

On Monday, March 5, 2018 at 5:00 p.m., the City of Wauchula Commission met for its regular scheduled workshop in the Commission Chambers at 225 East Main Street, Suite 105, Wauchula.

Nadaskay called the workshop to order.

Commissioners present were Mayor Pro-Tem Neda Cobb, Mayor Keith Nadaskay, Kenneth Lambert and Gary Smith.

Commissioner Russell Smith was absent.

Also present were City Manager Terry Atchley, Assistant City Manager Olivia Minshew, City Attorney Thomas Cloud, Director of Support Services & Internal Auditing James Braddock, Finance Director Sandee Braxton, Community Redevelopment Agency Director Jessica Newman, Community Development Coordinator Kyle Long, Chief John Eason and City Clerk Holly Smith.

Discuss Power Purchase Agreement

Mr. Atchley asked to move to the next item because the gentleman who was to discuss this item had not yet arrived.

Discuss Denial of Certificate of Appropriateness for 231 W Main Street

Mr. Long presented the Historic Preservation Board's denial of the Certificate of Appropriateness for the Commission's consideration. Ms. Minshew pointed out what was approved originally for the project and the gray color was not it. The recent Certificate of Appropriateness was just to change the color to gray; which was denied. Lambert asked what the basis for the appeal and the denial was. Ms. Minshew advised the basis for the denial was the Historic Preservation Board did not feel that the gray met in the context of that building; they did not feel it was an appropriate use of gray there. She continued that Mr. Cobb's appeal is because another building was approved for gray and he felt he should be allowed to have it as well; to her understanding. Commissioner Cobb asked for clarification on the matter of approving the one building but not Mr. Cobb's. Mr. Long stated the Board did in fact approve another building in January with a similar gray color. Commissioner Cobb stated it didn't make a lot of sense. Clay Cobb then addressed the Commission with his appeal. He explained the color that was originally approved by the Board; he agreed even though it wasn't what he wanted but that was their vote. He explained the slight difference between his requested gray and the Park Place building gray. Mr. Cobb showed examples of the colors of each building to the Commission. He felt that because the Board allowed someone else to do the color, they might reconsider his gray, his first color choice. He stated in the beginning the Board did not want another brick color downtown as there were already 3 brick buildings. Mr. Cobb thought it would look good for the two new buildings to look similar to each other. Ms. Newman stated the original RFP was for yellow or red brick and either a 2 or 3 story building. She further elaborated on the RFP process.

Commissioner Russell Smith arrived at 5:22 p.m.

Lambert asked about the process Mr. See went through for the paint color on his building. Mr. Long stated it was the same; he went before the Board with a Certificate of Appropriateness. The Board took approximately 5 – 10 minutes; they discussed the positives and negatives then voted to approve the color. Nadaskay asked several questions of Ms. Newman and Mr. Cobb on the subject. Lambert asked if there was anyone present representing the Board. Ms. Minshew stated the Commission served as Appeals for the Historic Preservation Board. Lambert expressed he was not a fan of overturning any Board's decision and wanted to speak to someone who could explain the reason for the Board's decision. Attorney Cloud stated he believed Mr. Long was and asked if he felt comfortable representing their collective position. Mr. Long stated he did feel comfortable as he had been present throughout the process. Mr. Long explained that, as was stated in the minutes, Mr. Boynton did not feel that color was not a good fit for this particular building. Mr. Long elaborated further on the Board's opinions regarding the color Mr. Cobb wants on his building. Lambert then asked about them going forward with the same

color on another building. Mr. Long stated the Board felt that color looked good on that building, but not on Mr. Cobb's. Nadaskay brought up the original RFP for the project with Ms. Newman explaining the specifics of the RFP and the process of the Board's approving Mr. Cobb's concept for the Commission's clarification. She answered questions posed to her as well. While there was some leeway in the RFP, any variations of the original renderings were subject to approval. Mr. Cobb expressed he did see mention of exhibits but never a color. He tried to stay with the model but had to make some changes for monetary and special reasons. He explained the changes he did to his original concept in order to receive the Historic Preservation Board's approval to begin construction. He believed when the Board approved Mr. See's use of the color shortly after his request, he could now paint his building that color as well. Mr. Cobb answered questions from the Commission and additional discussion was held on the subject of the building colors.

