

**MINUTES
COMMISSION WORKSHOP
CITY OF HOLLY HILL, FLORIDA**

MAY 9, 2006

1. CALL TO ORDER

Mayor Roland D. Via called the workshop to order in the conference room at City Hall, 1065 Ridgewood Avenue at approximately 3:25 p.m. Attending with Mayor Via were Commissioners John Penny, Gilles Blais, Mark Reed, and Traci A. Anderson. Also attending were the following staff members: Community Development Director Doug Gutierrez, Public Works Director/City Engineer Chris Hurst, PAL Executive Director Chuck Beach, Commander Mark Barker, Finance Director Brenda Gubernator, Community Redevelopment Coordinator Marsha Radulovich, and City Clerk Valerie Manning.

City Manager Joe Forte and Safety Director Don Shinnamon arrived approximately at 3:42 p.m.

Also attending: Melissa Proctor, Government Services Group, Inc., and Crystie Carey, Nabors, Giblin & Nickerson, P.A.

2. GSG IMPACT FEE STUDY

Melissa Proctor, Government Services Group, Inc., gave a brief introduction of herself and Crystie Carey from Nabors, Giblin and Nickerson, P.A. This is the first time that they have met with the Mayor and Commissioners. They have been meeting with the City Managers and the Department Heads within the area in regards to parks, recreation, fire and police facilities. Ms. Proctor handed out the final reports which have been reviewed by staff for the Fire Rescue Impact Fee Study and for the Parks and Recreation Facilities Impact Fee Study. They are still working on the police fees. That study is more detailed than the other components because they have to break their commercial out in detail. Without the credit component the fee is about \$547 per residential unit but there is usually a credit piece which is the revenue portion that they apply to the impact fee that usually cuts that about half. Ms. Proctor presented a slide presentation regarding impact fees. Impact fees are charges imposed against new development to fund capital facilities made necessary by that growth. The purpose of the charge is to impose newcomers, rather than the general public, the cost of new facilities made necessary by their arrival. That includes the City's buildings, any fire trucks, ambulances, and police vehicles; capital attributable to new growth could be paid for with impact fee revenue – not operating at all.

Mayor Via stated not operating which means that personnel would not be included in that.

Ms. Proctor stated, correct. In order to develop an impact fee they must meet a Dual Rational Nexus Test. 1) A reasonable connection between the *need* for the additional capital facilities and the growth. 2) A reasonable connection between the *expenditure* of fee proceeds and the *benefits* accruing to the growth. The study methodology for all three studies starts out same. They have reviewed all of their property appraisers data from Volusia County to determine their number of residential units and the number of square footage for all of the different non-residential categories then they carve that in to this methodology listed here: identified capital funding for parks, fire, and police; identify capital cost for those same items; with fire and police they did analyze one year worth of incident data – very laborious was the police portion – 12,000 calls to tie directly to a property used or to a traffic incident. They distributed those capital costs to the property uses, calculated cost per unit of development, determined the credit pieces for both of those completed pieces and calculated the impact fee. They are independent. They could go with one and not go with all three or they could go with all three. Park Component of Fee is a little bit more detailed. They take the City's total inventory that the city owns not anything that the County may own and the City just maintains it – it has to be City-owned. They determined the value of all the improvements that would include any buildings on a land.

Commissioner Reed asked how did they determine the land value?

Ms. Proctor stated they actually, in the beginning, pulled it directly from the Property Appraisers data which they know is incorrect then they took the latest appraisal that Mr. Forte provided to her so that she could use the most up to date land value for this particular area.

Commissioner Reed stated the reason why he asked, Hollyland Park has 15 acres, \$225,000. That doesn't seem very accurate.

Ms. Proctor stated, and it may not be. They will go back and take a look at that item.

Mayor Via asked is it to the City's advantage or disadvantage if it's higher?

Ms. Proctor stated what the value does, is it drives it all up...

Commissioner Reed stated but they don't have to go to the top limit, as Ms. Proctor just said.

Ms. Proctor stated, exactly.

Mayor Via stated when they mention Recreation Center are they talking about their gymnasium multi-purpose center, etc.

Ms. Proctor stated only if it's owned by the City, yes.

Mayor Via stated he would like to know what the criteria is for how they establish a park and maybe Ms. Proctor could tell him later.

Ms. Proctor stated referring back to the parks component of fees they have distributed the capital costs of those City-owned parks to residential property categories throughout the incorporated area of Holly Hill and calculated that per household cost to determine the cost for new growth. What that means is they took the City's population, the residential units, what type of residential units the City has (single-family/multi-family/mobile home) and they pulled through demographic data to determine how many people per unit are in the household. Page 8: single-family 2.43; multi-family 2.00; and mobile home 2.46. Ms. Proctor went over the Police Component of Fee with the Commissioners. They don't have a police report right now because it is in a draft form but she has a draft rate which is \$567. It has not been reviewed by legal at this point so she couldn't bring it with her. They have determined the apparatus cost per police incident, building cost per police incident, distributed police incidents (direct and non-specific) to property categories (they are in the process of doing this right now) and have calculated police cost per unit of development.

Commissioner Penny asked if they are tracking just an incident to a business or do they differentiate between a false alarm as opposed to a breaking and entering.

Ms. Proctor stated all of those categories are actually identified and pulled out but there is a capital cost to a false alarm so they're not really looking at what they do once they get there. They're looking at what's the cost of sending them there not how much time is spent there. When they develop the credit piece they will look at all other revenues that are used to fund capital such as grants and any other taxes or if there is a millage that's specific to fire or police, that will be taken into account. Park fees are not considered other revenues because that's a private fee to use the park. Ms. Proctor discussed the Impact Fee Categories as follows:

<u>Categories</u>	<u>Units</u>
Residential	Dwelling units
Commercial	Square footage
Institutional	Square footage
Industrial/Warehouse	Square footage

Parks charged to residential units only because the rates are based on population. However, Fire and Police will be distributed amongst the other categories with commercial being detailed out even more so. Below is the calculation for the Impact Fee rates:

Total capital cost per unit of development	—	Credit for other revenue	=	Impact Fee per unit of development
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This concluded the Impact Fee study presentation.

