# CITY OF HOLLY HILL, FLORIDA

## CITY COMMISSION

## MINUTES ● SEPTEMBER 26, 2023

**City Commission Chamber** | **Work Session** | **4:00 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

## 2. ROLL CALL

| 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 | Present | |

## 3. FOUNTAINHEAD DISCUSSION

1.

Fountainhead Discussion of Parcels 3 & 4

(Requested by Valerie Manning, City Clerk)

Mr. Forte stated you all are pretty much familiar with the Incentive Agreement with the Fountainhead project. They lost the option to purchase Parcel 3. Parcel 4 was an option for the affordable housing project that Ken Bowron was interested in doing. We had a five-year agreement with him and that also expired. So, in essence, Fountainhead Developers lost the options to buy Parcels 3 and 4 under the Incentive Agreement. So, because of this Live Local Act that's come down now and there's millions of dollars coming into the County for affordable housing projects, it's opened the door up again so Ken Bowron contacted me and asked if we would be interested in allowing him to put forward a project on Parcel 4. So, we said sure. The city's position should still be the same if we were agreeing to an affordable housing project before and new funding sources come up, we haven't committed to anything, we don't have a longstanding agreement but at some point he's going to want to go under contract for it. In doing all this, Mr. Walker and I had actually met with Jayson back in April and he had thoughts of a company called a Pace Company, which is kind of like the senior living, medical, benefits and all kinds of therapy, dealing with this company and they were interested in building on Parcel 1. We entertained that proposal and we had some recommendations for where the building was because it encroached into the Parcel 5, which is the circle by the rural water pump that's in there, the well. Everything was kind of the urgency again. So, they were working on that then the Live Local Act item came up then we met with them again and they were talking more along the lines of moving the Pace operation into the Fountainhead Headquarters, which in and of itself, maybe a problem because the Fountainhead Headquarters is supposed to be the Headquarters and not something else moved in there. So, we didn't get too far on that then a couple of months go by again and I have a conversation with John Ferguson and Mark Watts and basically talking about this same thing and whether or not the options are really expired or is there an opportunity to for them to move forward. So, I threw out an idea and I said what if we just sold Jayson Parcels 3 and 4 outside of the Incentive Agreement. Meaning, it's for him to do whatever he wants. If he wants to flip it to Ken Bowron, he can do that. If he wanted to sell it and pocket the money, he can do that. The benefit to him would he would own Parcels 3 and 4, which is what his desire was, and he could do with it what he wishes. The downside to him is it wouldn't be part of the Incentive Agreement. He wouldn't get any incentive monies back. He wouldn't get any impact fee credits. The benefit to the city is that if we sold it for, I will just use a round number of $500,000, the city would get that money and because it's outside of the Incentive Agreement, the city could use that money anywhere, anyway you wished within the CRA area. There's a little bit of give and take on that. Those are kind of the two options. And the reason that I offered that up was that the CRA term is going to end July 1, 2026. We get our revenues, the last bit of our revenues are going to come in the tax year November 2025 but they will still be able to get whatever incentives they can earn up until that July 1, 2026 time frame. When you think about the timing of how things have happened in the past and what that will predict what the future will be, I can't see Jayson hiring very many people to earn $300,000 in employee incentives over the next two years. He's not even at the level of employees that he initially started with. He's only at about 90 employees right now. I don't see that happening. In terms of a development, in order for him to capture the other monies, they would have to have qualifying capital expenses in order to get that other money back and by the time, at least when Ken Bowron went through the process, it's going to be at least a year or more, by the time it goes through the County's approval process for the Live Local Act, by the time he gets his plans reviewed, by the time he starts construction, so I didn't see that happening either. So, I said to the attorneys its very unlikely that under the current scenario, that he's going to get much of the money anyway, so, here's another idea, buy it now and if you sell it it's your money to do with it what you want. I thought it wasn't a bad idea. Those are the two options. The third option, now to the city, under the first option where he gets all the incentives, if he gets those incentives, which is not likely, then the city wouldn't get any money back. It stays in our accounts until that July 1, 2026 date and if he doesn't use it, well now we have unspent CRA funds that providing we can extend the CRA time frame, we will be able to then reallocate those funds to other projects. If for some reason we don't, which I'm hopeful we will, is we would have to forfeit that money back to the tax authorities. That's the first scenario. You know the second scenario. The third scenario is we do nothing. We wait it out and we say we're not going to sell it to Ken Bowron, we're not going to sell it to Jayson. We're going to wait the 2.5 years and then we're going to sell it for fair market value after the time frame has expired outside of PUD, outside of the agreement, outside of everything. And, who knows what that market value would bring in 2.5 years from now. Those are kind of the options. Jayson was interested in the second option of him having the ability to just buy that property outright, pay the city and he does with it what he wants. I don't think either option, one or two is necessarily bad for Jayson or for the city, they're just options. They're just options. I figured I would throw it out there and see where you are at. Ken Bowron does contact me periodically just to see if we're ready to put him under contract for it and I told him to wait until after this meeting and I would have a better idea of where we're going to be.