Lambert stated he was confused by the logic derived that would say one can have it and the other can't. Ms. Minshew explained the Board looks at the pallet and how the color would be used. They may approve a color if it's used as a trim but deny that same color as the basecoat or main body of a building; they look at how the color would be used on the building overall. Whether or not the Historic Preservation Board was notified that this matter would come before the Commission was discussed. Commissioner Cobb noted that three of the Board members were absent from the meeting. She stated the City does not have a lot of new buildings downtown and that the colors are so close; if one building can have it, the other should have the option as well. Commissioner Cobb expressed concern over, and asked Mr. Long questions about, the appeals process. Ms. Minshew and Attorney Cloud explained the options open to Mr. Cobb if the Commission upholds the Historic Preservation Board's denial. Discussion was held trying to understand why the Historic Preservation Board may have denied Mr. Cobb's request. Attorney Cloud had questions of Mr. Cobb which Mr. Cobb answered. The reasoning behind, and the Commission's confusion caused by, the Historic Board's decision was discussed. Lambert stated he'd like to send this back to the Historic Preservation Board for another review; he is not comfortable overturning another Board as it will set precedence and lead to people unwilling to serve. Nadaskay stated the Commission did need more explanation than what they had and the rest of the Commission agreed with him. Mr. Cobb stated he would love an explanation; he asked the Board at the meeting why they denied him and they couldn't give him one; all they said was they did not like it. Attorney Cloud asked to explain the process; the Commission consented. Attorney Cloud stated he had never heard of a remand from the City Commission before they hear it. Lambert stated we did not ask them to act upon the denial of the Certificate; we ask them to review and make an opinion back to us. Attorney Cloud asked for clarification; was the application pending. Lambert stated there is not. Right now, it is approved as red brick. Lambert further explained Mr. Cobb's request to now change the color to gray.

There was much discussion on the topic and the Commission expressed a need of explanation for the Historic Preservation Board's decision. The fact that this item is now in a workshop where no action may be taken on it was brought up by Lambert.

Mr. Atchley asked if it would be any trouble if we tabled this until the actual meeting next week so we could either have representation and/or an opinion issued from the lower Board to the Commission; everyone agreed. Attorney Cloud stated that would be fine.

Ms. Minshew again reiterated it's not their opinion but the Board's denial that they have already been rendered. Lambert stated they have a different individual asking them now and elaborated further on his thought. Ms. Minshew stated she didn't think they can render that without meeting. Attorney Cloud stated they can't; once the decision was rendered it changed the nature and I concede we cannot take official action. Discussion was held further on Mr. Cobb's appeal.

It was the Commission's consensus to bring it back next week for official action.

Mr. Atchley advised if the Commission could draft their request, the Historic Preservation Board would meet right before the Commission Meeting. They would be able to meet and form a response; if they so choose. It would be on the agenda for final official action at April's meeting.

Attorney Cloud stated that would work. Lambert began discussion on the process of questioning the Board's opinion with Attorney Cloud explaining it. Discussion continued on the color pallet and other issues the Historic Preservation Board deals with.

