



City of Eustis, Florida

City Hall
10 North Grove Street
Post Office Drawer 68
Eustis, FL 32727-0068

Meeting Minutes – Final* City Commission

Thursday, November 19, 2015

6:00 PM

City Hall

INVOCATION: Rev. Dr. V. H. Volland, Epiphany Anglican Church

PLEDGE OF ALLEGIANCE: Commissioner Brett

CALL TO ORDER: Mayor Holland - 6:02 p.m.

ACKNOWLEDGEMENT OF QUORUM AND PROPER NOTICE

Present: 5 - Commissioner Bill Brett; Commissioner Carla Gnann-Thompson; Vice-Mayor Karen LeHeup-Smith; Commissioner Linda Bob; and Mayor Michael Holland

I. AGENDA UPDATE

II. APPROVAL OF MINUTES

15269 November 5, 2015 - Regular City Commission Meeting

A motion was made by Commissioner Bob, seconded by Vice-Mayor LeHeup-Smith, to Approve the Minutes. The motion carried by the following vote:

Aye: 5 - Commissioner Brett; Commissioner Gnann-Thompson; Vice-Mayor LeHeup-Smith; Commissioner Bob; and Mayor Holland

III. AUDIENCE TO BE HEARD

Gail Isaac Thomas asked the Commission about streetlights.

Ron Niebert, City Manager, responded that \$25,000 was included in the budget for streetlights and staff was working to identify the best locations for those lights.

Ms. Isaac-Thomas noted the need for a light on north Kensington at Bates Avenue and cited a number of disabled people in that area.

Jamie Melanson addressed the Commission regarding the Miss Eustis pageant. He asked that the City consider taking over the pageant.

Sarah Sebree expressed support for the City assuming responsibility for the pageant and the need for it to be a City event. She offered her assistance with the program while noting her daughters' desires to participate.

IV. CONSENT AGENDA

15264 Resolution No. 15-89: Purchase in Excess of \$50,000 to acquire Reclaim Water System Equipment

15267 Resolution No. 15-91: Release of Lien, 617 Pinkney Street - Code Enforcement Case #08-204

- 15263 Resolution No. 15-93: Release of Lien, 15 Radio Court - Code Enforcement Case #13-28013

A motion was made by Commissioner Bob, seconded by Commissioner Brett, to Approve the Consent Agenda. The motion carried by the following vote:

Aye: 5 - Commissioner Brett; Commissioner Gnann-Thompson; Vice-Mayor LeHeup-Smith; Commissioner Bob; and Mayor Holland

V. ORDINANCES, PUBLIC HEARINGS & QUASI-JUDICIAL HEARINGS

- 15265 Resolution No. 15-94: Site Plan (with waiver) for Randazzo Storage at 2200 County Road 452

Todd Mazenko, Acting City Attorney, announced Resolution No. 15-94: A Resolution of the City Commission of the City of Eustis, Florida, approving a site plan with waivers for the construction of a self-storage facility on approximately 4.39 acres located at 2200 County Road 452.

Lori Barnes, Development Services Director, reviewed the proposed site plan for the Randazzo Storage 180-unit storage facility and explained the requested waiver to eliminate the required perimeter landscaping due to safety concerns. She stated staff's recommendation for approval.

Mayor Holland opened the public hearing at 6:10 p.m. There being no public comment, the hearing was closed at 6:10 p.m.

A motion was made by Vice-Mayor LeHeup-Smith, seconded by Commissioner Bob, to Approve Resolution No. 15-94. The motion carried by the following vote:

Aye: 5 - Commissioner Brett; Commissioner Gnann-Thompson; Vice-Mayor LeHeup-Smith; Commissioner Bob; and Mayor Holland

- 15262 Resolution No. 15-95: Lake Community Action Agency Lease

Mr. Mazenko announced Resolution No. 15-95: A Resolution of the City Commission of the City of Eustis, Florida; authorizing the City Manager to execute a lease agreement with Lake Community Action Agency, Inc., for City-owned property located at 501 N. Bay Street in Eustis.

Tom Carrino, Economic Development Director, reviewed the proposed lease agreement with Lake Community Action Agency. He reviewed the history of the lease and explained the proposal to increase the agreement to a five year term but with the stipulation the City could terminate the agreement after three years with 180 day notice.

The Commission commented on needed maintenance on the building with Mr. Carrino stating there is a roof replacement scheduled and he would find out if there are any other improvements planned.

Mayor Holland opened the public hearing at 6:14 p.m. There being no public comment, the hearing was closed at 6:14 p.m.