Ms. Proctor stated regarding the land value of Hollyland Park, she will go back and check the values.

Mr. Forte stated the best thing to do is compare it to the first draft and see if there is a change and if there is no change then maybe it wasn't taken into consideration yet.

Mayor Via asked how much will that change what their final result was?

Ms. Proctor stated it will drive it up.

Mayor Via asked how much up?

Ms. Proctor stated it depends.

Commissioner Reed stated on page 7, the cost for the 2006 Pierce Enforcer is \$312,279.

Mr. Forte stated that's high.

Ms. Proctor stated that includes all of their equipment – fully loaded.

Mr. Forte stated this is a real number but it's not something that they would like to purchase at that amount.

Commissioner Reed stated he was just curious.

Chief Shinnamon stated for the record, he raised the same issue because their engine is a 2001 Pierce Saber that cost less than \$200,000.

Ms. Proctor stated they can tell her specifically which cost, what equipment they want to be included or not included, to change this amount.

Mr. Forte asked would that be a typical cost of an engine that they would put in this report for anybody? Is that where that number came from?

Ms. Proctor stated this number came from a study she is doing right now in Cocoa Beach. It's a brand new engine but fully loaded.

Commissioner Reed asked what is the City's inventory for build out.

Mr. Forte stated Ms. Radulovich is putting together a list of vacant properties and there is a lot more than they think.

Mayor Via asked what is the bottom line on the fire impact fees.

Ms. Proctor referred them to Page 17, in the Fire Rescue Impact Fee Study, Table 20: Fire Rescue Impact Fees by property Use Category

Property Category	Total Fire Rescue Cost Per Unit of Development	Credit Adjustment at 2.30%	Fire Rescue Impact Fee Per Unit of Development	Type of Unit of Develop
Residential	\$260.98	\$6.00	\$254.98	Dwelling Unit
Commercial	\$0.35	\$0.01	\$0.34	Square foot
Industrial / Warehse.	\$0.04	\$0.001	\$0.04	Square foot
Institutional	\$1.56	\$0.04	\$1.52	Square foot

There are a lot of calls to schools, institutional property, nursing homes that's why this rate is what it is.

Mayor Via asked about the new Holly Hill Middle school being built.

Ms. Proctor stated typically government owned property is exempt which would include public schools.

Mayor Via stated in looking at these impact fees, what if they wanted to keep the residential at the maximum but they wanted to lower the commercial or the other?

Crystie Carey, Nabors, Giblin and Nickerson, P.A., stated it would all have to be reduced at the same rate otherwise, they are affecting the apportionment.

Mayor Via stated once they have a commercial impact fee that's imposed, do they have an economic development incentive where they can waive impact fees or once they impose them for one they are imposed for all and forever?

Ms. Carey stated they can do that. They've done that for the City of High Springs in Economic Development exemption. They can set the criteria if it's a commercial entity that would create a certain number of jobs.

Mr. Forte stated that's put in place by ordinance in advance *of* not by a case-by-case basis.

Ms. Carey stated, correct.

Commissioner Reed asked where would they give an exception.

Mayor Via stated the City has an incentive program now up to ten years – up to 100% for property. For them expanding businesses or bringing a new business in that's of a certain size with a certain amount of people working and a set amount of money. What he was looking at is if they had an existing business here that wanted to expand, we have that one way that we can economically do that but can we waive this too?

Ms. Proctor stated the existing footprint is not included only the expansion.

Mr. Forte stated what he would like to do is calculate what the maximum is for water and sewer, transportation, etc., and compare it to what the other cities are charging.

Ms. Proctor stated this commercial rate is anywhere from \$0.25 to \$0.55 with the other cities.

Mr. Forte stated his concern is hitting the young couple that's trying to build a house for themselves, starting out.

Mayor Via asked could they have a workforce housing exemption.

Ms. Carey stated, yes.

Mr. Forte agreed but said it would all have to be done by ordinance in advance not that somebody comes to the podium and says, "Can you give me an exemption?"

Ms. Carey stated there would have to be some criteria set up ahead of time and built into the impact fee ordinance. They have certain language that has been used throughout the State of Florida for an affordable housing exemption.

Commissioner Reed stated the fact that no impact fees, no additional impact fees were charged to Marina Grande and Mr. Rainey's project, he means, this Commission has been lack in trying to get money from the large impact...

Mayor Via stated previous Commissions were, this Commission is not.

Commissioner Reed stated well, actually Mayor, this Commission voted for Mr. Rainey's project.

Mayor Via stated, true.

Commissioner Reed stated this Commission is guilty of *not* charging that large impact on this community, a proper set of impact fees. They have fooled around and given them six months to go get their permits and everything before the Commission even does the impact fees. As far as he is concerned the few little lots that are available in Holly Hill, they're not going to put a big impact on their City like Mr. Rainey's project will and that's when this money should have been considered and that's when this stuff should have been looked at not now.

Mayor Via stated they have considered that the amount of money that would be brought into the CRA district and the monies they could use with the CRA, in trying to encourage economic development, that impact fees weren't that necessary at that time.

Commissioner Reed stated he disagrees with that.

Mayor Via stated he understands but it doesn't make them *guilty* it just makes them...

Commissioner Reed stated it makes them culpable on Mr. Rainey's project.

Mayor Via stated, "but those are words coming from you, Commissioner. I don't want to have the word culpable or guilty because I made a decision that we had a business deal and didn't do it." He appreciates his opinion but...

Commissioner Reed stated, "Well, you're responsible for your actions as we all are."

Mayor Via stated, right; exactly.

Commissioner Reed stated so culpable and guilty is just some vernacular. He doesn't know why the Mayor would be offended by it.

