

Special Meeting
Ormond Beach and Daytona Beach City Commissions
Schnebly Recreation Center

1101 North Atlantic Avenue, Daytona Beach
March 29, 2004 5:30 p.m.

Present for the City of Ormond Beach were: Mayor Fred Costello, Commissioners Jeff Boyle, Troy Kent, Scott Selis, and Bill Partington, City Manager Isaac Turner, and City Clerk Veronica Patterson.

City Commission – March 29, 2004

Present for the City of Daytona Beach were: Mayor Yvonne Scarlett-Golden, Commissioners Richard Shiver, Darlene Yordon, Shiela McKay, Gwen-Azama Edwards, and Dwayne Taylor, City Manager Richard Quigley, and City Clerk Jennifer Thomas.

Also present was Bill McMunn representing Consolidated Tomoka Land Company.

A G E N D A

- 1) Call to Order
- 2) Dinner (5:30 p.m. to 6:00 p.m.)
- 3) Welcome
- 4) Introduction of Commissioners
- 5) Opening Comments
- 6) Presentation of Recommendations
- 7) Comments – Mayors
- 8) Comments/Questions
- 9) Directives
- 10) Adjournment

Item #1 - Call to Order

Mayor Costello called the meeting to order at 6:05 p.m.

Item #3 - Welcome

Mayor Scarlett-Golden thanked everyone for attending this special meeting of the Ormond Beach and Daytona Beach City Commission. She advised that since the meeting was being held in Daytona Beach, Mayor Costello graciously assigned her the task to preside over the meeting.

Mayor Scarlett-Golden led in the Pledge of Allegiance and called for a moment of silence.

Mayor Costello stated that the Ormond Beach City Commission was delighted to be at this meeting, and he noted there were many exciting things Daytona Beach and Ormond Beach could do together.

Item #4 - Introduction of Commissioners

Mayor Costello introduced the members of the Ormond Beach City Commission.

Mayor Scarlett-Golden introduced the members of the Daytona Beach City Commission. She advised Zone 6 Commissioner Charles Cherry was unable to attend.

Item #5 - Opening Comments

Commissioner Boyle advised it was an honor to appear tonight, and it demonstrated how far the two cities had come and how close they were to their common goals.

Commissioner Kent echoed Commissioner Boyle's comments and noted he was very positive about the meeting.

Commissioner Selis advised that this was a historic opportunity and with open minds and the will to succeed, success could be achieved.

Commissioner Partington reported he was excited to begin working together in a new and different way. He noted he read in the newspaper that Daytona Beach and Ormond Beach had been "feuding" for many years; therefore, he offered each Commissioner a "peace offering" of a peace dollar that was minted to celebrate the historic peace after WW1 with the words "peace"

on one side and “trust” on the reverse side. Commissioner Partington advised both were necessary for success.

Mayor Scarlett-Golden thanked Commissioner Partington for his generous gift and thoughtfulness on behalf of the Daytona Beach City Commission.

Commission Shiver noted that everyone had the same goal in mind, and he hoped to resolve this issue and work together well in the future, representing those who elected them to the greatest extent possible. He stated he hoped to meet the Ormond Beach City Commission again in the future on more positive issues.

Commission Yordon thanked Ormond Beach for the gift and the dinner. She stated the high hopes everyone had shared tonight were setting the tone for the future of Daytona Beach, Ormond Beach, and Volusia County.

Commission McKay echoed Commission Yordon’s appreciation for the thoughtful gift and the dinner. She reported she was hopeful this could be resolved and the two cities could meet for other issues in the future.

Commissioner Azama-Edwards reported this had been a great start. She stated when two cities were located so closely together, they were truly neighbors and all are called to be kind and loving to their neighbors to their best ability. Commissioner Azama-Edwards commended the city managers for working together to arrive at a compromise even if the two cities would decide not to approve the proposal. She also commended the members of the two Commissions for showing a desire to work together.

Commission Taylor stated this was a great opportunity for the two cities to meet in brotherly love, peace, and harmony. He advised the leadership of Mayor Scarlett-Golden and Mayor Costello spearheaded this unprecedented meeting.

Mayor Scarlett-Golden thanked Mr. Turner, Mr. Quigley, and Mr. McMunn for working very hard on the difficult task to resolve this dispute.

Item #6 - Presentation of Recommendations

Mr. Quigley echoed the comments previously made. He stated the meetings he had with Mr. Turner and Mr. McMunn were a process of looking toward the future to resolve the issues so those issue would not have to be brought up again.

