

**MINUTES  
CITY OF ORMOND BEACH  
CITY COMMISSION  
BRAINSTORMING SESSION WORKSHOP**

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**February 17, 2015**

**5:30 p.m.**

**City Commission Conference Room**

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**I. Call to Order**

Mayor Ed Kelley called the meeting to order at 5:30 p.m.

Present were Mayor Ed Kelley, Commissioners James Stowers, Troy Kent, and Bill Partington, City Manager Joyce Shanahan, Assistant City Manager and Public Works Director Ted MacLeod and City Attorney Randy Hayes

**II. Brainstorming Session**

Mayor Kelley explained that this workshop was a Brainstorming Session, which the City Commission held a few times a year. He further explained that this was an opportunity for the Commission to share things that were on their mind since they were unable to speak to one another about their ideas outside of a meeting or workshop. He asked for the Commission to be polite to the members who were speaking. He noted that the City Manager had some items that she wanted to discuss with the Commission also and asked her to pick a topic to begin with.

**MacDonald House**

Ms. Joyce Shanahan, City Manager, stated that one of her items to discuss was the MacDonald House. She explained that, like the Commission, she did not have an opportunity to collectively talk to the Commission in order to receive their feedback, due to the Sunshine Laws. She stated that staff had received a proposal from Mr. Lewis Heaster regarding the MacDonald House property. She noted that the renovations needed for the MacDonald House had been listed in the Capital Improvement Program (CIP) for quite some time. She displayed an overhead map of the MacDonald House and the surrounding area and pointed out the landmarks.

Ms. Shanahan noted that the MacDonald House had been a topic of discussion for quite some time. She stated that there was a soft estimate to repair the facility listed in the CIP. She asked the Commission for direction and whether or not they wished to consider the proposal of Mr. Heaster. She noted that she did not wish to get into the specifics of the proposal before them but was speaking more about proposals in general. She explained that she believed that a Request for Proposal (RFP) would need to be solicited, as that was what was traditionally done. She stated that the RFP could be issued if the Commission did not plan to rehabilitate the MacDonald House or if they wanted to explore their options. She cited as an example, an RFP had been done previously for property at the corner of Granada Boulevard and US1 with the consent of the property owner, noting that no bids had been received. She again asked the Commission for direction. She noted that no decision had to be made that day.

Mayor Kelley stated that the discussion regarding the MacDonald House had been ongoing since at least 1990. He noted that a demolition permit had been issued in

1991 or 1992, but instead the property remained and the city invested about \$500,000 into it. He further noted that amount had not even been close enough to fully renovate it. He stated that the property had been sitting there deteriorating ever since. He stated that an individual approached him a few years prior who wanted to provide two buildings in the area for the Ormond Beach Historical Society ("Historical Society") to remain in and then they would utilize the MacDonald House property.

Mayor Kelley noted that he was not sure how long the Ormond Beach Tennis Center ("Tennis Center") would last in that location. He further noted that there was a new tennis tenant this year because the previous tenant could not make the center financially viable. He noted that he surprised some of the Commission at the last workshop when he spoke about some of the development ideas he had heard in the community. He stated that he was working to get a Sam's Club on US1, but it instead would now be located in Daytona Beach. He stated that someone had approached him about exchanging the MacDonald House property and purchasing the Historic Fire Station property owned by Mr. Greg Snell and having that property be the location of the Historical Society and also a veterans' facility.

Mayor Kelley stated that he believed enough money had been put into the MacDonald House, and it would be nice to have something in its place that created revenue and interest in the downtown area. He stated that they could find a way to locate the Historical Society elsewhere. He noted that he hoped that something would happen with the former Food Lion property in that area as well and help to create a synergy downtown. He further noted that it would be close to \$1 million to repair the MacDonald House.

Commissioner Partington expressed that this was the first he had heard about the possibility of the city obtaining the Historic Fire Station. He stated that he would be interested in hearing more about that.

Mayor Kelley stated that the Historic Fire Station was already on a national historic register. He noted that the owners were asking way too much for the property currently. He explained that the city had a first right of refusal on the property from when the original trade was made for the property. He stated that he received an email from Mr. Snell asking for the city to release that right of refusal. He noted that he told him that the City Attorney would have to do so and that he thought the Commission would need to vote on it, as well. He stated that the property was well maintained but he did not think they would be able to get \$950,000 for it.

