

KARL N. FLAGG
MAYOR-COMMISSIONER

MARY LAWSON BROWN
VICE MAYOR - COMMISSIONER

JAMES NORWOOD, JR.
COMMISSIONER

ALLEGRA KITCHENS
COMMISSIONER



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

ELWIN C. "WOODY" BOYNTON, JR.
CITY MANAGER

BETSY JORDAN DRIGGERS
CITY CLERK

RUBY M. WILLIAMS
FINANCE DIRECTOR

GARY S. GETCHELL
CHIEF OF POLICE

MICHAEL LAMBERT
CHIEF FIRE DEPT.

DONALD E. HOLMES
CITY ATTORNEY

MINUTES CITY OF PALATKA March 13, 2008

Proceedings of a regular meeting of the City Commission of the City of Palatka, Florida, held on the 13th day of March, 2008.

PRESENT: Mayor Karl N. Flagg
Commissioner Mary Lawson Brown
Commissioner Allegra Kitchens
Commissioner James Norwood, Jr.

Also Present: City Manager Elwin C. "Woody" Boynton, Jr.; City Attorney Donald E. Holmes; City Clerk Betsy Jordan Driggers; Finance Director Ruby M. Williams; Police Chief Gary Getchell; Fire Chief Mike Lambert; Planning Director Jim Lee; WWTP Superintendent Platt Drew; Parks & Cemeteries Supervisor Jeff Norton; Airport Business Manager Donna Franklin, Assistant Planning Director Debbie Banks;

Mayor Flagg called the meeting to order at 6:00 p.m.

INVOCATION – Rev. John Miles, Pastor of Visitation, First Presbyterian Church of Palatka

PLEDGE OF ALLEGIANCE – As a group

APPROVAL OF MINUTES – 2/28/08 – Commissioner Brown moved to adopt the minutes as read. Commissioner Kitchens seconded the motion, which passed unopposed.

1.

PUBLIC RECOGNITION:

PROCLAMATION – Step Up! Florida Day – Mayor Flagg read a proclamation declaring March 15, 2008 as Step Up! Florida Day and presented it to Edna Mallory-Church, event coordinator, Putnam County Health Department. Ms. Mallory-Church noted the 5-K run/bike/walk is scheduled for Saturday morning, beginning at the Riverfront Park. Registration begins at 9:00 a.m. and the 5-K will begin at 10:00 a.m. You can run, walk, ride a bike, or whatever you want to do to finish the 5-K route.

PROCLAMATION – Brain Awareness Week – Mayor Flagg read and presented a proclamation designating March 10 – 16, 2008 as Brain Awareness Week in Palatka to Palatka Pilot Club members.

PROCLAMATION – Women's History Month – Mayor Flagg read a proclamation declaring March, 2008 as Women's History Month in Palatka, noting this is a national designation.

WOMEN'S HISTORY MONTH RECOGNITION – Presentation to Recipients

- Commissioner Kitchens chose to recognize Lynda Little Crabill
- Commissioner Norwood chose to recognize Linda Myers, who was nominated by the Enterprising Women's Leadership Institute
- Vice Mayor Brown chose to recognize The Reverend Dolly Harrell
- Mayor Flagg chose to recognize local Pastor Sandra I. Gilyard

2. **PUBLIC COMMENTS** - (Speakers limited to three minutes – no action taken on items)

Linda Little Crabill, 609 S. 14th Street, said she is here to announce she is taking orders for the 20th anniversary Blue Crab Festival T-shirts. The cost is \$13 when ordered in advance, or \$15.00 at the festival. People can contact her or visit the website.

Speaking for Palatka Weed & Seed, Ms. Crabill announced that they are holding a "lock-up" fundraiser at the County Fair. They will be locking up volunteers until they "raise" their fines. If anyone would like to participate, please contact her.

Daniel R. Ziem, 401 Olive Street, said there is a precedent regarding political signs. They shouldn't be on right of ways, at churches or schools, at the riverfront or city ball fields, or posted on poles or trees. Candidates should be held to the rules for political signs. When he ran for office, offending signs were picked up by Code Enforcement.

Mr. Ziem said on the north side of the pier, the high weeds were cut down and it looks good. He'd also like to see the weeds on the south side trimmed back.

