

**MINUTES
CITY OF PALMETTO
CITY COMMISSION MEETING
January 16, 2018
5:30 PM**

Elected Officials Present:

Brian Williams, Vice Mayor, Commissioner, Ward 3
Tamara Cornwell, Commissioner-at-Large 2
Jonathan Davis, Commissioner-at-Large 1
Harold Smith, Commissioner, Ward 1—(Entered the meeting at 5:34 p.m.)

Elected Officials Absent:

Shirley Groover Bryant, Mayor
Tambra Varnadore, Commissioner, Ward 2

Staff Present:

Mark Barnebey, City Attorney
Jim Freeman, City Clerk
Scott Tyler, Chief of Police
Penny Johnston, Executive Assistant

Vice Mayor Davis opened the meeting at 5:37 p.m. followed by a moment of silence and the Pledge of Allegiance.

All persons intending to address the City Commission were duly sworn.

1. CITY COMMISSION AGENDA APPROVAL

MOTION: Commissioner Cornwell moved, Commissioner Williams seconded, and the motion carried 4-0 to approve the January 16, 2018 Commission Agenda.

2. PUBLIC COMMENT

None

3. REGATTA POINTE INVESTMENTS, LLC CONSENT TO LEASEHOLD MORTGAGE

Attorney Mark Barnebey stated this special meeting is being held for Regatta Pointe Investments, VanDerNoord Partners and Fidelity Bank to accommodate the various parties before a 1/18/18 deadline to avoid significant financial penalties for the borrowers. Two different drafts were discussed with the majority of red-line and blue-line changes on the second page. Mr. Barnebey noted paragraph 1a.1 confirms the City is unaware of any tenant default or City default under the lease. Submerged land lease has been renewed through January 4, 2032. Sec 2, subsection 2 adds the qualification that consent to the mortgage extends to any and all renewals secured under the mortgage provided that such does not extend the term of the mortgage beyond the term of the lease.

Commissioner Williams asked when the bank started working on this transaction. Bank's counsel, John Quinlan said the bank approval process finished just prior to Christmas, but the process was delayed because of holiday schedules and then was delayed again by the flu.

Attorney Matt Plummer stated the original lease was executed in 1982, a first amendment was done in 2004, and second amendment in 2008 references both entities VanDerNoord Partners, LLP and Regatta Pointe Investments, LLC. Mr. Quinlan confirmed the borrower is applying for a ten year loan.

City Clerk Jim Freeman questioned consent to lease, section 3, page 15, sublease rights are already in the existing agreement. The original document was prepared in the 1980. Regulatory requirements have changed over the years, so the additional verbiage is written to protect the bank within the current lending environment. Mr. Quinlan acknowledged that the lease gives the bank rights, but also allows a deed in lieu option rather than a foreclosure should bankruptcy or abandonment become an issue.

Commissioner Williams asked if consent changes the lease. Mr. Barnebey noted the new language is tighter than the existing lease, which offers benefit to the City.

MOTION: Commissioner Cornwell moved, Commissioner Davis seconded, and the motion carried 4-0 to authorize the Mayor to sign the Consent to Leasehold Mortgage Agreement between the City, Fidelity Bank, Regatta Pointe Investments, LLC, and Van DerNoord Partners, LLP and to approve the Consent.

Vice Mayor Davis adjourned the meeting at 6:00 p.m.

Minutes approved: January 22, 2018

James R. Freeman
James R. Freeman, City Clerk