A motion was made by Commissioner Brett, seconded by Vice-Mayor LeHeup-Smith, to Approve Resolution No 15-95. The motion carried by the following vote:

Aye: 5 - Commissioner Brett; Commissioner Gnann-Thompson; Vice-Mayor LeHeup-Smith; Commissioner Bob; and Mayor Holland

- 15266 Resolution No. 15-96: Update of the Interlocal Agreement for the Creation of the Lake-Sumter Metropolitan Planning Organization

Mr. Mazenko announced Resolution No. 15-96: A Resolution of the City Commission of the City of Eustis, Florida; supporting an update of the interlocal agreement for the creation of the Lake-Sumter Metropolitan Planning Organization (MPO).

Mr. Carrino explained the MPO had requested all of the involved entities adopt a new interlocal agreement reflecting the inclusion of Sumter County and various ex-officio members including the Central Florida Expressway Authority, Florida Central Railroad, Lake County School Board and Sumter County School Board.

Mayor Holland opened the public hearing at 6:15 p.m. There being no public comment, the hearing was closed at 6:15 p.m.

A motion was made by Vice-Mayor LeHeup-Smith, seconded by Commissioner Gnann-Thompson, to Approve Resolution No. 15-96. The motion carried by the following vote:

Aye: 5 - Commissioner Brett; Commissioner Gnann-Thompson; Vice-Mayor LeHeup-Smith; Commissioner Bob; and Mayor Holland

15274 Resolution No. 15-97: Authorizing the City Manager to Purchase Properties Located at 17 East Magnolia Avenue and an Adjacent Lot for a Total Amount Not To Exceed \$250,000

Mr. Mazenko announced Resolution No. 15-97: A Resolution of the City Commission of the City of Eustis, Florida; authorizing the City Manager to purchase properties located at 17 East Magnolia Avenue and an adjacent lot for a total amount not to exceed \$250,000.

Mr. Carrino explained he would provide one presentation for both Resolution No. 15-97 and Resolution No. 15-98. He noted there are revised contracts in front of the Commissioners, along with an email from the City Attorney approving the changes. He stated that Resolution No. 15-97 authorizes the City Manager to execute a commercial contract with Rock & Pickle to purchase 17 E. Magnolia Ave. and the adjacent pocket park with Resolution No. 15-98 authorizing the City Manager to sell 17 E. Magnolia Ave. to Teems LLC. He explained the City had been leasing the property for the Magnolia Avenue pocket park since August 2010. He stated that the property owner, Rock and Pickle, was not interested in continuing the lease or selling just the pocket park property; however, they wanted to sell both that parcel and the adjoining building as a package deal with an initial asking price of \$500,000. He commented on the desirability of the City owning the existing pocket park property; however, the City has no need for the building. He stated the City had appraisals done on both parcels with the pocket park appraised at \$35,000 and the building at \$140,000. The City presented the appraisals to Rock & Pickle for review.

Mr. Carrino further explained that simultaneously the City was having unrelated meetings with the owners of 1884 and through those meetings discovered their interest in purchasing the building at 17 E. Magnolia. Rock & Pickle came back with an adjusted asking price of \$250,000. City staff then met with the 1884 owners, who later formed an entity known as Teems LLC, to negotiate the possible sale of 17 E. Magnolia.

Mr. Carrino then reviewed the two purchase contracts. He stated that the contract with Rock & Pickle is for the asking price of \$250,000 and includes a \$500 deposit and a 30-day due diligence period with a closing date of on or before January 8, 2016. He cited the revisions from the original contract as follows: 1) Elimination of the section on financing; 2) Clarification on some tenant issues; and 3) Addition of some standard language.

Mr. Carrino then reviewed the purchase contract with Teems LLC which would be considered under Resolution No. 15-98. He stated the contract provides for an \$184,780 purchase price with a \$500 deposit and a 30-day due diligence period. He explained that the City would be agreeing to finance the purchase for five years at 0% interest. He stated Teems LLC is agreeing to personally guarantee the loan and to complete at least \$92,000 in improvements to the building. He cited the original contract was amended to allow for confirmation of the improvements via paid invoices and receipts and not just cancelled checks. He stated that staff has received feedback from the public and area businesses expressing support for continuing the pocket park. He commented on the benefits of the purchase and sale and expressed staff's recommendation for approval.

Mayor Holland explained for the public the location of the property in question.