3. **CONSENT AGENDA:**

- a. Authorize renewal of Florida Dept. of Corrections Contract No. WS397 for Inmate Work Squad – August 24, 2008 through August 23, 2009 (Streets – 1st paid squad)
- b. Authorize the renewal of FDOT Maintenance Work Order/Contract #AN582 for State Highway System Lighting, Maintenance and Compensation Agreement for July 1, 2008 through June 30, 2009
- c. Introduce and Adopt into Record the 3/3/08 and 3/6/08 Report of the Canvassing Board, Logic and Accuracy Testing for the 3/11/08 City of Palatka Commissioner Group 4 Special Primary Election.
- d. Issue Notice of Amendment of Meeting Date to move the regular April 24 City Commission meeting to Tuesday, April 22, 2008 and amend 2008 Commission Calendar accordingly
- e. Issue Notice of Called CRA Workshop to be held April 22, 2008 at 3:00 p.m. and amend 2008 Commission Calendar accordingly
- f. Award Bid for Cemetery Burial Vaults to Florida Wilbert, Inc. per results of Request for Bulk Pricing Proposal
- g. Appoint Citizens Advisory Task Force for 2008-09 CDBG Grant Cycle – Larry Beaton, James Williams, Jr., Marjorie Shanks, Richard Perallon and Allegra Kitchens, Commission Liaison
- h. Accept Report of Tax Increment Fund Revenue and Expenditures Report F/Y ending 9/30/07 per audit.

Commissioner Brown moved to pass all items on consent as presented. Commissioner Kitchens seconded the motion, which passed unopposed.

4. **PUBLIC HEARING** – Community Development Block Grant Application Preparation – 1st Public Hearing – Fred Fox, Fred Fox Enterprises, Inc., noted the CDBG application cycle opened up in April of 2007. All funds were obligated except in the category of Economic Development. The City has been approached by Mr. Samy F. Bisha, the owner of Putnam Lanes, who is seeking a grant to provide City water & sewer to this project. The City is eligible

to apply for up to \$750,000 in funding. He is asking to meet with the CATF to receive direction from them, and then will come back to the Commission at the first meeting in April with a 2nd public hearing to receive direction to either proceed or not proceed.

There was consensus of the Commission that this would be a good opportunity to take the city's water & sewer infrastructure out Hwy. 100. Commissioner Brown moved to proceed with working with City Staff and the owner of Putnam Lanes to develop a CDBG Economic Development application. Commissioner Kitchens seconded the motion.

Mr. Bisha, owner of Putnam Lanes, said they were ordered by FDEP to shut down operation of their wastewater system, so they had to close Putnam Lanes. This is the only facility of its kind in Putnam County and it provided recreational facilities to people of all ages. They would like to annex and receive City water & sewer utilities so that they can reopen. If he receives this grant, he can then spend his money on renovations to the facility. Mayor Flagg said the City would like to do all they can to facilitate the reopening of Putnam Lanes. Mr. Boynton said it is in the County, but is in the NEFEC force main service area. Mr. Bisha will sign an agreement to be annexed and will annex as soon as that is possible. They will sign an agreement with the County that will allow the grant to proceed on this property, which is located in the County. At this time, the annexation issue is not with the developer, it is with the City.

Christy Sanford, 312 Dodge Street, asked if a CDBG grant was applied for on Mr. Ashdji's hotel project. Mr. Boynton said no application was ever submitted for that project. This application won't interfere with any grant they may apply for in the future. As to tying up grant funds, Mr. Fox said there are four separate categories of grant funding. In the Economic Development category, a grant can be applied for each year. In the other three categories, you must close one grant before you can open another. This is for the 07-08 F/Y Economic Development grant cycle. The 08-09 cycle opens in July, and the City could apply for any grant category at that time. The key to this category is permanent job development. This application will create 10 jobs, so the City can apply for up to \$350,000. You must create 22 jobs to receive the full \$750,000. There being no further discussion on the motion, a roll-call vote was requested, with the following results: Commissioners Brown, Kitchens, Norwood and Flagg; yes; Nays, none. The motion was declared passed.

Mr. Fox stated, as to the 2008-09 CDBG cycle, the cycle opens in July and applications are due in August. DCA is in the process of re-writing their rules, and that is the reason for the delay, as applications are normally due April 1. He does not have the 2008 rule yet, but does not believe the process will change.

There are four CDBG grant categories. One is housing rehab or replacement, which would require a sizeable match. Another category is neighborhood revitalization. These are primarily public works projects, for which the match has been lowered to \$250,000 from \$350,000. The match wouldn't have to be in place until the project was funded. They also award grants for design only. Once the design is finished, the State will automatically roll the project into a full \$750,000 grant for construction. Of the 18 - 20 grants DCA will award this year, the first 13 will be in the position of being able to request full project funding. The next category, commercial revitalization, is what they've done in the past for the Downtown area. The last category is economic development. The entire "pot" of funds will be distributed as follows: 20% for housing, 40% for neighborhood revitalization, 30% for commercial revitalization, and 10% for economic development. The federal government is putting less money into the CDBG program.