Mr. Quigley read a portion of the memorandum provided with the agreement into the record. He stated this meeting was scheduled as part of the conflict resolution process established in Chapter 164, Florida Statutes, regarding the water and sewer service agreement between the two cities and provided for a dialogue between the elected officials so that the disputed issues may be resolved. Mr. Quigley advised a formal approval was not needed at this time; however, it was requested that the respective elected boards endorse the concepts and instruct their staff members to prepare and present final agreements and documentation that implemented the concepts.

Mr. Quigley reported the two cities had been engaged in a lengthy dispute over alleged violations of an interlocal agreement that was approved in 1981 and subsequently amended in 1991 and 1992. He noted that since that time both cities had annexed property within the service areas and provided utilities for development. Mr. Quigley advised it was resolved that the participants in the meeting would avoid the confrontational attitude of past actions and develop a solution that was agreeable to both cities and the impacted property owner. He stated that everyone agreed that the decisions had to result in a situation where all parties benefited, and no punitive actions would be allowed.

Mr. Quigley advised the following summarized the four primary issues that were discussed, reviewed and ultimately addressed in the meetings: 1) adoption of some mutually agreeable planning standards; 2) defining the location and size of a parcel of land to be de-annexed from Daytona Beach and annexed into Ormond Beach, and defining a process for development of the parcel; 3) west of I-95, amending the service line to follow the municipal boundaries and east of I-95, making a mutually acceptable adjustment of the service line; and 4) agreement on a solution for current service boundary issues and compensation to Daytona Beach for areas east of I-95. He stated these four issues were agreed upon by both of the city managers and the property owner, and all parties agreed that the chain of events that led to this situation were

of no consequence in developing a solution. Mr. Quigley noted there was also agreement that all of the issues and solutions had to be considered as a whole and not individually.

Mr. Quigley reported the cities have very similar standards regarding land use and zoning. He stated the city managers and the property owner identified the following as general goals for the area that would be worked out through the comprehensive plan and zoning process. He noted the majority of the area, approximately 2,900-acres, would have a residential land use with a maximum gross density of 2-units per acre, resulting in a maximum residential development intensity of 5,800 residential dwelling units. Mr. Quigley stated a community retail center, similar to Ormond Towne Square, was proposed for the northwest corner of Granada Boulevard and the FPL easement. He advised a regional commercial center had been identified at the intersections of LPGA Boulevard, Tymber Creek Boulevard, and Stagecoach Road. Mr. Quigley explained the entire project would be developed through a planned development process and subdivision through Daytona Beach, although there would be portions that would have to be de-annexed by Daytona Beach and subsequently annexed into Ormond Beach, occurring after approval of the Comprehensive Plan, zoning, and subdivision procedures of Daytona Beach, including wetland and floodplain management standards. He advised that the property owner had agreed to generally adhere to the City of Ormond Beach standards for zoning and land use. Mr. Quigley reported a landscape buffer along State Road 40 would be 50-feet in depth and would comply with the more stringent landscaping standards of the two cities.

Mr. Quigley advised signage would generally comply with the City of Ormond Beach standards, and the commercial component would have specific standards established that were less restrictive than Ormond Beach's standards, but would be consistent with the signage used at Ormond Towne Square.

Mr. Turner stated he appreciated the efforts of Mr. Quigley and Mr. McMunn working on this proposal, and he thanked staff for their quick response to requests for information and for providing the maps.

Mr. Turner directed attention to the maps provided that defined the location and size of a parcel of land to be de-annexed by Daytona Beach and annexed into Ormond Beach, and defining a process for the development of the parcel. He advised the first map, Exhibit #1, represented the current situation, showing the municipal boundaries and the service lines of Daytona Beach and Ormond Beach west of I-95.

Mayor Scarlett-Golden advised the Daytona Beach City Commission did not have the opportunity to meet to discuss this proposal as Ormond Beach had on Saturday; therefore, she asked if it would be permissible for the Daytona Beach Commission members to ask questions as Mr. Turner made his presentation. Mr. Turner advised that would be fine.