Discuss Power Purchase Agreement

Mr. Braddock introduced Mr. Jacob Williams, Florida Municipal Power Association's CEO and Mr. Bill Herrington. Mr. Atchley reminded the Commission of the discussions during last month's meetings on the Solar Project; the Power Purchase Agreement. Mr. Atchley further elaborated on the topic. Mr. Herrington again recommended the City participate in the FMPPA solar project; it would be a winning project for the City's customers according to his economic analysis. The 5 megawatt option was recommended; the rates of which would be based on the price of natural gas. Discussion was held on what options the City had if we chose not to go with Next Era Energy, the different options available and how the contract would work. Mr. Williams then explained the project to the Commission from an investment standpoint. Attorney Cloud expressed his perspective on the project and FPL's history in the state concerning the municipalities they work with. Mr. Atchley addressed the Commission regarding discussions held on solar projects for years and expressed his enthusiasm for it. He stated the Commission would either need to agree to or deny the agreement at next week's meeting.

Discuss USDA Loan

Mr. Braddock advised the Commission after discussions with the USDA, they stated if the City could afford to pay Wauchula State Bank for five years, we did not need the loan from them. It would appear the USDA is forcing us to use them. Attorney Cloud explained the requirement to pass a Bond Ordinance and how the City needed to proceed with acquiring the loan. He and Mr. Braddock advised the Commission would need to rescind their decision from December to use Wauchula State Bank as the financing institute. Mr. Braddock advised the loans would be for 3.25% but for 10 years with USDA or 5 years with a balloon note with Wauchula State Bank. Discussion was held on the differences between the loans and Mr. Atchley advised the USDA loan could be paid off early without penalty. A Resolution, a Bond Ordinance and starting paperwork would be needed to be presented next week.

Commissioner Cobb asked about the tree trimming in town; particularly the dead fronds on the palms by the bank. Mr. Atchley stated once a year they get cleaned up. Commissioner Cobb then asked what the status of the mobile food truck was; the permit ends the last day of the month. Ms. Minshew stated nothing has been changed in the Ordinance so some action would have to be taken.

G. Smith asked who determines the speed limit on Main Street between the restaurants there; Mr. Atchley stated Main Street is a county road. A discussion was held on the trees which may be impeding driver's vision on Main Street; Ms. Newman addressed the Commission on the subject.

Mr. Atchley advised he would not be at next Monday night's meeting; the Key Club will be going to Washington, D.C. He also stated the City had received 1.2 million dollars for the Green Street Stormwater Conveyance Project as well as \$150,000 for the Historic Auditorium; as long as it gets past the Governor.

With no further business to discuss, Nadaskay closed the Commission Workshop and opened the CRA Workshop

Discuss West Park Place Project

Ms. Newman addressed the Board on the request from Mr. Jim See for additional funds due to overages spent on the project.

Lambert stated in this case we know there is at least some level of criteria for why the overages occurred, we did tear into an old building, we tried to preserve an existing structure which we required retro fitting in ways that was not described in the original plan or even advised by the building department at the time it was being done. So there is some rational there, one thing about it before the