Commissioner Kitchens asked if they can apply for a housing grant in July; Mr. Fox said they can, but the match will be the issue. Due to the storms that have come through, the building codes have changed. Some homes that were built even 25 years ago won't pass today's codes. Housing rehabilitation is now very expensive, and in most cases it may be cheaper to replace rather than rehabilitate. Whether or not the housing rehabilitation can be done in accordance with the prior building code is up to the Building department.

Lynda Little Crabill said she was just told there is SHIP money available for the Weed & Seed program. Per the question, Mr. Fox said USDA deals primarily with new homes, for which people must qualify individually. With SHIP, you can fix only one thing, like a roof, and walk away from the home. With CDBG you have to fix all of the code violations in the house. Commissioner Brown said in Kissimmee said they qualified people for housing rehabilitation with every source they could put together and replaced houses that couldn't be rehabbed. They have someone coming in from Farmer's Home to qualify citizens for this program.

Jim Lee, Planning Director, said SHIP money can pay for certain or all repairs, and any repairs made must meet State building code. Building codes are getting stricter every year. Prior to 2002, municipalities had choices as to what Codes they wanted to adopt, but they are now mandatory. You have to apply all current codes to a home. Under SHIP funding you can be funded for one or two repairs only. The State recognizes historic preservation for historic homes, and there is some flexibility there; it depends upon the variables. For CDBG rehabilitation, all current codes have to be met, which makes it difficult to rehab homes built before 1960. Mr. Fox said many times there comes a point where it becomes cheaper to tear it down and re-build. If a whole new house needs to be built, CDBG can do it, but each home's cost to build is upwards of \$175,000. The City will need to set up a housing assistance plan that meets DCA requirements. Today, when a City does a loan, they have to collect the money and give it to the State. There is a home program done through developers to build new homes in entitlement communities. For the small cities program, you have to compete for those dollars. He has worked with Kissimmee on their housing program for many years.

Mr. Fox said if housing is the direction the Commission wants to take, and they want to get the match from the County's SHIP program, they will need to prepare an application. They will pick the homes to rehab once they've received funding. If they go with the neighborhood category, they should look at specific projects. They need to do the preliminary work in order to maximize points. Mayor Flagg said since the Commission decided to go with a housing grant, there have been changes in the economy. Mr. Fox agreed and said rehabilitation will run \$75 – 100 thousand per 1,000 SF home due to changes in the building code. They have to do a minimum of 10 houses. Regarding Commissioner Brown's question, Mr. Fox said if they are to entice a waterfront development, they need to apply for an economic development grant for a developer with a project that will create permanent jobs. The City can apply for both an Economic Development and a Housing or Commercial redevelopment grant, but need to prioritize the funding, as they cannot get both funded. Mr. Lee said in 2006-07, approximately 70% of the County SHIP money was spent inside the City limits, so the City is already getting 70% of all the County's SHIP funds. This is something to consider when approaching the County about using SHIP funds to match housing grants.

Mr. Boynton said he understands that the housing grant project was very complicated and cumbersome as far as keeping up with the grants, loans and paperwork. If this will only benefit 10 people, and if SHIP money won't be available, he wouldn't recommend moving forward with this category. They haven't targeted any other grant at this time, except to run sewer in the Pontiac-Stillwell area, which has water but not sewer, and may spur development in that area. This is one of many neighborhood revitalization categories and is a low-to-moderate income area. There are areas in the City limits that have water but no sewer, or need enhanced water service. They can come back with a list of projects at the next City Commission meeting. They also need to determine where matching funds would come from. Mr. Fox said they need to address an area containing at least 84 low-income families. DCA will not let you just run lines down the road; the City will have to also hook homes onto the line, should they be eligible. Also, they would not only get the highest points for sewer projects, they'd get extra points for health/welfare benefits. If the City went for a housing grant, the maximum points would be given for a \$250,000 match. These homes should already be owner-occupied. The leverage would have to tie directly into that project. They have to show an invoice and canceled check to receive reimbursement, and there is no provision for in-kind matching. They have to put money into the house itself. Commissioner Kitchens said this will leave many citizens with substandard housing. They can certainly find 10 houses that need rehabilitation. It doesn't make sense. They can run sewer lines to areas without homes. They can run improved sewer lines to a

house, but not fix the hole in the roof. Mr. Fox said the cost of bringing the entire home up to code “kicks” the project into replacement. They may have to replace all 10 houses, and will have to finish the grant before they can close it.