Mr. Turner reported the difference between the maps, Exhibit #1 and Exhibit #2, was the delineation of the service area and proposed subsequent municipal boundaries, including the proposed 721 acres south of Granada Boulevard east of Stagecoach Road, and north of the Hand Avenue extension that would be voluntarily annexed into Ormond Beach. He stated the 2,317 acres depicted would remain in Daytona Beach and become Daytona Beach service area. Mr. Turner pointed out two 141-acre sites, both of which were in the Ormond Beach service area, that would become the Daytona Beach service area. He advised all of this area would be permitted and processed through the City of Daytona Beach and the cities would work together to insure compliance with the regulations of the two cities. He reported beside providing what each City would want in a proposal, this proposal also would provide a fairly clean line so future staff would know where the service lines would be located.

Mr. Quigley advised a main objective was to make a plan useful to both cities, and it was determined the best way to achieve that goal was to follow the municipal boundary lines. He stated west of I-95, the service line was amended to follow municipal boundaries; east of I-95, a mutually acceptable adjustment of the service line was made. Mr. Quigley noted there was still considerable property located on both the east and west sides of I-95 that was not owned by CTLC but had been identified in the service area maps. He advised these properties would be encouraged to annex into the municipality that would provide them with utilities.

Commissioner Azama-Edwards clarified the new municipal boundary lines would solve some of the problems where businesses could not determine where the current service lines were drawn.

Mr. Turner advised there were 25,599 acres that Ormond Beach would lose in the current service area and Daytona Beach would gain west of I-95. He stated east of I-95, Ormond

Beach would gain 230 acres of service area. Mr. Turner reported the municipal boundary acreage coming into Ormond Beach would be approximately 721 acres.

Mr. Turner explained that the Exhibit #3 map depicted the area east of I-95. He stated the 13.5 acres in the Riviera Hotel area was in the Daytona Beach service area. Mr. Turner reported Ormond Beach was servicing that area before the agreement came into place, and the city managers were planning on meeting to make more permanent arrangements, but that meeting never occurred. He advised the proposal was to place this in the Ormond Beach service area to allow Ormond Beach to continue servicing it. Mr. Turner pointed out most of this area was physically in the City of Holly Hill.

Mayor Scarlett-Golden asked if an agreement would have to be negotiated with Holly Hill; whereby, Mr. Turner replied the agreement would be between Daytona Beach and Ormond Beach.

Mr. Turner stated the 16.5 acres noted in the map in the Arroyo Parkway area was an FDOT retention pond, and it was not included in the calculations. He stated the 201-acre Arroyo Parkway area was physically located in the Daytona Beach service area, but it would be in the Ormond Beach service area under this proposal since it was currently within the Ormond Beach municipal boundary. Mr. Turner stated Daytona Beach was servicing the 27-acre Wellington Station area, but it was physically located in the City of Ormond Beach. He noted the proposal was to change the service line according to the municipal boundaries; however, the actual service would remain unchanged to allow Daytona Beach to continue to provide the service. Mr. Turner stated Daytona Beach was serving the 22-acre mobile home park with sewer service, and the recommendation would be to encompass that area in the Ormond Beach service area; however, Daytona Beach would continue to provide service in that area.

Mr. Quigley reported a number of years ago Daytona Beach purchased a private sewer system for the mobile home park, and Ormond Beach did not have service in that area at that time.

Commissioner McKay asked who would serve the Wellington Station area.

Mr. Turner explained the Wellington Station area was in the City of Ormond Beach but in the Daytona Beach service area; however, under this proposal it would be in the Ormond Beach service area, but Daytona Beach would continue to provide the service.

Mr. Turner advised the area south of Hand Avenue and east of Clyde Morris Boulevard would match municipal boundaries. He noted Ormond Beach would continue to provide services if and until Daytona Beach would be ready to service the area. Mr. Turner explained this arrangement was made because some facilities were about to start construction or were in the midst of construction, and this agreement would allow this temporary arrangement to occur. He advised under the proposal, this would all go into the Ormond Beach service area, but the current arrangement was that if Daytona Beach decided to provide the services, Ormond Beach would allow this to occur.

Mr. Turner noted the 11 acres depicted south of Clyde Morris Boulevard and 78 acres depicted south of Hand Avenue at Williamson Boulevard were in Daytona Beach, but it was in Ormond Beach's service area. He advised under this proposal, Daytona Beach would service both of those areas.

Mayor Scarlett-Golden asked how the negotiations came about as to which area would be in the Ormond Beach service area and which would be in the Daytona Beach service area; whereby, Mr. Turner explained this was part of the original 1981 agreement, but he was uncertain as to how the lines were drawn.

Mr. Turner noted there was an adjustment made for Aberdeen in 1998.