Mayor Via stated he is offended by it because there's no guilt or culpability, it's just an opinion and a thing they did on a business deal.

Mr. Forte stated he thinks that conversation is important but he wants to make sure that everybody's questions regarding the *content* is taken care of because he knows that Ms. Proctor and Ms. Carey have to leave.

Ms. Proctor discussed Table 7, page 9 of the Parks and Recreation Study: **Parks and Recreation Impact Fees by property use category**

Property Category	Total Parks and Recreation Fee Per Dwelling Unit	Credit Adjustment at 49.08%	Total Parks and Recreation Impact Fee Per Dwelling Unit	Type of Unit of Development
Single-Family Homes	\$1,863.79	\$914.75	\$949.04	Dwelling Unit
Multi-Family	\$1,533.99	\$752.88	\$781.11	Dwelling Unit
Mobile Home	\$1,886.80	\$926.04	\$960.76	Dwelling Unit

Ms. Proctor discussed Table 2, page 6 of the Parks and Recreation Study: **Inventory of Parks and Recreation Facilities**

Park	Acres	Land Value	Improvements	Total
Sunrise Park North/South	20	\$3,587,000	\$456,952	\$4,043,952
Centennial Park	5.8	\$55,500	\$187,525	\$243,025
Ross Point Park	2	\$840,000	\$196,164	\$1,036,164
Hollyland Park	15	\$225,000	\$296,403	\$521,403
Recreation Center	2.93	\$100,000	\$2,505,600	\$2,605,600
Memorial Boxcar	0	\$0	\$30,900	\$30,900
Youth Center	0.52	\$50,007	\$306,499	\$356,506
South Riverside Bike Path	0	\$0	\$176,187	\$176,187
Daytona Avenue Club House	0	\$0	\$37,385	\$37,385
Sica Hall	2.37	\$66,600	\$561,733	\$628,333
Totals	48.62	\$4,924,107	\$4,755,348	\$9,679,455

Ms. Proctor stated should their inventory go up it will drive this rate up.

Mayor Via stated inventory meaning the park costs.

Ms. Proctor stated the land value.

Commissioner Penny stated he can see how development would increase fire service but how can development...they're not increasing the number...they're not going to add new parks with this...

Mr. Forte stated they will add infrastructure into the parks. For example, playgrounds.

Ms. Proctor stated and if they look at their Comp Plan there is usually an open space for park component and where they say they are going to have "x" amount of acres per people that are going to be here, that's what drives it.

Commissioner Penny asked what figure are they considering in this? Is it the land value or the improvements value?

Ms. Proctor stated both. Referring to Table 7, page 9, the \$949.04 for single-family homes is a good number. She has to have a range of numbers, also, when she is doing these to shoot for because if they're not within that range then they could be suspect, she could have some odd information but it's not uncommon to have something that's way out there. It just depends on their value of their land. Beach property is very high.

Mayor Via stated let's talk about that impact fee for the baseball park. For example, they have an existing baseball park but they are going to bring on more kids which means they have to expand the time they play, add lights on the fields or they need to add an area for kids to practice and batting cages and those are all extra costs because they have extra people in the park, do they qualify?

Ms. Proctor stated if it's an *expansion*.

Mayor Via stated say if he is expanding the use of a field by taking one that's only available in the daytime and making it a nighttime field.

Ms. Proctor stated now he is talking about an *improvement* to the ball field *not* an expansion.

Mr. Forte asked can this money be used in cooperation with the joint project with the School Board to expand recreational programs on their school grounds?

Ms. Proctor stated she would venture to say no.

Mayor Via stated even under an Interlocal Agreement? These would be City ran, City maintained parks but not owning the land.

Ms. Proctor stated there are a lot of parks that are owned by the State and even though...and it's a lease agreement for \$1.00.

Ms. Carey stated if it would go into the City's inventory that would be a different story.

Ms. Proctor stated that would be the only way but she will tell them that there was a park that she included in Wilton Manners that it was an expansion of an elementary school and she had to take it out because it wasn't physically owned or deeded or had no lease agreement, had no legal anything that said that they were bound to the city.

Commissioner Reed stated the question he had about the total park impact fee, Ms. Proctor was talking about how the \$0.34 for Commercial for Fire Rescue was in the mid-range for what they have been looking at, in their studies from other cities, where does this one lie?

Ms. Proctor stated the City of Wilton Manners was \$1,200.

Mayor Via asked do most cities charge a recreation impact fee.

Ms. Carey stated, yes.

Ms. Proctor stated it's growing.

Mayor Via asked what percentage is doing an impact fee for parks and recreation.

Ms. Proctor stated approximately 40% but it's growing.

Mayor Via asked could they have a park impact fee if you had no park and you wanted to have one.

Ms. Carey stated, sure.

Ms. Proctor stated if they have a *plan* to have a park.

Commissioner Penny stated they touched base about the retention ponds but they are not technically parks but if it came up and there was growth and their future land use dictated that they do need to add parks, what would it actually take to turn those retention ponds into parks? A couple of benches and a barbeque grill? At what point does...would that be something advantageous that would be a cheap fix to plug that gap?

Commissioner Reed asked do you lose the required retention pond.

Commissioner Penny stated he doesn't know. He doesn't know if they could have a park and a retention pond.

Mr. Forte stated there's also, in some cases not all, but there is excess land that is available around these retention ponds. If they drop down to what's the land needed for the retention pond, they have this much, but now they've added an acre, that one acre should be designated park land.

Ms. Proctor stated there would have to be signage, it would have to be accessible Citywide.

Mayor Via asked would it have to be recognized in their Comp Plan.

Ms. Proctor and Ms. Carey stated, yes.

Ms. Carey stated their Comp Plan defines three different levels of parks. This fee is just for parks that are to be used by all the city residents.

Mayor Via referred to Table 5, page 8 of the Parks and Recreation Study and stated for Mobile Home, 18 dwelling units was not even close for manufactured homes.

