

TERRILL L. HILL
MAYOR - COMMISSIONER

MARY LAWSON BROWN
VICE MAYOR - COMMISSIONER

RUFUS J. BOROM
COMMISSIONER

JUSTIN R. CAMPBELL
COMMISSIONER

JAMES NORWOOD, JR.
COMMISSIONER



CITY of *Palatka* FLORIDA

Regular meeting 2nd and 4th Thursdays each month at 6:00 p.m.

TERRY K. SUGGS
CITY MANAGER

BETSY JORDAN DRIGGERS
CITY CLERK

MATTHEW D. REYNOLDS
FINANCE DIRECTOR

JASON L. SHAW, SR.
CHIEF OF POLICE

MICHAEL LAMBERT
CHIEF FIRE DEPT

DONALD E. HOLMES
CITY ATTORNEY

MINUTES CITY OF PALATKA CALLED MEETING October 10, 2016; 5:30 p.m.

Proceedings of a Called Meeting of the City Commission of the City of Palatka, Florida, held on the 10th day of October, 2016.

PRESENT: Mayor Terrill L. Hill
Commissioner Mary Lawson Brown
Commissioner Rufus Borom
Commissioner Justin Campbell
Commissioner James Norwood, Jr.

Also Present: City Manager Terry Suggs; City Attorney Donald E. Holmes; City Clerk Betsy Jordan Driggers; Finance Director Matt Reynolds; Police Capt. Toby Williams, Fire Chief Mike Lambert, Planning Director Thad Crowe; Public Works Director Jonathan Griffith; Sonny Armond, TAG Grinding, Inc.

CALL TO ORDER & Reading of Meeting Call – Mayor Hill called the meeting to order at 6:35 p.m. and read the following meeting call, which was issued on October 5, 2016:

TO COMMISSIONERS: MARY LAWSON BROWN, RUFUS BOROM, JUSTIN CAMPBELL AND JAMES NORWOOD, Jr.:

You are hereby notified that a Special Called Meeting of the Palatka City Commission is called to be held on Monday, October 10, 2016, at the regular meeting place of the Palatka City Commission, Palatka City Hall, 201 N. 2nd Street, Palatka, Florida, to commence at 5:30 p.m. or as soon as possible thereafter following the Palatka CRA Meeting

The purpose of the workshop meeting is to consider approval of a Tax Credit Application for the following project: Hudson Commons, 4522 Hudson Street; proposed 100-unit multi-family project. Request for fee deferral (financing of water & sewer impact fees on a monthly payment basis over a two-year period at 5.5% interest rate) in association with Florida Housing Finance Tax Credit Application.

/s/ Terrill L. Hill

Terrill L. Hill, MAYOR

The following Commissioners acknowledge receipt of a copy of the foregoing notice of a Workshop meeting on the 5th day of October, 2016.

/s/ Mary Lawson Brown
COMMISSIONER

/s/ Justin Campbell
COMMISSIONER

/s/ James Norwood, Jr.
COMMISSIONER

/s/ Rufus Borom
COMMISSIONER

EMERGENCY ITEM ADDITION to Called Meeting Agenda - Mr. Suggs asked the Commission to amend the Agenda to add an emergency item, **Hurricane Matthew Storm Debris Collection**, to the Agenda. Commissioner Campbell moved to add the item to the Agenda as an emergency item. Commissioner Borom seconded the motion, which passed unopposed.

HUDSON COMMONS TAX CREDIT APPLICATION - George Tullos, 1280 Whitlock Ridge Drive, Marietta GA, said they are here representing Hudson Commons. They want to do a multi-family affordable housing project using affordable housing tax credits. They are required to provide some form of local government contribution. They would like a deferral of impact fees which will generate a total value to the development of \$10,000 to be repaid over 2 years. This amount differs from county to county. The other methods of deferral are a straight waiver of fees, project grant, or loan to the project.