Mr. Quigley advised neither he nor Mr. Turner were working for their respective cities when these lines were drawn; however, they were probably drawn based on property lines that evidently changed over the course of time.

Commissioner Azama-Edwards asked why, in certain areas, one city would continue to provide service while located in the other city's service area.

Mr. Quigley explained this was mutually agreed upon because the one city was already providing the service; however, it did not mean that the other city could not decide to service the area in the future.

Mr. Quigley stated the City Managers and their staffs recommend that the City Commissions for Daytona Beach and Ormond Beach accept the concepts that were presented and direct the respective staffs to draft the appropriate agreements to effect the necessary changes to the service agreement, municipal boundaries and development standards. He reiterated their efforts were focused on forgetting what had occurred in the past and moving forward, leaving no question as to who would service each area.

Mr. Turner advised that under this proposal the City of Ormond Beach would pay the City of Daytona Beach \$250,000 to help expedite this process.

Item #7 - Comments – Mayor Costello

Mayor Costello advised he was proud of the respective city managers and Mr. McMunn for initiating a process for which very few people gave any chance of success. He stated the Ormond Beach City Commission believed this was a well-crafted and reasonable agreement. Mayor Costello reported the Ormond Beach Commission had the opportunity to meet relative to this issue on Saturday and acknowledged that the Daytona Beach Commission had not had that opportunity; therefore, he would present Ormond Beach's response to this proposal as well as three minor amendments and then offer the Daytona Beach City Commission and Mr. McMunn to respond. He advised this would preserve the heart of the agreement, and the tweaking would address the concerns Ormond Beach had without diminishing anything for Daytona Beach or CTLC. Mayor Costello stated he was hopeful to come to a consensus tonight, but would be willing to meet again since the Daytona Beach Commission had not had the opportunity to discuss this proposal.

Mayor Costello reported that in the spirit of interest-based negotiations he would outline the five areas outlining why Ormond Beach had accepted it and had requested Daytona Beach to accept it, and then he would outline three recommended amendments. He stated that (1) the resolution of the multiple issues addressed in this proposal would heal old wounds and provide a clean slate from which to build a future cooperative effort. Mayor Costello reported that (2) Ormond Beach was willing to trade service area for adjustments in the municipal corporate limits using the existing logical line even though it would reduce total revenue dollars to Ormond Beach that would otherwise be generated from these utilities. He explained that because it would preserve the State Road 40 corridor in Ormond Beach, the City would be willing to make this investment. He advised that (3) Ormond Beach believed this agreement would provide an opportunity to clean up inadvertent encroachments which neither party knew existed until recently. Mayor Costello stated that (4) this agreement would cause the least disruption to the existing utility customers by keeping existing service providers wherever possible. He reported that (5) this agreement would, in the majority of cases, delineate the future service line as being the same line as the municipal corporate limits line.

Mayor Costello advised the first amendment Ormond Beach would propose was (1) Ormond Beach would pay Daytona Beach the \$250,000 for obtaining 50-feet of frontage along all of State Road 40 that was not included in the 700 acres, and it would not pay Daytona Beach the \$250,000 for balancing previous encroachments. He noted this would allow Daytona Beach to receive the same \$250,000 as proposed in the agreement and feel that Ormond Beach paid for past encroachments, and allow Ormond Beach to pay for additional frontage on State Road 40 so as to preserve the State Road 40 corridor keeping it in Ormond Beach. Mayor Costello emphasized that Ormond Beach would not be agreeing it would be paying for encroachments that were inadvertent and unknown to all parties at the times they occurred. He advised Ormond Beach would be willing to stipulate that the 50-feet would serve as the buffer, that Daytona Beach development may begin 50-feet away from the State Road 40 right-of-way, and that Ormond Beach would support the delineated commercial development proposed along State Road 40. He stated by doing so, the landowner would not lose the use of any land; Daytona Beach would not lose anything; but Ormond Beach would not feel they had been penalized.

Mayor Costello reported the second proposed amendment would be to (2) allow Daytona Beach to have total control over the development of the 2,300 acres without significant Ormond Beach involvement other than the typical staff involvement in adjacent development. He advised Ormond Beach would stipulate it supported the two locations designated for commercial zoning and up to two units per acre for developable lands in the remaining 2,300 acres.