Ms. Proctor stated trailer parks are typically commercial unless they are an RV park or something.

Mayor Via stated so these mobile homes are somewhere one-on-one on single-family lots.

Ms. Proctor stated, yes. Eighteen is what they captured by the Property Appraisers data. To properly account for mobile homes is very difficult so they do the best they can with that information.

Mayor Via asked Mr. Forte what's next. They know that they are waiting for the police and then they will get all of the impact fees together.

Mr. Forte stated if they have gotten all of their questions answered then they should let Ms. Proctor and Ms. Carey leave and then he thinks they should hammer out some of the questions that Commissioner Reed raised earlier. They are good valid points that I need clear direction on. They need to set a date to impose these fees and decide how much percentage or all that they want to impose at that time and then get into the conversation that Commissioner Reed talked about earlier on some of the previous developments that came down the pike.

Mayor Via stated he isn't prepared to talk about these fees until he sees what the other fees are and get them altogether.

Commissioner Reed stated that's more of a philosophy than a number. Commissioner Reed stated that he doesn't want to punish anybody because he didn't necessarily want Mr. Rainey's project. He doesn't want to punish them because he didn't get his vote. That's not where he is coming from. Where he is coming from is they are bringing in a large number of people, approximately 400 units, that's going to impact the City more than two or three houses that they are going to have to vote on tonight. If, we, as Commissioners, are really concerned about funding this growth that's coming, that's why they are looking at this, why would they exempt the biggest impact by giving them a timeframe that allows them to setup without charging them? He is not trying to punish Mr. Rainey; he is fine with him.

Ms. Proctor stated before they go, they have to look at some dates. They were going to do an ordinance by May 15th but she is not going to be able to do that. She is ten days out on the police report.

Mayor Via asked Ms. Proctor when will they see the study of all the impact fees available.

Mr. Forte stated police needs to be completed and the traffic study is on his desk.

Mayor Via stated for general conversation, weren't they looking at doing this in October?

Commissioner Reed stated that's the point that he is trying to make.

Mr. Forte stated they are probably looking at October no matter what because generally you have to give them 90 days notice but Commissioner Reed's questions are still valid.

Commissioner Reed stated giving them 90 days, he doesn't think that's a law.

Ms. Carey stated it is now. It's a new law that just passed. This was the recommendations of the Impact Fee Task Force.

Mayor Via stated, Commissioner Reed, *if* Mr. Rainey's project was to be sold to another entity, he then would probably want to look back at the impact fee.

Commissioner Reed asked what difference does that make.

Mayor Via stated because that is their agreement that they had with Mr. Rainey. There was an assumption made when he brought forward his costs...

Commissioner Reed stated that agreement...

Mayor Via stated that's what they are going to have to look at when they want to have economic incentives to bring specific things to their City.

Commissioner Reed stated Mayor, try to understand this. It's not about Mr. Rainey.

Commissioner Blais stated Mr. Rainey knew what the rules were when he came and told them about the project and they can't change the laws mid-stream. Mr. Rainey knew what was up when he came before the Commission. The same thing was brought up when they talked about Marina Grande. They were talking about impact fees but they ended up beating us to it before we had our ducks in order.

Commissioner Reed stated he thinks it's a pretty sorry statement that they have four (4), 28-story towers and they can't get their ducks in order before the next project comes along. He thinks to allow an exemption because they have a prearranged agreement that they would be willing to go back on if it were somebody else, if Mr. Rainey flips it, which he doesn't care one way or the other what he does. He doesn't care if Mr. Rainey builds it or somebody else builds it because that's neither here nor there, it's still 400 units, it still impacting this City and they are still not getting any additional revenues for their new impact fees. He thinks that is a huge mistake. Why would they bother to go through this much trouble to raise impact fees, to get money in, when they let their biggest customer get away? That doesn't make sense to him.

Commissioner Blais stated they're looking for new customers. These are rules to play by!

Mayor Via stated the agreement was made ahead of time and that issue is actually, done and over with. But, if the rules change with that piece of property and something else came about, the people that buy it would have to be under the understanding that the existing rules would exist. Mr. Forte...

Mr. Forte stated he wishes Mr. Simpson was here to tell them what they're saying is legal or not legal. Just because they sell the property, he doesn't know if the City can then impose an impact fee, especially if they have submitted plans prior to. He doesn't think that it goes with the *owner* of the property, it goes with the property.

Mayor Via stated but if it was sold and the plans change, everything changes.

Commissioner Reed asked when was this agreement made with Mr. Rainey that they weren't going to raise his impact fees before he started construction. When was that

agreement made because I wasn't there. He doesn't believe Commissioners Anderson or Penny were there either.

Mayor Via stated you have to understand the agreement was made when we decided that project would come in to town because we had *no* impact fees. There was no agreement that Mr. Rainey wouldn't have impact fees until we said...

Commissioner Reed asked we don't have any impact fees right now?

Mayor Via stated there are some on Mr. Rainey but not *these* impact fees.

Mr. Forte stated water and sewer impact fees.

Commissioner Reed stated, and those are going to be going up.

Mr. Forte stated, correct.

Commissioner Reed but Mr. Rainey won't be paying the new higher rate...

Mr. Forte stated, correct.

Commissioner Reed stated nor will Mr. Rainey be paying these even though his residents will be impacting the City, Fire and Police.

Mr. Forte stated no decision has been made on these so he couldn't give him an answer to that.

Commissioner Penny wanted a clarification. As he understands it, if they are talking October 1, 2006 for these fees, if *any* applicant, he doesn't care who it is, didn't submit their paperwork and didn't apply for the permit until October 2, 2006, any new impact fees would be applicable. Has Mr. Rainey submitted any plans to the City?

Mr. Forte stated, no.

Commissioner Reed stated well, he can guarantee that when the City imposes new higher fees Mr. Rainey will submit before October 1, 2006 because that's the agreement that somebody made with him.