Mayor Via stated, a couple of questions. If we, I know that their options have expired to purchase Parcel 3 and then that kind of translates over to Parcel 4, so if we were to entertain what I believe his attorneys were asking for at first, several month ago from us, meaning that we would still honor that agreement to move forward with what was in place, at what time frame does…so, from the money that's generated when we sell Parcel 4 he is able to get $300,000 of that for jobs created and then up to $700,000…

Mr. Forte stated well, anything over that.

Mayor Via stated anything over that for construction, right. For whatever it sells.

Mr. Forte stated for qualified construction.

Mayor Via stated for qualified construction expenses. So, the question is how long would he have to be able to utilize that pot of money? Meaning, we have to hold that in an account for him…

Mr. Forte stated until July 1, 2026.

Mayor Via stated until July 2026.

Attorney Simpson stated but understand, okay, if you're talking about Parcel 4, Parcel 4 was going to be sold at, say fair market value for workforce housing development, $60,000 of the first $60,000 per acre is set aside for the jobs reimbursement.

Mr. Forte stated which is roughly the $300,000.

Attorney Simpson stated, yes, the $300,000, which we already have money set aside that he hasn't accessed , which Joe says it's unlikely he's going to be able to touch that.

Mayor Via stated, right.

Attorney Simpson stated anything over that…is it five acres total?

Mr. Forte stated it's a total of 8, between Parcels 3 and 4.

Attorney Simpson stated but if you just say Parcel 4 is about 5 acres, okay because wasn't the contract around $1.5 million?

Mr. Forte stated, yes.

Attorney Simpson stated so, say there will then be about $1.2 million, ballpark, of excess funds that can be used to reimburse, not for future construction. He can use it right away to reimburse them for the work he did on Parcel 2. The very first thing he did. He would immediately…so, if we sold Parcel 4, honoring our agreements, you know, really modifying our agreements to be honest with you, but allowing him to go forward as if all of the options were exercised properly then he would get $1.2 million right away and that's really his main source of revenue. It may not have been when he first started this project but realistically now, that the jobs have reduced so future job money is limited and the growth has been so slow there that it took forever to get a CO (Certificate of Occupancy) on the very first phase, so just then taxes started coming in and him getting backed taxes he paid really isn't beneficial. It's reimbursing him for money he had already spent. He needed to bring a third-party in to pay the taxes and you don't get reimbursed, their tax money so it wouldn't be him out of pocket. His real benefit is Parcel 4. If Parcel 4 sold he could immediately get about $1.2 or $3 million, ballpark, to offset all of the construction costs he's already incurred to date and I'm sure he's spent that much money so, he would immediately get that $1.2 or $1.3 million. When Joe mentioned to me contracting with Ken Bowman, I told him I wouldn’t do that and the reason is I said I’m okay with us doing a deal with Jayson, either redoing the redevelopment agreement or coming out, taking that property out just like Joe talked about and selling it to him separate and apart, redoing everything. My concern with selling Parcel 4 is the provision in here, in our Development Agreement, dealing specifically with Parcel 4 says, “Neither the net sale proceeds nor the $60,000 per acre for new employee incentives shall be paid to the developer unless the developer or a third party during the term of this agreement has acquired Parcels 1, 2, and 3.” What I’m concerned about is right now we have expired options, we own the land. I don’t see anybody, any judge, saying forcing us to enter into a contract to sell land. That’s a hard stretch for me to accept. But if we go forward and we sell Parcel 4 and we think we’re going to say, “well, you haven’t bought Parcel 3 Jayson, therefore, you’re not entitled to this money. We’re going to keep it”, we will probably get sued.

Mr. Forte stated keep in mind that if Parcel 4 gets sold to Ken Bowron for an affordable housing project, there’s really no reason for us to hold on to Parcel 3. It’s of little value to us so, if Parcel 4 goes through then I wouldn’t see any hesitation in selling Parcel 3 to Fountainhead Developers.

Attorney Simpson stated and once you do that, if it’s during the term of the Agreement, which is July 2026, per that provision, now, what’s called the net sale proceeds, which is really excess over the $60,000 per acre and the closing costs and the $60,000 per acre become available to Jayson. That excess will be used up immediately, the $60,000 per acre will go into the account we already have that’s holding money that hasn’t been utilized and may not be utilized but we will have to wait until July 2026 to know that for sure. If we were to sell it and even if we didn’t sell Parcel 3, now you’re not asking a judge to force us to sell property, we’re not under contract to sell, he would be suing for a part of that money saying, “hey, that money was mine and because of the city’s conduct they interfered with me being able to exercise to finish on time or COVID caused it for us to not be able to finish on time”, and really it’s inappropriate to hold…say I violated this under these facts because really they shouldn’t hold me to the requirement to buy Parcel 3 because either the city and/or external factors caused me to not be able to buy Parcel 3.” And then you have the opportunity to settle a lawsuit and you’re dealing with $1.2 -$1.3 million dollars and so, that may be the mindset that if you get into that dispute, they say, “hey, we’ll be able to get some money from the city as a form of a settlement.” That’s why I would say don’t go forward with this agreement and sell Parcel 4. If you want to sell Parcel 4 that’s fine but we need to change this agreement. Now, we can sell it all to Jayson or we modify the agreement and sell Parcel 4, make it clear what the incentives are going to be but don’t sell Parcel 4 while this agreement is in effect. As I told Joe several times, if they’re not willing to modify this agreement, we sit there and hold the property until August 2026, now everything is expired. That agreement is expired.