next request comes before us we need to understand what our rational is because it is right up there with paint colors. Nadaskay commented this is my ignorance but going into an old building you have more unknowns and it's a little harder to predict that kind of stuff and overages are not as common in something built from completely new construction. Nadaskay asked if that was fair to say. Newman replied we have not had a new project ours have been parking lots. Lambert stated well maybe that is the reason we need to have some policy on how we do this because one could argue the cost of building escalated during the project because of a natural disaster. Nadaskay stated we cannot get ever single scenario so you just come up with a number. Lambert stated that is right, that is why I say it is a percentage at the end of the day. See stated he did have a \$50,000 contingency built into the estimate and we blew through that. That is why I say we are going to be about 200 over budget, but that budget did contain a \$50,000 contingency and so realistically we are 150 over. See commented if you say it fast it doesn't sound like that much. Atchley commented what Clay said that being an awesome developer, new constructions there are never any concerns about the unforeseen, right. Cobb replied give him green and give me gray. Lambert stated man there went a \$25,000 pay reduce, I don't like green anymore. Lambert commented I want to be clear on what I am saying to, I am not saying that we do this number or this percentage; I think we ask the IDA if they are in the game too because to me if we all got into this thing together and we're going to start making these kinds of observations about projects on the back side of them we ought to all make them together. We are all investors and I worked the math everywhere from 5 to 10 percent the truth is you came out probably about 7 to 7 ½ percent of where we are. Nadaskay replied that's right. Lambert stated he came out at 10 percent because it is an easier number to manage and it is the truth if all four of them came to us we do not have the money currently. Nadaskay stated he is back at the 7 ½ just by taking the 3 projects and dividing by what we have. He stated he did not use logic just used what we have, what we have available and the total number of projects, there wasn't a reasoning behind it. Newman asked are you recommending 7 1/2. Nadaskay replied it is 7.3 percent. Nadaskay asked Newman if it was exactly \$33,000. Newman replied it is \$33,750. Nadaskay replied whatever that number is and I did \$33,000. Lambert asked is that with or without a match from the IDA, is that regardless or is that including the match from the IDA. Nadaskay stated we should do it regardless because it kind of starts our path forward on what we do in the future. Lambert replied that sends him on his own to the IDA, right. Nadaskay and Newman both replied no. Bill Lambert made it very clear that the money was given to the CRA; and that the CRA needs to make the "ask". Nadaskay and Lambert clarified that we go to them and ask. Lambert asked what is our "ask" to the IDA. Nadaskay stated well what we're saying is that we're gonna give 7½% towards his overages and will you, we think they should give a percentage also. He continued, I don't think we have to give them our number; let them come up with their own number; seriously, they've got bigger pockets than we do. Lambert stated they are going to ask how much money we're spending, they are going to ask that question. Ms. Newman agreed and stated they are going to ask how we came up with 7½%. G. Smith stated that's only because that's all we've got left; need to make sure it's 7½. Lambert agreed that's fair to say because that's all we've got; Ms Newman agreed. Mr. See stated they're more than welcome to contribute a little more. Nadaskay said yeah, they are welcome to give you as much as they want. R. Smith said they could fully fund it and we won't complain. Mr. See stated they could. Nadaskay stated you could walk them through our discussion; we want to be fair to everybody but that's the only amount that we have left and that's it; we've got three major projects going on; we want to be as reasonable as possible and as understanding as possible in this situation. But that's all we can do; we are limited. Ms. Newman stated but they do have to demonstrate some overage to which Lambert stated yes. Cobb stated they are not finished and they are in an old building so it's a very good possibility they'll go over also, so. Nadaskay yeah, well, how much did we get done; did we give everyone the same amount; ok then that makes the math easier. So, yes, if the potential for an overage exists through this budget year, then we'll send 7.3%. Ms. Newman stated I will say though we'll allocate it this budget year with the dollars that we have but we'll have to roll it because to close out will finish this fiscal year. But it's no different than what we've already set aside for him. Nadaskay stated we could do that. Lambert clarified the point is its earmarked; Ms. Newman agreed and stated we won't be overspending what we