Mr. Forte stated Mr. Rainey has a lot of work to do yet.

Mayor Via stated that's the agreement that this Commission decided on. Not any individual person but a Commission.

Commissioner Penny asked does he have to submit *complete* plans. Can someone, anyone, submit an incomplete plan for development, would that count as a submittal?

Mr. Forte stated they're going to submit a completed package that will be subject to review and comment by staff. Mr. Forte stated he will not accept a totally different building and say, "Here are my plans; he locks in the rate and then comes back and says

here's another completely different building, this is what we are really going to build", Mr. Forte wouldn't accept something like that.

Mayor Via stated that's why he made the statement about this piece of property.

Mr. Forte stated but you made it on the *sale* of the property.

Mayor Via stated if Mr. Rainey sold the property and somebody brought in a whole brand new set of plans, that changes everything.

Mr. Forte stated but what if he submits the plans and sells the property and doesn't bring in a whole new set of plans?

Mayor Via stated that's something they would have to address.

Commissioner Reed stated there's a lot of wiggle room there, isn't there? He gets frustrated with the fact that these arrangements seem to be made without real consensus from this Commission.

Mayor Via stated this Commission made the decision Commissioner Reed. I'm sorry you're on the losing end of it but this Commission said yes! The previous Commission said yes and this Commission said yes.

Mr. Forte stated *only* to the water and sewer impact fees at this time. That's the only decision that's been made.

Mayor Via stated so they can discuss this. It's not closed.

Commissioner Reed stated like he said, if the City is serious about bringing revenue in, they're missing their best customer.

Mayor Via stated he is not necessarily trying to find new sources of revenue. What he is worried about is the word that Ms. Proctor and Ms. Carey used earlier which is concurrency. If they are going to impact the City by a certain amount of people then they need to have it paid for. The decision amongst this Commission was that Mr. Rainey understood that they would come into town and have a certain cost, maybe that's a reason why they decided to come into this town because they didn't have the impact fees. He doesn't know. Mr. Forte's concern is that it could inhibit other people coming into town to do other economic development. That's why he asked if they have the ability to *waive* those impact fees to bring a specific development into the City.

Commissioner Reed stated on the idea of waiving something, would they waive it if it's something really big and it's going to have a major impact? For example, they're going to take this land, that's hardly worth anything and they're going to develop this and make some big facility. It doesn't have to be tall or anything, it's just going to be a big impact. Is that the kind of thing they would waive?

Mayor Via stated, yes. He would look at it under this basis...

Commissioner Reed stated but the single-family guy, that comes in, he just wants to build one home for him and his family, there's no way he would get a waiver. Is that what he is trying to say?

Mayor Via stated what he is looking at is economic development. Economic development meaning trying to create tax dollars to offset it for *all* of the different people in the City.

Commissioner Reed stated the question was, is that the type of thing they would use a waiver for?

Mayor Via stated he would absolutely...if there was a way to build ad valorem, easy, because that's why they are doing this.

Mr. Forte stated he thinks a compromise to what the Mayor is asking for and to what Commissioner Reed wants to get at, is not to waive that impact fee but use the TIF money to pay the impact fees. That's how they take TIF money out of the CRA and put it into the General Fund.

Commissioner Reed stated it all comes down to corporate welfare. It all comes down to making it okay...

Mayor Via stated it all comes down to generating tax dollars.

Commissioner Reed stated well, he guesses that's what the Mayor's goal is. My goal is fairness.

Mayor Via stated and fairness...by bringing in one project...

Commissioner Reed stated that's what his goal is. That the little guy pays the same price as the big guy; that's fair. When the big guy gets a break and the little guy doesn't get a break, that's not fair.

Mayor Via stated but the little guy is going to get a break when they bring in that much tax revenue, they're either going to see one of two things, tax relief or expanded City services.

Commissioner Reed stated they're also going to see that impact. The quality of their life...they're going to sit in traffic longer, there's going to be longer lines in the markets and things like that. To a point it's okay but that's what they have to look out for.

Mayor Via asked Mr. Forte what's next.

Mr. Forte stated Ms. Proctor and Ms. Carey are going to prepare an ordinance that will come before them June 13 and 27 and at that time the Commission will make their decisions on how they want to impose these impact fees. He thinks staff needs some direction prior to that so that he knows what to do. He thinks it's safe to say that they should anticipate October 1, 2006 as the implementation date. If Mr. Rainey's property does not have their impact fees in by October 1, 2006 then will they be subject to them if they bring them in on October 2, 2006? Right now, the new water and sewer impact fees are not going to go onto them regardless of when they submit. That's the direction he got from this Commission. If they submitted in a year from now, they wouldn't be subject to those new water and sewer impact fees. Is October 1, 2006 the deadline or is the Commission giving this credit to Mr. Rainey's property? Those are things that he specifically needs to know.

Commissioner Blais stated he feels that October 1st should be the deadline.

Mr. Forte stated this is the hard part for the Commission. You are the policy makers.

Commissioner Penny agrees with Commissioner Blais, the deadline should be October 1st. He thinks when a developer came, whether it's Mr. Rainey or whomever, they had certain financial numbers that they have to run to make their project viable in their mind so they put a business plan together. He is comfortable with leaving the water and sewer impact fees the way they are. The new fees, for anyone, if they impose new fees, they give them 90-days and October 1st should be the deadline.

Mr. Forte stated staff has already noticed it within the Building and Zoning Department. There is a sign up that states anticipate impact fees increasing effective October 1st but from the time of the ordinance to the time of implementation should be 90 days. It could be a little incentive to get the project off the ground. He doesn't want him sitting on it for four years either.

Mayor Via stated the one thing about impact fees, they have to realize that they are *not developer* incurred impact fees. They are the people that buy the *units* impact fees. In a single-family home 80% of the people pay for their taxes through their mortgage payment.