Randy Braddy, 614 River Street, said the concept of home renovation and extension of infrastructure is an interesting debate; however, they need to take the larger picture into consideration, which is the matter of all the enclaves in the City. People who have committed to rehabbing their homes face substandard situations around them with homes without city amenities close by. Commissioner Brown said in order to get water and sewer, homeowners have to annex, but many people won't annex because they don't want to pay City taxes. In the past they've targeted low-income areas and fixed up infrastructure or housing with CDBG grants, which allows the City to use money they'd have had to use to fix up those lines and move it elsewhere. Mr. Braddy said there are vacant lots in areas with homes of moderate value that don't have city water and sewer available to them.

Mayor Flagg said he is in favor of moving forward with this application; the Commission needs to choose a direction. Commissioner Brown asked Mr. Fox to get in touch with the housing finance people to find out if there is money available for housing rehabilitation; he said he would. Mayor Flagg said they need to partner up with all the different entities that are involved in housing and look at what they can do collectively. Mr. Fox said the furthest they can go into an area with CDBG funding is as far as the last house that qualifies as low-income, even if that's to the middle of the block. The City can take it to the end of the block with its own funds. They can't take it further down the line to a home that does not qualify as low-income housing.

Commissioner Brown moved to direct Fred Fox to develop a CDBG application for infrastructure development and/or rehabilitation and to look for other sources for funds for housing rehabilitation. Commissioner Norwood seconded the motion. A roll-call vote was requested and yielded the following results: Commissioners Brown, Kitchens, Norwood and Mayor Flagg, Yes; Nays, none. The motion was declared passed.

5. **RESOLUTION** 08-29 urging the 2008 Florida Legislature to create, support and adopt legislation to provide reimbursement to municipalities of special financial concern for the loss of revenue created by the passage of Constitutional Amendment No. 1 in 2008 – Adopt. The Clerk read a resolution entitled A RESOLUTION OF THE CITY OF PALATKA, FLORIDA, URGING THE 2008 FLORIDA LEGISLATURE TO CREATE, SUPPORT AND ADOPT LEGISLATION TO INCLUDE REIMBURSEMENT FOR THE LOSS OF REVENUE CREATED BY THE PASSAGE OF CONSTITUTIONAL AMENDMENT NO. 1 IN THE GOVERNOR'S BUDGET FOR F/Y 2008-09, AND EACH YEAR THEREAFTER, TO MUNICIPALITIES OF SPECIAL FINANCIAL CONCERN AS DEFINED IN HB 1B, OR AS MAY BE FURTHER DEFINED BY GENERAL LAW. Commissioner Norwood moved to adopt the resolution as read. Commissioner Brown seconded the motion. A roll-call vote yielded the following results: Commissioner Brown, Kitchens, Norwood and Mayor Flagg, Yes; Nays, none. The Resolution was declared passed.

6. **RESOLUTION** 08-30 asking the Florida Legislature the Florida Legislature to fund and create a success or program to the Florida Forever Land Conservation Program, and urging support from the Putnam County Legislative Delegation – Adopt – the Clerk read a resolution entitled A RESOLUTION SUPPORTING THE CREATION AND FUNDING BY THE FLORIDA LEGISLATURE OF A SUCCESSOR PROGRAM TO THE FLORIDA FOREVER LAND CONSERVATION PROGRAM AND URGING THE PUTNAM COUNTY LEGISLATIVE DELEGATION TO VIGOROUSLY SUPPORT THE CREATION AND INCREASED FUNDING OF SUCH A SUCCESSOR PROGRAM; DIRECTING THE CITY CLERK TO FORWARD A COPY OF THIS RESOLUTION TO GOVERNOR CHARLIE CRIST, THE PRESIDENT OF THE FLORIDA SENATE, THE SPEAKER OF THE FLORIDA HOUSE OF REPRESENTATIVES, AND THE MEMBERS OF THE PUTNAM COUNTY LEGISLATIVE DELEGATION. Commissioner Kitchens moved to adopt the Resolution as read. Commissioner Brown seconded the motion. A roll-call vote yielded the following results: Commissioner Brown, Kitchens, Norwood and Mayor Flagg, Yes; Nays, none. The Resolution was declared passed.

