION

1.

Pickleball in Hollyland Park Discussion

(Requested by Valerie Manning, City Clerk)
Mr. Forte met with the Mayor and City Commissioners to give them an update on the Pickleball in Hollyland Park. Also attending the workshop is Doug McClintock, who is Rainer and Julie Marten's attorney representative. Mr. Forte informed them that staff has learned some things since their last workshop session as he met with the Pickleball Association folks and wanted to give a little update and continue to seek direction from the Mayor and City Commission as they move forward. Mr. Forte stated one of the things they did was the title search and it came back saying that the only item on that property that needs to be addressed is a $150,000 ECHO grant and that's for the concession stand and the shade structures that are over there. In one of the designs that is being proposed, the concession stand remains in tack and the shade structures can be relocated from where they currently are to over the viewing areas of some of the Pickleball places. Staff has not contacted ECHO yet but if the city is able to reuse those items, he thinks they should be okay. Mr. Forte mentioned a couple of things that did come up. One, they will probably have to sub-divide the property because the property that Hollyland Park sits on is connected to the Public Works property. They would have to isolate that parcel out so that they could move forward with just the Pickleball being associated with a new parcel and that's something that the City Planner can do. The city will need to do a survey and that's going to cost money. Mr. Forte briefly discussed a few of the other things that he wanted to get the Commission caught up to date on is as they move forward with this, there's an estimate of about $4 million dollars to construct this park. It's not a scientific or engineer estimate yet, it's just a ballpark. The city's contributions is, the request is for $1 million to go into, what they will call, the civil site work and the public amenities portion of it. That's what keeps the city eligible to use Community Redevelopment Area (CRA) funds and the Pickleball group would be paying the $3 million dollars and then anything that goes over that amount, it would fall on their shoulders. Mr. Forte stated part of the discussion with the Pickleball group was that Attorney Simpson sent a letter and

met with the folks over at the Property Appraisers Office and talked with them about the Pickleball group being declared a 501(c)(3), a tax-exempt status. So far it looks like the door is open for them to be able to do that with the exception of the restaurant. If the restaurant is selling alcohol they're really not a non-profit purpose for that and that portion of the project may be made deemed to be a for-profit portion and would have to pay taxes on that. The Pickleball group would operate the Pickleball court, the clubhouse and the restaurant and then the city would be responsible for operating the Senior Center and then the other outdoor Senior activities; they're not really Senior activities. Anybody can play some of the other activities that will be out there. They are estimating that the utility cost would be about $60,000 a year on the property that would be owned by the city as part of the city's participation in this. Mr. Forte mentioned they talked about partnering with the Hosseini family for their mosaic development out there to see if they would be interested in offering free memberships to their new residents in exchange for a contribution, anywhere from ICMI Homes towards the facility or towards the Senior Center. Mr. Forte stated he did meet with Rainer earlier this week and talked about some other ideas he had for the Senior Center and that's still worth exploring. Rainer has a lot of really good ideas on how to capitalize on this being a Senior Activity Center, which is what they want to call it now. He mentioned to Rainer that the population over the age of 65 is growing in the area so it's rather important that the city try to take advantage of this while they can. Mr. Forte mentioned the article that he sent to the Mayor and Commissioners on Pickleball in Naples, FL. Mr. Forte stated he wants to make this facility in Hollyland Park very, very attractive and not only for tournaments but for routine and regular play. Mr. Forte stated one of the things they left off with on one of their discussions was the alcohol. The need for the Pickleball Group to have an alcohol license at the park, especially in the restaurant. Staff did some research and there's a general ordinance that says there's no drinking in public places and that includes the parks. It doesn't specifically say you can't have alcohol in a public park but staff assumes that's part of that ordinance. Mr. Forte stated what staff can do is, instead of going out and redoing this ordinance, they can write into the Planned Unit Development (PUD) Agreement that alcohol would be permitted, consumed and purchased at the restaurant in the park as part of this development. The Commission has the right to make special conditions and the conditions would be permitted in the PUD Agreement. In the PUD Agreement it will be spelled out that there will be a restaurant and that the restaurant will serve a certain type of food, and they will have to get a State license to sell alcohol and there's that whole percentage of food to alcohol ratio that would be in the PUD Agreement and it will be just beer and wine. Mr. Forte stated one of the things that staff will have to bring back to the City Commission is and he will do this on July 24th at the City Commission meeting, is the Community Redevelopment Area (CRA) in bringing forward a report on the Overhead to Underground Project. Staff got a little nervous this week about being running short on funding for that. If they run short on funding for that, that limits the amount of funding that they can use for this Pickleball project but he doesn't think it's as bad as he thought because staff has been setting some money aside for that. If they do move forward with this Pickleball project, the Commission needs to understand that ties up their money for a while. As the revenues are coming in, those revenues are paying down their actual annual services, whether it's the Law Enforcement, Economic Development, and Debt Service. All those items are pretty much are going to