The Commission expressed the following concerns regarding the sales contract with Teems LLC: 1) No due diligence as to the ability of the buyer to pay and only \$500 down; 2) the improvements to be done within two years; 3) whether or not Rock & Pickle would enforce the lease clause which would require the City to tear out the parking and landscaping; 4) the difference between the appraisals and the purchase price; and 5) where the funds would come from for the purchase.

Mr. Carrino responded Teems LLC has committed to doing the improvements within one year but the agreement allows two years. He commented on the benefit to the City from the deal and cited the following factors: 1) what they are willing to pay over five years; 2) the possible cost of having to convert the park back to its original condition; 3) the public benefit of the pocket park and angle parking; and 4) the increase in property value and resulting taxes from the improvements to the building. He stated that funds for the purchase would come from reserves.

The Commission commented on whether or not the City would set a precedent for financing of a sale of City property with Mr. Neibert explaining that's why staff included specific performance standards in the contract.

Mr. Mazenko questioned Section 7 of the purchase contract between the City and Rock & Pickle and the due diligence period with Mr. Carrino noting an error and stating the intent is for a 30-day due diligence period. He stated that would be confirmed and corrected prior to signing of the contract.

Mr. Neibert noted that any Commission motion should include the 30-day due diligence period.

Mr. Mazenko commented on the possibility of creating a precedent in case someone came forward with a similar situation.

The Commission expressed concern regarding lack of underwriting concerning the buyers. It was noted that the City Attorney Derek Schroth had indicated verbally that he was uncomfortable with the contract with Mr. Neibert stating that Mr. Schroth's concerns were regarding the amount of the down payment. The Commission also questioned the intended use of the building with Mr. Carrino responding that the existing barbershop would remain on the first floor with residential on the second and third floors.

Mr. Neibert explained that state law prohibits municipalities to charge interest on loans so the anticipated interest on a five year loan was rolled into the purchase price.

The Commission questioned what would occur if the buyer could not make the payment in two years with Mr. Carrino explaining that the City would foreclose on the mortgage and take over ownership of the building. The Commission further discussed whether or not there was a time issue in approving the purchase and sale, the need to make sure there are no loopholes in the contracts, the deteriorating state of the building and the need to insure the building is improved, and whether or not the City could loan money for a residential use.

Mr. Neibert explained the buyers formed the LLC in order to avoid the prohibition against loaning to individuals for residential use.

Mayor Holland opened the hearing at 6:40 p.m.

Ms. Isaac Thomas asked if Teems LLC is the only one who has expressed interest in purchasing the property with Mr. Carrino stating that Teems LLC is the only group that the City has had serious discussions with about the property.

There being no further public comment, the hearing was closed at 6:41 p.m.

A motion was made by Vice-Mayor LeHeup-Smith, seconded by Commissioner Gnann-Thompson, to Approve Resolution No. 15-97 with the inclusion of a 30-day due diligence period. The motion carried by the following vote:

Aye: 5 - Commissioner Brett; Commissioner Gnann-Thompson; Vice-Mayor LeHeup-Smith; Commissioner Bob; and Mayor Holland

- 15275 Resolution No. 15-98: Authorizing the City Manager to Execute a Commercial Contract with Teems, LLC. for the Sale and Purchase of Property Being Purchased by the City Located at 17 East Magnolia Avenue

Mayor Holland announced Resolution No. 15-98: A Resolution of the City Commission of the City of Eustis, Florida; authorizing the City Manager to execute a commercial contract with Teems, LLC, for the sale and purchase of property being purchased by the City located at 17 East Magnolia Avenue.

A motion was made by Vice-Mayor LeHeup-Smith, seconded by Commissioner Gnann-Thompson, to Approve Resolution No. 15-98. The motion carried by the following vote:

Aye: 3 - Vice-Mayor LeHeup-Smith; Commissioner Bob; and Mayor Holland

Nay: 2 - Commissioner Brett; and Commissioner Gnann-Thompson

SECOND READING

- 15243 Ordinance No. 15-27: Conditional Use Permit - First Presbyterian Church - 204 South Center Street

Mr. Mazenko read Ordinance No. 15-27 by title on second and final reading: An Ordinance of the City Commission of the City of Eustis, Lake County, Florida, to approve a conditional use permit for an existing nonconforming church at 117 South Center Street with the addition of a daycare center use; and to approve church uses including church office, meeting space and clothing distribution at 204 South Center Street in a Suburban Residential land use district on approximately 2.94 acres.

Mayor Holland opened the public hearing at 6:43 p.m. There being no public comment, the hearing was closed at 6:43 p.m.

