

**MINUTES
REGULAR CITY COUNCIL MEETING
CITY OF HOLLY HILL, FLORIDA
SEPTEMBER 9, 1997**

1. CALL TO ORDER

Mayor William D. Arthur called the meeting to order in Council Chambers at 1065 Ridgewood Avenue in City Hall.

Answering roll call with Mayor Arthur were Councilman Arthur J. Byrnes, Councilman J. D. Mellette, Councilman Shirley Heyman and Councilman Jim Elliott.

Also attending were City Manager Donald Lusk, Assistant City Attorney Scott Simpson, and Deputy City Clerk Sue W. Blackwell.

2. INVOCATION

Councilman Jim Elliott gave the Invocation.

3. PLEDGE OF ALLEGIANCE TO THE FLAG

PRESENTATION

Mayor Arthur called Mr. Ron Pagano forward and presented him with a Proclamation in which September 10th was proclaimed as 'Ron Pagano Day' in Holly Hill. This was in honor of him being selected Principal of the Year in secondary schools.

4. AUDIENCE PARTICIPATION

None.

5. CONSENT AGENDA

- A. Approval of Minutes - Regular Meeting, August 26, 1997
- B. Bills and Accounts

Councilman Elliott moved to APPROVE the Consent Agenda being seconded by Councilman Byrnes. The motion CARRIED 5-0 on roll call.

**6. ORDINANCE NO. 2477 - REZONE PROPERTY LOCATED AT 708
CARSWELL AVENUE FROM R-3 MEDIUM DENSITY SINGLE FAMILY
RESIDENTIAL DISTRICT TO CC-1 COMMERCIAL CORRIDOR DISTRICT (Second
reading)**

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Assistant City Attorney Scott Simpson read:

ORDINANCE NO. 2477

AN ORDINANCE OF THE CITY OF HOLLY HILL, FLORIDA, AMENDING ORDINANCE NO. 2352, THE LAND DEVELOPMENT REGULATIONS, BY REZONING APPROXIMATELY 0.359 ACRE LOCATED ON THE WEST SIDE OF STATE AVENUE APPROXIMATELY 150 FEET NORTH OF SIXTH STREET FROM R-3, MEDIUM DENSITY SINGLE FAMILY RESIDENTIAL DISTRICT, TO CC-1, COMMERCIAL CORRIDOR DISTRICT; PROVIDING FOR SEVERABILITY; REPEALING ALL LAWS OR PARTS OF LAWS IN CONFLICT HEREWITH; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

Councilman Mellette moved to ADOPT the ordinance on final reading being seconded by Councilman Elliott. The motion CARRIED 5-0 on the following roll call:

Mellette, yes; Elliott, yes; Byrnes, yes; Heyman, yes; Arthur, yes.

7. ORDINANCE NO. 2479 - AMENDS BUDGET FOR FISCAL YEAR 1996-97

Assistant City Attorney Scott Simpson read:

ORDINANCE NO. 2479

AN ORDINANCE AMENDING ORDINANCE NO. 2439, THE APPROPRIATIONS BUDGET FOR THE CITY OF HOLLY HILL, FLORIDA, FOR THE FISCAL YEAR OCTOBER 1, 1996, THROUGH SEPTEMBER 30, 1997, PROVIDING FOR THE REPEAL OF LAWS IN CONFLICT HEREWITH; PROVIDING FOR THE TERMS AND CONDITIONS THEREOF; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT

Councilman Mellette moved to APPROVE the ordinance on first reading being seconded by Councilman Byrnes. The motion CARRIED 5-0 on the following roll call:

Mellette, yes; Byrnes, yes; Heyman, yes; Elliott, yes; Arthur, yes.

**8. PUBLIC HEARING OF CONDEMNATION - HOLLY HILL MOTOR INN
721 RIDGEWOOD AVENUE**

Mr. Simpson said he would give a brief overview of what is to happen during this hearing. First, staff will give a presentation as to the conditions which exist on the subject property and then the property owner or other interested party will be allowed to present their evidence.

