

**ORMOND BEACH CITY COMMISSION
HELD AT CITY HALL COMMISSION CHAMBERS**

February 21, 2012 7:00 PM

Present were: Mayor Ed Kelley, Commissioners James Stowers, Troy Kent, Rick Boehm and Bill Partington, City Manager Joyce Shanahan, Assistant City Manager Ted MacLeod, City Attorney Randy Hayes, and City Clerk Joshua Fruecht.

A G E N D A

1. CALL TO ORDER

INVOCATION

3. PLEDGE OF ALLEGIANCE

4. PRESENTATIONS

- A. Firefighter Service Awards
- B. 2011 Comprehensive Annual Financial Report

5. AUDIENCE REMARKS - Regarding items not on the agenda.

6. APPROVAL OF MINUTES

- A. Minutes from the City Commission meeting - February 7, 2012 *(City Clerk)*

7. COMMUNITY REDEVELOPMENT AGENCY

- A. RESOLUTION NO. 2012-15** - A RESOLUTION OF THE CITY COMMISSION, ALSO ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY, OF THE CITY OF ORMOND BEACH, FLORIDA, AUTHORIZING THE THIRD EXTENSION OF NINETY CALENDAR DAYS FOR THE PROPERTY IMPROVEMENT GRANT AGREEMENT BETWEEN THE AGENCY AND TAXCO, LLC (195 WEST GRANADA BOULEVARD); AND SETTING FORTH AN EFFECTIVE DATE. *(Planning Director)*
- B. RESOLUTION NO. 2012-16** - A RESOLUTION OF THE CITY COMMISSION, ALSO ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY, OF THE CITY OF ORMOND BEACH, FLORIDA, AUTHORIZING THE THIRD EXTENSION OF NINETY CALENDAR DAYS FOR THE PROPERTY IMPROVEMENT GRANT AGREEMENT BETWEEN THE AGENCY AND TAXCO, LLC (9 NORTH YONGE STREET); AND SETTING FORTH AN EFFECTIVE DATE. *(Planning Director)*

8. CONSENT AGENDA - The action proposed is stated for each item on the Consent Agenda. Unless a City Commissioner removes an item from the Consent Agenda, no discussion on individual items will occur and a single motion will approve all items.

- A. RESOLUTION NO. 2012-15** - A RESOLUTION OF THE CITY COMMISSION, ALSO ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY, OF THE CITY OF ORMOND BEACH, FLORIDA, AUTHORIZING THE THIRD EXTENSION OF NINETY CALENDAR DAYS FOR THE PROPERTY IMPROVEMENT GRANT AGREEMENT BETWEEN THE AGENCY AND TAXCO, LLC (195 WEST GRANADA BOULEVARD); AND SETTING FORTH AN EFFECTIVE DATE. *(Planning Director)*

- B. RESOLUTION NO. 2012-16** - A RESOLUTION OF THE CITY COMMISSION, ALSO ACTING AS THE COMMUNITY REDEVELOPMENT

AGENCY, OF THE CITY OF ORMOND BEACH, FLORIDA, AUTHORIZING THE THIRD EXTENSION OF NINETY CALENDAR DAYS FOR THE PROPERTY IMPROVEMENT GRANT AGREEMENT BETWEEN THE AGENCY AND TAXCO, LLC (9 NORTH YONGE STREET); AND SETTING FORTH AN EFFECTIVE DATE. *(Planning Director)*

C. RESOLUTION NO. 2012-17 - A RESOLUTION AUTHORIZING THE ACCEPTANCE AND RECORDATION OF A UTILITY AND ACCESS EASEMENT DEED FROM ARIAN DEVELOPMENT, LLC. REGARDING THE OLIVE GROVE PLANNED BUSINESS DEVELOPMENT LOCATED AT 775 WEST GRANADA BOULEVARD; AND SETTING FORTH AN EFFECTIVE DATE. *(Planning Director)*

D. RESOLUTION NO. 2012-18 - A RESOLUTION AUTHORIZING THE ACCEPTANCE AND RECORDATION OF A UTILITY AND ACCESS EASEMENT DEED FROM OLIVE GROVE APARTMENTS LIMITED PARTNERSHIP REGARDING THE OLIVE GROVE PLANNED BUSINESS DEVELOPMENT LOCATED AT 765 WEST GRANADA BOULEVARD; AND SETTING FORTH AN EFFECTIVE DATE. *(Planning Director)*

E. RESOLUTION NO. 2012-19 - A RESOLUTION AUTHORIZING THE ACCEPTANCE AND RECORDATION OF A UTILITY AND ACCESS EASEMENT DEED FROM OLIVE GROVE APARTMENTS LIMITED PARTNERSHIP REGARDING THE OLIVE GROVE PLANNED BUSINESS DEVELOPMENT LOCATED AT 765 WEST GRANADA BOULEVARD; AND SETTING FORTH AN EFFECTIVE DATE. *(Planning Director)*

F. RESOLUTION NO. 2012-20 - A RESOLUTION APPROVING A SETTLEMENT PROPOSAL REGARDING THE WORKERS' COMPENSATION CLAIM OF LARRY RIGDON; AUTHORIZING THE EXECUTION OF A SETTLEMENT AGREEMENT AND ANY AND ALL DOCUMENTS INCIDENTAL THERETO; AUTHORIZING PAYMENT RELATIVE THERETO; AND SETTING FORTH AN EFFECTIVE DATE. *(City Attorney)*

G. Purchase of Computers from Dell Marketing L.P *(Information Technology Manager)*

DISPOSITION: Approve as recommended in City Manager memorandum dated February 21, 2012.

H. FY 2009-2010 and FY 2010-2011 Community Development Block Grant (CDBG) Subrecipient Agreement Amendments *(Finance Director)*

DISPOSITION: Approve as recommended in City Manager memorandum dated February 21, 2012.

I. Use of Fund Balance for Economic Development *(Finance Director)*

DISPOSITION: Approve as recommended in City Manager memorandum dated February 21, 2012.

9. PUBLIC HEARINGS

A. SECOND READING OF ORDINANCE NO. 2012-08 - AN ORDINANCE AMENDING SUBSECTION A, ZONING MAP, OF CHAPTER 2, DISTRICT AND GENERAL REGULATIONS, ARTICLE I, ESTABLISHMENT OF ZONING DISTRICTS AND OFFICIAL ZONING MAP, SECTION 2-03, OFFICIAL ZONING MAP AND ZONING DISTRICTS, OF THE CITY OF ORMOND BEACH LAND DEVELOPMENT CODE, BY REZONING A 4.07+ ACRE PARCEL OF REAL PROPERTY LOCATED AT 839 SOUTH ATLANTIC AVENUE FROM B-6 (OCEANFRONT TOURIST COMMERCIAL) TO PBD (PLANNED BUSINESS DEVELOPMENT); AUTHORIZING REVISION OF THE OFFICIAL ZONING MAP; APPROVING A DEVELOPMENT ORDER FOR A PLANNED BUSINESS DEVELOPMENT TO BE KNOWN AS "ORMOND BEACH'S ANDY ROMANO BEACHFRONT PARK"; ESTABLISHING CONDITIONS THEREFORE; REPEALING ALL INCONSISTENT ORDINANCES OR

PARTS THEREOF; AND SETTING FORTH AN EFFECTIVE DATE.
(*Planning Director*)

- B. RESOLUTION NO. 2012-21** - A RESOLUTION DESIGNATING CERTAIN LANDS LOCATED IN THE NORTH US HIGHWAY 1 AREA TO BE A BROWNFIELD AREA, INCLUDING LANDS THAT ARE SITUATED INSIDE AND OUTSIDE THE CITY'S NORTH MAINLAND/ORMOND CROSSINGS COMMUNITY REDEVELOPMENT AREA AND THE ORMOND BEACH MUNICIPAL AIRPORT/BUSINESS PARK; PROVIDING LEGISLATIVE FINDINGS; AUTHORIZING THE USE OF ECONOMIC AND TAX INCENTIVES TO FACILITATE AND PROMOTE THE REHABILITATION OF LANDS IN THE BROWNFIELD AREA; DIRECTING THE CITY CLERK TO NOTIFY THE FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION REGARDING THE BROWNFIELD AREA DESIGNATION; AND SETTING FORTH AN EFFECTIVE DATE. (*Planning Director*)

10. SECOND READING OF ORDINANCES

- A. SECOND READING OF ORDINANCE NO. 2012-09** - AN ORDINANCE AMENDING CHAPTER 22, WATERS AND SEWERS, ARTICLE VII, WATER CONSERVATION REGULATIONS, OF THE CODE OF ORDINANCES, BY AMENDING SECTION 22-182, LANDSCAPE IRRIGATION SCHEDULES; REPEALING ALL INCONSISTENT ORDINANCES OR PARTS THEREOF; PROVIDING SEVERABILITY; AND SETTING FORTH AN EFFECTIVE DATE. (*Public Works Director*)

11. STAFF ACTION ITEMS

- A. Request for Proposals, Airport Southwest Quadrant, Selection Committee Recommendations - Staff Response to Arnie B. Green, RFP applicant, letter dated February 16, 2012 to Mayor Ed Kelley and City Commissioners** (*Economic Development Director*)

12. REPORTS, SUGGESTIONS, REQUESTS (City Manager, Assistant City Manager, City Attorney, City Commissioners, Mayor)

13. ADJOURNMENT

Item #1 - Meeting Call to Order

Mayor Kelley called the meeting to order at 7:00 p.m.