Mr. Forte stated I will say that, and I don’t know if it’s still valid, Jayson said he would use the proceeds from Parcel 4 towards new construction. So, he did say that. Now, there’s nothing in writing, that was just in a conversation.

Attorney Simpson stated that would be an amendment to the…

Mr. Forte stated so we would have to amend it to say, “if we did sell Parcel 4 that the first $60,000 would be held for jobs, the balance would be held to be put into reimbursement for any new construction that they had." There's nothing negative for either party on either process. It's an option of that, per say, would you like to stick with this or do you want to go with this other option of buying the properties outright outside the Incentive Agreement. So, they're not…it's just putting forth options.

Mayor Via stated, right and that's where I was going with that line of questioning is to make sure that was said in the meetings for new construction as opposed to the $1.2 million that's already been done.

Mr. Forte stated, right.

Mayor Via stated and the point to that too, an additional question is did we find out though, we get paid for the 2026…

Mr. Forte stated in November 2025.

Mayor Via stated in November 2025.

Mr. Forte stated that's the last revenues that we'll get but they can still earn incentives through July 1, 2026.

Attorney Simpson stated and that's also based on the tax ability as of January 1, 2025.

Mr. Forte stated, right.

Mayor Via stated but the question is, do we have until the end of the year, let's say October 2026 to then encumber the rest of the money that's in the CRA or by November 2025 if we have to have everything encumbered, otherwise it will go back to the other taxing authorities?

Mr. Forte stated it's going to depend if we are successful in getting a time extension on the CRA. We will know that in advance of that time frame.

Mayor Via stated so, only if that gets extended.

Mr. Forte stated if the CRA time frame gets extended then the monies that are in the CRA fund, that TIF money, will remain there for whatever use that benefits the CRA.

Mayor Via stated so, if it's not approved…the CRA…

Mr. Forte stated if it's not approved, if we don't have those monies encumbered, allocated for projects then it goes back to the taxing authority.

Mayor Via stated, okay.

Commissioner Penny stated wouldn't it be prudent to make an educated guess what that money might be and select a project in the next two years? You don't have to move forward with the project but you could create the project, approve the project and encumber the money and then spend it later.

Mayor Via asked or is it already encumbered?

Mr. Forte stated he's not quite sure if that would be considered double encumbered because if it's set aside for example, for job reimbursements and they don't get the jobs to get the money reimbursed, can we have a backup encumbrance. I don't if…he would have to get an answer to that. I don't know.

Commissioner Penny stated and I'm kind of like you Joe, I'm okay with any of these options but the variable that we have is that…when was this agreement entered into?

Mr. Forte stated it was signed probably in 2017 but the conversations started in 2015.

Commissioner Penny stated so, seven, eight years.

Attorney Simpson stated it was January 2017 it was actually signed. I remember our negotiations…like two years.

Mr. Forte stated April 2015.

Attorney Simpson stated, yes. It was almost two years of negotiations.

Commissioner Penny stated his only concern is that the world has changed in the last seven or eight years. Real Estate values have doubled and tripled in sometimes and if we're going to amend this, doing nothing is the easy thing. Do no harm. Let it die. I don't care. If they produce, they produce. If we're moving forward and we're going to renegotiate, I think it's in the taxpayer's best interest to renegotiate the $60,000 an acre. I know there was an appraisal done but I can't remember what that number was.

Mr. Forte stated the appraisal came back for that property, at in my opinion, an accessibly high in number.

Mayor Via stated let me stop you there Mr. Forte, so, I did some more digging on that and so, you're right Commissioner Penny and I'm completely there with you so, let's talk about that option of selling. There is a benefit as Mr. Forte said to the community because then we'll have unencumbered money for a great project.

Commissioner Penny stated if we get affordable housing, it's great.

Mayor Via stated, right but where my heartburn is, is we're up here to protect the taxpayers money, end of story. It doesn't matter about anything else. That's our number one duty and you're right, ten years ago $60,000 an acre was probably a good price for both sides but today it's not and that appraisal came back at $2,050,000 for 8.3 acres.

Commissioner Penny stated that's $250,000 an acre.