Commissioner Partington stated that he still needed to be convinced that the MacDonald House was worth saving from a historical perspective. He noted that he understood the argument that if you did not preserve history, you would end up with none and noted that some historic buildings had disappeared, such as the Ormond Hotel. He stated that in the event that the MacDonald House was gone, he thought the Historic Fire Station would be a great alternative location for the Historical Society. He stated that the former MacDonald House area could be paved for extra parking and linked back behind The Casements where everyone parked for all of the events downtown. He stated that it might be the most beneficial thing for downtown. He explained that replacing the MacDonald House with some other small store did not seem to make a lot of sense to him from a planning perspective.

Commissioner Stowers noted that he certainly had more questions than answers. He stated that his first question was whether they were talking about just the MacDonald House footprint or some larger property including parking lots. He noted the long term lack of feasibility for the Tennis Center and mentioned that the tennis courts comprised a nice large piece of property. He stated that his concern was that if the MacDonald House and its parking areas were sold it would take out the frontage for any potential future development of the tennis property. He noted that they did not know what would potentially be developed in place of the tennis courts ten years from now.

Mayor Kelley stated that he did not think they were considering selling off the parking area.

Commissioner Stowers stated that his thought was to try and get some appraisals on the MacDonald House, the tennis property and the Historic Fire Station. He explained that the Commission could make a more educated discussion if they knew what those properties were worth. He noted that business did not have to worry about politics and pressures, so before he waded into those waters he wanted to know the financial figures. He asked what the plan for the Tennis Center was. He stated that if there was a bigger vision for that location, it would impact the price and timing of anything done with the MacDonald House.

Mayor Kelley noted that he was sharing his thoughts about the viability of the Tennis Center because of the history of its operation. He noted that the city knew the cost of operating it and the previous operator could not make it work either. He explained that he knew about that business as he was formerly a partner in a clay court in The Trails and knew that they were very expensive to maintain. He stated that ideally if the city could take the MacDonald House property and acquire the Historic Fire Station property at a reasonable exchange, without the city losing too much money, he would be in favor of doing so. He noted that he did not know if that could be done. He stated that he would never support spending \$1 million to rehabilitate the MacDonald House. He explained that he did not believe the Commission would be good fiduciary tenants of the taxpayers' money if they spent that on the repairs.

Commissioner Boehm asked about the term of the Tennis Center lease. He noted that he thought a new lease was issued last year; whereby, Ms. Shanahan stated that the lease was for three years.

Commissioner Boehm stated that the Tennis Center would not then come into play in the discussion. He noted that the MacDonald House had limited use on the first floor and that the second and third floors were condemned. He stated that he had talked to Leisure Services Director Robert Carolin, who had been on the upper floors and said that going above the first floor was taking your life into your hands. He noted that the estimate in the CIP was probably on the low side. He asked what the city would get if they renovated the MacDonald House. He explained that if they put \$700,000 more into the building, it would still be a Welcome Center with some upstairs storage or a small museum. He noted that he had seen the Historic Fire Station and that Mr. Snell did a wonderful job with it. He stated that the Historic Fire Station building was far more valuable both in historical context and for utilization than the MacDonald House. He stated that if Mr. Snell ever was to lower the price to \$600,000 he thought they should seriously discuss it, but noted that he was way

above that price now. He further noted that Mr. Snell put a lot of his own money into the renovations.

Mayor Kelley stated that he believed Mr. Snell wanted about \$950,000 presently.

Commissioner Kent stated that he was pleased this was being discussed. He stated that he would make sure that the city did not overspend for the Historic Fire Station property. He explained that he was on the Commission when the deal was brokered to get rid of that building, noting that all they heard from city staff at the time was about the health hazards and mold in it. He noted that those issues may be fixed now and that he had not been in the building since Mr. Snell obtained it. He stated that he believed the deal the city made then was with Mr. Fred Hudson. He stated that it had been a fantastic deal as the city had a great park and a very effective fire station on A1A because of it.

Commissioner Kent stated that he would be interested in looking at obtaining the Historic Fire Station if the price came down to a reasonable amount. He noted that he thought the current price was outlandish and the city would never come close to spending \$1 million for that building. He stated that he agreed that it would be a great location for the Historical Society. He stated that for the 12 years he had been on the Commission they had been discussing whether or not to spend the money to renovate the MacDonald House. He noted that in that time the money had not been spent. He stated that \$632,000 was the amount in the CIP estimate for architectural renovations.