be consumed by the revenue that comes in. Even moving forward with Phase 2 of the Overhead to Underground project, they may need to seek alternative funding for that. When staff starts to prepare for the July 24th workshop session on the CRA, staff will have a lot more detail on that. Mr. Forte stated he is looking for some direction from the Mayor and Commissioners to proceed or not. If so to proceed, to go ahead and work on getting the survey done. If the city does the survey it will probably be approximately $6,000 expense, move forward with the PUD Agreement, which would allow for the alcohol in the restaurant, plus all the other details that would be involved in that, there's an expense that would come out for Attorney Simpson's time, as well as, the folks on the Association side that want to get involved. The city wouldn't be paying for the Association folks but they have their own time they have to put in. Mr. Forte asked if they had any questions they might have and see if they want to march forward in the direction that they are going. **The Mayor and City Commissioners are *in favor* and *CONSENSUS* in *moving forward* with the Pickleball Project.**

At this time, the Commissioners spoke briefly and there were ***no major objections with the project and moving forward*** and Attorney Simpson clarified some things with his visit he had with the Property Appraiser in that the Property Appraiser was very excited and happy to help and work with the city and the only hesitation was the restaurant, beer and wine. But if that becomes something that they can't exempt out then they carve that part out separately so it doesn't make the whole thing taxable, just that portion of it. Attorney Simpson told the Property Appraiser staff will work with them on getting them all the documents to review and bring the property appraisers in early on to try and make sure they keep this tax exempt the best they can. They were thinking about doing an Economic Development Incentive Agreement or something like that. Something very similar to the document the city did with Fountainhead for the CRA expenditure of the money going into the public improvements.

Mr. Forte stated to sum up the process of moving forward, he has ***CONSENSUS*** from the Commission authorizing staff to begin working on the PUD Agreement, getting the survey, which would probably be borne of the city for the property being subdivided, the Pickleball group will get the general preliminary site plan of what the Pickleball group wants to build to the city, and the city will work on the funding agreement.

Attorney Simpson informed the Commissioner once the PUD is in place and then the Commission approves the budget, the funding falls into place. Attorney Simpson asked Mr. McClintock whether a lease or an operating agreement is a better way to go?

Mr. McClintock stated well, Rainer's always been talking about a lease.

Attorney Simpson stated, right.

Mr. McClintock stated they haven't really…

Attorney Simpson stated thought about it one way or the other?

Mr. McClintock stated, no. They haven't talked about that internally one way or the other, the pros and cons. What do you think?

Attorney Simpson stated the only thing he's thinking of is with the Property Appraiser. He doesn't know if an operating agreement would be better. One thing the Property Appraiser indicated, he said, it would be good if all improvements go back to the city at the end of the arrangement, which they have already talked about and that's true.

3. ADJOURNMENT

The workshop adjourned at approximately 4:45 PM.

Valerie Manning, City Clerk,CMC 6/28/2018

John Penny, Mayor 6/28/2018