Mayor Via stated, right, $250,000. So, I feel it would be a dereliction of duty if we were to renegotiate this and to go into that $60,000. We have to honor the contract as we all agreed to many, many years ago and that's fine but if we're going outside this contract, we can't sell it for that price. That's my stance.

Commissioner Penny stated I agree with you and I view the CRA as a tool to make things happen that wouldn't happen in the private market. But I do feel it's irresponsible to renegotiate at $60,000 and if the appraiser says it's worth the $250,000, I think $125,000 is a win-win for both. The city gets something out of it and the developer gets it at half the market value. No matter what we do, if we're going to renegotiate this, I would be in favor of $125,000 an acre.

Mayor Via stated and he thinks it comes down to what will be there so, I think we all, as a community, agree that workforce housing is needed, especially in our area. This is the only property, later tonight we will vote on, on our Consent Agenda that now with State Law we have to designate all of our lands that are available for affordable housing and we'll do that tonight and as you see on there, this is the only property that we have. This is our one shot, if you will, at affordable housing. So, that's the project we would be looking at in addition to, I want to know what is planned at Synergy. I know that six months ago you and your staff met with him and his staff and there was…and actually, I was even told about it at the time that there would be Parcel 1, a large facility coming in and I don't know where that stands now. It's my understanding you haven't heard back from them, I'm guessing.

Mr. Forte stated not in regards to Parcel 1.

Mayor Via stated I want to know what's going on, what is being planned and then we can talk about what we're incentivizing and then at what price.

Commissioner Penny stated it's my understanding and I don't remember the numbers but the affordable housing contractor is willing to pay $250,000 an acre. If we sold it at $125,000 the developers are doubling their money instantly to go back to reinvesting to the property.

Mr. Forte stated he wouldn't say that Parcel 1 should have an impact on Parcels 3 and 4.
Mayor Via asked, why not?
Mr. Forte stated because I think Parcels 3 and 4 stands alone and whatever happens on Parcel 1 is already done. It's already purchased. It's under his authority. He still has to come back and submit plans for that. We've seen some plans that needed some modification. There's no time frame in the agreement to complete Parcel 1. So, I don't know that I would reference anything to do with Parcel 1 for Parcels 3 and 4.
Mayor Via stated and I could probably agree with that but the reason why my thinking is there is because Parcel 2 had to be completed before Parcel 1 and this Commission was very generous by allowing them to do Parcel 1 and now it's still not done. And so, moving on from that after Parcel 1 and 2 was complete that would unlock Parcel 3, which then would unlock Parcel 4. I know that you are just as upset as I am. It is what it is. Things happen. This is the way that it came out but that's where my thinking is, is the question will become, what…from this point on and you're right, maybe we throw that away because what has been done, has been done and it's been, not litigated but back and forth. What I want to know from this point on what are we incentivizing? What is happening there? What can we count on as a Commission? And I think after nine years of us going back and forth, I know I heard this when I was on the Board of Planning and Appeals before I was even a Commissioner. So, I want to make sure that we're being very extremely, beyond careful with taxpayers money. I think this Commission feels the same.
Mr. Forte stated he wasn't looking to get into deep negotiations. I was just looking to say, here is your existing deal, this is what your existing option is; here's an alternative option. Not to negotiate it.
Commissioner Penny stated, right.
Mr. Forte stated choose door number one or door number two, whichever you feel is in your best interest, you can pick.
Commissioner Penny stated personally, I would be in favor of offering the 8 acres at $125,000 an acre and no more incentives. The city's done with it. And if he can get affordable housing there, that's great for everybody.
Commissioner Currie stated my feeling on it has been given many times before but we've been dealing with this for nine years. There was really nothing that we saw in those plans some eight or nine years ago that I see over there today, with the exception of the retention pond. It is what we thought it was going to be. I do not support a new incentive agreement.
Mr. Forte stated it wouldn't be a new incentive agreement.
Commissioner Currie stated okay because I have no desire to go into any incentive…I think the taxpayers deserve us, like the Mayor's pointing out, to be a little more, I will say responsible, this time.
Mr. Forte stated in fact, I would say it's almost the opposite of that. I would say the Incentive Agreement exist on the current plan. Another option of just selling it outright outside of the Incentive Agreement is a straight sale.
Commissioner Currie stated, okay.
Mr. Forte stated no incentive too…
Commissioner Currie stated it was my misunderstanding. I thought we were talking about a new sale, a new incentive agreement.

Mr. Forte stated, no.

Commissioner Penny stated if we do the straight sale it's off of our books. We don't have to talk about it anymore.

Mr. Forte stated a straight sale, we keep the money and he gets to use it and he can flip it to affordable housing and make that profit himself.

Commissioner Currie stated, right.

Attorney Simpson stated I would say the only incentive would be the difference between what you sell it for and what is fair market value.

Commissioner Currie stated, okay.

Mr. Forte stated, correct.