Item #2 - Invocation

Pastor David Sharp, Crossroads Calvary Chapel, gave the invocation.

Item #3 - Pledge of Allegiance

Mayor Kelley led the Pledge of Allegiance.

Item #4A - Firefighter Service Awards

Mayor Kelley read proclamations that honored Battalion Commander David King and Captain Gil Aspinwall, both of whom received fire service awards for 2011.

Mayor Kelley stated that Battalion Commander David King had received the 2011 Paramedic of the Year Award from the Florida Fire Chief's Association. He stated that the award was commissioned to honor a paramedic whose primary job responsibility is to direct patient care and who had demonstrated support, involvement and dedication to their EMS community and profession. He proclaimed February 23, 2012, as a day to recognize Battalion Commander David King in the City of Ormond Beach.

Mayor Kelley stated that Captain Gil Aspinwall had received the Fire Service Instructor of the Year Award for 2011. He stated that each year the Florida Society of Fire Service Instructors recognized a fire instructor whose acts and deeds as an instructor served as an example to the profession, their department, their community, and their peers alike. He proclaimed February 22, 2012, as a day to recognize Captain Gil Aspinwall in the City of Ormond Beach.

Mayor Kelley thanked both men for their service to the city. He stated that it was great

for Ormond Beach that in the entire state of Florida the city had two firefighters who were recognized. He noted that both men had started their careers with the city in 1999 and opined that that must have been a very good class of firefighters.

Item #4B - 2011 Comprehensive Annual Financial Report

Mr. Mike Sibley, CPA, CFE, James Moore & Co., P.L., presented the Comprehensive Annual Financial Report for 2011. He stated that James Moore & Co. served as the city's independent auditing firm. He stated that in 2010 the city had received a certificate of excellence in financial reporting from the Government Finance Officers' Association for the 20th year in a row and he expected that the city would again be awarded that distinction for the 21st year in a row when the 2011 certificates were given out. He thanked management for their cooperation, especially the finance staff, and stated it had been an intensive process.

Mr. Sibley went over some of the highlights of the report, stating that the report itself was prepared by management and that the auditors' task was to give an opinion as to whether it was fairly stated. He stated that they had rendered an unqualified opinion, which was the type of opinion you wanted, as that meant that it was found to be fairly stated. He encouraged anyone who would read the report to start with the management's discussion and analysis section, which hit the major highlights. He stated that the city strived for a 15% unassigned fund balance in the general fund and had again exceeded that mark. He stated that he met with each of the commissioners individually. He highlighted some of the other funds the city had. He stated the city used less fund balance than what they had budgeted for; and that a large part of that was due to personnel savings.

Mr. Sibley stated that the pension funds continued to deteriorate in their unfunded status. He explained that the unfunded status was just under \$40 million. He stated there was also an unfunded net investment loss and that the investment returns had not been good. He stated that the governmental accounting standards board was discussing the potential of requiring the unfunded liability to be placed on a city's balance sheet in the future, something which was currently not required. He stated that self insurance funds actually increased the city's net assets and that last year the city had a negative fund balance and this year it had improved. He stated an audit was done on the city's grants and there were no instances of non-compliance.

Mr. Sibley stated there were two findings that had to be reported under auditing standards, he stated that those findings were relative to some estimated liabilities related to the landfill liability and the self insurance fund. He stated that management had looked at the issues and handled them by putting a plan in place to make sure there were no reconciliation issues. He stated he was also required to report to the Auditor General any prior year findings. He stated there was still one finding that was being worked on from the prior year and that would be corrected this year with an implementation of a new system. He stated he considered any comments he made to be general housekeeping items and that management already had plans to take care of any of them. He stated he was pleased to have had the opportunity to serve the city and would be happy to answer any questions.

Commissioner Kent stated he enjoyed meeting with Mr. Sibley and thanked him for his professionalism. He stated he appreciated his comments and knew that Ms. Joyce Shanahan, City Manager, would address any concerns. He stated that his biggest concern was the carry over from last year's fund deficit, even though it was small. He stated that he just wanted to make sure that they did not continue to have little negative remarks on the city's financial report card. He thanked staff for all their work and preparation.

Mayor Kelley thanked Mr. Sibley for his time and for meeting with the Commission members individually. He stated that the one big issue he saw was the unfunded pension liabilities, but otherwise he would say the city was in excellent shape financially.

Ms. Shanahan thanked Mr. Sibley and James Moore & Co. for a great job with the audit. She also thanked Ms. Kelly McGuire, Finance Director, and Mr. Dan Stauffer, Accounting Manager, for their hard work and performance.

Commissioner Partington stated he met with Mr. Sibley as well. He stated he thought the unfunded pension liability number was closer to \$44 million.

Mr. Sibley stated that the pension plans totaled almost \$40 million and that there was also another post employment benefit liability that was unfunded at \$4.7 million.

Commissioner Partington asked how close the unfunded liabilities were to being required to be shown on the books.

Mr. Sibley stated that it was not close at all at this point, but that they should just keep it in mind as they went along, but he thought that it was probably several years out.

Commissioner Partington asked if requiring it to be shown on the books would affect the city's bond rating.

Mr. Sibley stated it was hard to say exactly what it could affect, but he believed, with the net assets where they stood right now, it would certainly eliminate them and cause the assets to drop below zero.

Commissioner Partington stated he had discussed with Mr. Sibley the potential of the city having to sell properties to balance the books at some point if that became required.

Mr. Sibley stated that the reasoning for potentially doing so would be because the remaining assets would largely be buildings and roads and those things cannot generally fund a pension liability.

Commissioner Partington stated he wanted to highlight that point since it had been discussed before and he knew staff had been working on it, but he stated that a plan needed to be implemented to address that unfunded liability.

Ms. Shanahan stated that the city was not alone in that regard. She stated that the city was probably better off than most of the cities in Volusia County. She stated that it was not likely that governmental accounting standards would require a city to incur the unfunded liability all at one time as that would bankrupt cities across the nation. She stated they were working diligently with the unions to try and get some sort of resolution.

Mr. Sibley stated that the liability was a big estimate that the actuaries put together and spanned out over many decades in their estimate. He stated that it used as a tool.

Commissioner Kent stated that he was glad Commissioner Partington spoke about pension funds. He stated it was not a problem unique to Ormond Beach but a problem being faced by all municipalities. He stated that the Commission had been the leaders in so many other areas and this should not be one they shy away from. He stated that even if they were to do as he preferred, which was requiring all new hires to go into a defined contribution instead of a defined benefit, it would still take years or decades for the liability to stabilize. He stated that he did not want the next Commission in 20 years to be facing a \$70 million unfunded liability instead of \$44 million. He stated that the current Commission should start doing something to go in the right direction.

Ms. Shanahan stated it would not only take their diligence but also assistance from the state. She stated that currently she could not create a new defined contribution plan for police and fire new hires, as the state would not allow that. She stated that one of the reasons the Commissioners go to Tallahassee and why they continually lobby the legislatures was because the city needed to be in the forefront of what the issues were.

Commissioner Kent thanked goodness that the city had Representative Fred Costello, the former Mayor, who had his head on straight and realized the major issues that the cities experienced. He stated he hoped they could get more representatives like that.