The first order of business will be to determine whether or not a public nuisance exists on the property. That means the property is in a state of condition which is injurious to the health and

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public safety, a danger to society. Following that, the next option is the corrective action that needs to be taken.

The most extreme action would be the demolition of the buildings. The lesser action would be to take whatever remedial action is necessary such as boarding up the place, putting a fence around it, etc.

Chief Building Official Tim Harbuck said this public hearing is regarding the property at 721 Ridgewood Avenue that is known as the Holly Hill Motor Inn. He said in November 1996, the Fire Department in conjunction with the State Division of Hotels and Restaurants began inspections on the property to assure safe living quarters and sanitary conditions. Since then, the notices given to the owner have not been complied with. In fact, the conditions have become worse.

Mr. Harbuck said in March 1997, the State issued a close notice and since that time the property has been vacated and has fallen in a state of disrepair. It is an attractive nuisance. It is unkempt, overgrown with grass and weeds and the buildings are deteriorating and have become a fire hazard.

Mr. Harbuck said the City has given all the proper notifications and the owners have not taken any action. Once during all this time the grass was cut but otherwise nothing has been done.

Mr. Harbuck said he had a representative from the Division Hotel and Restaurants; Ed Lee, Code Enforcement Officer; Mike Torres, Fire Inspector and Chief Finn ready to testify tonight.

The property is now vacant and Mr. Harbuck said staff is recommending demolition and removal or any option the Council should choose as presented to Council from the Assistant City Attorney.

Pictures (attached) of the subject property and buildings were given to Council to pass around. Mayor Arthur asked when the pictures were taken. Mr. Harbuck said last Thursday.

Councilman Byrnes asked if any changes had been made since the pictures were taken and Mr. Harbuck said the place is getting worse.

Mayor Arthur said the pictures show broken windows and a chair sitting outside like someone has broken in and living there. Mr. Harbuck responded undesirables have been staying there.

Mr. Lusk asked Chief Finn to address the Council.

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Chief Finn said he heartily agrees with Mr. Harbuck's analysis of the situation. This place has become a haven for transients and the buildings are broken in repeatedly. He said he thinks someone is stealing the air conditioning units and that as soon as they secure a place, it is broken into again. Several arrests have been made on trespass. He listed several charges and problems the police have had there. He said this place has been an ongoing problem during his (Finn) employment with the City.

Councilman Elliott said it sounds like the place should have been torn down a long time ago.

Fire Inspector Mike Torres had a list of inspection violations (copy attached) from the November, 1996 inspection that he gave Council. The State was present for that inspection. He also said there was a re-inspection on November 19th where they had made some corrections. In March, someone called in some complaints and the State and City had to go in again and found they were in violation of the same codes as they were originally cited for, such as numerous electrical problems, propane tanks in a bedroom, windows nailed shut, flammable materials in a bathroom, paint stored out of a cabinet, etc. Mr. Torres then went into the report on the second inspection.

The City Attorney asked if there is power to that location and Mr. Torres responded there is not at the time. He said there are vagrants there at night and they have cigarettes in these rooms. He said they also bar-b-q in the rooms. Mr. Torres expressed his concern about the hazards this presented.

Mayor Arthur asked if everything has to be in conduit to bring it up to date. Mr. Harbuck said only new wiring would have to be in conduit. After more discussion, Mr. Harbuck said each building would have to meet all codes if they were not torn down. The Mayor mentioned the stoves shown in some of the pictures and he was told those are unauthorized additions.

Mr. Harbuck testified that the buildings are deteriorating due to a lack of maintenance; windows are broken and none of them operate properly. You have to use a stick to hold them up and they don't lock. He said the plumbing is broken and leaks and none of the electrical meets the codes. The tile in the bathrooms is broken. There are building code, plumbing code and electrical code violations.

Mayor Arthur asked Mr. Harbuck if these buildings could be brought up to code. Mr. Harbuck responded he hated to give this type of answer but "if you have enough money, you can do it. Is it feasible? It wouldn't be for me."

