

Palmetto City Commission  
April 10, 2006 5:00 p.m.

Elected Officials Present:

Larry Bustle, Mayor  
Mary Lancaster, Vice Mayor  
Eric Ball, Commissioner  
Tamara Cornwell, Commissioner  
Tambra Varnadore, Commissioner  
Brian Williams, Commissioner

Staff and Others Present:

James R. Freeman, City Clerk  
Chris Lukowiak, Public Works Director  
Chief Garry Lowe  
Tanya Lukowiak, CRA Executive Director  
Michele Hall, City Attorney  
Ric Hartman, Planning Supervisor/Zoning Administrator  
Frank Woodard, Deputy Public Works Director  
J. E. Free, Jr., CRA Consultant  
Diane Ponder, Deputy Clerk-Administration

The April 10, 2006 Commission meeting was held in the basement of the Carnegie Library, 515 10th Avenue West, Palmetto, Florida.

Mayor Bustle called the meeting to order at 5:05 pm. A moment of silence for overseas military personnel was held, followed by the Pledge of Allegiance.

1. APPROVAL OF WORKSHOP AGENDA

MOTION: Mrs. Lancaster moved, Ms. Cornwell seconded and motion carried 5-0 to approve the April 10, 2006 agenda.

2. MANATEE PLAYERS AGREEMENT

Mayor Bustle acknowledged the Development Director, Attorney and Board Members of the Manatee Players attending the meeting.

CRA Executor Director Tanya Lukowiak requested Commission give direction on some conceptual questions:

1. Does Commission agree with the purchase and site preparation of the land where the proposed theater will be located?
  - o Purchase price is \$840,000, appraised at \$695,000
  - o Site preparation is estimated at \$100,000 (CRA will fund)
  - o The purchase of the land is within CRA's objectives, as well as the objectives of the Waterfront Development Plan, regardless of whether or not Manatee Players relocates in Palmetto.
  - o Manatee Players has paid all expenses associated with the due diligence of the property's purchase.

It was consensus of Commission to move forward with the purchase of the land.

2. Does Commission wish to allow Manatee Players to purchase the property at a future date?
  - o Per the currently drafted agreement, Manatee Players can not purchase the property until the City's \$3million grant is paid in full.
  - o Ad valorem tax revenue will not be affected; Property Appraiser does not typically tax non-profit businesses of the type of Manatee Players, although it is legally allowable.

Discussion determined ownership of the property is not an issue.

3. Does Commission agree with a \$1 million grant to Manatee Players and, if so, when?
  - o Currently the drafted agreement says, "The \$1 million grant would not be reimbursable unless the improvement is conveyed in the next 30 years." The goal of the restriction is to prevent "flipping" the property.
  - o CRA can authorize the grant under the 1985 adopted CRA Plan requiring that the City redevelop and revitalize the downtown area and reenergize the waterfront.
  - o Manatee Player's location downtown can indirectly affect the ad valorem tax base by new residential/commercial development.

Attorney Hall's review of her major revisions to the drafted agreement resulted in the following comments:

Paragraph 2 The CRA's 2021 sunset was discussed. Paragraph 38 speaks to the City's rights and responsibilities under the drafted agreement. Attorney Hall stated additional language can be added to further clarify the topic.

The proposed \$1 annual lease will be charged for 30 years after such time Manatee Players reaches a patronage of 30,000 during one calendar year. Commission elected to begin the option immediately, not tied to any ticket sales number.

- Attorney Hall stated she has some reservations about tying any obligation to the success of the theater; Florida Constitution speaks to the fact a municipality or CRA should not be partners in a business.
- Manatee Players reported 33,000 tickets were sold last year.
- Attorney Barnaby, representing Manatee Players, discussed favoring an incentive based sliding term; planned fund raising programs; the advantage to Manatee Players to quickly repay the debt obligation and purchase the property so the property and improvement is under one ownership.

Mr. Free calculated the City's annual debt service to be \$635,000, based on a 10 year amortization at 4.5%; \$304,000 for 30 years. The debt service, which is a non-reimbursable expense by Manatee Players, will also include a nominal issuance expense.

Paragraph 3 (e) Restaurant was deleted as an approved use.

Attorney Barnaby, representing Manatee Players, confirmed alcohol will not be served at any functions, in keeping with City ordinances regarding alcohol consumption on City property.

Language was added referring to a covenant in the event the City transfers ownership to Manatee Players.

Paragraph 4: No change was made.

Paragraph 5(a) Mr. Free suggested Manatee Players should produce evidence of its ability to secure the proposed funding.

Commission discussed the following topics relating to Paragraph 5:

- o The proposed matching procedure beginning immediately, with Manatee Players receiving a total grant of \$4 million from the City, and the land being donated once the \$4 million is paid in full.
- o The CRA Board's opinion that Manatee Players must produce evidence, such as a surety bond, they will be able to complete construction. Attorney Hall informed Commission Manatee Players was not receptive to the suggested surety document, so language was added that if construction is not completed within 180 days the City may cure the situation by default provision listed in Paragraph 19 of the Agreement.
- o The anticipated indirect benefit Manatee Player's relocation will mean to the downtown.
- o The City's debt service interest estimated to be \$1,250,000, based on a ten year loan
- o Parking. Manatee Players opined there is enough public parking to accommodate 271 cars, excluding the use of private lots. Mr. Lukowiak stated the Player's planner provided the parking information. He also added that after preliminary meetings with Manatee Players, there are very few issues that will be reviewed in DRC that may present a problem, parking being one of them; the overall preliminary plan seems to indicate there are not problems that cannot be overcome. Mrs. Lukowiak discussed parking plans that will be addressed in the future.
- o There is no mediation process of invoice disputes. If there is disagreement, one party must declare the other party in default.