7. **RESOLUTION** 08-31 authorizing the loan agreement and solicitation of bids for the purchase and demolition of the Frank George Apartments, and authorizing the City Manager to award the bid to the bidder bidding the best bid rate – for adoption. The Clerk read a resolution entitled A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PALATKA, FLORIDA; AUTHORIZING THE ISSUANCE OF \$2,800,000 INFRASTRUCTURE SURTAX REVENUE BONDS, SERIES 2008 TO PROVIDE FUNDS FOR THE PURCHASE OF THE FRANK GEORGE BUILDING, ITS DEMOLITION AND SITE PREPARATION FOR RESALE; APPROVING A FORM OF LOAN AGREEMENT AND AUTHORIZING EXECUTION AND DELIVERY OF THE LOAN AGREEMENT AND OTHER ACTION IN CONNECTION WITH THE DELIVERY OF SUCH BONDS; AUTHORIZING AWARD OF THE BONDS TO THE SUCCESSFUL BIDDER FOLLOWING SOLICITATION OF COMPETITIVE PROPOSALS; PLEDGING THE CITY'S SHARE OF ONE CENT INFRASTRUCTURE SALES SURTAX REVENUES, SALE PROCEEDS OF THE PROJECT LAND AND NON-AD VALOREM REVENUES TO SECURE PAYMENT OF THE BONDS; AND PROVIDING AN EFFECTIVE DATE. Commissioner Norwood moved to adopt the resolution as read. Commissioner Brown seconded the motion. Commissioner Kitchens said she met with the City Attorney today on this matter. On 11-15-05 the Commission voted to accept SunTrust's financing proposal for this loan. Since that time she has learned they were not able to come to an agreement with SunTrust over the provisions of the loan, as its acceptance could have been detrimental to the City. When these problems arose, it should have been presented to the Commission to let the Commission decide what to do. She also understands there has been a pre-bid meeting with prospective bidders, but no information has come to the Commission on the demolition of the Highrise. They are now looking at floating a bond issue for \$2.8 million to purchase the Highrise and tear it down. After the purchase, there will be \$600,000 available for demolition. If the cost for demolition is higher than that, there won't be enough money. The Commission should have been the body to provide the City Manager with direction after having seen the bids for demolition, and/or once they'd learned that the SunTrust financing had not come to fruition. Her concerns with this project are that the cost of the City purchasing and tearing down the Highrise would come back to haunt the citizens in the form of liability for the cost of these actions. She has no problem with the financing vehicles, but the resolution constantly calls for 'non adv valorem revenues,' which could be, in the end, a fee on the citizens. She noted Mr. Holmes explained to her why it was worded the way it is worded, but she is concerned that there may be a fee passed on to citizens if Better Place funding falls through.

Mr. Holmes said Mrs. Kitchens described their discussion accurately. Originally, the Commission approved the concept of the loan. At that point, it became necessary to generate loan documents. SunTrust generated those documents, and they have looked at several versions since. The documents were drawn along the lines of a "lease-purchase" Agreement. They worked with SunTrust, who was generating the documents, and exchanged comments for many weeks, ultimately leading to SunTrust providing a final version. He still had concerns with that document, mostly through a clause regarding the interest rate and consequences to the City if it became taxable to SunTrust, wherein it states the City had to make up the difference in the rate. He had a major difficulty with that. Some event could occur beyond the City's control, which may cause the interest rate to go up. This was non-negotiable on SunTrust's part. At that point, he generated an assessment expressing his concerns with Mr. Boynton on this and other issues. The loan document also provided that payments would be made from the fund source first and then wherever the City had to go to make payments. Mr. Boynton submitted this letter and those final documents to the City's bond counsel, Mr. Livermore, who concurred on his and other concerns. Since the last commission meeting, they collectively decided that SunTrust could not provide what the City needed, and vice-versa. Mr. Livermore said he didn't think the loan would qualify as nontaxable. As a result, on this past Tuesday, they decided the SunTrust deal was too risky to the City, and seemed extremely high, almost to the point the City would certainly have to pay the taxable component on the interest. Mr. Livermore is the bond expert, and he defers to his opinions. It was his opinion that these were major, deal-killing concerns. He offered workable options, and what they are looking at tonight is the document that he prepared, which will provide "knowns" instead of "unknowns" and doesn't carry the same

risk. They have no doubt it will be a higher interest rate, but it will be a firm one. It contains standardized assurances that financial institutions need to make a proposal on a loan of this type, and these are accepted industry terms for this type of financing.