Mayor Costello stated the third amendment was to (3) allow Ormond Beach to guide the development of the 721 acres that would become Ormond Beach. He reported this was necessary to preserve the equity to the developers of future Ormond Beach lands who would know that all Ormond Beach developers would have developed to the same code. Mayor Costello advised Ormond Beach would further stipulate that Ormond Beach would

protect the landowner and future developer by agreeing that a maximum of 512 homes would be permitted on the 700 acres, even if adjustments to the Ormond Beach codes would be necessary such as allowing clustering and shifting of impacts on the Class III and Class IV wetlands to facilitate better development.

Mayor Costello reported Ormond Beach sincerely wished to work with the Daytona Beach Commission on many projects, and the issues noted were fair and equitable to all parties.

Item #8 - Comments/Questions

Mr. McMunn reported the balance of the scale had been discarded in the negotiations by adding these new issues. He advised the 50-foot being requested on State Road 40 was problematic because CTLC would have to landscape entrances, and two different jurisdictions would be involved. Mr. McMunn reported discussions did include the possibility of this occurring sometime in the future. He questioned what was meant relative to Ormond Beach having input into the 2,300 acres and noted he would oppose having to go to both Daytona Beach and Ormond Beach for approvals.

Mayor Costello clarified that for the 2,300 acres, Daytona Beach would have total control and Ormond Beach would not have influence or involvement other than that for which it would have for any other adjacent entity such as through the Department of Community Affairs.

Mr. McMunn advised that would probably be acceptable; however, regarding the third amendment, there has been a long history between CTLC and Ormond Beach; and while it may change over time, to hope for these changes at this time would be too big a risk for CTLC.

Mayor Costello recommended discussing all of the other issues at this point and allowing the Ormond Beach Commission to discuss that issue later.

Mayor Scarlett-Golden requested that a copy of the issues Mayor Costello discussed be provided in writing to allow the Daytona Beach Commission the opportunity to study his proposals. She noted she was not comfortable discussing these issues without the opportunity for the Daytona Beach Commission and staff to thoroughly study the aforementioned proposals.

Commissioner Richard Shiver reported he was surprised Mr. McMunn did not have the opportunity to view these amendments; whereby, Mr. McMunn advised he had been out of town for the weekend.

Mr. Turner reported he contacted Mr. Quigley on Saturday after the Ormond Beach meeting, but was unable to reach Mr. McMunn to present him with the recommended amendments.

Commissioner Shiver asked if the three parties agreed with the proposal outlined on the blue sheets.

Mr. McMunn advised the proposal was endorsed by all three negotiators. He stated there was a great deal of give and take involved to reach this proposal.

Commissioner Shiver stated the professionals and property owner have agreed on a proposal; however, there has not been time to study the amendments, and he would not comment until he had that opportunity. He advised that considering the amendments, here again the property owner did not agree with the Ormond Beach proposal, which was the same circumstance that had previously occurred. Commissioner Shiver reported he would fully support the proposal written by the city managers and property owner, but the property owner would have to agree on any amendment.

Mayor Scarlett-Golden commended Mayor Costello. She stated at her Thursday meeting with Mayor Costello she was left with the impression that the two bodies would discuss the information to be provided at this meeting. Mayor Scarlett-Golden advised that for that reason she did not call a special meeting, because she thought each Commission would discuss the provisions together. She stated the Ormond Beach City Commission met and arrived at areas they would like to tweak in the proposal, but she would like to be afforded the same opportunity. Mayor Scarlett-Golden reported great progress has been made and noted more progress could be made.

Mr. Quigley stated that an important issue that must be recognized was that Daytona Beach could not make an amendment to the annexation agreement unless the property owner would agree.

Commissioner Yordon concurred with Mr. Quigley. She thanked everyone for trying to work out the problems. Commissioner Yordon noted the Daytona Beach City Commission had not had the opportunity to discuss the agreement, and certainly not the tweaking; but she advised she did not understand why Daytona Beach should give Ormond Beach 721 acres since Ormond Beach was approached twice by CTLC and turned them down. She stated that CTLC then went to Volusia County, and Daytona Beach graciously took them in. Commissioner Yordon pointed out Ormond Beach had been the aggressor in lawsuits and now they wanted to take a portion of the spoils.

Mr. McMunn clarified that CTCL applied for annexation into Ormond Beach that was never acted upon, but it was not turned down by Ormond Beach. He stated the application was withdrawn eventually.