Councilman Heyman said they would just meet the code and then it would be allowed to deteriorate again. Mr. Harbuck agreed.

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Mr. Lusk pointed out the property is now owned by a bank.

Councilman Mellette asked if anything has been done on the property since the November inspection. Mr. Harbuck said some not so noble attempts have been made to meet the fire code. At this time all the violations listed in March have not been corrected and now there are still more violations.

Attorney Simpson asked if there was any evidence of vagrants on the site. Mr. Harbuck responded affirmatively. Mr. Simpson asked if the water has been turned off to the motel. Mr. Harbuck said it is off. In fact, the City had to place a dumpster over the water meter to keep people from breaking the lock and turning on the water.

Mr. Simpson asked if there is any evidence people have been going to the bathroom on the site. Mr. Harbuck said that evidence does exist. Mr. Simpson asked Mr. Harbuck if he had seen any rats on the site. Mr. Harbuck said he has not seen any rats but has seen evidence they exist as there are droppings and trails there.

Mr. Simpson asked if the property constitutes a health and safety violation. Mr. Harbuck said he believes it is that when he went to check on one unit, he became covered in fleas and that is dangerous. Mr. Simpson asked Mr. Harbuck if he had seen any evidence of anyone starting fires in the buildings and Mr. Harbuck answered he had not seen anyone doing that.

Councilman Byrnes asked if the property owner is just using staff to have the buildings torn down in the cheapest way. Mr. Simpson said the City would file a lien on the property. More discussion ensued regarding when the bank took title on the property and what they would do with it. Mr. Simpson said federal law regulated banks pretty heavily and so the bank will not be allowed to hang on to the property very long.

Mayor Arthur asked if it is feasible to board it up so it cannot be used. Mr. Simpson said that is possible but maybe the owners would be willing to have security on premises at night to keep people out. Mr. Simpson said the City has an estimate of \$68,000 to remove the asbestos and tear in down. If that is the course of action the Council elects to do, then they need to allow the City Attorney to make sure the City's lien is valid and not wiped out somehow.

Mayor Arthur asked if this would fall under the Brown field act where people can buy contaminated land and then fix it up without being penalized. Mr. Simpson said we are not talking about penalizing them. More discussion ensued and then City Manager Lusk said he thought we should see if anyone is here to represent the property. At this time the Mayor opened the public hearing to the floor.

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Mr. Greg Loggins said he is a broker/developer from Cocoa Beach, Fl and was called by Nations Credit. He said they call him when they have property they cannot take care of. Mr. Loggins said there are a lot of things involved with this property, one being an IRS lien.

Mr. Loggins said it is hard for Nations Credit to handle securing the property because they handle thousands of foreclosures at once. They spent \$35,000 just to foreclose on the property. This will be a loss for them so it will be profitable to him. He said there is no way that property can be profitable as a hotel. That would be doing the community a disservice. It would continue to be 'trashy'. It will just attract more vagrants. He said he tries to find a better use for the property. Mr. Loggins passed out pictures of properties he has improved in other areas.

Mr. Simpson said it sounds like he (Loggins) agrees with everything on the site so maybe Council could make the determination that the public nuisance exists and then talk about the corrective action. Mr. Loggins said he wanted to be very careful because he cannot make a commitment for the bank and he has not closed on the property yet. He said he would like to make a presentation and see if Council likes what he has to plan.

Mr. Loggins read his mission statement that states he wants to take the existing Holly Hill Motel and convert it to an upscale shopping experience to be known as Cottage Row. He will be seeking to develop the complex through total refurbishment of the land and buildings. Through this work, he will be able to attract a unique assortment of shops, galleries, and boutiques. He said they are trying to attract a business customer who needs a freestanding building.

He said he wanted everything looking brand new and is proposing to take out all kitchens and showers so they can never be used for a motel again. Currently there are 28 rooms and he plans to convert them into 14 shops and boutiques. He said they would redo the whole parking lot similar to the pictures being shown. Again, he mentioned several projects he has completed.