Mayor Kelley stated he had spoken to a representative who may not have had his head on straight. He stated that this particular representative was not willing to support the bill that would allow the city to use their premium tax dollars to fund their liabilities and had stated to him that the city should have to enhance or increase the benefits with those funds. He stated that he had asked her whether she felt the current retirement benefits were sufficient and stated that she said she felt that they were enough. He stated that he had then asked her why the city would need to enhance them then as she had suggested. He stated that her answer was that it was taxes and therefore the people's money. He stated that every dollar received from the state was then the people's money. He stated that he asked the representative why they did not just eliminate the tax if the pensions were adequate and they could not use the money for liabilities. He explained that on every bit of insurance paid there was a tax that went to the state and that tax then came back to the cities as deemed necessary from the state so that the cities could use it to increase benefits. He stated the state should not give it to the cities if it could not be used to offset liabilities. He stated that in San Diego in the upcoming week the city would be voting for a referendum to change how they handled this issue. He stated that the cities would not receive help from the state and knew that that was a

problem. He thanked Mr. Sibley for preparing the audit and stated he did a great job.

Item #5 - Audience Remarks

Mr. Jim Cameron, 126 E. Orange Avenue, Senior Vice President of Government Relations, Daytona Regional Chamber, passed out copies of the Leadership Alumni Directories to the Commission. He stated that there were good people listed in the directory that graduated from the leadership program and that a good number of them were from Ormond Beach and may be willing to volunteer for boards. He thanked the Commission members that attended Volusia Days the prior week and stated that he was very pleased with the turn out. He stated that having that many attendees from Volusia County in blue shirts sent a message that they wanted jobs here. He stated that at Volusia Days they had heard from Department of Transportation (DOT) Secretary Ananth Prasad, new Department of Economic Opportunity Executive Cynthia Lorenzo, Attorney General Pam Bondi, Lieutenant Governor Jennifer Carroll, and Mr. Gray Swoope, the President of Enterprise Florida. He stated that Mr. Swoope could help bring jobs back to Volusia County. He noted the earlier pension discussion and directed the Commission to take a look at House Bill 565 by Representative Workman and 365 by Representative Costello which both involved that issue. He stated that there was another related to business taxes, 7087 by Representative Precourt, which may be of interest to local governments.

Mr. Chris Carta, 185 Wilmette Ave, stated that he wished to speak to the Commission about towing rates and that he had exchanged email correspondence with Commissioner Stowers on the topic. He stated that his concerns stemmed from an incident on Christmas Eve at Caffeine Wine Bar. He stated that there was tow signage in the area where he parked behind the building but that it was confusing as some of the parking areas did get towed from and some did not. He explained that his main concern was the rate being charged for towing was \$165. He stated that was not conducive to the friendly atmosphere the city was trying to foster in Ormond Beach, especially with their focus on Main Street and the desire to have patronage in that area. He stated he felt that parking area had definitely been targeted that night by tow drivers. He stated that 97 cars had been towed that evening, which accounted to over \$16,000 in tow fees. He stated that the main problem was that there was not a lot of parking available in that area and stated he felt that that should be a focus for the city if they want to encourage the support of local businesses. He stated that he previously lived in Gainesville and that their tow rates were less than Ormond Beach's. He stated he had heard a rumor, which could not be substantiated, that some of the businesses involved might be receiving a kick-back from the tow company. He stated he would like to see better signage and communication within the businesses. He reiterated that the towing rate, in his opinion, needed to be lowered as well. He stated that he believed it was a \$100 charge for the initial tow but that if you picked your vehicle up between certain hours there was an after hours fee added, and if you pick it up the next day there was an overnight storage fee, so either way it ended up being \$160 or so. He hoped the commission could look into stabilizing and lowering that rate.

Mayor Kelley stated that he appreciated Mr. Carta bringing the matter to the Commission's attention. He stated that he had been pushing, along with the rest of the Commission, to make the public aware that there were about 200 parking spaces by Ormond Elementary School and City Hall, and that people could park there and walk across the street to those businesses mentioned. He stated that he was not aware that many vehicles had been towed and he had sympathy for Mr. Carta's experience. He stated that new signs were also being put up around the City Hall area and he thought that perhaps some of them could direct towards parking. He stated he wished that the businesses would all work together; but if they had one or two who did not want to, they could not be forced to and that had been a problem for 15 years.

Commissioner Kent told Mr. Carta that he was blown away by the amount he paid to retrieve his vehicle. He asked Mr. Carta if he was certain that 97 cars had been towed.

Mr. Carta stated that that was what he had been told and that the parking lots had been full. He stated that when he went to Universal Towing to pick up his car it was so full they could fit no more cars in the tow yard, and that there were cars also parked all around the outside of the full lot.

Commissioner Kent asked how far away Universal Towing's lot was from that area.

Mr. Carta stated he believed it to be between two and four miles. He stated that the tow rates were supposedly to justify the gas charges and to him that did not seem right.

Commissioner Kent asked Ms. Shanahan whether she had heard about the 97 cars.

Ms. Shanahan stated she had not and that she did not believe that that parking lot could hold 97 cars. She stated that Commissioner Stowers had shared with her Mr. Carta's concerns. She explained that the towing fee was \$125; and that it was an additional \$40 if the tow occurred on a night, weekend, or holiday and that was how Mr. Carta incurred the rate of \$165. She also stated that Mr. Ric Goss, Planning Director, would be talking with Ms. Dorian Burt, who was associated with Caffeine and other properties, to make sure that the tow restrictions were appropriately posted and to ensure that they let their patrons know where they could park. She stated that she thought with the impending US1 streetscape project there would also be a mid block crossing implemented to make it more convenient to park at City Hall or the school. She went on to explain that anyone who received a property improvement grant in the CRA district was required to sign a shared parking agreement to help eliminate these types of issues and she stated that Caffeine also offered free valet parking to avoid them. She explained that towing was a private property issue but that the city was doing what it could to mitigate that.

Commissioner Stowers stated he had spoken with Ms. Burt already about this issue. He stated, that as he had previously mentioned to Mr. Carta, part of the confusion was that there were tow signs in all the lots back along New Britain Avenue but Caffeine had lease arrangements with some of those parking lots so they could be parked in, even with the signs, and not be towed. He stated that this lead people to assume that all of the signs were just up for whatever reason and were not enforced. He stated that the problem was that some of those lots, such as the Ormond Medical Arts property, *did not* have lease arrangements, as Mr. Carta discovered. He stated that in talking with Ms. Burt, she had stated that she was going to push to remove the tow signs from the lots that did not have arrangements with so that it would be crystal clear if a parking lot either had towing regulations or not. He stated that he himself had parked in the lots just west of Caffeine numerous times, although they had tow signs, and he had never been towed.

Mr. Ray Grant, 309 White Place, stated he wanted to clarify what the Brownfield area was, and explained that he had received something in the mail awhile back about it and did not understand what it meant. He stated that he owned property in the designated area.

Mayor Kelley stated that there would be some discussion of Brownfield tonight but that the matter had been ongoing for months and there was lots of information already out about it. He stated that he or Mr. Goss could meet with Mr. Grant to provide him with information on the designation. He stated the information was online as well.

Ms. Shanahan explained that the Brownfield designation would enable the area to provide economic opportunities to those that wanted to develop property there in the future and stated that a business creating new jobs could get grants from the state and areas with contamination would have grants available to them to clean up as well. She also stated that it would not impact Mr. Grant's taxes in any way and that Mr. Goss could meet with him to give him more information, if he desired it.

Mr. Grant stated that he was just worried about the designation affecting his land value.

Mayor Kelley stated that if the designation did anything to his land value, it would increase it because the designation made it more inviting for people to develop.

Mr. Grant stated that that made him happy and thanked the Commission for their time.

Item #6 - Approval of the Minutes

Mayor Kelley advised that the minutes of the February 7, 2012, regular meeting had been sent to the Commission for review, and were on the city's website for public viewing. He asked for any corrections, additions, or omissions. He stated that hearing no corrections, the minutes would stand approved as presented.