A motion was made by Vice-Mayor LeHeup-Smith, seconded by Commissioner Brett, to Adopt Ordinance No. 15-27 on second reading. The motion carried by the following vote:

Aye: 5 - Commissioner Brett; Commissioner Gnann-Thompson; Vice-Mayor LeHeup-Smith; Commissioner Bob; and Mayor Holland

VI. OTHER BUSINESS

- 15268 Discussion of Possible Design District Change on City-Owned Property West of Hicks Ditch Road

Ms. Barnes provided a timeline regarding actions related to the City-owned property located west of Hicks Ditch Road. She explained the use of design districts under the recently revised Land Development Regulations and Comprehensive Plan. She stated that for a portion of the property the Future Land Use Designation was already changed from PI Public Institutional to Conservation. She noted there is not a Conservation Design District. She explained the proposed design district designations of Suburban Corridor and Suburban Neighborhood. She asked for direction from the Commission and stated if it is the will of the Commission it would come back as an ordinance. She stated that only the portions of the property that do not have a Conservation land use designation would be given a design district designation.

CONSENSUS: *It was a consensus of the Commission for staff to proceed with the ordinance to change the design district designations.*

- 15270 2015-16 Strategic Plan Recommendations

Mr. Neibert presented to the Commission the information compiled by staff regarding an update to the Strategic Plan and asked for approval to schedule a workshop.

CONSENSUS: *It was a consensus of the Commission to schedule workshop after January 1st.*

15272 City Manager Evaluation - 6 month

Mayor Holland opened the floor to comments by the Commissioners regarding the City Manager's six month evaluation.

Each Commissioner expressed their satisfaction and thanks for Mr. Neibert's performance in his first six months with the City.

VII. FUTURE AGENDA ITEMS

Vice Mayor LeHeup-Smith asked to have discussion regarding the Miss Eustis Pageant with Mayor Holland concurring. He recommended that it be discussed during a workshop.

Mr. Neibert suggested that he set up a meeting to discuss the issue with the previous organizers and the supporters with the Commission agreeing.

Commissioner Bob commented on the need for various City properties to be painted or cleaned.

Mayor Holland asked for staff to look at the City's waste management contract. He noted that a number of area cities have already changed providers and cited the need to see if they can save the City some money.

Commissioner Gnann-Thompson commented on the need for some directional signage into the downtown area.

VIII. COMMENTS**City Commission**

Vice Mayor LeHeup-Smith cited the upcoming Movies in the Park and wished everyone a Happy Thanksgiving.

Commissioner Brett noted that Eustis High School no longer recognizes a Valedictorian or Salutatorian. He commented on a student that qualifies to be the Valedictorian and she is not getting any recognition nor will be speaking at graduation. He noted he would be giving Stephanie Luke a call to express his concern. He expressed support for the schools recognizing academic achievement.

Commissioner Gnann-Thompson recommended contacting Principal Nancy Velez. She wished everyone a happy Thanksgiving.

Commissioner Bob commented on the change in high school graduation ceremonies and also expressed happy Thanksgiving.

Mayor Holland cited the 5th Annual Jaycee Road Dogs Free Thanksgiving Dinner and the Light Up Eustis event. He announced there would be a reindeer and its baby at the event.

City Manager

Mr. Neibert reported he had been contacted by one of the other local city managers about scheduling another Golden Triangle Summit meeting. He added that the City of Tavares had suggested a Wednesday date in January.

Mayor Holland recommended including the City of Umatilla as well.

CONSENSUS: It was a consensus of the Commission to schedule the summit meeting.

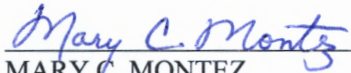
Mr. Neibert expressed thanks to the Commission and staff for their support.

City Attorney - None

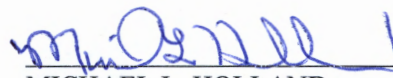
Mayor

Mayor Holland thanked Todd Mazenko for filling in for the City Attorney. He commented on his, Commissioner Bob and staff's attendance at Lake County Legislative Days in Tallahassee. He noted there are a number of unfunded mandates that may be considered by the legislature and asked residents to keep informed about the issues. He wished everyone a happy Thanksgiving.

IX. ADJOURNMENT - 7:09 p.m.



MARY C. MONTEZ
City Clerk



MICHAEL L. HOLLAND
Mayor/Commissioner

*These minutes reflect the actions taken and portions of the discussion during the meeting. To review the entire discussion concerning any agenda item, go to www.eustis.org and click on the video for the meeting in question. A DVD of the entire meeting or CD of the entire audio recording or verbatim transcript of the meeting can be obtained from the office of the City Clerk for a fee.