

Palmetto City Commission
April 17, 2006 4:00 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
Diane Ponder, Deputy Clerk-Administration

Mayor Bustle called the meeting to order at 4:01pm. A moment of silence for overseas military personnel was observed, followed by the Pledge of Allegiance.

1. APPROVAL OF WORKSHOP AGENDA

MOTION: Ms. Varnadore moved, M rs. Lancaster seconded and motion carried 5-0 to approve the April 17, 2006 agenda.

2. MANATEE PLAYERS AGREEMENT (01:16)

Mayor Bustle began the discussion with comments concerning Manatee Players' constraints placed on the City; start of construction before September; the loss of a \$1.7 million bequest if construction is not started before September; the \$8.7 million price on a plan in which the City had no input; the award of a construction contract without the level of competition the City would have required. Mayor Bustle spoke of the Players' \$5 million request from the City and the fiduciary responsibility the Commission and CRA face as stewards of City funds. Finally, Mayor Bustle spoke of the lack of assurances and financial information Manatee Players has provided. Mayor Bustle suggested alternatives the City may have to consider to move the project forward, a thorough financial review being one before committing funds to the project.

Commissioners Ball, Lancaster, Varnadore and Williams responded to Mayor Bustle's comments, each speaking of their personal concerns regarding the proposed project.

Attorney Mark Barnaby, representing Manatee Players, discussed the organization's attempts to satisfy Commission's requests from the April 10, 2006 meeting. He stated that given the discussion, he did not feel it appropriate to vote on the matter at this time. Attorney Barnaby briefly reviewed information distributed to Commission:

- Economic benefit of the proposed theatre in Palmetto's downtown
- Ticket Sales (equates to 60% of the Players' budget)
- Pro Forma report
- Financial Statements for June 30, 2003
- Draft Financial Statements for June 30, 2005
- Application for a Surety Bond
- Parking

Ms. Janene Witham, Manatee Players, discussed attempts to secure additional parking for the theatre at the local churches and Horizon Bank. It was consensus of the present Manatee Players Board Members, that patrons will walk five blocks to attend functions.

Ms. Witham also discussed Manatee Players' efforts to be ready to begin construction before the September deadline; due diligence is being performed by Manatee Players on the site the City is under contract to purchase; engineering, permitting site work, etc. Attorney Barnaby confirmed the only instructions he has received from Manatee Players is to pursue the Palmetto location, but there is an obligation to the theatre to continue to look at different options.

At Mayor Bustle's suggestion, Commission concurred with an additional meeting on April 24, 2006 beginning at 5:00 pm.

3. IMPACT FEE STUDY PRESENTATION (47:33)

Burton and Associates representative Steven McDonald briefly reviewed the elements to an impact fee study, stating the only difference is the law enforcement impact fee which has been broken out of the general government impact fee. He explained Commission's direction had been to compute a police facilities impact fee, but the study included a police facilities and equipment and a facilities only proposed fee. A copy of the study is attached hereto and made a part of these minutes.

Mr. McDonald explained that the proposed fees are calculated at 100% cost recovery on capital expenditures, less any financing expenses. The proposed fees do not fund positions. Commission may choose to impose both proposed fees or implement only one of the fees.

Commission discussed an administration fee that is also allowable. Mr. McDonald suggested the administration fee is probably restricted to administering the impact fee program; CIP, contracts, etc. Mr. Freeman discussed how an administrative fee would be addressed as it relates to the budget process. Ms. Cornwell stated information on how the fee will be used must be presented before she will support its adoption; Ms. Varnadore concurred.

The ordinance adopting the impact fee program will be brought to Commission at a subsequent meeting.

Commission discussed how an individual may comment on a 7:00 agenda item at the time the item is being reviewed.