Commissioner Selis advised that when offered a settlement in negotiations, the question was always what would be gained by giving something away. He explained that the Ormond Beach Commission was convinced that Ormond Beach would have rights over the water service area on the entire 3,000 acres. Commissioner Selis stated the 2,317 acres west of I-95 would become Daytona Beach service area through this proposal, which was of significant value and respect. He noted he had not become a Commissioner until after all of the ill will of the past, and it was his and the Ormond Beach Commission's strong desire to consider the future of the two cities moving forward as good neighbors. Commissioner Selis pointed out the two definitions of a good settlement were where both parties were happy and both parties were upset, and the three negotiators worked hard to fashion an agreement with which each party could be happy. He concurred that Daytona Beach needed to discuss these issues, and it would be very helpful for this meeting to be reconvened after everyone had an opportunity to be heard.

Commissioner Yordon reported she did not understand why Daytona Beach should give up land, but that was now explained. She asked if Ormond Beach had the capability to service the area with water and sewer.

Mayor Costello reported Ormond Beach had the capability to service this area since it had been in the Ormond Beach service area plans for many years. He advised Ormond Beach would be giving up dollars; but there were people, especially in the western portion of Ormond Beach, that believe State Road 40 should be in Ormond Beach. Mayor Costello explained it had been a difficult issue to tell a developer they could not build under certain conditions and have them go to another jurisdiction, but Ormond Beach considered it necessary not to compromise its standards for one developer when the next developer would want the same concessions. He noted the issue was not whose standards were better; the issue was setting a precedent.

Commissioner Yordon advised she understood why Ormond Beach would want 50-feet of frontage on State Road 40. She noted Daytona Beach discussed working with Ormond Beach to preserve land along State Road 40 since Ormond Beach had such high standards. Commissioner Yordon reiterated her goal was to better understand the rationale of the proposed agreement.

Mayor Costello clarified that Ormond Beach could make a great deal more money servicing the water and sewer, but Ormond Beach wanted State Road 40 in Ormond Beach. He advised Daytona Beach would have Hand Avenue, LPGA, and many other major thoroughfares. Mayor Costello reported knowing the owner and what kind of development would be located on this road, he had repeatedly stated that the Daytona Beach standards would be high; therefore, it was not a question of lower standards but to have this roadway in Ormond Beach's future.

Commissioner Yordon stated that when requests were made, she noted she would like a justification as to why it should be accepted, and Commissioner Selis had provided that justification.

Commissioner Partington stated that at the Saturday Ormond Beach City Commission meeting, Mr. Turner urged the Commission to put on a CTLC and Daytona Beach City Commission "hat" to examine issues from their perspective, which he had done. He noted he appreciated Commissioner Yordon's question. Commissioner Partington advised that his original opinion was that it would be easier to leave the situation as it was and have Daytona Beach across the street from Breakaway Trails. He advised that would not bother him at all since he lived in Daytona Beach the first few years of his life and his family was from Daytona Beach; and even with this agreement, Daytona Beach would still be across the street in his zone. Commissioner Partington stated that it would be more advantageous financially for Ormond Beach to keep the service area rather than trading it for land, because after 15 years of build out minus costs, Ormond Beach would make approximately \$2 million per year profit, which would

be of great benefit to Ormond Beach citizens. He pointed out Ormond Beach believed it had a strong likelihood of success in a lawsuit because the service area had always been upheld and even Daytona Beach attorneys informed the Daytona Beach City Commission that those service areas were Ormond Beach's service area. Commissioner Partington advised that the more thought he gave to the situation, the more he wanted to fashion a deal because it was crucial for Ormond Beach and Daytona Beach to work together on this and other issues. He stated while there was no opportunity for public input at this point, he believed that there were many people who considered the State Road 40 corridor to be in Ormond Beach.