Mr. Holmes said he understands Commissioner Kitchens' desire to be kept informed, but the decision to abandon the SunTrust deal wasn't made until last Tuesday, as the deal couldn't be fixed. This is the first meeting after that conversation with Mr. Livermore, who has been the City's bond counsel for some time, and who specializes in bonds. He does not know where the \$600,000 figure for the demolition came from, but understands these were preliminary estimates. Commissioner Kitchens said Mr. Bush told them he thought they could do it for that cost, but talk is cheap. They haven't seen any bids yet, so it is irresponsible to set the amount of the loan based upon a fictional bid price. She understands this is standard wording, but she fears the cost will be higher, and Better Place funds are shrinking. If those funds can't pay the loan back, they will have to turn to the citizens to pay off the loan. She doesn't see how they can say all they need is \$2.8 million when they don't know for certain. They have the cart before the horse.

Mr. Boynton said the \$600,000 was proposed by the previous administration. Their partner in this, the PHA, has graciously allowed the process to continue to this point. They need to move forward quickly to close the deal with PHA; they have been very patient. The loan bid previously was for \$2.8 million, and the Commission voted to accept that, so he made the loan amount the same. Per the question, Mr. Boynton said demolition bids are due a week from Tuesday. Commissioner Kitchens said they can choose to award the demolition bid at the April 10 meeting, and will then know what the exact demo cost will be. Commissioner Norwood concurred and agreed they need to see the bids before this. Mayor Flagg said their partner in this is PHA, and they have gone above and beyond waiting for this transaction to close. They have had numerous offers on this building, and could have pulled the deal off the table because the deadline has now passed, but they have not. The City has cut off their source of revenue on this facility. The City Manager and Bond Attorney need to secure a margin of line of credit in order to close this deal. This is costing the PHA Board money, and he does not feel this can wait three more weeks. Commissioner Kitchens said there are no people in the Highrise, so he doesn't need subsidies for the building. If the demolition cost causes the cost to go up to \$3 or \$4 million, they can't pay for it. Mayor Flagg said the City needs to pay the PHA for this building. They are now "grieving" the PHA. The PHA has been very patient throughout this.

Mr. Boynton said the PHA needs to close on this by the end of March. He will have to get an addendum out to the various bidders to delay the bid another week or two in order to change the loan amount. Mr. Holmes said they need to consider a margin of another \$1 million to cover the demolition, if need be. That doesn't mean they have to spend the money, but it's there if they need it. They need to get the banks to bid an interest rate and amortization period, and change the bid proposal accordingly to ask for up to a certain amount of money, or a range of between \$2.8 – \$3.2 million in order to lock the rate in. If they only need \$600,000 for demolition, the bid will hold at \$2.8 million. There is no penalty involved. Commissioner Brown said the Florida League of Cities has a loan available at a rate less than 5%. Mr. Holmes said he could draft some wording to revise the financing bid, which they can adopt tonight, for an addendum that they can get out first thing in the morning.

Christy Sanford, 312 Dodge Street, asked if they knew whether or not the developers that made offers were going to tear down the Highrise. Mayor Flagg said that information is not of interest to him. Mrs. Sanford asked if the developers could come in and deal with the City or HUD directly to purchase the building. Mr. Holmes said if they purchase the building directly from HUD, they can do what they want with the building and the City would have no control. If they have to deal with the City, they have to abide by the City's parameters. Commissioner Kitchens said she spoke to HUD officials, who said they are obligated to sell this building to the City.

Daniel R. Ziem, Sr., 401 Olive Street, asked if the City intends to use \$100,000 in TIF funds for this project. Mr. Boynton said that has yet to be determined. Mr. Ziem asked if they are

using Better Place funds for this, as they shouldn't be allowed to do so. That money was dedicated to paving new roads. Mr. Boynton said Better Place Funds are pledged to repay this loan. Commissioner Kitchens said this purchase is allowable. He asked who is getting the air conditioning units out of the building. Mayor Flagg said he'd have to get with the City Manager once the City owns the building.

Sam Deputy, Downtown Palatka, Inc., said the TIF Oversight Committee and CRA were assured that only \$100,000 would come from TIF funds, and the rest would come from Better Place Funds. They were assured Better Place Funds would cover it. If the amount will be more than \$100,000, it needs to go back to the TIF oversight committee. He asked what had happened to the Better Place money; they were assured it was available for this purchase. Mayor Flagg said this year they are all having to deal with reality, and they won't know how much they need to repay this loan in the first year until the proposals come back. Mr. Deputy said it seems they are talking about needing more TIF funds for this. If it takes an extra \$500,000 to tear this building down, the TIF Fund could be wiped out. He is very concerned about that. Mayor Flagg said he has valid concerns. The City Manager will be keeping the Commission informed, and they will be looking for memorandums of understanding. There may need to be some modification, but they need to look forward and not back. Once the facts come to Mr. Boynton, he will bring the facts to them.