4. STORMWATER USER FEE STUDY (1:10:38)

Mr. Freeman explained staff is requesting Commission approve a stormwater user fee study be performed by Burton and Associates. The initial vendor performing the study was terminated because of inadequate performance. Staff does not feel the available information is sufficient to legally defend the fee. Burton and Associates was the #2 ranked vendor of the RFP issued in 2004, thus the recommendation to hire them to complete a new stormwater user fee study.

Commission discussed the rationale behind a user fee study. Attorney Hall explained that the data collected by the first vendor is based on a small sampling. The problem lies in the rates proposed for commercial properties and the mitigation credits that will be allowed. Discussion with Mr. Burton revealed his discomfort in accepting information he did not collect to propose a fee. Mr. Freeman opined the \$25,000 study is well justified given the revenue that will be generated to support the system.

Also discussed was the City's inability to piggy-back onto an existing study of a jurisdiction of like size; this is a study specific only to Palmetto. Mr. McDonald explained a user fee study is necessary because fee payers are supposed to pay for only what they receive as a benefit, at a level of what it costs the City to provide the service.

Burton and Associates will evaluate the possibility of phasing in a large commercial rate increase. Legally, a mitigation credit must be included in the study. Mr. McDonald explained stormwater and impact fees methodologies will have to be periodically reviewed to consider not only the change in circumstances in the jurisdiction but also to review the rational nexus of fee payer benefits. Mr. McDonald also explained the stormwater fee is related to the transfer of benefit. Attorney Hall discussed case law clarifying the fact a stormwater fee cannot be charged to a customer who does not contribute to the stormwater system; mitigation must be provided by a sliding scale credit. Burton and Associates will also look at a cap that will only affect customers who will receive a large fee increase.

Mr. Lukowiak discussed the proposed study that will validate the needed revenue to operate the stormwater system. The alternative is to continue the deficit operation of the system. The City must also consider that the wastewater treatment plant's maximum daily load is in the near future. Mr. Freeman recommended moving forward with the implementation of the fee when the study is complete so the City may realize some revenue in this fiscal year. Discussion ensued on the Stormwater Fund subsidizing the system's operational expenses rather than the General Fund.

It was consensus of Commission to move the item to the 7:00 agenda for action.

5. ATAINABLE HOUSING DRAFT ORDINANCE (1:36:36)

Responding to direction from Commission concerning the payment in lieu, Attorney Conrad confirmed there is not case law yet to set a standard. In the event the payment in lieu is eliminated the draft ordinance offers an alternative. Attorney Hall explained the goal of the ordinance is to provide options for payment in lieu that does not "disproportionately burden the use of the property".

The matrix will be amended to include different examples that will show in practical instances the incentives available. It will be Commission's responsibility to record findings of fact as to why a requested incentive is denied a developer. Ms. Cornwell cautioned that builders must be made to always provide adequate parking, suggesting an incentive for garages should be included in the matrix.

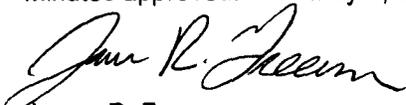
Attorneys Hall and Conrad responded to comments from Commission as follows:

- o Referring to the administration of the ordinance, Attorney Hall stated that if Commission considers the ordinance substantively adequate the next step is to evaluate it practically.
- o Attorney Conrad explained the incentives remain in place during both the voluntary and mandatory periods. During the voluntary period a developer would comply strictly for the incentives. The proposed ordinance fixes a number of housing needs for a five-year period. If the need is fulfilled, no further mandatory attainable homes will be required by the City.
- o Incentives have been built to recognize off-site construction.
- o The number of attainable homes required for the City will be established for the year 2011. The City will evaluate future needs before the end of any five-year period.

Mayor Bustle suggested Commission allow staff to complete the ordinance and make changes as discussed. Attorneys Hall and Conrad will be available to discuss any Commissioners concerns prior to the ordinance being brought to the May 1, 2006 7:00 agenda.

Meeting adjourned at 6:00 pm.

Minutes approved: May 1, 2006


James R. Freeman
City Clerk