Attorney Simpson stated that would be the incentive but we wouldn't be holding money waiting for him to do something or anything like that.

Commissioner Currie stated, okay. And I do not support selling this property for $60,000.

Mr. Forte stated I'm afraid that if we change the price per acre that opens the door to say well, if you're going to increase the price per acre then we should get something in exchange because it was locked in at $60,000.

Commission Penny stated then we stick to the current agreement.

Mr. Forte stated I'm fine with that if that's what you want to do.

Commissioner Currie stated unless we ride it out. I am not in support of any of that.

Mr. Forte stated Parcel 3 was $60,000 and Parcel 4 was a lot more.

Commissioner Currie stated then I'm in favor of sitting on it if that's what it's going to mean.

Attorney Simpson stated but you would, I think, at least two people I hear, maybe three, would be open to the idea of negotiating a price, at least closer to fair market value…

Commissioner Currie stated, yes.

Attorney Simpson stated to just sell it outright to them with us having, as a condition of sale, we could know what's going to go there. Because the value is going to depend on what the proposed use is. These high values you have is for this workforce housing. If that's the only condition, we're going to say, "hey, look you can only use it for this purpose and that's what we're willing to sell it for." He could probably give that type of valuation justification. If it's something for some other use then it may not support that type of value.

Mr. Forte asked what happens if for some reason the affordable housing project doesn't get funded?

Attorney Simpson stated then he paid more to us than he should have.

Commissioners Penny and Danio stated buyers' risk

Attorney Simpson stated that would be his risk.

Commissioner Penny stated I just don't want to spend weeks of staff's time negotiating. I would like to say, "listen, the Commission has met, they might be interested in you making an offer that's closer to market value", and see what they bring to us and say yes or no and move on.

Attorney Simpson stated actually, Joe and I's discussion has been that this city has spent enough money amending and redrafting and submitting proposals, you submit us something. Tell us what you want us to consider. Our position is your option agreements have expired, we've owned this land since I don't know when, holding it for another two years is not a big deal in my perspective. All of the options have expired. We can sit here and hold this and in two years we'll be able to decide what we want to do with the property.

Commissioner Currie stated I would be in favor of that.

Attorney Simpson stated so, that's one option but I think trying to take advantage, if this Commission wants affordable workforce housing, the State has put forth some great incentives. I think we want to, my suggestion would be that before we sell it, we have the zoning submitted to us because that new law, and I think we're going to talk about it later, they get a lot of density. There're three things in that new law that came out that we…that they trumped us on. Density, height, and use. That we don't have any say over anymore.

Mr. Forte stated that's true, we don't have any say but in conversations with Ken Bowron, he wasn't looking for any of those additional density. That's under Ken Bowron. Now, another developer may be something different.

Attorney Simpson stated, right or Ken Bowron says, "hey, I need more use." And, that will come back to you all. The way it's written, staff has to administratively approve it. Look at Marina Grande. What was that density? That's the highest residential density in the city. That can go over there by law. I don't think it's within a mile.

Mayor Via stated I will say and this is coming from the Legislative Session, it is supposed to come back up, it might button up the law.

Attorney Simpson stated they need to.

Mayor Via stated, big time and in other cities it's crushing them.

Commissioner Danio stated obviously, Synergy was not our finest moment. We can pretty much reflect on that. But I seem to think that there's a lot of times where we sat and tried to be reasonable and didn't seem to get through the Synergy…I don't know. I don't think they're going to do anything that's not 110% in their favor but it's almost like if we sell it a little more at fair market value it's kind of like the birds in the hands, we're two in the bush (?) order, right because we're getting it now instead of waiting it.

Mr. Forte stated that was my initial thought. That if we sold it outside the incentive agreement he can do with it what he wants and we would have $1.25 million dollars at the $60,000 price to do what we want.

Commissioner Danio stated, no, I don't think $60,000…I don't know about $125,000 but it's got to be worth $100,000 an acre for sure.

Mr. Forte stated I don't know.

Mayor Via stated I think it's worth more than that. I talked to…I'm in real estate and I talked to my commercial broker and he actually concurred and said, a well-respected appraisal company, this is a good appraisal; all the utilities are there, everything is ready to go and that appraisal was a good appraisal. Just throwing it out there because initially when I heard it I thought it was high as well and Mr. Forte and I had a conversation and I haven't had time to talk with him today about it but that's the word I got back.

Commissioner Danio stated I just don't want to end up like, what Joe's concerned about is spending more time with Attorney Simpson…

Mr. Forte stated I just want…pick door number one or door number two. That's all.

Commissioner Danio stated, yes. The safest is to wait it out but it doesn't do anything for us now.

Mr. Forte asked are you saying the safest way is to wait it out, don't sell it to Ken Bowron for the affordable housing?

Commissioner Danio stated, no, I'm saying he's not going to get the jobs and all of that. We pretty much know that. The incentives are not…it's very unlikely.