Mr. Loggins said it would take \$100,000 to \$125,000 to bring this project up to today's standards. That is about \$9,500 per building. The bank has said they will work with him on the price. If they get into costs defending liens, they will lose money. He said everyone will have to work together to make a project like this work. If this is successful, other motels in the area will be converted in this manner.

He said the bank wants him to do this. They do not want the property condemned right away but they will do that if they get in the buildings and see that is the only way. He said he could do the work a lot cheaper than the quote the City has in his opinion. He said he hoped his contract would be accepted and thought an agreement could be reached within thirty days. Following that, he will begin the improvements.

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Mayor Arthur asked if the units would be sold to individuals or would Mr. Loggins be the landlord. Mr. Loggins said there are two thoughts. He would either be the property manager or he might make them a condominium. He said he has not had time to do a feasibility study.

Mr. Lusk asked if tonight the Council ordered the motel to be torn down in 90 days, would that give him (Loggins) time to come back with more specific things to propose to staff. Mr. Loggins responded that would be okay. Mr. Lusk said that maybe Council should consider giving this gentleman 90 days. This will also give staff a chance to do two things. Scott (Simpson) can make sure we have a good lien and then the City can find the money to do it. If Mr. Loggins has not come back in 90 days, then Mr. Lusk and Mr. Simpson should have the answer to those two questions.

Mr. Loggins said they probably could take it down before the City has to do that. He said he does not have a commitment in writing but does have a verbal agreement. Councilman Byrnes said Mr. Loggins does this for a living and is not the legal representative of the owner. He is an optimist because he has to be. So, worst case, if this falls through, the City will have to take care of this property. Councilman Byrnes asked the City Manager if we will have to put a fence around it. Mr. Lusk answered if we put a fence around it, the City would be getting into costs and the last fence we bought cost about \$4,000. This was a small area. Mr. Lusk said he would rather use that \$4,000 toward the \$68,000 to tear it down. He said the place has been like this for several months so it can stay the same way for about three more months. Mr. Loggins said they have millions of dollars to do whatever the City wants.

Councilman Byrnes said he would feel better if he was being told the motel was being torn down and an office building being constructed on the property. Mr. Loggins said if it is not feasible to redo the buildings to the quality as shown in the photos being shown, two things will happen. One, within the next week he will walk away from the project and have the buildings torn down and then list the property for the bank and two, at that point he will renegotiate the contract because it may be more feasible to put in a strip shopping center once he begins taking them apart.

The bottom line is that with a vacant piece of land, you are at the mercy of the developer because they will do what is most profitable.

Councilman Byrnes said the City changed the building height several years ago so it would be good to see someone take advantage of that part of our regulations rather than building another strip mall, motel or something like that. He said we certainly don't want to continue to see the place deteriorate.

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Councilman Byrnes said he wanted to prevent them from *just* bringing this place up to code like Mrs. Heyman has said earlier. Council must say either be done with it or do it right. If this man wants to do it right, then let him do it.

Mr. Mitch Wine asked if anyone has confronted the banks to see what they feel about this. Councilman Byrnes asked if copies of the correspondence have been forwarded to the bank so they know about the problems. Mr. Harbuck said they have received copies of the paperwork, as has the IRS. Mr. Lusk said the law would require that.

Mr. Roland Via asked if the \$68,000 job had been put out to bid and he also wanted to know the assessed valuation and appraised value of the property? He also asked if City labor would be used to tear the buildings down. Mr. Lusk said we would not be allowed to use City labor, as the removal of asbestos is a special field. Mr. Harbuck said the assessed value is \$255,808 for the land and buildings.

Mr. Simpson said part of the process would be to make sure the City's lean is good because the IRS's lien would be very high up. You have to make sure the liquidation value of the land would cover the IRS lien and still leave money for a City lien.

Big John said he was disappointed in the Council because they shouldn't be trying to make a deal here when they should be condemning the place and trying to get rid of the eyesore. He made other comments about Council coming out forcefully to get rid of the place.

Mayor Arthur said he would love to see all the changes come about but he is willing to give the man 90 days to try to get something done about the problem once and for all. He said Mr. Loggins deserves a chance to see if he can do something. Big John said he needed to chide the Council one more time by saying there are some other places out there needing staff's attention.