Item #7 - Community Redevelopment Agency

Mayor Kelley explained that the City Commission served as the Community Redevelopment Agency (CRA) for the Downtown Redevelopment Area, and as such, must review these items and make a recommendation as the CRA prior to the City Commission public hearing; therefore, the City Commission meeting would be recessed, and a meeting of the Community Redevelopment Agency convened. He explained that once the recommendation was made, the CRA meeting would be adjourned and the City

Commission meeting reconvened.

Mayor Kelley stated that the City Commission meeting was recessed, and he called the meeting of the Community Redevelopment Agency to order at 7:40 p.m. for discussion of Resolution No. 2012-15 and Resolution No. 2012-16, both of which were related to the granting of extensions to property improvement grant agreements with Taxco, LLC. He stated that these items were open for a public hearing.

Item #7A - Third Property Improvement Grant Program Extension - Maria Bonita Building Improvements, 195 West Granada Boulevard

City Clerk Joshua Fruecht read by title only:

RESOLUTION NO. 2012-15

A RESOLUTION OF THE CITY COMMISSION, ALSO ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY, OF THE CITY OF ORMOND BEACH, FLORIDA, AUTHORIZING THE THIRD EXTENSION OF NINETY CALENDAR DAYS FOR THE PROPERTY IMPROVEMENT GRANT AGREEMENT BETWEEN THE AGENCY AND TAXCO, LLC (195 WEST GRANADA BOULEVARD); AND SETTING FORTH AN EFFECTIVE DATE.

Commissioner Boehm moved, seconded by Commissioner Partington, for approval of Resolution No. 2012-15. The motion carried by voice vote.

Commissioner Kent stated that he wanted to briefly address the Commission and the grant applicant, whom he knew was in attendance, and stated that he was a huge advocate for the redevelopment of the downtown area. He stated that this was the third extension of the grant agreement and he wanted to put it on the public record that he was fine with the first and second extension, and that he believed the second had been an even longer extension than originally planned so that they would not have to come back with a third. He stated that he was now bothered that the improvements were taking so long. He stated that he understood the process with the St. Johns Water Management District was long but explained that they received approval from that agency in 2010 and it was now 2012. He explained that he thought that three extensions was one too many, and while he would approve it tonight he would not approve a fourth extension. He stated that he had two different people not understand the grant process and they came to him and asked how they could get \$100,000 to open a business. He stated that public perception was what the city had done for the Maria Bonita project. He stated that he explained that was not true and that improvements were done to obtain a matching grant and that the developer spent much more money than the grant was worth and assumed all the risk.

Item #7B - Third Property Improvement Grant Program Extension - Maria Bonita Parking Improvements, 9 North Yonge Street

City Clerk Joshua Fruecht read by title only:

RESOLUTION NO. 2012-16

A RESOLUTION OF THE CITY COMMISSION, ALSO ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY, OF THE CITY OF ORMOND BEACH, FLORIDA, AUTHORIZING THE THIRD EXTENSION OF NINETY CALENDAR DAYS FOR THE PROPERTY IMPROVEMENT GRANT AGREEMENT BETWEEN THE AGENCY AND TAXCO, LLC (9 NORTH YONGE STREET); AND SETTING FORTH AN EFFECTIVE DATE.

Commissioner Boehm moved, seconded by Commissioner Partington, for approval of Resolution No. 2012-16. The motion carried by voice vote.

Commissioner Kent stated that he wanted to reiterate everything he said on Item #7A.

Mayor Kelley adjourned the CRA meeting and reconvened the City Commission meeting at 7:43 p.m.

Item #8 - Consent Agenda

Mayor Kelley advised that the actions proposed for the items on the Consent Agenda were so stated on the agenda. He asked if any member of the Commission had questions or wished to discuss any items separately.

Commissioner Kent stated he would like to pull item 8I. Commissioner Boehm stated that he also wished to have that item pulled.

Commissioner Kent moved, seconded by Commissioner Stowers, for approval of the Consent Agenda absent item 8I.

Call Vote:	Commissioner Boehm	Yes
	Commissioner Partington	Yes
	Commissioner Stowers	Yes
	Commissioner Kent	Yes
Carried.	Mayor Kelley	Yes

Item #8I - Use of Fund Balance for Economic Development

City Clerk Joshua Fruecht read by title only:

Item #8I:
Use of Fund Balance for Economic Development

Commissioner Kent stated that he understood staff's reasoning of wanting to keep the threshold of 15% in the general fund and that even if staff used the funds in question, the general fund would still be at 16.7%, as it was at 19% now. He stated that he considered that the amount staff was talking about was \$750,000 and that was a large amount. He stated that he recalled a meeting at a conference in Savannah that he and Commissioner Partington attended where they discussed incentives and it had been said that one of the best things that could be done was to keep the workforce you had instead of trying to bring in extra. He stated that he knew the Commission had spoken briefly about gateway signs before and he felt that would best help Ormond Beach and the businesses here. He opined that perhaps the city could use \$500,000 of the money to put it aside to create an entrance way to the city. He stated he was not red hot on putting \$750,000 into the proposed fund just to say they had it and to potentially make incentives. He stated that he would feel more comfortable having instances brought before the Commission for approval of specific amounts for those specific incentives.

Commissioner Boehm stated that he felt the Commission had done a significant amount of work in the past two years to encourage development and that they were very business friendly. He stated that he was in favor of economic development and that he was a big fan of Mr. Joe Mannarino, Economic Development Director. He stated his concern was that they were being asked to put the money in the economic development fund without any information whatsoever in terms of how it would be used. He stated that when he spoke to Mr. Mannarino he had said that it might be used for matches or other incentives. He stated that if a citizen came to him and told him they saw that the city put \$750,000 into a reserve for economic development and wanted to know how to apply he would have to say he had no idea, because there was not an established program. He stated that staff was proposing to put the money in first and then write up the program and he felt that was the cart before the horse. He stated he felt that there should be something fleshed out stating how they intended to offer the incentives and what they intended to do with the money before they tied up the reserve. He stated that he had additional concerns the more he read about the legislature considering eliminating business tax receipts, considering telecommunication tax abatement, and doing things that were going to take money directly out of their budget. He stated those changes could cause the budget to be constrained much greater than anticipated and may cause the city to have to use more funds for other purposes and he did not feel comfortable tying the money up before he knew what was going to occur

Mayor Kelley stated that Deputy Mayor Partington and he had sat with the Directors of Economic Development in Tallahassee and that they mentioned the idea that they were willing to try and set aside funding for matching future potential development. He explained that he believed this was just a transfer from one fund to another and if someone asked him where the \$750,000 came from he would explain that it came from an emergency fund and it was not from the property tax stabilization fund. He stated that if they were to have the need to use it, the budget could always be adjusted and the money could be transferred back. He stated that the fund would be able to show those that were interested in possibly locating their development to Ormond Beach and that there were funds available. He stated that someone may come and say they only need a certain amount and then they would be able to provide 200 jobs. He explained that

any amount would have to come before the Commission before it would be expended and at that time they could look at each case individually. He stated that they would most likely get no assistance from the state and that he was told that directly from them, that they wanted to get re-elected and would do whatever necessary for constituents to perceive their taxes were being cut, regardless if the cities would have to make it up for the state's lack of help. He stated that they did seem to make some progress with the state when they brought this idea up to them and those that they spoke with were the ones who could ensure that the city would get the matching funds from the state.

Commissioner Stowers stated that the Mayor's comment of moving it from the left hand to the right hand was what he had also heard when he spoke to Ms. Shanahan. He stated that when he spoke with her about it she had stated that this would have the money at the ready so that if a project did come along it would be ready to go. He stated that he looked at it that from the viewpoint that it took two weeks for the item to come to them, and would take presumably two more weeks for the transfer of the funds and then he stated that to any redevelopment project or any company four weeks was not a long time in the grand scheme of things when talking about major incentives. He stated that he questioned pulling the funds out of the general fund for the only benefit to be influencing the public perception. He stated he hoped that companies were not out scouring for economic development funds but were looking for good cities with good Commissions, good staffs and good Economic Development Directors. He stated that Mr. Mannarino could come to them and let them know he had a prospective recipient and then they could do the transfer over the subsequent four weeks. He stated that it was semantics whether it was changed over because it was not being allocated. He stated that if the Commissioners felt it would be a benefit to move the funds, he would be on board.