Mr. Forte stated Marina Grande has paid impact fees for buildings one and two and they have pulled a building permit for the garage. There is a small impact fee for the garage not very much, it's actually on the residential units.

Commissioner Penny stated so whatever happens with Tower 3 and 4, would have the full impact of any impact fees that they have imposed.

Mr. Forte stated if that's the decision that they make. The impression that they have at Marina Grande is they're not accessible...they've submitted all of their plans.

Commissioner Reed stated there's no way of going back and getting anything.

Mr. Forte stated well there is a way, it's just offensive. They can go retroactive on it but it's very offensive. They have submitted all their plans because all of their buildings are the same. The only one that's lingering is Mr. Rainey's project that no plans have been submitted to this point.

Commissioner Penny asked if Mr. Forte knows when they will be forthcoming.

Commissioner Reed stated he can guarantee that once Mr. Rainey figures out that they have new impact fees, he will turn his plans in before October 1st.

Mr. Forte stated generally what happens, this announcement goes out that rates are going up and everybody tries to get their stuff in before that deadline.

Commissioner Penny stated that's what he wants to be certain of is that these are real plans.

Mr. Forte stated they have to be real plans.

Mr. Gutierrez stated there has to be a complete application.

Mr. Forte stated they now charge to review those.

Mr. Gutierrez stated they charge \$1,200.

Commissioner Reed stated one point was made that Mr. Rainey knew what the fees were when he came in; when he bought that land, he knew what the fees were. The one thing that Mr. Rainey didn't know was how many units he was going to put on that land per acre. That was a decision that this Commission made after he bought that land. He understands their reasoning for allowing that density bonus to put more units there. He understands the increase of ad valorem taxes is good for the City. But Mr. Rainey bought that land not knowing for certain how much he was going to make, how many units he was going to put on there and how much it was going to cost him. Mr. Rainey bought that land also knowing that there's always a chance that fees go up and he doesn't feel that any additional fees and any additional revenue that Mr. Rainey would have to pay, as a pass on, Mr. Rainey was going to pay it up front and he would charge it to his customers, that's not going to stop him from building, it's not going to stop him from doing anything, it's not going to make him switch it to commercial or anything else. It means that the City is going to play fair and get more money.

Mayor Via stated what he wants to look at is what the impact fees would have been to Mr. Rainey before and after and if it ends up being a million or two million dollars and they're trying to finance a project and get it off the ground it may make a difference in a decision. Yes, Mr. Rainey bought the property but then he brought it forward for the density and then the Commission made the decision on the densities and then they allowed this and then they change the impact fee.

Commissioner Reed stated just like a business model, when you're developing a project that size, Mr. Rainey also has to know that probably the price of concrete is going to be higher a year from now than it is right now. It just seems to be the way the economy is going. Mr. Rainey probably has that figured in.

Mayor Via stated nothing's getting any cheaper that's for sure.

Commissioner Reed stated, right. If Mr. Rainey's business plan is successful enough that he sees that he is going to do well with it, he is not going to go through all this trouble on a real fine margin. If it's a small increase of impact fees it's not going to affect his margin.

Mayor Via stated the condo market has softened, money to borrow is starting to increase, all these things are going to make a decision as to whether what future projects or even if the second half of Marina Grande is completed. There are a lot of things to be considered.

Commissioner Reed stated if the plans for development, up and down the coast, are any indication, all these projects that they are talking about in Holly Hill are going to be completed.

Mayor Via stated referring to the Fire Impact Fee, to him, if they increase the size of their city and you got more people there, it's nice to be able to build a fire station or have a fire truck but you have to hire new fireman. Why is the impact fee not indicative of personnel? He guesses what it means is that their general revenue doesn't have to pay for that and then the ad valorem helps pay for them because their using the impact fee instead of general revenue and that pays for the extra person.

Mrs. Gubernator stated impact fees just aren't designed to cover operating costs, it's apparently by law.

Mayor Via stated, okay. It's seems to him that people are the biggest cost.

Mrs. Gubernator stated, it is. So to do an improvement it obviously means that they are going to have to provide more service.

Mayor Via asked the Commission what do they think about the fees.

Commissioner Penny stated he is having a hard time...

Mayor Via stated they look high to him.

Commissioner Penny stated he thinks they have a lot parks now and if they doubled their population they still have a lot of park space per person.

Mr. Forte stated they can't touch the water and sewer impact fee money for General Fund purposes and vise-versa.

Mayor Via stated if they are dealing with...monies that are going to be way out being used...

Commissioner Reed asked what are they pulling? Ten permits a year for new homes in Holly Hill.

Mr. Forte stated they are anticipating Viscomi's project is 160 units, that's going to be in three phases, Don Neilson who bought Flipo's property has 17 units, Steve Unatin's property that's up for consideration, Mike Sahl's property is up for consideration. They're not looking at huge numbers like when ICI comes in and they build a 5,000 home community. They're looking at very moderate building.

Mrs. Gubernator stated it's taken a long time for the water and sewer impact fees to be \$1.3 million or whatever. They were only getting \$20,000 a year off of impact fees and most of that was expansion of a commercial area or a building.

Commissioner Penny stated these don't apply to the massive numbers of almost complete tear downs and re-builds because they are getting the credit back, right?

Mr. Forte stated, right. Unless they get a windfall of 400 or 500 units at a shot, this is going to take many, many years. They were building one or two homes a year for a long time.

Mrs. Gubernator stated when Charleston Place came in the City got \$400,000 + of what they have right now.

Commissioner Reed stated of their \$1.3 million.

Mrs. Gubernator stated, right.

Mr. Forte asked and how many years is that? Five or six years ago.

Commissioner Penny asked how much did they just get from Marina Grande.

Mayor Via stated approximately \$1.5 million or \$1.6 million.

Mr. Forte stated that included permit fees, impact fees, everything.

Commissioner Penny stated it's only Marina Grande and Mr. Rainey's project that are big projects.

