

**MINUTES
CITY OF ORMOND BEACH
CITY COMMISSION
PROPOSED PURCHASE OF 385 SOUTH OLD KINGS ROAD WORKSHOP**

February 19, 2019

6:00 p.m.

City Commission Conference Room

I. CALL TO ORDER

Mayor Bill Partington called the meeting to order at 6:01 p.m.

Present were Mayor Bill Partington, Commissioners Troy Kent, Susan Persis, and Rob Littleton, City Manager Joyce Shanahan, Assistant City Manager Claire Whitley, City Attorney Randy Hayes, City Engineer John Noble, and Public Works Director Gabe Menendez.

II. PURCHASE OF 385 SOUTH OLD KINGS ROAD

Mr. John Noble, City Engineer, stated the purpose of the workshop was to acquire direction from the City Commission on a property that was available for purchase at 385 South Old Kings Road. He gave background on the situation, noting there had been prior interest in the property from the city, but Mr. Paul Duncan, property owner, did not wish to sell at that time.

Mr. Noble gave background on Central Park, the different phases involved, a potential new pump station, and showed a slide on the areas the park covered. He noted Mr. Duncan's property was immediately west of Phase III. He reviewed special flood hazard areas on the property and the surrounding area.

Mr. Noble reviewed the condition of the property, which included a house, many structures, miscellaneous items, and debris. He indicated a few drums on the property did house brake fluid, but the others were empty.

Mr. Noble discussed the property appraisals that were completed, with a difference of \$84,000 between the two. He noted a third appraisal was not required since both appraisals did not come in above \$250,000. He explained the maximum purchase price was determined to be \$282,000, per the Code of Ordinances based on the appraisal amounts.

Mr. Noble stated the owner's proposed conditions of sale to the city: an asking price of \$285,000; he should be allowed "to take everything on his property with him", including the house structure, operable or inoperable equipment, etc.; he believes it will take him approximately one year to remove all items and structures from the property, so he would like to either occupy or retain physical possession of the property for that one year duration, and the city would take ownership of the property at the end of the one year period; he would like to receive 50 percent of the purchase money up-front, to enable him to purchase property in Sanford where he intends to relocate the personal items and structure; he would like the "lake", a portion of which abuts his property, to be named after his family.

Mr. Noble stated City Attorney Randy Hayes became involved in the discussions and recommended the following: the city would take the title and ownership of the property at the time of closing; payment of the full purchase price would be made, with a certain amount being held in escrow, pending the removal of the personal property; if the property is not removed in the allotted time, the escrowed funds would be forfeited to the city and the city would take ownership and possession of the personal property, paying to have it removed; the property owner would have access to the property for the one year period solely for the purpose of removing the personal items he wishes to remove; and the funding source of purchase would be the Storm Water Fund.

Mr. Randy Hayes, City Attorney, stated he thought the one year time frame was excessive and suggested a six month time frame. He noted the negotiations had been challenging, and requested direction from the Commission.

Commissioner Persis thought it was a smart purchase and agreed that one year was too long. She thought the city should continue the process and did not want to miss out on an opportunity like that.

Commissioner Kent agreed with Mr. Hayes and Commissioner Persis. He questioned who was involved in the negotiations; whereby, Mr. Hayes stated it had been a team effort with multiple individuals involved.

Commissioner Kent was comfortable with honoring Mr. Duncan's family, but wanted to hear from the rest of the Commission.

Commissioner Persis wondered the name of the lake by Mr. Duncan's property; whereby, Mr. Noble stated it was Lake 2.

Mr. Hayes gave a few suggestions on what the city could do to honor the Duncan family, and discussion ensued on those ideas.

Commissioner Littleton stated he was in favor of purchasing the property per Mr. Hayes' recommendations, but was comfortable with the one year time frame. He was also in favor of naming the lake after Mr. Duncan's family, or doing something to recognize the Duncan family. He thought there was a possibility the personal property would not be removed and the city would end up incurring the cost, but was comfortable with that scenario.

Commissioner Persis asked the process for naming the lake; whereby, Mr. Hayes stated there was not a formal process, but a resolution could be used to accomplish that. He indicated that staff would work with the Commission on whatever they decided to do to honor Mr. Duncan's family.

Mr. Hayes read Commissioner Selby's comments in his absence. He stated that Commissioner Selby thought the city should pay \$282,000 for the property; that the seller should remove all personal property and handle environmental cleanup prior to closing, and at the seller's expense; that 50 percent of the purchase price be kept in escrow; and give the seller 60 days to remove all personal property.

Mr. Hayes thought that 60 days was too short, and when a 90 day time frame was mentioned to Mr. Duncan, the city received a negative response. He indicated Mr. Duncan has pushed for a one year time frame.

Mayor Partington thought it was a strategic purchase, was comfortable with the recommended purchase price, and a six month time frame with a potential three month extension for good faith, as long as the city owned the property and had access during that time frame.

Commissioner Kent was comfortable with paying \$285,000, putting approximately \$60,000 in escrow, a six month time frame with a potential three month extension for good faith, and was open to the various options for honoring the family. He wanted to make sure there was enough money in escrow to cover any expenses the city would have, in case the personal property was not removed. He thought the purchase would be a great way to preserve a heavily wooded area and the animals there.

Mr. Noble stated that once the property was purchased, the city would wait to see if the personal property was removed; if it was not removed, the city would have the drums taken, tested, and removed from the property. He stated the city had completed a Phase 1 environmental assessment, and were waiting for a proposal for a Phase 2 assessment that would include soil sampling in the area of the leaking drums.

Ms. Joyce Shanahan, City Manager, stated that if the city had to remove the drums holding brake fluid, the soil around them would have to be removed as well.

Mayor Partington asked if Brownfield grants were available for assistance; whereby, Mr. Noble stated that was correct.

Ms. Shanahan and Mr. Hayes thanked the Commission for the direction.

III. ADJOURNMENT

The meeting was adjourned at 6:31 p.m.

Transcribed by: Wendy Nichols