Commissioner Partington stated that he sat with the Mayor at the Office of Economic Development, the newest state agency recently created by Governor Rick Scott, and talked with their leadership about the possibility of doing a pilot project with Ormond Crossings. He stated that the city's Economic Development Director, Mr. Joe Mannarino, was one of the best in the state, if not the nation. He stated that Mr. Mannarino had told those at the agency that this area had old inventory as far as buildings and infrastructure and what was needed was the ability to obtain grants and that they would have to be willing to match those in order to do a pilot project that would create infrastructure and buildings where it would be attractive for someone to come here and open a business. He stated that he did not know if they really had to move the funds, but if the Commission was willing to commit to it and if the appropriate opportunity came along, spending up to \$1 million to make something like that happen and be a pilot project that the Governor's Office would be behind, would be something unique in the state of Florida. He stated he felt that Ormond Beach, with the Ormond Crossings project, was ideally situated and he wanted to be a part of being able to make that happen. He stated that if it required putting the money into a separate fund, then he was willing to do that and if it did not require it, then he would be happy to do it that way, too. He stated that the perception he wanted to create for businesses was that Ormond Crossing was a smart forward looking plan for their future and would be really the only new development that Ormond Beach had in the next ten to 20 years, everything else would be redevelopment. He stated that having been committed to the Ormond Crossings project for eight years and wanting to see it move forward, along with Representative Costello, Commissioner Kent and Mayor Kelley, was important to keep the project alive and keep some promise for Ormond's future by having smart, planned development that provided a good ratio of stable jobs for the city.

Commissioner Boehm inquired how long it would take Mr. Mannarino to lay out a framework for what he would plan to do with that money.

Mr. Mannarino stated that the fund already existed and was created by the Commission back in 2004 or 2005 when they sold land at the business park and put the proceeds into the fund. He believed that amount to be somewhere around the range of \$400,000, with some of the money used for various purposes that all came before the Commission. He stated one of the uses was to create and expand the infrastructure at the business park and he stated that a lot of the lots that existed were sold around that time to businesses around the city. He explained that the money was also used for matching funds through the ad valorem tax abatement program, which provided relief for job creation. He stated that the money circulated back into the system and the budget. He stated that they needed to establish a matching fund for the Brownfield area. He apologized for not providing that background information earlier to the Commission so that they could have an understanding of the full picture of what this fund was about. He stated that he was still doing research because the whole incentive program around the country was changing. He stated that even when they had their discussion in

Tallahassee they were still looking at how to best address competitiveness and that was with incentives. He stated that companies were looking for incentives and talked to him everyday about incentives. He stated that the money would be utilized for a lot of the matching grants that the state programs were involved in and for the ad valorem tax abatement program.

Commissioner Boehm stated he really did not have a problem with the fund transfer other than the fact that they were not given any specifications. He gave the example of the downtown stormwater connection project where they would be provided a manual. He stated he understood that the funds would be used for matching grants and liked the idea; but if someone came up to him and asked about the program, he would have to say he did not know any information about it because he had nothing in writing and would have to direct them to staff. He stated that as a Commissioner he never wanted to be in a position where he would have to do that and tell someone that he did not know.

Mayor Kelley stated that he often directed people to Mr. Mannarino for information.

Ms. Shanahan stated that information for the incentive programs were available on the city's website. She stated they could come back with this item to the Commission at a later date because this was too important an issue to have a divided vote on. She stated she would like to ask them to table it to a time certain, perhaps a couple of weeks or a month, so that staff could flush out some generalities of the program.

Commissioner Kent stated that he felt the City Manager's counsel was wise. He stated that even though he thought the world of Mr. Mannarino, it was about taxpayer money. He stated what he had heard was that for a pilot project the state would not be able to help and that Ormond Beach would have to pilot their own project.

Mayor Kelley stated that it would not be without the state's help.

Commissioner Kent stated that he might have misinterpreted then. He stated that he did not mean to be a pessimist but that he did not believe that Tallahassee had the answers. He stated that they had their own issues with social services, education, and more. He stated that a couple of things that were said had brought him back to his original feeling. He stated that when Commissioner Boehm said that he refused to look at a constituent who asked him about the funds and give them an "I do not know" answer, he himself also refused to do so, especially on a matter he had approved. He stated that he was glad he was reminded that the fund already existed but that the difference in the previous instance had been that land was sold and the proceeds went into the fund and it had not been taken from an emergency, rainy day fund. He stated that Mr. Mannarino's statement that he was not finished researching lead him to believe that Ms. Shanahan's advice was correct and that they should slow down and continue the item. He stated that he wanted economic development to happen, but he wanted to make sure it was done in a smart way with no regrets.

Mayor Kelley stated that he felt that they could be at the forefront for Volusia County, even with existence of Team Volusia and Enterprise Daytona, no other city that he knew of had the ability to put that kind of money out within the county and say that they had a development or incentive fund to fund projects. He stated that he supposed that if he was approached by someone who asked what would be done with that money he would tell them that the money gave the city the ability to have an opportunity for development. He would state that the money gave the ability to have something to work with when right now they did not. He stated that he was not afraid to stand there and say that. He stated that people were entitled to their opinion but they were not entitled to their own interpretation of actual facts and the fact was that they had not spent a dime. He apologized for getting riled up but stated that he paid for that money, too, and it was all of the taxpayers' money and he would not waste any of it. He stated that in his view a pilot project would say that the City of Ormond Beach was serious about economic development and that they were so serious that they left Tallahassee after discussing it with their contacts there and set aside a fund for a possible project for economic development. He stated that Governor Scott would know about the fund and that the state would know they were serious when they talked. He stated the state heard from people all the time who said they were going to do things and in this instance the city would actually come back and do what they had said. He stated he was very passionate about approving this item and it would not hurt one thing for them to do so. He stated that it did not take anyone's money and it did not spend any money, that all the approval would do was give tools to work with to create the environment for better economic development. He stated that it was the Commission's job to create the environment and that was all they could provide as they could not provide the actual jobs themselves.

He stated that with that one tool developers who came to Ormond Beach would have an incentive to offer. He stated that perhaps they would come anyway without the incentive but if you were going to fish you had to have bait. He stated that this would not be an artificial lure but the real thing. He stated that he had pleaded with the Commission and if they wanted, they could put it off for two months and then he felt that the same thing may happen again. He stated that there may or may not be a pilot project but that the first dollar to be spent had to come before the Commission anyhow and putting the money in the fund was just putting your money where your mouth was.

Commissioner Kent stated that moving the money would take the general fund reserve from 19.63% down to 16% and that their threshold was 15%. He stated that there might be another opportunity that he did not know about because unfortunately he was not able to attend the trip to Tallahassee.

Commissioner Boehm stated that when Mr. Mannarino completed his research he may be able to come up with a creative program that made them believers. He stated that they were either going to have a split commission or they needed to postpone the item.

Mayor Kelley stated that they would postpone it because no one was going to change their mind. He stated he just wanted to point out his perspective. He mentioned Commissioner Kent's willingness to set aside \$500,000.

Commissioner Kent clarified that his comment was that he would support a project strictly for gateway signs costing \$500,000 and not for the proposed fund. He stated that the potential for signs had been spoken about in depth and he thought that would help economic development. He stated that people driving into Ormond Beach did not even know that they were there because there was not proper signage. He stated that he used that example of gateway signs as something real and tangible he could see approving rather than just letting the Governor be happy to know that the city put money into an account that may or may not attract someone and that they may or may not use. He stated that he understood that whenever the money was proposed to be used it would come before the Commission but they would still be taking the reserve fund from 20% down to a little over 16%. He stated that he would not be swayed on this issue.

Mayor Kelley stated it was at 11% when he came on the Commission in 2005.

Commissioner Kent stated that it had been down to 9% at one point.

Commissioner Partington moved to continue the item, Commissioner Kent seconded the motion.