Mr. Forte stated we missed our mark. They should have done this three years ago.

Commissioner Reed stated that's exactly his point.

Mr. Forte stated if they would have had these impact fees back then the City would be well off.

Mayor Via stated they have to think what motivates people to go to certain areas and do certain things and take risks in the area that they are in. Is it because of the lack of impact fees?

Mr. Forte stated our land cost in Volusia County is substantially cheaper throughout the State and then the next thing they look at is impact fees.

Mayor Via asked are they going to have a chance to see all of the impact fees compared to other cities prior to June.

Mr. Forte stated, yes. As soon as Ms. Proctor gives him the police numbers and compile the traffic numbers, he will have all of their maximum charges.

Mayor Via asked about the deadline for October 1st. There was consensus from the Commission to have the deadline for October 1st.

Commissioner Reed stated he thinks it would be better if they allow this to all sink in about retroactive or not retroactive and look at the numbers and the total amounts.

Mayor Via stated, okay.

Commissioner Reed stated they may really want to reconsider. It's not punitive; it's not personal, it's what's best.

Commissioner Penny stated the numbers will affect their decision.

Commissioner Reed stated when they realize what they are passing up for whatever reason, they might rethink it. It shouldn't take long once they get all the numbers.

Mr. Forte stated they have a lot of workshop items coming up in the next couple of months between the budget and the audit.

Commissioner Penny asked if everyone received the letter from Mr. Forte about his contract.

Mr. Forte stated they could get together prior to August.

Commissioner Reed stated he wasn't really impressed with Ms. Proctor's presentation.

Mr. Forte stated he isn't impressed that the police numbers aren't here today.

Commissioner Reed stated that's what he is talking about.

Commissioner Penny stated and that they're ten days out.

Mr. Forte stated he is not impressed with the ten day delay. This meeting they should have had a month ago.

Commissioner Blais asked how much are they paying them to do this.

Mr. Forte stated close to \$40,000.

Commissioner Penny asked how do they pay them. Can they pay them out of the impact fees or do they pay them out of the General Fund?

Mr. Forte stated keep in mind this is something that was never done and let's say, you decide you don't want to do anything with it and it goes on the shelf and in two years from now you say you want to impose impact fees the work is already done.

Mr. Gutierrez stated as another note, they need to adopt, update their Capital Improvement Elements by December 2006.

Mayor Via asked what is that.

Mr. Forte stated it's within the Comp Plan.

Mr. Gutierrez stated probably next month he will give them a summary of what they need to do.

Mr. Forte stated he asked Mr. Gutierrez to do a workshop with the Commission and the Planning and Zoning Board because they are going to have some new members on that Board. Mr. Gutierrez wants to let everybody know what the Comp Plan is, what a Future Land Use Map is, what an amendment is, what a rezoning is, and what the Department of Community Affairs (DCA) is so they can ask all the questions they want.

Commissioner Reed stated concerning the young man that fell from Marina Grande yesterday, we have someone that is paid by the Boca Developers that answers to the City as an engineer, as a threshold inspector which is by law, how much do they pay that person? They pay for it not the City, is that correct?

Mr. Forte stated, yes. He doesn't know the amount but he can get it from Mr. Harbuck.

Commissioner Reed asked how often do they report to the City.

Mr. Forte stated, weekly.

Commissioner Reed asked do they have indemnity insurance or anything like that to keep the City off the hook if they fail to do their job.

Mr. Forte stated he doesn't think they inspect for *that*. What they inspect for is the construction inspection not the safety inspection.

Commissioner Reed stated they're not like OSHA.

Mr. Forte stated, right. They do have safety inspectors on site that are part of one of the company's down there, either Yates Construction or Boca Developers, somebody because they were down there yesterday taking pictures of the site. They have their own on-site safety people but the threshold inspectors, like a building inspector, they handle that type of building.

Commissioner Reed stated because we can't possibly expect our people to be dedicated to that big project...

Mr. Forte stated they don't; correct.

Commissioner Reed stated they couldn't do it.

Mr. Forte stated, no.

Commissioner Penny asked if they are under a stop work order at the present time.

Chief Shinnamon stated immediately upon the accident the whole entire job site shut down.

Mr. Forte stated there was more people...he couldn't believe how many people actually work in there because when you drive by you don't know it but there had to be well over 100 people.

Commissioner Reed asked does anybody document that those people are all legal workers.

Mayor Via stated they have to conform to Workmans Compensation Social Security Laws so each of the subcontractors are required to have a resident alien with a social security number and that means that they are working as a legal status person. There's no such thing as illegal help or scrub help.

Commissioner Penny asked do they have to have an I9.

Mayor Via stated, yes. Everyone of these people are all skilled laborers that are surrounded by their Unions, very tight knit groups for what they do, this carpentry company from Atlanta subcontracts to Yates Construction to do the safety work that's at Marina Grande. This young man resided in Ormond Beach who was age 22, his family lives in Mexico and he was one of the sole providers there and he was engaged to an American girl who was pregnant in Ormond Beach. He had only worked at this site for a month.

Commissioner Reed stated the reason he asked about the illegal immigration is because the way he understands it, is what happens is a company will hire somebody that has that proper certification that the Mayor just talked about and then *that* person is responsible for maybe ten other people who are not legal.

Mr. Forte stated the important thing for them to understand is that we, as the City government, do not govern that; we do not enforce that. That's a whole other State or Federal issue.

Commissioner Reed stated he knows that. This is basically for his information. He wishes Mr. Simpson was here because he would like to ask what could happen to the City...would we be responsible for legalities when things like this happen?

Mr. Forte asked at that accident.

Commissioner Reed stated, yes.

Mr. Forte stated the City has no liability on that whatsoever.

Commissioner Penny stated he had a visit this week from a citizen, along the same lines, talking about work that the City might subcontract with someone. For example, the stairs.

Mr. Forte stated that citizen may show up at the Commission meeting tonight.