Attorney Hall reviewed the balance of the Agreement in conceptual terms:

Paragraph 6: Ownership of the property. Improvement can be held by Manatee Players as personal property. If the City has to take title to the improvement, the City will reimburse Manatee Players, net any City expenses. Manatee Players has not had the opportunity to review the new language.

Paragraph 10: "Electricity" was deleted. Upsizing of any water/sewer lines will be the responsibility of Manatee Players.

Paragraph 16: City's Risk Management Department has been asked to supply a list of necessary insurance coverage, which will be attached to the Agreement as Exhibit D. Language addressing the City's interest in the event a casualty loss is claimed will be added.

Paragraph 17: Allows CRA to repair the improvement in the event Manatee Players defaults, and add the cost of said improvements to the amount to be repaid by Manatee Players.

Paragraph 20: (b) At the time the City secures funding, Manatee Players no longer has the option to withdraw from the Agreement. Language will be added that interest on the City's funding shall be required in the event Manatee Players withdraws from the Agreement.

Commissioners listed the following items that need to be addressed:

- The City should not grant any funds; develop creative financing
- Manatee Players' ability to sell to a third party without City approval
- Parking.
- Language addressing casualty losses to ensure Manatee Players and the City are protected.
- City should not be responsible for the infrastructure, nor maintenance of the grounds
- Fees and attorney fees

Commission discussed the concept of Manatee Players relating to Palmetto and their support of the project, provided financing and the items discussed are agreed upon.

The amended Agreement will be brought back to Commission at the next 4:00 workshop meeting. Mayor Bustle thanked Manatee Players for their attendance and input.

### 3. ATTAINABLE HOUSING DRAFT ORDINANCE

Before beginning the discussion of the draft ordinance, Mayor Bustle informed Commission a DRI in eastern Manatee County was a topic at TBRPC. The DRI contains 4,400 homes, and based on Central Regional Planning methodology, no new attainable housing is provided.

Attorneys Hall and Conrad discussed the following topics with Commission:

A Mandatory Period shall be when the City identifies an attainable housing need, based on a percentage of units available vs. the number of residential units expected to be constructed. A Voluntary Period is when there is sufficient attainable housing available, based on the percentage developed during the Mandatory Period.

For five years from the date of the adoption of the ordinance, an incentive is provided developers who fulfill the identified attainable housing needs. Commission discussed the possibility of a burden being placed on a small number of developers.

The 20%, or a fixed amount, in lieu cash donation will be added to a margin of profit of a small builder, to allow that builder to produce an attainable housing unit. The in lieu cash donation amount isn't intended to be a penalty to any builder; it will be used by a builder who can't afford to build attainable housing units.

Discussion ensued on the cost involved in the administration of the ordinance, which will fall to the Planning and Zoning Administrator. It was not the intent of staff to reclassify the position's salary.

Attorney Hall confirmed that because of the substantial changes to the ordinances, a new resolution putting developers on notice that a new attainable housing is in the development stages is necessary.

Mayor Bustle inquired if the payment in lieu can be removed, as it is the City's intent to provide attainable housing, not collect funds from builders. Attorney Hall suggested the matrix concept may be all that is necessary, but Commission should keep in mind the payment in lieu gives the City the option to bring services or improve infrastructure to areas not yet supplied with City services. Mayor Bustle stated the payment in lieu creates areas the City is not yet equipped to oversee. The matrix also creating smaller lots was discussed. Attorney Hall will research and apprise Commission on the state of the law.

Attorney Hall discussed the primary complaint received from the builders is the uncertainty of the incentive program. She explained the *Review by City Commission* section of the draft ordinance speaks to the Commission's ability to deny incentives, or to approve with conditions incentives requested by builders.

Attorney Conrad discussed the fact Manatee County will qualify eligible attainable housing candidates, even though the ordinance places the administrative responsibility of the qualification under the Planning and Zoning Department.

Attorney Conrad reviewed changes in Sec. 17-50  
Sets requirements during the Mandatory Period  
Permits off-site; the City will control quality of the product

Attorney Conrad discussed the restrictive covenant being drafted concerning financing and housing availability. Attorney Hall stated she would rather the City not be involved any more than necessary to secure the housing.

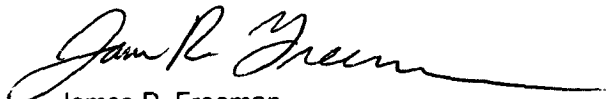
Mr. Williams suggested each Commissioner setting an appointment with staff to discuss the draft ordinance. Ms. Varnadore stated individual sessions with staff limits each Commissioners' ability to discuss individual questions. Attorney Hall stated explanations can be provided at a subsequent meeting.

The draft ordinance will be placed on the next workshop agenda, together with Manatee Players and Impact Fees.

Mayor Bustle informed Commission the possibility of scheduling evening meetings was discussed at the Council of Government meeting. An upcoming meeting will require a quorum and vote of the City Commission on the Interlocal Agreement for School Concurrency.

Meeting adjourned at 7:30 pm.

Minutes approved: May 1, 2006

  
James R. Freeman  
City Clerk