Call Vote:	Commissioner Stowers	Yes
	Commissioner Kent	Yes
	Commissioner Boehm	Yes
	Commissioner Partington	Yes
Carried.	Mayor Kelley	Yes

Item #9A - Planned Business Development Rezoning, Ormond Beach's Andy Romano Beachfront Park

City Clerk Joshua Fruecht read by title only:

ORDINANCE NO. 2012-08

AN ORDINANCE AMENDING SUBSECTION A, ZONING MAP, OF CHAPTER 2, DISTRICT AND GENERAL REGULATIONS, ARTICLE I, ESTABLISHMENT OF ZONING DISTRICTS AND OFFICIAL ZONING MAP, SECTION 2-03, OFFICIAL ZONING MAP AND ZONING DISTRICTS, OF THE CITY OF ORMOND BEACH LAND DEVELOPMENT CODE, BY REZONING A 4.07+ ACRE PARCEL OF REAL PROPERTY LOCATED AT 839 SOUTH ATLANTIC AVENUE FROM B-6 (OCEANFRONT TOURIST COMMERCIAL) TO PBD (PLANNED BUSINESS DEVELOPMENT); AUTHORIZING REVISION OF THE OFFICIAL ZONING MAP; APPROVING A DEVELOPMENT ORDER FOR A PLANNED BUSINESS DEVELOPMENT TO BE KNOWN AS "ORMOND BEACH'S ANDY ROMANO BEACHFRONT PARK"; ESTABLISHING CONDITIONS THEREFORE; REPEALING ALL INCONSISTENT ORDINANCES OR PARTS THEREOF; AND SETTING FORTH AN EFFECTIVE DATE.

Commissioner Boehm moved, seconded by Commissioner Kent, for approval of Ordinance No. 2012-08, on second reading, as read by title only.

Call Vote:	Commissioner Kent	Yes
	Commissioner Boehm	Yes
	Commissioner Partington	Yes
	Commissioner Stowers	Yes
Carried.	Mayor Kelley	Yes

Item #9B - Resolution Designating US 1 North Brownfield Area

City Clerk Joshua Fruecht read by title only:

RESOLUTION NO. 2012-21

A RESOLUTION DESIGNATING CERTAIN LANDS LOCATED IN THE NORTH US HIGHWAY 1 AREA TO BE A BROWNFIELD AREA, INCLUDING LANDS THAT ARE SITUATED INSIDE AND OUTSIDE THE CITY'S NORTH MAINLAND/ORMOND CROSSINGS COMMUNITY REDEVELOPMENT AREA AND THE ORMOND BEACH MUNICIPAL AIRPORT/BUSINESS PARK; PROVIDING LEGISLATIVE FINDINGS; AUTHORIZING THE USE OF ECONOMIC AND TAX INCENTIVES TO FACILITATE AND PROMOTE THE REHABILITATION OF LANDS IN THE BROWNFIELD AREA; DIRECTING THE CITY CLERK TO NOTIFY THE FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION REGARDING THE BROWNFIELD AREA DESIGNATION; AND SETTING FORTH AN EFFECTIVE DATE.

Commissioner Boehm moved, seconded by Commissioner Stowers, for approval of Resolution No. 2012-21, as read by title only.

Commissioner Boehm directed his comment to Mr. Randy Hayes, City Attorney, and stated that this Brownfield area, just like the downtown Brownfield area, required an advisory board and he did not know whether they could have an advisory board consisting of the same individuals or whether there would have to be two separate ones.

Mr. Hayes stated that it could be done either way and that they wished to use one board for both as long as the membership met statutory requirements.

Commissioner Boehm stated that he understood that there still were not enough names submitted for them to appoint the board. He reminded his fellow commissioners that the Brownfield designations required anything that might go in front of them to first go in front of the Brownfield Advisory Board for their comments. He stated that as long as they did not have an advisory board, the Brownfield program did not work. He stated that he would like to ask the Commission, if they have not already done so, to please submit names for nomination so that they could approve a Brownfield Advisory Board and ensure that the project could actually work because right now it was not capable.

Mayor Kelley stated that he was waiting until this item went through before he submitted his name as he had someone he was ready to nominate and he was waiting until after the meeting to give his name to Mr. Joshua Fruecht, City Clerk. .

Ms. Shanahan stated that staff was going to remind the Commission after the approval of this item to submit their nominations and then bring them forward at the next meeting.

Call Vote:	Commissioner Boehm	Yes
	Commissioner Partington	Yes
	Commissioner Stowers	Yes
	Commissioner Kent	Yes
Carried.	Mayor Kelley	Yes

Mayor Kelley stated that the public hearing was now closed.

Item #10A - Code of Ordinances Amendment - Chapter 22 Water and Sewers, Article VII Water Conservation Regulations, Sections 22 - 182

City Clerk Joshua Fruecht read by title only:

ORDINANCE NO. 2012-09

AN ORDINANCE AMENDING CHAPTER 22, WATERS AND SEWERS, ARTICLE VII, WATER CONSERVATION REGULATIONS, OF THE CODE

OF ORDINANCES, BY AMENDING SECTION 22-182, LANDSCAPE IRRIGATION SCHEDULES; REPEALING ALL INCONSISTENT ORDINANCES OR PARTS THEREOF; PROVIDING SEVERABILITY; AND SETTING FORTH AN EFFECTIVE DATE.

Commissioner Boehm moved, seconded by Commissioner Partington, for approval of Ordinance No. 2012-09, on second reading, as read by title only.

Call Vote:	Commissioner Partington	Yes
	Commissioner Stowers	Yes
	Commissioner Kent	Yes
	Commissioner Boehm	Yes
Carried.	Mayor Kelley	Yes

Item #11A - Request for Proposals, Airport Southwest Quadrant, Selection Committee Recommendations - Staff Response to Arnie B. Green, RFP applicant, letter dated February 16, 2012 to Mayor Ed Kelley and City Commissioners

Ms. Shanahan stated that this item was tabled at the last meeting and that staff's recommendation remained the same. She stated that they also received information from Mr. Arnie Green, President of Arnie Green & Associates, and if the Commission would like to ask him if he had any additional comments to share they could, but staff did not have anything additional to add.

Mayor Kelley stated that he did receive a packet of information from Mr. Green and the same information had been provided by staff including some sound bytes. He stated he read all the information and listened to all the sound bytes. He stated he thought Mr. Green put a lot of effort in the proposal. He invited Mr. Green's counsel, Mr. Jim Morris, Esquire, to speak.

Mr. Jim Morris, 420 S. Nova Road, Daytona Beach, stated he was here on behalf of Mr. Green. He stated that he read the materials and he understood the discussion they had previously in relation to the Request for Proposal (RFP) and whether or not it was responsive and whether or not they thought a contract could be moved forward. He stated that he would like to discuss the fact that improvement of the airport was among the highest of the Commission's economic objectives and having listening to the discussion in relation to the economic development fund he understood Mayor Kelley's perspective of being ready. He acknowledged that Mr. Green was not entitled by virtue of responding to the RFP to negotiate a contract and that the RFP was specifically a request and the Commission was free to reject them as they pleased. He stated that while there may be a debate as to the responsiveness or unresponsiveness of the RFP his point was that they had a respondent, a program that had been discussed with their staff and the opportunity to see for a small amount of investment of staff time if they could reach an understanding with the applicant in working with city staff to make improvements to the airport. He stated that the issue was complex and it appeared difficult in some instances to have a discussion as to what was responsive. He also stated that he agreed with staff in relation to the financial information disclosure and that if it was disclosed it was public record and that was a necessity. He stated that Mr. Green may not have understood that. He stated that Mr. Green was a licensed airline pilot, a general contractor, a military veteran, a graduate of Embry Riddle and he had assembled a team that was capable of accomplishing what the city wanted to accomplish. He stated that when reading through the staff report what he focused on the most was the conclusion statement and stated that from that there seemed to be concern among staff as to whether or not they could develop an adequate working relationship with Mr. Green. He stated that the implementation of a contract would define that relationship. He stated that staff had the opportunity to take advantage of the work that was done to date and the ability to move it forward and that he would respectfully suggest to them that even though there was disagreement as to the responsiveness of the RFP, they would not be ill served by working to see if they could reach a contract with Mr. Green. He stated he honestly felt as he reviewed the material that there was misunderstanding on both sides as to what should and must be done in order to have a successful relationship. He stated that the FAA promoted working with local applicants to improve the airport and to do things that would make it a better facility. He stated that he knew the Commission wanted to have an airport project and the key issue was whether they would be able to work towards a contract with Mr. Green. He stated that he felt Mr. Green understood a lot more now about the process of a public venture and encouraged them to remember that for Mr. Green's living he primarily flew airplanes, which was a black and white Endeavor. He stated he had heard the Commission talking about Mr. Mannarino tonight and understood he enjoyed great confidence from the Commission. He stated that he thought he certainly could help the effort to progress

forward rather than simply stopping when improving the airport was among their highest priorities. He thanked the Commission for their time and stated that Mr. Green did not wish to make comments but would answer any questions asked of him.