Commissioner Boyle concurred that more study was needed on this agreement, particularly for Daytona Beach since Ormond Beach received the information on Friday and additional information on Saturday at the meeting. He stated the report indicated that Ormond Beach would work with Daytona Beach on the development of standards in the 2,300 acres; however, due to the fact that Ormond Beach had a great deal of trust in Daytona Beach, that proposal would be withdrawn. Commissioner Boyle noted he would concur with the landowner that the 50-foot buffer the length of SR-40 may be problematic relative to road entries and would need to be worked out. He stated relative to the third amendment, which the landowner had identified as a major roadblock regarding the 721 acres being annexed into Ormond Beach, he noted this would be developed, permitted, and processed through Daytona Beach in the proposal. Commissioner Boyle pointed out that it was not certain that statutory constraints may preventing this from occurring. He stated the faith Ormond Beach would place in Daytona Beach for the 2,300 acres, he hoped would be afforded to Ormond Beach to permit and process the 721 acres. Commissioner Boyle pointed out that this was not an issue between Ormond Beach and Daytona Beach, but with the landowner. He advised that while Mr. McMunn had asserted there would be a certain risk in developing in Ormond Beach, since Ormond Beach's last inaction on the annexation application, Ormond Beach had adjusted its wetland rules to allow the transfer of impacts and embraced the concept of cluster density. He noted, however, that the City also had an obligation to previous and future development in Ormond Beach. Commissioner Boyle pointed out the City had recently approved development along this same corridor under a certain set of rules, and the Commission was concerned that there might be competitive advantages in using a different set of rules. He appealed to the landowner to reconsider since Ormond Beach also took a risk in adjusting its rules and committing to the 512 units. Commissioner Boyle advised he understood it would be more costly and problematic to develop 3,000 acres with two governmental entities, but this was a large parcel of land. He urged the landowner consider the rewards as well as the risk in allowing Ormond Beach to process land that would be annexed into Ormond Beach.

Mr. McMunn explained the reasons why this would be problematic. He stated in the early 1990s Ormond Beach had a problem with saltwater infiltration in their wells, and CTLC had two wells on their property, so CTLC gave Ormond Beach the wells and the transmission lines. Mr. McMunn reported CTLC asked that in return for this, should Ormond Beach ever wish to supply water to CTLC that in-City rates would be used. He advised CTLC was informed that that request would not be honored; therefore, if Ormond Beach would not honor that agreement, why should CTLC believe they would honor a different agreement. Mr. McMunn stated CTLC worked with Ormond Beach and Daytona Beach to try to correct the line so Aberdeen could be in one City; but when it came for the exchange to be made, it could not be worked out. He reported when CTLC tried to annex lands to offset that acreage, and Ormond Beach filed a lawsuit tying them to litigation. Mr. McMunn pointed out that CTLC filed for annexation in Ormond Beach, but could not get a vote. He noted there were certain terms Ormond Beach would not agree with, but it was never voted on. Mr. McMunn stated CTLC then went to Volusia County to change the density, and Mayor Costello and several Ormond Beach Commissioners went to the County to oppose the two units per acre. He stated this added to the long history of distrust.

Commissioner Azama-Edwards reported she had a meeting with residents in the LPGA area where the residents had very poor dealings with a developer and both the residents and the developer wanted the problems to stop. She reported that she had told them to put the animosity and anger behind them and determine what could be done at this time to resolve the issues and move on. Commissioner Azama-Edwards noted this same situation was what was being faced now with Ormond Beach and CTLC. She advised she had observed some of what had transpired previously as City Clerk and now as Commissioner, and she favored a great deal of what had been previously stated relative to compromise. Commissioner Azama-Edwards pointed out that Daytona Beach tended to gain a great deal in providing water and sewer services to that area, and Ormond Beach would be giving up a great deal to allow this compromise to occur. She thanked Ormond Beach's Commission and staff for making these compromises. Commissioner Azama-Edwards stated it meant a great deal to have the service line tied to the municipal boundaries making it easier for all, and it would eliminate excuses for future problems. She noted the Daytona Beach Commission had not had the opportunity to

consider the amendments, but the property owner would have the final approval. Commissioner Azama-Edwards pointed out the property owner had indicated two out of the three amendments would be workable. She urged that the parties not dwell on the past since this had gone on much too long, occupying too much staff and Commission time. Commissioner Azama-Edwards recommended a public meeting with Daytona Beach Commissioners to fully review these issues; however, she appreciated the work that had been done thus far.

Commissioner Yordon advised she understood why Ormond Beach would want control of the 700 acres but was very concerned with the large land mass not having adequate access to State Road 40. She reported she was not as concerned with the 721 acres other than that it would usurp the control of State Road 40. Commissioner Yordon requested time for the Daytona Beach City Commission to discuss these issues and determine if there could be any other alternatives. She noted she appreciated the fact that both sides would want to end these battles but did not want to rush into anything without a thorough investigation. Commissioner Yordon stated she supported the municipal lines being the servicing lines to prevent future disputes.

