

ROBERTA M. CORREA
MAYOR - COMMISSIONER

TAMMIE McCASKILL
COMMISSIONER

JUSTIN R. CAMPBELL
COMMISSIONER

WILL JONES
COMMISSIONER

RUFUS J. BOROM
COMMISSIONER



TROY BELL, ICMA-CM
MPA, MS-Finance
CITY MANAGER

JANE WEST, ESQ.
CITY ATTORNEY

SUNNI L. KRANTZ, CMC
CITY CLERK

MARCIA G. CARTY, CPA
MS-Taxation
FINANCE DIRECTOR

JASON L. SHAW, SR
CHIEF, POLICE DEPT.

CHRIS TAYLOR
CHIEF, FIRE DEPT

MINUTES **CITY OF PALATKA** **July 9, 2024**

The minutes of the proceedings of the regular meeting of the Palatka City Commission held on Tuesday, July 9, 2024 at 9:00 AM at City Hall, 201 N. 2nd St., Palatka, FL 32177.

1. CALL TO ORDER at 9:00 AM

a. Special Called Workshop Notice

The Notice was read by the Clerk.

b. Invocation

An invocation was led by Chaplain Mulberry.

c. Pledge of Allegiance

The pledge of allegiance was led by Commissioner Borom.

d. Roll Call

Present: Commissioner Tammie McCaskill (present via telecommunications technology) Absent:

Commissioner Justin Campbell

Commissioner Will Jones

Commissioner Rufus Borom

Mayor Roberta Correa

Also Present: Troy Bell, City Manager; Jane West, City Attorney; Sunni Krantz, City Clerk; Marcia Carty, Finance Director; Eddie Cutwright, Community Affairs Director; Chris Taylor, Fire Chief; Jason Shaw, Police Chief; Matt Newcomb, Assistant Police Chief;; Allegra Kitchens, former City Commissioner; Alonzo Mulberry, City Chaplain; Lorenzo Aghemo, Planning Director; Renee Brown, Planning Clerk; and Virginia Jones, HR Generalist;(via telecommunications technology); Tarsha Givens, Annie Davis; Karla Flagg-Wright, Erin Hewes; Sarah Cavacini, Palatka Daily News; Mary Garcia; Audrey Wise; Bernard Meehan; Jeremy Alexander;

2. PUBLIC COMMENTS Public comments were taken during the discussion

a. Public Comments - (Speakers limited to three minutes - no action taken on items)

3. DISCUSSION

a. River Center Land Swap - Due Diligence

The Manager provided a handout of the outline of today's workshop.

Charlie Douglas with Blue Crab Development Group North, LLC (the owner) assembled the due diligence materials presented in the agenda packet. He introduced Mrs. Erin Hewes, the director of event programming. Ms. Hewes will be in charged of the master calendar to ensure the River Center has a full calendar, morning, noon and night. Ms. Karla Flagg-Wright will be the director of Cultural Affairs. Mr. Cowan Amaye-obu will be the Director of Entrepreneurship Education and Enrichment. He will oversee the River Center's version of a "shark tank" to encourage entrepreneurship. Other volunteers will assist. He introduced videos of the vision of the River Center. He spoke regarding the vision for programming for the River Center, including a television/recording studio and Bass Capital Radio. Mr. Douglas provided a videorama of what the River Center would look like under his ownership. He spoke regarding using the Port Consolidated Property (100 and 102 Reid Street) as a Commission meeting room. He spoke of pouring his heart and sole into this project. He advised he has spent between \$100,000 - \$200,000 to uphold his commitment of due diligence to the City.

Mr. Kevin Sharbaugh with Douglas Law Firm outlined the environmental portion of the due diligence. In 1998 contamination occurred on the site (they had 7 fuel tanks on the site at that time). The site became qualified for the Petroleum Liability Restoration Insurance Program. They removed 5 tanks and in 2023 the remaining 2 tanks were removed. Recently, they have filed a report with the state that there are no additional conditions requiring soil removal, and they are ready to move into the remediation phase dealing with groundwater. This is a program dealt with by Montrose Environmental Solutions. The State is funding the program. When they are done, the goal is that water will be drinkable from the ground.

Rhonada Odom, CPA, spoke regarding a professional independent analysis of the perpetual evaluation she performed concerning the River Center. To qualify her position as a financial expert, she explained she holds a Masters Degree and is the CFO for the Putnam County School District, with a tax business on the side with clients with millions of dollars of assets. She estimated annual revenues will be \$247,950 after the swap. She spoke regarding one-time initial expenses, such as increasing restroom capacity and installing a commercial sound system. One or two people will need to be hired in order to host 167 events per year. Normalized revenue for the past 7 years under City ownership was \$5,533 (normalized due to the 2020 COVID pandemic). She believes the advantage for the City is to complete the land swap to eliminate a major cash drain on its budget.