Commissioner Partington moved to reject all bids for the RFP for the Southwest Quadrant as outlined in the memorandum, seconded by Commissioner Stowers.

Commissioner Partington stated he had enjoyed speaking with Mr. Green throughout the process. He stated he felt that he was a great person who was straightforward and had a desire to do the project. He stated that in looking through the materials for both sides he had to agree with staff that it was essentially non-responsive in areas and ultimately based on the entire memorandum, he came to the conclusion that it was better to just reject all of the bids at this point. He stated that they now must start the process of deciding where they went from here and he wanted to fast track that process as much as possible. He stated that he saw the airport project as a larger component of the economic development process for Ormond Crossings and Ormond Beach. He stated he felt this was the best way to approach and that was why he made the motion.

Commissioner Stowers stated that he appreciated Mr. Morris' comments regarding the airport and the Commission's support of economic development. He stated that he also appreciated Mr. Green's passion for the area and effort in putting together a team and working through this long process. He stated that at the end of the day he looked at the responsiveness of the RFP and despite the fact that there was only one respondent, they still had to be cognizant that all procedures were followed. He stated going through the materials it was evident that the extension of Taxiway G was material to Mr. Green's project and that was a change from the RFP. He stated that the change from 87 acres to 135 acres was another material variation. He explained that he had said a couple weeks ago when the item was initially brought before them, that if there was an RFP for a hotel and it said 50 room limit and the respondent came in with a proposal for a 100 room hotel, it would be outside the realm of the RFP. He stated that there were ground rules that were set and could not be changed in an RFP. He stated that he thought in this instance there may have been some confusion since there was only one respondent and that perhaps it was thought that there was more flexibility. He stated that he thought it was a slippery slope if a proposal with issues and material variants from the RFP was allowed to open contractual discussions because they were the only one who responded, they were very passionate, and they liked them. He stated that while they could go through that process he felt if they did do so that they would be opening the door for later RFP applicants to come back and claim they should not be denied because exceptions were allowed in other circumstances.

Commissioner Stowers stated that he would prefer, given the emphasis on the airport project, that they deny the RFP. He stated the next step would be to re-evaluate and perhaps add additional acreage if possible and also try to get the funds for the extension of Taxiway G. He stated that he knew from speaking with the City Manager that the extension of Taxiway G was a big concern in this process. He stated another concern was also how to secure the funds and the agreement with FAA and that if it did not happen then at best they would have strung Mr. Green along and at worst put the city in a precarious situation where Mr. Green could have said there was some expectation and now there was a lawsuit because FAA would not agree and funding could not be secured. He stated that with all those negative possibilities, he recommended they should reject all bids.

Commissioner Kent stated that he felt Mr. Green did a great job by bringing in Mr. Morris and that he always did a good job representing his clients. He stated that he agreed with the first two speakers that Mr. Green was extremely likeable and he had also enjoyed spending time talking to him about his ideas and concepts. He stated for him the decision had come down to the response from City Attorney Randy Hayes, whom he greatly respected and who said that this concept was fraught with potential legal problems. He stated that he would not repeat everything that had already been said but he would agree with their comments and hoped Mr. Green understood the process of a public RFP more now and maybe in the future his project could work out. He stated that it was a difficult decision to say no but he had to do what was right for the city.

Commissioner Boehm stated that he was greatly impressed with the amount of work and effort that went into the proposal. He stated that he was really troubled by Mr. Green's reluctance to go public with his financing plans. He stated that to start a \$70 million project when very little financial information had been provided would cause the city to take a giant risk and assume that it could be procured. He stated that Mr. Green had required that the city first must be in the lease with him in order to receive any financial information and stated that even though Mr. Green did imply that the city could get out of

the contract if he could not get the financing it would tie the city up waiting in the meantime. He stated that securing the type of funding required was not something easily done in this economy and even if it was something Mr. Green was able to accomplish there was no information in all of the 500 pages of materials they had that concretely supported that. He stated that the second thing that made him reluctant was the dependence on Taxiway G. He stated that they would like to secure funding for Taxiway G but right now it was not forthcoming and it could be 2014 or later before it did become available. He stated that if the city were to enter into a lease with Mr. Green with just what was in existence, and the funding of Taxiway G did not become available for many years, staff would not have the ability to explore any alternatives because they would be tied up in a lease with him.

Commissioner Boehm also stated that if Mr. Green's group did not choose to stay together, perhaps because those people with financing chose to spend it somewhere else in the next four to five years, then the city would have prohibited their development of the airport predicated on a variable where no one would know when it would be built. He stated that his preference would be to re-advertise at a later date, he stated he knew that would make Mr. Green eligible to meet the deficiencies and assuming he still had the finances and still had his team together, be an applicant once again. He stated that he did not feel that this project was ready to be done right now and the concerns that he addressed really caused him to join his fellow commissioners in denying the RFP. He stated that he did so very reluctantly because he also liked Mr. Green and stated that he saw the detail of his proposal and it looked wonderful for the southwest quadrant. He stated that he believed that anyone who would have also bid would have said that Taxiway G had to get developed and he did not think that staff would have chosen to do the RFP at the time they did it, if they knew or thought that Taxiway G was going to be delayed for several years.

Mayor Kelley stated that the Commission had spoken and based on the information provided he agreed and felt exactly the same way. He stated that he believed that Taxiway G should have been included in the RFP and he thought that the Charley area was a necessary part in the project also but it had not been advertised that way. He stated that as Commissioner Stowers pointed out, he would have said if you advertise for a 50 room hotel, and you get responses at 100, 125, and 150 rooms, you must turn them all down because the RFP was for 50 rooms. He stated that the RFP was looking for a proposal that fit within certain parameters set to work within. He stated that by law they were required to do so and to stray outside of that would put them in a very precarious situation. He stated that he thought that to be tied to someone for an 18-month period without being able to guarantee what the city was required to do or what could even be done would put the whole project in jeopardy, and he did not particularly like that aspect of it. He stated that the city may or may not be able to live within that type of agreement and stated that he agreed with the comments by the previous Commissioners.

Call Vote:	Commissioner Stowers	Yes
	Commissioner Kent	Yes
	Commissioner Boehm	Yes
	Commissioner Partington	Yes
Carried.	Mayor Kelley	Yes

Ms. Shanahan stated that staff would revisit the issue and probably schedule a workshop with them in the future.

Mayor Kelley stated that he was in favor of doing that so that maybe they could gain something from the information that they had which will help them in developing a workable project.

Item #12 - Reports, Suggestions, Requests

Workshops

Ms. Shanahan stated there were upcoming workshops on March 6, 2012, and March 15, 2012, the first one being on the Land Development Code Amendments and the second was Financial Trends. She stated that there was a workshop on April 3, 2012, on Cross Connection Control, and the quarterly Idea session scheduled for April 17, 2012. She stated that since there were so many upcoming scheduled workshops she would take a look at them to see if there were any they could combine or maybe start at 6:00 p.m. rather than 5:30 p.m. in order to use their time more efficiently.

US1 Corridor

She stated that staff did receive a draft of the US1 interlocal boundary agreement and

the City Attorney and Planning Director would be meeting with the County Planning Director and one of the county attorneys to discuss that process. She stated that she thought there were some differences in opinions on how to proceed but that they were working diligently through that process. She stated that likewise they were working with Daytona Beach and the County on looking at a US1 CRA from the entrance on I-95 all the way through Daytona Beach along that main US1 Corridor. She stated that the CRA would be for transportation improvements and that the County had not yet said they wanted to do a CRA but they had been working with their economic development staff and the City of Daytona Beach, and there seemed to be some real interest in a multi-modal corridor there.

Movies on the Halifax

Ms. Shanahan stated that Movies on the Halifax would be on March 2, 2012, at 6:30 p.m. and they would be showing "Nancy McPhee."

Schedule

Ms. Shanahan wanted to remind the Commission that the March Regular Commission meetings were different. She stated that the March 6, 2012 meeting was regularly scheduled on a Tuesday but due to spring break, the March 15th meeting was on a Thursday. She stated that she would be out of the office on Friday February 24, 2012 and Monday February 27, 2012 to take some vacation time to be with her sister who was visiting from Pennsylvania.