Mr. Tullos said the value of the contribution has to be at least \$10,000, so the deferral of payments and interest at a rate of 5.5% gives them the \$10,000. It has to be at a rate of 5.5% so they calculated this the best way possible. The only other option would be a straight waiver of fees up to a value of \$10,000. Certain counties don't allow for a straight waiver of impact fees, but they get around this by making a contribution in the amount of the fees. They only ask one local government authority, but the County can participate in this. The City is not obligated to make any contribution, but it is required for award of the tax credit to the developer. This property is currently outside of the City Limits. They plan to annex into the City.

Mr. Tullos provided a description of the project; they propose to build 100 units with rental rates based upon median income and income qualified to live there which cannot be exceeded. Some smaller units will be rented at market rate. The value of the project is approximately \$10 - \$15 million with a Phase 2 completion on five developed acres. Mr. Suggs said if there is a taxable value of \$10 million this will generate around \$64,000 per year in taxable value.

Mr. Reynolds said they have typically provided s/f residence deferrals at 12 months repayment at prime interest rates. They have completed several forms such as this under the previous city manager. For them they used the 5.5% discount rate required, but as for calculating payments, they have stuck to 12 month payments. This is different; payments will be made over 2 years and there is no interest charged. Mr. Holmes said he is concerned that the property is not located inside the City at this time. It seems to be implied that they will annex, and annexations must be approved by both the Planning Board and City Commission. They look at impact on current levels of all services. He doesn't understand how they can grant deferral on an impact fee on property not inside the City unless there is an annexation contemplated, and if that is the case, they are bypassing the process.

Commissioner Borom moved to postpone action on the request until more information is provided by the Planning Board and Putnam County. The motion died for lack of a second. Commissioner Campbell moved to reject the request based upon this property not being within the City's jurisdiction. Commissioner Brown seconded the motion. Commissioner Norwood said this should be remanded back to the Planning Board for the proper pre-annexation review. Mr. Holmes said the Planning Board cannot make a recommendation on deferral of impact fees.

Mayor Hill asked if the Commission can approve the deferral subject to approvals on annexation and other riders attached to the approval. He noted this is being done out of order, but that would send it back through the process. Mr. Holmes said it is legal to make the deferral based upon future annexation of the property, but they cannot approve an annexation at this time, and this is the theory of the federal application. Yes, it is legal.

Per the question, Craig Sherar, 127 Pine Tree Road, attorney for property owner, said they have not gone to the County because the plan is to do the project in the City. If it is not done in the City, a \$10 million project will not be done in the County. They have made application to abandon the Plat. If this is approved for a waiver of the fee and the property never gets annexed, it doesn't make any difference, as there will be no fee to waive. These applications are scored on an approval system. It adds a decimal of a point in their favor if this is approved. If they don't get the project and they don't get annexed, it makes no difference. By not approving this, they do away with the opportunity to gain a residential project designed for the type of citizens residing in Palatka. The application is due Thursday morning. When the waiver of impact fees is not there, it takes the opportunity away from them. The contract is totally contingent upon them being approved for the project. Their decision will allow them to have 100 new units in the City and to add \$10 million to the tax base. If the Commission approves this and the project is not approved, they lose nothing.

Mr. Holmes asked how they get points contingent upon approval from a municipality that has no oversight over the project without some assurance that the property is going to come into the City. Mr. Sherar said the decision is made in May. The Florida Housing Finance Commission doesn't stipulate that the municipality can't provide the contribution. They want to get the project annexed. The rules of making application don't stipulate that detail. It makes sense that this project should be located in the City. If they don't get approved the property goes away. Discussion ensued regarding the request versus potential tax credit award. The fee wouldn't be actually deferred until about 24 months from today. Mr. Sherar said government can be arbitrary about how they make decisions. He compared the decision to a bet made at a roulette wheel. Mr. Tullos said if they are unsuccessful here, they cannot move forward with their application. Mr. Holmes clarified that the \$10,000 "city contribution" comes from taking deferred payments over time.