The floor was opened to public comment:

Allegra Kitchens 1027 S 12th St., Palatka, FL 32177 - spoke in support of the land swap. The City will benefit by cash and receive the property adjoining City Hall. The citizens desire to keep City Hall downtown. She asked that the employee who has business dealings with Mr. Douglas not be used as a reason to turn down the land swap. Dr. Richard Feibelman 110 Lake Shore Terr., Palatka, FL 32177 - spoke in support. He co-owns the Velchoffs Restaurant at the corner of the 100 block of St. Johns Avenue. (The property is leased from Mr. Douglas). Zach Roth 8818 Goodbys Executive Dr., Jacksonville, FL 32177, a board certified real estate attorney - spoke in opposition to the land swap, until FL. Stat. 163 is complied with. Per the Sttaute, to surplus property in a Community Redevelopment District, a municipality must publish notice in a newspaper and accept proposals for the property. He advised once this is done, the Commission can still do a land swap for the property. Audrey Wise 1610 Edgemoor St., Palatka, FL 32177 - spoke in support of the land swap and spoke regarding change while being unique.

Hearing no further requests to comment, the floor was closed to public comment.

Ms. West advised the City is under a due diligence period. The due diligence period will end August 13. If the Commission desires to ask for an extension of the due diligence period, it must be requested in writing prior to August 3. The appraisal reports were received yesterday. The River Center appraised at \$1.6 million. The Port Consolidated property appraised at \$1.3 million. The differential in value dictates what the purchase price will

be. The question is whether this acquisition is suitable and in our best interest.

Ms. West advised she has been traveling under F.S. 125, that section applies only to the disposition of County property. Our charter does not have a provision as to how to dispose of municipal property. She would like to research the statute provided during public comment. Ms. West advised with the input of the Department Heads, she has advised the City on this matter. Commissioner Campbell asked to allow the City Attorney the time to research.

Ms. West advised if the Commission wants to request additional time for the extension, they can make that decision at the City Commission meeting on Thursday. Mr. Douglas advised he would be amenable to extension for the due diligence. His side has met the deadlines in due diligence. He advised his office faces the River Center and everyday he sees the River Center being underutilized.

Mr. Bell asked the following questions:

- Does the Commission desire a right of 1st Refusal to Repurchase
- What would the Commission like to use the additional funds gained from the sale on?
- What access and programming parameters will the City have once the building changes ownership?
- What guarantees do we have for Public Access or refusal to access?

Mr. Douglas advised a lease-holding estate would not allow for a fully connected 100 block. Also, if the City continues to own the property it would continue to act as a landlord in regard to upkeep.

Commissioner Borom left the room at 9:55 AM

Discussion commenced. Commissioner Jones spoke in support of the vision presented by Mr. Douglas. He expressed he has concerns with accepting the Port Consolidated property. He asked what we would do with the property if it would be accepted. He expressed concern Community Affairs has been working with Douglas on what can be at the site, rather than utilizing their time in running programming. Mayor Correa also expressed the need to determine what we would do with the Port Consolidated property. Mayor Correa indicated we do not have the Staff for programming at both the River Center and Jenkins. Commissioner McCaskill spoke regarding the independent financial analysis performed. She expressed concern regarding Staff's time. Commissioner Campbell asked to not make it look like Staff is solely working with Mr. Douglas.

Commissioner Campbell expressed maximizing business potential and the desire of the City to get out of the building rental business. He spoke regarding the Commission's need to hold a separate discussion where Staff presents what can be done with the Port Consolidated property. He also recommended Staff present what can be done with the River Center by the City in the future if the property is not swapped.

Commissioner Campbell recommended the City Manager speak with the Commission to see if they have anything they individually would like to see presented. He would also like to see renderings made if we were to remain as we are. Mr. Bell asked if the Commission would like to know costs associated with the renderings of the future of Port Consolidated. Commissioner Campbell asked the Manager to provide everything he can during the future presentation.

Mayor Correa summarized the City will be asking for an agenda item for extension of the due diligence period. Commissioner Jones advised the Commission would like to continue the discussion on the other questions Mr. Bell has on Thursday July 11th.

Ms. Carty advised the proposed budget reflects doing more programming at the River Center.

- i) Alternatives as directed by the Commission

No further discussion.

4. ADJOURN at 10:21 AM

NOTICES: ANY PERSON WISHING TO APPEAL ANY DECISION MADE BY THE CITY COMMISSION WITH RESPECT TO ANY MATTER CONSIDERED AT SUCH MEETING WILL NEED A RECORD OF THE PROCEEDINGS, AND FOR SUCH PURPOSE MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, AT THE APPLICANT'S EXPENSE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED. FS 286.0105

PERSONS WITH DISABILITIES REQUIRING ACCOMMODATIONS TO PARTICIPATE IN THIS MEETING SHOULD CONTACT THE CITY CLERK'S OFFICE AT 329-0100 AT LEAST 24 HOURS IN ADVANCE TO REQUEST ACCOMMODATIONS.