Three Chimneys

Commissioner Boehm stated that Mayor Kelley, Commissioner Stowers, Commissioner Partington and he went to the plaque dedication at the Three Chimneys. He stated that the volunteers and people who had worked on that site had done an amazing job of clearing it out and cleaning it up and making it something that was really a worthwhile piece of art history, located literally right in the center of Granada Boulevard. He stated that he was greatly impressed. He stated that he was reminded of last year when he went to the Ormond Beach Yacht Club and that the work the volunteers did there was an amazing job of restoration as well. He stated there were citizens in the community who loved the community and had done a great deal of work on their own to maintain the history in the community and he was greatly appreciative.

WWII Plaque

Commissioner Boehm noted that the WWII plaque at the Art Museum had been moved and now faced the door that came in from Granada and remarked that it looked very nice where it had been relocated to and he was pleased with what happened with it.

Trolley

Commissioner Partington stated he had a question for staff about the trolley. He stated he had received an email that one of the cities or organizations involved would not fund it so it had been lost. He asked if there would be any chance to re-address that.

Ms. Shanahan stated that it had been the Halifax Area Advertising Authority who would not be contributing. She stated that the group was asked to contribute \$46,000. She stated that the county had said that if the agency was not a contributing partner anymore then they were not willing to move ahead. She explained that the county had been essentially underwriting the ongoing costs and that the cities were going to pick up just that operating cost for the trolley. She stated she had a meeting the next day with the county and city managers and she would chat with them then to see if there was any interest, but her guess was that the cities of Daytona Beach and Daytona Beach Shores would not be willing to kick in a significant amount to make up the difference.

Commissioner Partington stated he was not thinking along those lines and that he was wondering if there was any chance that the Advertising Authority might reconsider their decision.

Ms. Shanahan stated that the Halifax Advertising Authority had said that they did not believe that they should use their funds for anything other than advertising. She stated that she understood that the issue did not even receive a motion at their meeting and had died for a lack thereof. She stated it was a little disappointing.

Volusia Days

Commissioner Partington thanked Ms. Shanahan. He stated that the Tallahassee trip for Volusia Days was a little discombobulated: the buses were late, he forgot his phone, he lost his father during the day, but it ended up being a good day overall. He stated that he and Ms. Shanahan, because of the lateness of the buses, ended up going to see Senator Gibson while the Mayor was at another meeting. He stated that she was from Jacksonville and only had a small part of our district but was part of the Volusia

delegation. He stated that there were things that even she did not realize or seemed surprised about with the pension issue and it made him wonder if they were not doing a good enough job getting their points across up there and wondered how they could do that better in the future. He stated that the pension issue was a multi-faceted issue and it would take a number of different things to solve it. He stated that if they could get the legislatures to understand that and untie their hands a little bit, they could negotiate with their partnerships in the unions and progress could be made. He stated he also wanted to compliment Mayor Kelley on his performance in the conference room meeting at the office of Economic Development. He stated he thought he did a great job of not only giving history but communicating and having a handle on the issues and laying out the facts. He stated he did a good job for the city and he was proud of him and the effort he put into making a good presentation that day.

Three Chimneys

Commissioner Stowers stated that he attended the Three Chimneys event on February 12, 2012, and wanted to share one nugget of history that he learned on the tour. He stated that apparently there was an historic tree just north of Three Chimneys on a property that a gentleman in the 1930s or 1940s had purchased who he had built stairs, like a ladder, that ran up the side of the tree and a little tree house in it. He stated that the woman who was giving the tour told them that from that location you could actually see the ocean and that a few of the steps were still on the tree, although you could no longer climb them all the way. He stated that he thought that was fascinating and enjoyed looking at the Three Chimneys site and learning about the history there.

Economic Development

Commissioner Stowers stated that the Commission had discussed economic development quite a bit that night. He stated that Commissioner Partington had made a couple references to Ormond Crossings and while he continued to appreciate and understand the focus for that project, he also was very aware of the needs of the downtown area in Ormond Beach. He stated that major holes had been left downtown with the recent loss of the Food Lion, Bank of America leaving from beachside, and the Woody's BBQ that had been vacant for three or four years. He stated the major area of concern was on the beachside where they did not have the benefit of Highlander Corp. like there was on the west side between US1 and Beach Street. He stated he had told Mr. Mannarino that he was on board with putting together something, whether it was variances or something else, to attract a high level grocer or some similar entity to get into that vacant Food Lion space. He stated he knew he heard some residents wanted a Fresh Market or a Wal-Mart Neighborhood Store, and that those were the types of facilities that he foresaw going into that space on the beachside. He stated that he did not want that space to get some mish-mash of retail spaces that was split up ten different ways. He stated that he thought that ten years from now anyone who had the ability to develop or redevelop in downtown and did not would be kicking themselves, much the same way they were kicking themselves in 2005 and 2006 for not developing in 2000. He stated that right now was the opportunity to do that. He stated he was making a call out to local developers and other capable individuals to inform them that they would have support from the Commission, if they got some good ideas together and put something in place.

Food Lion

Commissioner Kent stated he was sad himself to see Food Lion close and would have to remove his Food Lion MVP card. He stated it was close to his home and would be fantastic if another grocer came in.

Way Finding Signs

Commissioner Kent stated that the way finding signs that the city had put up looked great and he noticed them as he was driving around town and he wanted to compliment whoever chose that design.

Ms. Shanahan stated that the Commission had chosen it.

Commissioner Kent stated that he felt they looked really looked good and that he was very proud of the Commission for making the right decision.

WWII Plaque

Commissioner Kent stated that the WWII plaque did look wonderful and he was sorry it went down the way it did in order to get the plaque moved which still bothered him. He stated that he was pleased that they had the support of the Commission to do, in his opinion, the right thing and that he felt it looked fantastic and thanked Commissioner Boehm for his support.

Fluoride

Commissioner Kent stated that he wanted to speak about fluoride but would not ask for it to be at a workshop or on an agenda unless there was interest. He stated that he had been doing a little bit of research and he was concerned by what he read. He stated that the levels here were recently changed because they were not where they wanted them to be. He stated that the levels were not an exact science and when reading information on the optimum levels, some called it medicine and some called it poison in the water. He stated that with the toothpaste they used today and the natural fluoride that occurred in the world, some reports were saying that instead of the optimum level people were receiving eight times the level. He stated that he just wanted to put it out there again because he was not 100% sure that the city should be fluoridating the water and that only 60% of the water in the United States was fluoridated and that meant 40% had chosen not to have their water fluoridated. He stated that it was also often cited that almost all of Europe did not have fluoride in their water.

Volusia Days

Commissioner Kent stated that he was sorry he had missed Volusia Days and thanked those who went for taking the time to miss work and be away from their families. He stated that he knew it was a big busy day and stated that he liked Mayor Kelley's idea of going up a day ahead of time so that way they were not rushed. He thanked Mayor Kelley for trying to make a difference up there and stated that unfortunately he felt they would not make too much of one without like-minded representation in Tallahassee.

Economic Development

Mayor Kelley apologized for getting passionate earlier in the discussion about the economic development fund. He stated that he normally tried to be reserved. He stated that he was going to have Representative Costello carry the mail for them on what they were able to do with economic development incentives and that was why he made the statement that Tallahassee and Governor Scott would know about it.

Schedule

Mayor Kelley suggested that if the Commissioners wanted to, they could look at their summer schedules at the next meeting for any thoughts on possible meeting changes.

Ms. Shanahan suggested that they could do that at the upcoming workshop.

Tallahassee

Mayor Kelley stated when he spoke to Mr. Doug Bell about making contact with the representatives up in Tallahassee, he had told him that he had to keep getting in their faces and could not give up. He stated he also used the Florida League of Cities connection that gave them a way to email each one of the representatives that were on a committee. He stated that touching each one could be accomplished by sending those emails. He stated that if each of the five members of the Commission would send an email in support of an issue it would probably be twice as many as they got from other areas. He stated that he had been told that they did not see the problems up there because they were not being communicated to them. He stated that he did not know what they could accomplish with the pension issue but he did know that it was a serious problem and needed to be addressed.

Item #13 - Adjournment

The meeting was adjourned at 8:54 p.m.

APPROVED: March 6, 2012

BY: Ed Kelley, Mayor

ATTEST:

Joshua Fruecht, City Clerk