Mr. Lusk said the last time the City tore down a building, we were sued for \$55,000. We went to court and won but the property owner has rights. He said this process has lasted ten months because we allowed them a chance to fix up the place. That alone stopped the process. Mr. Lusk said he is not trying to help Mr. Loggins. He said he needs that time to try to find that much money and he wants the attorney to be sure we can get it back if we spend it.

Councilman Mellette said this Council needs to send a message to these people that we are tired of playing and now we are going to clean up Holly Hill one way or the other. Councilman Byrnes said that is why he said it would make him a lot happier if this man came to us and said he is going to tear this motel down.

Councilman Mellette moved to find this motel is a nuisance being seconded by Councilman Elliott. The motion CARREID 5-0 on roll call.

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Councilman Mellette moved to grant a 90 day period of time to see if the individual (Loggins) can acquire the property and do a feasibility study and that will give the City a chance to come up with the money to tear down the building; see if the City has an adequate lien; and get some other quotes on tearing the building down if the City has to do that. Mr. Simpson said the individual has indicated he would talk with Nations Bank and see if some action could be taken to adequately secure the place against vagrants. At the end of the 90 days, if Mr. Loggins hasn't made a good effort to bring it up to code, either the City will tear it down or he will.

Mr. Simpson said based on what Mr. Loggins said tonight, we will know well before then. Mr. Lusk said we should know well before the 90 days are up. Councilman Mellette reaffirmed either we tear it down or he will tear it down. He again said he would make that in the form of a motion being seconded by Councilman Heyman. Following more dissuasion wherein it was noted this matter would not have to come back to Council for further action unless an extension of time was needed, the motion CARRIED 5-0 on roll call.

9. RESOLUTION 97-R-28 APPOINTS MEMBERS TO THE CANVASSING BOARD

Assistant City Attorney Scott Simpson read:

RESOLUTION NO. 97-R-28

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HOLLY HILL, FLORIDA APPOINTING A CANVASSING BOARD FOR THE GENERAL ELECTION TO BE HELD ON SEPTEMBER 30, 1997 IN THE CITY; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTING RESOLUTIONS; AND PROVIDING AN EFFECTIVE DATE.

Councilman Mellette moved to ADOPT the resolution being seconded by Councilman Elliott. The motion CARRIED 5-0 on the following roll call:

Mellette, yes; Elliott, yes; Heyman, yes; Byrnes, yes; Arthur, yes.

Note: The appointments to the Board are Tim Harbuck, Pearl Ward, Roseann Dries, Roy Phipps and John Wooten.

10. COMMUNICATIONS FROM CITY MANAGER

A. Notice of Testing Voting Equipment and Notice of meeting of Canvassing Board

City Manager Lusk announced the dates and times for both of these activities for candidates and members of the audience.

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B. Appoint Liaison for Non Union Personnel

Mr. Lusk told Council that the unions represent most of the City employees but that the non-union personnel did not have anyone to represent them. He suggested appointing Councilman Mellette since he is the Personnel Officer. Council concurred with this suggestion.

C. New Garbage Truck

City Manager Lusk invited the Council and members of the audience to go out to the east entrance to City Hall after the meeting and see the newest garbage truck. He also noted it was not financed, as has been the past practice, but a \$122,000 cash purchase.

11. COMMUNICATIONS FROM CITY ATTORNEY

None.

12. COMMUNICATIONS FROM MAYOR AND CITY COUNCIL

Councilman Heyman - None

Councilman Elliott - Mr. Elliott thanked Sgt. Blais for the nice job he did on the memorial service for Princess Diana. Council agreed he did a good job.

Councilman Byrnes - None

Councilman Mellette - Mr. Mellette commented he thought Council did a good nights work and said Council should continue this work. Council agreed.

13. ADJOURNMENT

There was no further business to come before the e Council so the meeting was adjourned at approximately 8:45 p.m.

Mayor

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ATTEST:

City Clerk – City Manager