VERNON MYERS
MAYOR - COMMISSIONER

MARY LAWSON BROWN
VICE MAYOR - COMMISSIONER

ALLEGRA KITCHENS
COMMISSIONER

PHIL LEARY
COMMISSIONER

JAMES NORWOOD, JR.
COMMISSIONER

CITY OF PALATKA
FLORIDA

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

MICHAEL J. CZYMBOR
CITY MANAGER

BETSY JORDAN DRIGGERS
CITY CLERK

MATTHEW D. REYNOLDS
FINANCE DIRECTOR

GARY S. GETCHELL
CHIEF OF POLICE

MICHAEL LAMBERT
CHIEF FIRE DEPT.

DONALD E. HOLMES
CITY ATTORNEY

MINUTES
CITY OF PALATKA
February 28, 2013

Proceedings of a Workshop meeting of the City Commission of the City of Palatka, Florida, held on the 28th day of February, 2013.

PRESENT:	Mayor	Vernon Myers
	Commissioner	Allegra Kitchens
	Commissioner	Phil Leary
	Commissioner	James Norwood, Jr.
ABSENT:	Commissioner	Mary Lawson Brown

Also Present: City Manager Michael J. Czymbor; City Attorney Donald E. Holmes; City Clerk Betsy Jordan Driggers; Finance Director Matt Reynolds; Assistant Police Chief James Griffith; Fire Chief Mike Lambert; Main Street Manager Charles Rudd; Project Manager Jonathan Griffith; Parks & Cemeteries Supervisor Jeff Norton

CALL TO ORDER: Mayor Myers called the Workshop to order at 5:00 p.m. and read the following call, dated February 22, 2013:

TO COMMISSIONERS: MARY LAWSON BROWN, ALLEGRA KITCHENS, PHIL LEARY AND JAMES NORWOOD, JR.:

You are hereby notified that a workshop meeting of the Palatka City Commission is called to be held on Tuesday, February 26, 2013 at the regular meeting place of the Palatka City Commission, Palatka City Hall, 201 N. 2nd Street, Palatka, Florida, to commence at 5:00 p.m.

The purpose of the meeting is to review the final draft of the proposed Invitation to Submit Development Proposals on approximately 2.5 acres of city-owned river-view property located in the Community Redevelopment Area (more commonly known as the 100 Blocks).

Isl Vernon Myers
Vernon Myers, MAYOR

We acknowledge receipt of a copy of the foregoing notice of a Workshop meeting on the 22nd day of February, 2013

/s/ Mary Lawson Brown
COMMISSIONER

/s/ Phil Leary
COMMISSIONER

/s/ James Norwood, Jr.
COMMISSIONER

/s/ Allegra Kitchens
COMMISSIONER

Mr. Czymbor, City Manager, said it is important to focus the City's efforts on the revitalization of the Downtown, and economic development is the key. They have spent a significant amount of time over the past eight months analyzing what's been done in the past to market the 100 Blocks and have taken steps to put together the most successful RFP they could. Over the past 9 years a number of steps were taken to market these blocks; there were four unsuccessful attempts to partner with a developer. They've looked at a different approach. They send the draft out to 75 people with an interest, professional ability, or stakeholder, and came up with the proposed document. He thanked the Committee members, led by Jonathan Griffith and Thad Crowe.

Jonathan Griffith presented a general overview of the document. They are looking at 3 areas. Area 1 includes the buildings. Area 2 is the open space/vacant land between the proposed site for the GP environmental center and existing Moragne building, and bordered by the parking lot. Area 3 is 1.75 acres and is the old PHA High Rise location. Area 2 is about .33 acres.

Mr. Griffith spoke about the City's approach, saying they have to aggressively market these sites, seek out prospective respondents, give sufficient time for responses, and be decisive about the vision for the area. They strongly urge the Commission to spend money to clean and secure the buildings. Mr. Czymbor said in the past they were looking for a master developer that would develop the entire site. This has not had much success. They are now suggesting a totally different approach; this has to be a partnership between one or multiple individuals, master tenants or developers and the City. Their approach is to allow individual entrepreneurs and/or master tenants submit for all or any of the properties. They may or may not have to obtain a commercial real estate broker to help negotiate the terms of a proposed transaction. They will advertise for these services. Mr. Griffith noted some of the steps the City is willing to pursue in a partnership if they are available, which includes partnering on grants, use of TIF funds, and providing in-kind services.

Mr. Czymbor said they identified four things they need consensus or direction on. They would like to advertise this for 45 days. They have some very interested prospects at this time, and they believe this would be sufficient time for any proposer to produce a quality proposal. The deadline will be April 15. There are major grant deadlines coming up and they want to be able to submit for those with a potential partner.

Mr. Czymbor narrated a slide concerning property values. They obtained a commercial analysis on the Area 3; the appraisal suggests the value between $550,000 and $690,000. On Area 2 it could be anywhere from $103,000 to $130,000. They could list the property appraiser's value, which is lower, or market value based upon recent sales. Commissioner Leary said vacant land appraisals run between 80 – 90% of value; this is the difference between private and government appraisers. Commissioner Kitchens said the property appraiser appraises at around 85% of value. She'd go above the property appraiser's value, but not below. Mayor Myers concurred on 85% of market value. Commissioner Norwood concurred. Mr. Czymbor said there's a significant

difference between buildings that need significant renovation and finished ready-to-occupy buildings. Commissioner Leary said the buildings are significantly overvalued. Kitchens suggested hiring a fee appraiser to appraise the buildings and the block.