Commissioner Kent advised it was very refreshing to hear Commissioner Azama-Edwards speak and thanked her and Commissioner Yordon for their kind words. He related the problems with CTLC and Ormond Beach to the problems with communist Russia and democratic United States, in that there were many problems and a great deal of tension for many years, and if those tensions would still be harbored, this would be a very different world. Commissioner Kent stated the crisis was over and the two cities were on their way to better things. He advised the Ormond Beach Commission was willing to extend a hand, and Ormond Beach would give up a great deal to achieve a win/win agreement. Commissioner Kent reported he and the other members of the Ormond Beach City Commission concur with the need for the Daytona Beach Commission to discuss these issues as the Ormond Beach Commission did and then both cities could come back and continue this discussion.

Commissioner Selis thanked Mr. McMunn for the history lesson because it helped him personally understand CTLC's perspective more clearly. He noted the crisis between the cities was drawing to an end, and he noted he sincerely hoped the same could happen with CTLC. Commissioner Selis stated in his religion at a certain time of the year people seek forgiveness from people before seeking forgiveness from God; and in that light, while he was not personally involved, and without admitting to any wrongdoing, on behalf of his constituents he apologized to CTLC for those things they believed to be unjust and unfair and asked Mr. McMunn to forgive Ormond Beach likewise. He reported that however this issue ended, he urged Mr. McMunn to contact any Commission member if he would have any problems with Ormond Beach in the future to afford them the opportunity to try to resolve any difficulties.

Mr. McMunn stated there were small differences. He explained what CTLC was requesting was similar to what Daytona Beach had done with Chelsea Place where an annexation was subject to all development orders. Mr. McMunn stated that on the 700 acres, the plans would be submitted to both Ormond Beach and Daytona Beach staff to review to be certain the roads, subdivision requirements, layouts, and utilities would conform to Ormond Beach standards. He noted Ormond Beach would write a staff report to be sent to Daytona Beach; and if there was a conflict, Daytona Beach would rule, and the hearing would take place in Daytona Beach. Mr. McMunn advised that when the development was completed to Ormond Beach standards, it would then be annexed into Ormond Beach. He noted Ormond Beach would perform inspections during construction, and the improvements would be bonded. Mr. McMunn stated considering the history with Ormond Beach, CTLC would not be comfortable agreeing to the amendment Mayor Costello recommended in this regard.

Item #9 - Directives

Mayor Scarlett-Golden advised the Daytona Beach City Commission wished to discuss these issues away from these proceedings tonight and be provided with the amendments in writing.

Mayor Costello concurred that Daytona Beach should have the opportunity to meet independently of Ormond Beach and recommended adjourning at this point. He suggested an Ormond Beach City Commission workshop with Mr. McMunn to come to an agreement acceptable to the landowner and Ormond Beach. Mayor Costello reported Daytona Beach did not raise any additional issues with other aspects of the agreement, which they certainly may do after their meeting; therefore, the current issues related to Ormond Beach and the developer. He proposed setting another meeting after Daytona Beach had the opportunity to review all of the issues and after Ormond Beach had the opportunity to meet with the landowner.

Commission Taylor advised he was in full agreement with what had been stated and saw this as a positive step in the right direction. He noted there was common ground; it merely had to be found.

Mr. Quigley requested keeping the momentum going and setting a date to jointly meet again.

Mayor Scarlett-Golden advised she would prefer having the Daytona Beach meeting before setting a date.

Mr. Quigley noted it would not need to be for a time certain, only an approximate date such as five weeks from now.

Mayor Scarlett-Golden suggested examining dates for a Daytona Beach workshop as quickly as possible and then a date for the joint workshop could be discussed, keeping in mind the various Commission member vacations.

Mayor Costello asked if it could be assumed that the temporary agreement could continue for the development that was currently occurring.

Mayor Scarlett-Golden advised the Commission would examine that issue, but she did not want to make any commitments at this time.

Mr. Turner stated he, Mr. Quigley, and Mr. McMunn would probably meet to make sure maps and documentation matched; whereby, Mayor Scarlett-Golden agreed to that request.

Mr. McMunn reported he would continue with the prior agreements so the projects could proceed.

Mayor Costello advised he and Mayor Scarlett-Golden met on Thursday to review the process for tonight's meeting, but that meeting had nothing to do with the negotiations.

Mayor Scarlett-Golden advised she wished to dispel any rumors that she and Mayor Costello negotiated this proposal since the first time she met with Mayor Costello on the issue was on Thursday afternoon.

Item #10 – Close the Meeting

The meeting was adjourned at 7:52 p.m.

APPROVED: _____ April 20, 2004

BY: _____
Fred Costello, Mayor

ATTEST:

Veronica Patterson, City Clerk