Mr. Forte stated it's very unlikely he's going to be able to spend all of the jobs incentive money in the next two years.

Commissioner Danio stated, right.

Attorney Simpson stated my advice would be and maybe this answers Joe's question, he thinks what Joe is asking is, is your idea of waiting it out not selling it, either parcel, to anybody until this agreement expires in July 2026; that would be my recommendation.

Commissioner Danio stated that's waiting it out, correct?

Attorney Simpson stated so, if you want to sell to somebody between now and then, in my opinion, is we need to change this agreement to protect the city. Now, whether that's amending the agreement or just selling it, carving this land out of the Incentive Agreement, as Joe's proposing, I'm fine with that. And say, look, we're just going to do an arms/leg deal, you pay us cash, we're done and this is what we're willing to sell it for and whatever additional terms we want to put on there in terms of their use they're going to do, the proposed development, do we want to see that as a condition at closing. We can negotiate all those things in.

Mayor Via stated he has an additional question. I recall back in discussions from many, many years ago that they…would Synergy if after July 2026, if we sold it, because of the PUD, because of the way that it is, do they have the ability to block if we were to sell it. Would they still have that after July 2026?

Attorney Simpson stated it expires in July 2026.

Mayor Via stated okay, thank you.

Attorney Simpson stated everything expires in July 2026. Maybe the question is since this land is part of a PUD, after July 2026 if we go forward to amend the PUD, do we have to get other owners approval of amending the PUD?

Mayor Via stated, correct.

Attorney Simpson stated that's something that we would have to look into.

Mayor Via stated good question.

Commissioner Johnson stated I remember, I think it was around sometime in July 2012, he was the Mayor when this was brought up, if we're spending that kind of money on over 25 acres in the middle of the city with all of the infrastructure and all of the a million and a half dollars, I remember that very well. I think it was a pretty good investment but rather than to just say we protect the taxpayers money over everything else, you still have to be fair to the people, that's business people within the city and the residents in the city just as much…I mean, city staff has to protect all of the assets of the city. The way I look at it, the City Commission has to protect both sides. The residents, the businesses and the city's assets. But just like you say, I really wouldn't be in favor, whatsoever, of the city going on hold. A lot of people tried that back in 2008 and they lost a lot of money because you don't know…real estate right now is super high to the point it's almost scary high. The interest rate is going so high that it might scare people off from real estate is one thing. I invest in a lot of things and the way I look at it, like Commissioner Penny says, if it's worth $250,000 an acre and we sell it to him for $125,000 an acre, we're more than doubling the $60,000 an acre. We're giving to him half of what the actual value he can actually sell it for so it's kind of a fair situation all the way around. I think, really, that if…say I was Jayson Meyers and I was going to do it myself I would say it's a good deal to buy it outright and get everybody else's who is involved out of the picture. Just like in my own things, I like to have control over what I have so nobody else can tell me what to do. I don't want to get into some kind of community relationship with the city where you have to go back and forth back and forth. I'd rather just say, "okay, Jayson, here's $125,000 per acre, you can turn it around and sell it to this developer for $250,000 an acre if you want." It's a good deal for everybody. That's how I look at it.

Commissioner Penny stated I agree with you.

Commissioner Danio stated I thought that you had approached him with that?

Mr. Forte stated it was a meeting that I had with the two attorneys and they presented it to Jayson, he was in favor of it on the surface. He sent in a purchase and sale agreement but I said there were details that had to be worked out. I know that he is in favor of purchasing it now pending the details.

Commissioner Johnson stated he doesn't think he's getting it for $60,000 an acre.

Commissioner Danio stated he does.

Mr. Forte stated I think he does believe he's getting it for $60,000 an acre.

Commissioner Danio stated because it's been that way for ten years.

Mr. Forte stated because that's what was in the agreement and at one point…

Attorney Simpson stated and I think he's thinking he's going to get it back too, through incentives. He may be thinking he's going to buy it for the incentives.

Mr. Forte stated he might. I have not had a direct conversation with Jayson about it. I've only talked to the two attorneys who relate a message to him and then a third attorney sent me the contract.

Commissioner Danio asked and what is the past history shows that…

Mr. Forte stated the devil is in the details.

Commissioner Danio stated I know the devil is in the details but we're looking at the track record of what's…in the past, whatever.

Mr. Forte stated the least negotiation the better. If we just made it a flat offer. Take offer "A" or offer "B" and that's it.

Mayor Via stated well the good news is we have two people from Synergy Billing here and heard the discussion and can speak with Jayson and the higher echelon, I know you're a part of that. I think, at this point, if it's the will of the Commission, I agree that we shouldn't spend more staff time drafting up our own things but ask them to give us a proposal from what we've talked about here tonight and then you can bring that back to the Commission. I assume that we will probably have to have another workshop on this.