Mr. Griffith said the City cited the City on Code Violations on the 100 Block buildings. There are problems with the deteriorating roof, loose wires and surface elements; there are also boarded up windows. They need to put this sweat equity into the building. There is trash and loose debris in every building. Commissioner Leary said the former CBO stated in writing on several occasions that the buildings should be demolished. He believes they should market the property as "ready to build." Mayor Myers said the purpose of the RFP is to gauge whether there is interest in renovating these buildings. Commissioner Kitchens concurred. Re Codes violations, Commissioner Kitchens said they need to bring the buildings up to Code. As for the boarded up windows, there are several thousand buildings in the City with boarded up windows; these have been boarded up in order to secure the buildings. They've looked at changing the Code to allow boarded up windows in cases where it's done to secure the buildings. There are things they can do immediately to clean these buildings up. Commissioner Norwood said they need to look at what the budget will allow; if the cost of bringing them up to Code is not viable or practical, they should compare the cost of demolition. Mr. Griffith said clean up and debris removal has a dollar value; even if they demolish the buildings, there will be salvage value. This will also show they are making progress and taking steps to move forward.

Mr. Holmes said perception is valuable; they do need keep a careful eye on what is spent to tear these buildings down versus what they are doing to secure or clean up the building. They have to have a firm budget on what they will spend on the buildings before marketing; this is vitally important. Mr. Griffith said he's reviewed the old Environmental Evaluation that was done in 2003. They could spend less than $1,000 on a new study to see if it's even feasible. Commissioner Norwood said the environmental cost to clean up the buildings will be astronomical. If there is asbestos, that will add to the cost. Discussion ensued on whether employees should be used for renovation and at what cost, and whether it is safe environmentally for anyone to be working in the buildings. Mr. Czymbor suggested they spend the money to update the 2003 Environmental Study.

Mr. Griffith recapped with the suggested response deadline of April 15 and suggested they include the property appraiser's reports as an exhibit. He said they are making it clear there are options for sale or lease on any or all properties. They need to procure a hazardous material assessment and develop a plan for remediation.

Robert Virnstein, 142 Elgin Road, E. Palatka, congratulated the City on the RFP; he believes it to be a good approach. He thanked Mr. Czymbor and Commissioner Kitchens for their responses to his e-mail. He believes a little clean–up would be in order prior to the RFP deadline; this would just be cosmetic to remove debris, clean the windows and wash the buildings. In the RFP, on page 2, it has the Riverfront Master Plan displayed. It says the Master Plan was accepted by the Commission in March 2010. From minutes of a March 25 meeting, he noted the motion was to accept the Plan from Michael Redd. It was not adopted, but accepted. It seems language needs to be added to note the Redd plan is a conceptual plan. Mayor Myers noted some of this Plan will never come to fruition. This is a conceptual plan. Commissioner Kitchens clarified that any part of this Plan has to come back to the Commission for approval. Commissioner Kitchens acknowledged the change was made that clarifies that the G-P Center is not being built on the Riverfront. She wants it clarified to any developer that the Riverfront Park is not included in this RFP; she suggested the paragraph be re-worded for clarification. Mr. Czymbor said the Redd Plan is a reference point of an overall

vision; they spent $300,000 developing it. They don't want to keep spending money to modify the Plan. This is just setting the stage. This is an "overall" vision for the Riverfront, and some of that may never be completed. It is a conceptual plan.

Mr. Virnstein said he's glad to see the change from 30 days to 45 days. It's a more realistic frame of time. He suggested a provision for a developer to ask for an extension.

Mr. Czymbor said as to the point about cleaning, they may want to look at some exterior cleaning and make some visually attractive cosmetic improvements. He asked Mr. Griffith to talk about some of the proposals they've received.

Mr. Griffith said over the past 6 to 8 months, they've entertained seven proposals and there are four good prospects that are interested. These are two smaller tenants, one larger retail commercial tenant, and one hotel prospect which is considering this downtown location as well as one other location off Hwy 19 corridor. Mr. Czymbor said they were approached by a group to write a grant for a technology business incubator; they've encouraged those individuals to respond to the RFP. Mr. Griffith said it's possible to revise the Plan to take out the restaurant if that's the Commission's preference. Mr. Czymbor noted the plan being displayed has been "photo-shopped" to show changes that have been made since its inception. There were concerns that the City isn't really using it as a blueprint and following it to a "T." It more accurately reflects the current thinking.

Commissioner Leary asked, if someone were to propose a restaurant facility on the water, not on land, such as the facility in Biloxi, would that would be a possibility? Mayor Myers said they will entertain any proposal.

J. Normand Jutras, 412 Mulholland Park, said the RFP is great and keeping the City's options open is a big part of this. The City should keep all its options open. People look at different opportunities differently. The tax base grows when things go forward. He encouraged the Commission to keep it going.

ADJOURN - There being no further discussion, the Workshop was adjourned at 5:45 p.m. upon a motion by Commissioner Kitchens.