Ken Schwing, 125 Elderberry Lane, Palatka, Owner, said the City doesn't lose any money. Mr. Reynolds said theoretically, no, but the value of the money paid over time is not equal to the value of the money paid up front. Commissioner Brown asked if the City will incur the cost up front. Mr. Reynolds said tap fees will be paid by the developer up front.

Mr. Sherar said these are 1-2-3 bedroom garden-style apartments. They can apply for CDBG grants to extend the infrastructure into the area. This will benefit the entire city. It will level out the boundaries somewhat. If there is no annexation, there is no project. There is no risk to this. Come March the application will be made and if this tax credit is not in the application, they won't receive the funding. Mr. Holmes said he doesn't want to mix the annexation into the deferral. Mr. Tullos said they won't do more than 100 units. Discussion ensued regarding whether or not departments that will be providing services have been consulted on this request. Mr. Suggs said they have not.

There being no public comment offered and no further discussion, the question was called on the motion to deny, and a roll call vote was requested and taken, which yielded the following results: Commissioners Brown, Borom and Campbell, yes; Nays: Commissioner Norwood and Mayor Hill. The motion was passed on a margin of 3 in favor, opposed by Commissioner Norwood and Mayor Hill.

HURRICANE MATTHEW DEBRIS COLLECTION & Notice to Proceed to Tag Grinding, Inc.
– Mr. Suggs said the Commission should consider asking TAG Grinding, the City's storm debris removal contractor, to pick up the debris generated by Hurricane Matthew, which impacted this area beginning Friday. They believe it would be advantageous to implement the existing contract. TAG can begin as early as Wednesday. He is requesting that the Commission allow the City to go to a once per week household garbage pickup schedule so that sanitation employees can prep right of ways for the rest of the week so TAG can come through and collect the debris. This contractor will ensure they follow FEMA guidelines so they can apply for and receive FEMA reimbursement. This is beyond the City's scope given their limited staff. They anticipate being back up to twice per week collection after two weeks, but may need to extend the twice per week collection an additional week.

Commissioner Norwood moved to issue a Notice to Proceed to TAG Grinding, Inc. for Hurricane Matthew Debris Collection and Disposal Services and temporarily suspend twice per week household garbage pick-up. Commissioner Brown seconded the motion, which passed unopposed, and asked the newspaper to inform residents of the temporary household garbage collection schedule, to which Mr. Bryan from the PDN agreed.

Commissioner Brown thanked City staff and crews for doing such a good job of cleaning up St. Johns Avenue on Saturday. As for the request for Tax Credits, they should prepare the Commission prior to these high pressure requests from individuals who make them at the last minute. Commissioner Campbell thanked City staff and crews who took an active role in making sure the City moved forward before, during and after the storm. Citizens greatly appreciated the communication. Commissioner Borom concurred and thanked everyone for their extended hours and dedication. Norwood concurred and thanked Mayor Hill for working with staff throughout the storm and for making decisions. It was good to see citizens come together and help each other through the storm. He did not see any flooding in the City, but there were areas with standing water. They received over 8" of rain.

Mayor Hill said Palatka and Putnam County were blessed during the storm. Citizens did an awesome job of pulling together through this crisis; people were very engaged in the process. All departments came together and worked with each other; Mr. Reynolds and Mr. Suggs spent three days at the EOC. They have to be sure the message to citizens is that this was not a drill, this was a real event, and they have to continue to take these situations seriously.

ADJOURN – There being no further business to discuss, the meeting was adjourned at 7:18 p.m. by Mayor Hill.

ANY PERSON WISHING TO APPEAL ANY DECISION MADE BY THE CITY COMMISSION WITH RESPECT TO ANY MATTER CONSIDERED AT SUCH MEETING WILL NEED A RECORD OF THE PROCEEDINGS, AND FOR SUCH PURPOSE MAY NEED TO INSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED. FS 286.105