Mr. Forte stated it depends on what we do. Like I said, if we get into negotiations that's going to take a year. That's why I just want to make it a flat…this is what it is. Pick "A" or pick "B". So, if you're saying the offer is to sell it at $125,000 an acre outside…no incentives included, it's yours to do with it what you want, keep the property…

Commissioner Penny stated that's what I say.

Commissioner Johnson agreed. That's what I thought.

Commissioner Currie stated I can be in favor of that.

Commissioner Penny stated just offer them that and if they don't want it, leave it at what it is. No negotiations. That's it.

Commissioner Currie stated we'll hold on to it if he's not interested in that deal.

Mr. Forte stated one option is selling it at $125,000 an acre, outside of the incentive agreement, no incentives associated with Parcels 3 and 4 pending zoning approval. The

other option is we do nothing for the rest of the 2.5 years that the agreement is in place. Is the option of selling, Attorney Simpson said don't consider selling directly to Ken Bowron, is that off the table?
Mayor Via stated I would say off the table. That takes too much risk for opening us up to a lawsuit.
Commissioner Danio stated that's what he thought. Right.
Mr. Forte asked what's that?
Commissioner Danio stated that's what I thought Attorney Simpson was saying about the lawsuit.
Commissioner Johnson stated that's not fair to Jayson.
Mr. Forte stated well, it's not selling it out from under him. That's always been part of the deal is that Ken Bowron would buy it and then he would be immediately entitled the monies over the $60,000 per acre; well now it's $120,000.
Commissioner Penny asked but Ken Bowron would buy it at what value?
Attorney Simpson stated whatever it would be because that is only if we sell to Jayson Parcel 3.
Mr. Forte stated right and there's no reason for us to keep Parcel 3.
Commissioner Penny stated but if Ken Bowron was going to offer to buy it from us at $125,000.
Mr. Forte stated he doesn't remember what the number was. Let's just round it to $1.5 million for Parcel 4 only.
Mayor Via stated, $1.5 million.
Mr. Forte stated Ken Bowron was only involved with Parcel 4.
Mayor Via stated I thought it was a million.
Commissioner Danio stated you're talking 5 acres.
Mr. Forte stated he doesn't remember what the number was. It may have been $1.2 million.
Commissioner Penny stated if we can net $125,000 an acre from Ken Bowron and we get an affordable housing project and then we sell the other property to Jayson and he builds on it, it's a great thing.
Attorney Simpson stated it's $1.6 million.
Mr. Forte stated you can't sell it to Ken Bowron for $125,000.
Attorney Simpson stated the original contract was for $1.6 million for those 4 acres.
Mr. Forte stated it's over 4 acres.
Attorney Simpson stated, 5 acres.
Commissioner Penny stated that's what he would pay.
Attorney Simpson stated that's what he would pay to the city. The original deal was we would sell it for workforce housing, we would take the money, we would pay the closing costs and then out of that money we would create two funds. The first $60,000 per acre would go into jobs reimbursement and the balance would go into an account to reimburse for Capital expenses that approve reimbursable Capital expenses under the Incentive Agreement. Because of the money that has already been spent, that money, he would be immediately entitled to that, had the performance under the agreement occurred or if we go back and say we're going to comply, we're going to follow the terms of the agreement regardless of the fact that the options have expired then he would immediately get $1.3 million.

Commissioner Penny stated right but that's the deal we have now.
Attorney Simpson stated well, the deal we have now is that all of the options have expired.
Commissioner Penny stated right but at the end of the day if the community got an affordable housing community there, we are all in favor of that, if I'm not wrong, we all want that. If we get that project what do we care how much we profit out of it? The only reason why I wanted to negotiate a higher price is if we sell it outright and we walk away. If at the end of the day the difference between $125,000 an acre X 5 acres is $750,000 and we get an affordable housing project, the CRA did its job. I think what's happening is, we're…
Mr. Forte stated and we can. If Jayson's mindset is, if we sell it to Ken Bowron that he would be immediately entitled to that $1.2 million, whatever it is…
Commissioner Penny stated right, and use that to build new buildings.
Mr. Forte stated he would be entitled to receive it now because of past performance of what was completed and I would have to think he would want to reinvest it into the redevelopment of the property.
Commissioner Danio stated, right.
Commissioner Penny stated, right. Basically, what I'm saying is the agreement we agreed to, although its taking longer than we wanted, we would get what we wanted at the end of the day.
Mr. Forte stated eventually, yes.
Commissioner Penny stated so, I'm in favor of selling it to Ken Bowron under the current agreement. All we have to do is change the date that it expired. If that doesn't happen then we'll sell the whole thing to Jayson for $125,000 and walk away.
Mr. Forte asked what do you mean, change what date it expired?
Commissioner Penny stated you said the options expired.
Mr. Forte stated I wouldn't change any date on the options. I would just sell that to Ken Bowron. If the deal with Ken Bowron goes through. Now, if you remember, Ken has to wait until after the first quarter of 2024 for the County to just come up with the terms…
Commissioner Penny stated, right.
Mr. Forte stated then he will apply for it then he has to wait to be selected. It's probably not going to be awarded until closer to 2025. So, we're not going to sell Parcel 3 and Ken is not going to close on Parcel 4 until he is confirmed that it is awarded to him. We're still going to be sitting on it until that happens.
Commissioner Penny stated, right. Basically, we do nothing. If Ken gets the project, we're stuck under the old agreement. The only thing we're doing is offering Jayson one option. Stick to the current agreement, we're going to work with Ken Bowron, we want the affordable housing, if you just want to buy it and sell it to Ken Bowron for $10 million; it's $125,000 an acre. There's only one option. We're either going to enforce the option we have now or change it.
Mr. Forte stated Parcel 4 is sold at the $1.6 million, Parcel 3 is sold at $125,000 an acre.
Attorney Simpson stated under the $1.6 million the city gets nothing.
Commissioner Penny stated that's okay. We get the affordable housing project.
Mr. Forte stated the city gets the first $60,000 an acre and like I said, I don't foresee them getting that many jobs.
Commissioner Penny stated but that money is just going to sit there for three years and