Randy Braddy, 614 River Street, said new CEO's walking into a former CEO's position have to live with many decisions that were made before the new CEO came to the position. Some months ago the newspaper reported that the funding for the Police Department's new building would come from Better Place funds, but then he heard the financing for this loan would also come from Better Place funds. They have pledged these funds twice, it seems. The Commission did vote on the \$2.8 million loan with SunTrust, and if the financing from SunTrust had come through, they'd have been in the same position either way. Mr. Nelson has gone out of his way to support the City, and needs to be satisfied. He concurs with Mr. Holmes' recommendation on taking a 'line of credit' approach to this. They need to meet their commitment to the PHA and the citizens.

Mr. Homes said he'd drafted language to add to the Request for Proposals as follows: "To authorize the City Manager to solicit bids from financial institutions for specific loan terms for a loan in an amount ranging between a minimum of \$2.2 million and a maximum of \$3.2 million, with the exact amount of the loan to be determined by the combined total of the purchase price of the Frank George Apartments and the projected or bid expense of demolition." Commissioner Norwood withdrew his motion to adopt Resolution 8-31. Commissioner Brown withdrew her second to the motion. Mr. Holmes recommended they authorize the City Manager to amend the request for proposals to provide for new loan terms, and adopt a revised resolution at March 27 meeting. Commissioner Brown moved to amend the Request for Proposals to finance the purchase and demolition of the Frank George Apartments to add the language given by the City Attorney. Commissioner Kitchens seconded the motion. A roll-call vote was requested and yielded the following results: Commissioners Brown, Kitchens, Norwood and Mayor Flagg, yes; Nays, none. The motion passed.

8. **ORDINANCE 8 – 01** amending Chapter 26, Elections, to amend the date of Primary Elections, to reflect statutory changes in Election Laws, providing for Primary Election ties, and early voting – 2nd Reading for Adoption – The Clerk read an ordinance entitled AN ORDINANCE OF THE CITY OF PALATKA, FLORIDA, AMENDING CHAPTER 26 OF THE CODE OF ORDINANCES OF THE CITY OF PALATKA, BY REVISING SECTION 26-4 TO AMEND THE DATE OF PRIMARY ELECTIONS; REVISING SECTION 26-5 TO AMEND QUALIFYING FOR OFFICE DATES; REVISING 26-6 PERTAINING TO FILING FEES; REVISING SECTION 26-7 TO AMEND THE TITLE; REVISING SECTIONS 26-8 AND 26-10 TO REFERENCE FLORIDA STATUTES; AMENDING SECTION 26-9 TO ADD PROVISIONS FOR PRIMARY ELECTION TIES; AND REVISING SECTION 26-26 TO AMEND THE PROVISION FOR NO EARLY VOTING; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE. Commissioner Norwood moved to pass the ordinance on second reading as read. Commissioner Kitchens seconded the motion. A roll-call

vote yielded the following results: Commissioners Brown, Kitchens, Norwood and Mayor Flagg, yes; Nays, none. The ordinance was declared adopted.

9.

ADMINISTRATIVE REPORTS

REPORT on Wastewater Treatment Plant FDEP Inspection – Platt Drew, WWTP Superintendent – Mr. Drew reported the annual FDEP inspection took place on February 28, to include operations, facility maintenance, records maintenance, and protocol. He is proud to report they had zero deficiencies. Mr. Drew was congratulated on his perfect inspection.

REPORT on Comparison of CRA Activities, Goals and Objectives – Woody Boynton, City Manager, said as everyone knows, they've just approved the annual TIF Fund Report for F/Y ending 9/30/08. On April 22 they will hold a CRA workshop. He is anxious to move forward with the workshop and to work with the various tax increment districts to develop goals, objectives and possibly a new plan. They have a vision. He does not know if he has a new goal or direction in mind, but will know better which way to proceed after the workshop. If need be, they can approve this for another 20 years. He is looking forward to taking it on.