Commissioner Penny stated the stairs for City Hall, do we have any assurance, that when we subcontract out for jobs, that they are all employed legally? Commissioner Penny told the citizen that he didn't know that he should call Mr. Forte.

Mr. Forte stated that person never called but his question to the Commission tonight may be, "Will you impose some rule where the City ensures that anybody that we hire is not employing illegal people?"

Mayor Via stated we have no prevue of that. We have none.

Mr. Forte stated the City doesn't have an enforcing authority. That's an INS issue and he will just remind those of you who recall when they had an issue down at the Spa place on 2nd Street and Carswell Avenue, there was drug activity and commerce issues because they were selling or not selling spas and we had five or six illegal people working there and we called INS and INS, in essence said, "Let them go." Basically, they were saying it's none of our business, let them go, we're not coming there for five or six people.

Commissioner Reed stated the minutes from our workshop, should we have on there about things they're *not* going to do. When they decided there were some things that were not necessarily a goal. He knows they have to include them in the minutes...

Mr. Forte stated the minutes are recorded as such...

Commissioner Reed stated that's fine.

Mr. Forte stated on his draft set of goals, they will not be there. They're only there for them to review.

Mayor Via stated they can have another workshop to look over the draft before the May 23rd meeting.

Commissioner Blais stated he would like to add the previous goals that were not accomplished onto these goals.

Mr. Forte stated *only* if you want to make them part of your goals.

Mayor Via stated there is one goal that he wants to discuss now. It has to do with explore privatization of all City services, which originally said something like explore consolidation of police and fire services. Well, it's out there that they are trying to privatize police and fire and any other department that's here. He thinks they should strike that altogether. That doesn't mean that they couldn't privatize a department or part of a department. They have done that in the past, dispatch with police and fire, medians, janitorial services, they have done that in the past. If they made a decision, one-on-one to do that they could direct Mr. Forte to do that. The reason they privatized the medians was because they had all the equipment, they were beholding to the City, they didn't have to hire extra people and get extra equipment so it was cheaper to do in the long run. But Mr. Forte came to the Commission and asked what did they think about it, can we do it? The Commission said they wanted quality and pricing so it got privatized.

Commissioner Reed stated he understands why anyone would feel insecure or something like that, but they're supposed to be in charge of the tax dollars and the main word on this is "*explore*", there's been no decision made to replace any single department, not by him or the other Commissioners, he isn't even sure if he wanted to explore it but he isn't even sure that he would want to do it. But he would like to be able to see a number in how much the Sheriff's Department would cost to police this City versus what the City pays its officers. Maybe the Sheriff's Department would be three times more than what the City's officers are currently getting. He doesn't know because nobody will let him explore it.

Commissioner Penny stated the way he took that comment when Commissioner Reed brought it up was let's find out what the number is.

Commissioner Reed stated that's exactly it.

Commissioner Penny stated and there was some discussion with Mr. Forte and he said they did that year's ago so they could have a workshop and get the number. Commissioner Penny stated he really thought that was going to be an "*explore*" item and direct staff to get the number and they would discuss it at a future workshop. He thinks it's the wrong message to say it's a goal because it's a priority. He agrees that it should be removed as a goal.

Mr. Forte stated let him reverse this for them a little bit, suppose he came to the Commission and said he wants to work here for the next ten years or I'm going to put in a couple of applications up in Palm Coast and Deltona just to see what I would be offered, how many people would be comfortable with that? Or if the Police Chief came to him and said he likes it here but he is going to put an application in at Ormond Beach just to see what it's like. It would make Mr. Forte very uncomfortable on the reverse side that he is even *exploring* that issue. That's what the officers feel. That if the Commission is *exploring* it, somewhere in the back of your minds, if it comes in reasonable they're out of a job and that's what they are afraid of.

Commissioner Penny asked how many certified officers do they have to interview to get one qualified candidate.

Chief Shinnamon stated they reject 80% to 90% of the people who apply.

Commissioner Penny stated those are the people who apply and if the word on the street is that Holly Hill is going to *explore*...isn't it going to be harder to get that one candidate?

Commissioner Anderson stated it was never put in there for anybody to feel that way.

Commissioner Reed stated that's right.

Commissioner Anderson stated, and unfortunately it came across that way.

Commissioner Reed stated at the bottom of the list of minutes it says prohibit commercial development in City parks. He thinks that is one that makes every citizen just as uncomfortable as their police officers are right now.

Commissioner Penny stated he thinks it lies in the definition of what they would call "commercial". Commissioner Reed was tagging condos and then he said commercial.

Commissioner Reed stated when they are talking about, in all fairness, he thinks 3- to 5-story buildings with a business downstairs and lofts upstairs, he thinks that's great but not in the park. All around the park, next to the park is great.

Mr. Forte asked if they could put that to bed today only because he has an eagle's nest that's preventing him from doing anything for at least three years. It's not worth arguing today, maybe in three years from now, if no other eagle goes in there. He thinks they are talking about Hollyland Park, specifically, and the reality is there is an eagle's nest over there. At the time of their workshop he didn't know it until the Wednesday after when someone came to him and said they couldn't build in there for three years after the nest is vacant.

Mr. Beach stated that's *if* they don't come back next year. If they come back next year, it's another three years they have to wait.

Mayor Via stated he considers Hollyland Park a baseball park and he would never consider getting rid of a baseball park. He couldn't do it. The baseball park would have to be replaced. As far as what's left over, if they look at the people area that's there, he would not want to do something to Hollyland Park that would not allow the same amount or more than people access to the park.

Commissioner Penny stated procedurally, how do they remove that goal from the list? Do they bring it up at the Commission meeting?

Mayor Via stated, yes. They can give direction to Mr. Forte to remove it on his draft.

3. ADJOURNMENT

The workshop officially adjourned at approximately 5:35 p.m.

Attest:

City of Holly Hill, Florida

Valerie Manning
City Clerk

Roland D. Via
Mayor