don't have. R. Smith stated Clay is rolling over into next year, he's nowhere near being finished but Mr. See is pretty close to being done. He continued that's where I have a problem of going across years then something's finished during a fiscal year and then we cross; that really goes against my grain; I don't wanna do that. Lambert stated the allocation isn't a loss; I understand your issue but especially from a longer term perspective. But again we could also set perimeters on it if it does roll over. Let's say we had one that was finishing in the very last month of our fiscal year; if delays caused it and they request to move over even a month it would still leave us in the same situation. So maybe there's a period of months under which, into the next year; but I agree, it can't roll indefinitely. R. Smith stated agreed. Ms. Newman stated no, they have a time frame in their contract; all of them do. Nadaskay stated we basically have two options when it comes to this kind of stuff; we either approve an amount and say that's all we've got. Doesn't matter what skeletons turn up inside the building that you've got to fix; sorry, this is the amount we give. Or we build in this contingency, which we are kind of doing retroactively, and then that provides us flexibility should they not go over, should their budget be inaccurate, whatever, and then we use it on something else, right. Ms. Newman stated another concern of hers is that then you've got 22,000 that may not get used. Nadaskay stated it might not, but that's what I'm saying, it gives us flexibility. Ms. Newman stated but then somebody else won't get, if they came this fiscal year and needed \$100,000 how would we move it; Nadaskay stated we don't have it, sorry. It's the same thing as if we go to put it all on the first budget that came in, right. Ms. Newman asked for clarification and Nadaskay stated at the end of the year if we didn't have any projects to use that money, then we have it to use it for something. Lambert stated we had agreed as a Board that we wanted to allot this money in bigger sums for bigger, meaningful projects. He doesn't think this is inconsistent with all of those projects which are bigger meaningful projects; \$20,000 wouldn't even get us off the ground on anything big and meaningful. So, philosophically, he doesn't have an issue with it; yeah, we're out of money. Lambert continued he does think there has to be a limit or else; and they're business people and they know that. We advertise on our foreheads don't worry about what it costs, there's an overage pot. But, we can't do that, there's no way we can do that. Ms. Newman stated we are looking at \$11,000 allocated for the overages. Mr. Atchley stated they're having discussions in that direction; they are not approving anything. Ms. Newman responded I just need to know what amount. Nadaskay clarified its \$11,250. Ms. Newman stated IDA wouldn't meet until the following week. Mr. Atchley stated, yes, discussions that could essentially be approved. Lambert stated what I would like to see is a delineation of the case study issue: Here is the amount of money that the overage is; this is why the overages occurred; this was the documented cost – which he has – of the overages; this is our level of contribution which amounts to X%; it was derived from the conversation that said based upon the projects on our plate – that's what an equal allocation is – and we are requesting that they consider what their contribution might be; and that ours was based upon what our original contribution was into the total project. Ms. Newman stated ours isn't based on – Lambert stated well, it is. Nadaskay stated we backed into that one. Lambert restated it is, but – Ms. Newman stated you just took 33 and divided it by – Lambert stated well, you're right. Nadaskay stated we backed into that and Lambert stated well, you're right. I tried to come up with \$15,000 I don't have it. Mr. See added you might could just say here's all we got, here's how we got there – what do you want to do. Ms. Newman stated they can take it or leave it but hopefully, they'll say okay. Nadaskay stated they don't have to use the same logic we used. Lambert stated yes they will; Nadaskay stated they don't have to. Ms. Newman stated if they want to do it, they are gonna follow ours. But just like I said, they are going to want to know what we are putting in; there's no way they're not.

Mr. Atchley stated I think what I'm hearing, and correct me Commissioners, if I'm wrong, this is what you have available, this is how you come up with it, now you are going to be working on what your policy will look like before you enter into another one of these projects – many agreed – but now you've got x amount of dollars and here it is; plain and simple. Ms. Newman continued we've got the next six months before we've got more money – we need a better system. Nadaskay stated that's right. Mr. See discussed the overages he saw on the projects when he was on the IDA Board. Discussion was had on the IDA funding projects in buildings they own.

Mr. Atchley stated their logic was no different than this Commission's when they started down this path to address a problem this community has and that was decent housing. Both organizations, the IDA and the CRA, you're committing everything you've still got to it to try to finish it out because you've got this many dollars left and you're trying to figure out how to give them into it. Lambert stated even when these projects are done, believe it or not, there is still no housing; nothing; zero.

Mr. See stated it usually takes him six months to get his apartments filled; this time it didn't even take four weeks; in fact, it was probably less than a week. Lambert stated Mr. Cobb's will fill up fast too. Additional discussion was had on the benefits of the new apartments being built downtown.

With no further business to discuss, Nadaskay adjourned the Workshop at 6:46 p.m.

Mayor Richard K. Nadaskay, Jr.

City Clerk Holly Smith