then we'll spend it on something else. At the end of the day if we get an affordable housing project, it's a win-win for everybody and if Jayson makes a couple of bucks on the side, who cares. We got the project.

Mayor Via stated my only thing is I'm not confident enough to sit here and say $125,000 here tonight. That's my only stand up.

Commissioner Penny stated well, why don't we tell Joe to ask him to make us an offer?

Mayor Via stated, right. I would feel better with that and really diving into the numbers and then…but my preference would actually be that other option and that is to go through with the incentive program as Commissioner Penny said and then we get that project, we sell to Ken Bowron but it would be for new construction as they originally talked about. No, that's what I'm saying is what I would like not…that's not a question.

Mr. Forte stated then you would have to open up the Incentive Agreement to say that and once you open it up, now you're opening up negotiations.

Mayor Via asked do we have to open the whole Incentive Agreement.

Mr. Forte stated no but you're opening the door to change one aspect of it, which is going to trigger something in return.

Mayor Via stated, no. We just say no.

Mr. Forte stated you don't have to.

Mayor Via stated I just think that at this point…

Mr. Forte stated and he doesn't even know if Jayson would oppose saying that he'll put that money back into the project.

Mayor Via stated, right. It's no if not. We can only bend so far before we break and that is what we've done and I'm not going to let the city break. Period.

Mr. Forte stated maybe we would use that money to build out Parcel 1.

Mayor Via stated, yes. Correct. That's why I brought it up earlier. That's where I'm at. I think, unless anyone else has anymore additions to that, do you have enough to move forward with Attorney Simpson.

Mr. Forte stated I think what I'm going to do is try to have a one-on-one meeting with Jayson.

Mayor Via stated, okay. Sounds good then that's where we're at with that.

**4. MILLAGE RATE DISCUSSION - ADDED DURING THE BEGINNING OF THE WORKSHOP**

Mayor Via mentioned that not on their agenda tonight is taxes and budget and suggested that they move that to this part of the workshop now with no objection and talk about the food truck discussion after this item. Since Finance is here now if there are any changes to the budget or the millage Mrs. Moore will have some time before the regular meeting to make any changes that have come up since the first hearing. Mr. Forte and Mrs. Moore, Finance Director briefly discussed the current budget and millage rate to the Mayor and Commissioners and learned after the last Commission meeting that they inadvertently had budgeted for an extra law enforcement vacant position that really didn't exist. Mrs. Moore will take some time to adjust the millage rate to 5.9 and have those numbers for the regular meeting tonight. There was some brief discussion about looking at the Mayor and City Commissioners salary perhaps during the time that the Charter is reviewed again, which will be coming up soon.

***(A full copy of this workshop in its entirety is available upon request in the City Clerk's Office or online on the city's YouTube Channel)***

**5. FOOD TRUCK DISCUSSION**

1.

Food Truck Discussion

(Requested by Joseph Forte, City Manager)
Commissioner Penny spoke briefly and gave an update on his request for the amount of days for the food trucks. Jeremy Craig from Copper Bottom was present and spoke on how having the food trucks there at his business have helped by people buying his product. There was ***consensus*** for 4 days and one of those days can be on a Saturday or Sunday with no time limit. Staff will bring back an ordinance making the amendment so that the Commission can vote on it.
***(A full copy of this workshop in its entirety is available upon request in the City Clerk's Office or online on the city's YouTube Channel)***
There was some brief discussion on electric vehicles riding on the sidewalks along Riverside Drive; and the issue of wind pool/windstorm for insurance purposes on businesses was mentioned.

**6. ADJOURNMENT**

The workshop adjourned at approximately 5:48 PM.

Valerie Manning, City Clerk,CMC 9/26/2023

Chris Via, Mayor 9/26/2023