REPORT on Palatka Municipal Airport Workshops – Woody Boynton, City Manager, noted the Airport Advisory Board was holding weekly workshops each Wednesday at noon during the month of March. He passed out an actual funding spreadsheet for each of the four ongoing airport projects, including T-hangars, corporate hangars, terminal road parking apron and terminal building, noting there was much discussion over the cost of these projects at the Airport Advisory Board workshop. The Board asked him to look at historic hangar rates and costs of prior construction and come back with a vehicle to fund these improvements. They look to begin around \$4 million in construction projects at the airport this summer. The FAA will fund \$1 million of these costs, and FDOT will fund \$1.5 million, leaving the City to fund \$1.3 million of that cost. They plan to offset this match through the sale of land at the Airport Industrial Park and plan to work with the FDOT on a new JACIP, bringing the cost to the City in the \$600,000 to \$700,000 range, which will have to be financed long-term. They are currently under contract with Jacksonville Eighteen for the terminal road parking apron. They will be executing the final terminal building contract next week and the T-hangar bids will be going out later this month. It is anticipated that construction on these projects will take 6 – 9 months to complete, and should be concluded by late winter or early spring of 2009.

They are also looking at long and short term issues at the airport. These are customer focus, international trade, zoning in and around the airport, a Palatka to Jacksonville air shuttle, auto gas refueling, shade hangars, 24-hr fly-in access, restaurant, fuel sales, a paint shop, hangar doors & maintenance of existing facilities, noise abatement procedures, and rental of the current terminal building, as described in his written report (filed). These are issues for further discussion by the Airport Advisory Board (AAB). The last two workshops have been worthwhile and productive, and have been well attended by local pilots. He's asked airport staff, the consultant and FDOT to 'stay away' from the next workshop so the AAB can have a frank discussion on customer service and current airport practices.

REPORT on Results of March 11, 2008 Special Election; date and time of called meeting to administer Oath of Office to newly elected Commissioner Group Four – Betsy Driggers, City Clerk - The Clerk noted she distributed a memorandum (filed) noting two candidates will go on the ballot for the general election on April 8. As the election cannot be certified until 48 hours following the election due to provisional ballot requirements, the new commission cannot be sworn in prior to the April 10 meeting. The canvassing board is scheduled to meet on April 11 to certify the Election. After discussion, there was consensus to set the date to give the Oath of Office to the newly-elected Commissioner Group 4 on April 17, 2008 at 12:00 noon.

10.

COMMISSIONER COMMENTS

Commissioner Kitchens reminded everyone to wear something green on March 17, St. Patrick's Day.

Mayor Flagg said there are complaints concerning the environment of the business at 19th & Madison Street. Apparently there was an incident at this recycling business, and residents want to know if they are in danger of contamination. The zoning may be correct, but the business is inappropriate for that location.

Fire Chief Mike Lambert said there was a fire call at that location that came in around 6:00 last night when a mini-van caught fire and ignited another mini-van. It was a fairly extensive fire. This place is a mess. EPA went in several years ago, and as far as they know, gave it a clean bill of health. It is not a place the public goes into; it is off limits to the public. The public drops their goods off at the gate. It is probably not safe for those who work there. There may be some violations with vehicles being dropped off with oil or gasoline in them. It is a bad area for that type of business.

Debbie Banks, Code Enforcement Supervisor, said they responded to complaints several years ago when the ground caught fire. It was a small area and the owners extinguished the fire themselves. She initiated a complaint and FDEP went in to investigate this and the other two locations, but nothing ever came of it. This use is grandfathered into this zoning; if it ever went away for six months, it couldn't come back. They are not supposed to be conducting business outside the gates, but they do. The fencing is falling in, and they are going to address that. They receive a lot of complaints on this business and do what they can. They could call FDEP again to initiate another investigation. As to the amount of yearly calls on this business, they probably receive only a few calls per year. The main complaint is that it's there, but there is nothing that can be called a "nuisance." The business has been written up for loading vehicles onto semi trailers on 19th Street, which is a danger to the public.

Police Chief Getchell said there are law enforcement issues, but he can't talk about them in public.

Mayor Flagg said the public wants some action. The business owner needs to answer to the public, but the City has no authority.

11. **ADJOURN** – There being no further business to discuss, the meeting was adjourned at 9:10 p.m. upon a motion by Commissioner Brown.

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

PERSONS WITH DISABILITIES REQUIRING ACCOMMODATIONS IN ORDER TO PARTICIPATE IN THIS MEETING SHOULD CONTACT THE CITY CLERK'S OFFICE AT 329-0100 AT LEAST 24 HOURS IN ADVANCE TO REQUEST ACCOMMODATIONS.