Ms. Shanahan noted that the estimate included the Tennis Center, as well.

Commissioner Kent noted that \$175,000 was for the Tennis Center so the amount would be \$436,000 for the MacDonald House, which too rich for his blood and he did not want to do it. He explained that there was an idea he wanted to bring up and noted that each time he did so he received pushback from staff. He stated that his idea was to utilize the second floor of The Casements. He explained that there were rooms on the second floor that were readily available and that the Historical Society could be located there. He stated that the gentleman who had all of the veterans' memorabilia in the City Hall atrium had also asked for somewhere for his displays to be located. He noted that when he broached the subject of possibly locating him at The Casements with staff, he received a lot of pushback.

Commissioner Kent stated that he agreed with Ms. Shanahan that any proposal for the MacDonald House should be done through an RFP, but Mr. Heaster's proposal made great sense to him. He noted that years ago when the city considered doing something with the Tennis Center property, there were about 50 to 60 residents who came to speak on behalf of saving it. He noted that even though the Tennis Center might presently be off the table, he felt that there was no more prime real estate in the city to do a mixed use project with shops on the bottom and residents on the top. He noted that some area must be kept for parking. He stated that as the representative of that zone he was interested in looking at inventive ideas, possibly involving the Tennis Center, but he was opposed to spending that amount of money to fix the MacDonald House. He noted that if they spent that money he would feel like he was taking "crazy pills." He stated that he thought the Historical Society could be housed in The Casements and would receive lots of visitors there. He noted that he thought that would be a win for the city.

Mayor Kelley stated that the guiding force in the decision should not be the Historical Society. He noted that they owned the Anderson Price Building and there were other locations they could move to. He stated that he was attempting to provide a location for them by suggesting picking up another historic location like the Historic Fire Station. He again noted that he was not sure if that would work. He explained that the determining factor should not be that the Historical Society might be removed from their current location as another one could be found, even if it was temporary. He stated that another location idea he had, which no one else liked, was the Ames House. He explained that he felt that the city's Legal Department had no business staying in the Ames House and being located away from City Hall.

Commissioner Kent stated that he was not touching the Ames House property; whereby, Mayor Kelley reiterated that the Legal Department did not need to be located there.

Commissioner Kent suggested that a small building with two restrooms and somewhere to sign in for tennis could be placed on the south end in the grass behind St. James Episcopal Church or over in the grass nearby instead of locating the Tennis Center in the MacDonald House. He stated that the city would not lose money on the deal. He noted that the MacDonald House was located on prime real estate.

Commissioner Boehm asked if the Commission could receive input on why staff did not think The Casements was a viable option for locating the Historical Society, noting that he was thinking along those same lines. He noted that there were multiple rooms, even on the first floor, that could be utilized.

Commissioner Kent explained that he brought up the idea of utilizing The Casements and had neighbors who would not even wave to him anymore on his street.

Commissioner Boehm stated that if there was a reason it would negatively impact The Casements property, then he wanted to hear it.

Commissioner Stowers stated that he had heard there was a lot of storage upstairs. He noted that he had another idea and he knew that some people would not like him after he said it, as it was something he had mentioned before. He noted he was halfway with the Mayor on it. He explained that if the city was to sell the MacDonald House property he would be open to trying to sell the Ames House and using those collective funds to obtain the Historic Fire Station. He stated that the Historic Fire Station could house the Historical Society downstairs and the City Attorney's offices upstairs. He noted that there was plenty of space there.

Mayor Kelley stated that he believed there were individuals who would buy the Ames House in order to preserve it. He noted that individuals had made innuendos to that effect.

Commissioner Kent noted that there were a lot of moving parts there.

Commissioner Partington asked if the MacDonald House was presently stabilized; whereby, Ms. Shanahan stated that the top two floors were not utilized. She noted that the building had been inspected and was not in great shape. She explained that it continued to decline the longer it went un-renovated.

Commissioner Partington stated that one component missing was public input, which often changed the complexion of what was done. He noted that it was an interesting conversation and it was good to look at all of the options and obtain as much information as possible. He noted that he felt inclined to not do anything presently and explained that he did not feel there was enough market pressure to force his hand one way or the other.

Mayor Kelley asked if there was any idea what was offered for the MacDonald House property; whereby, Ms. Shanahan stated that she did not know.

Mayor Kelley noted that they were just speaking about concepts presently. He stated that one thing he thought they would all agree on was to not spend \$600,000 or more on redoing the MacDonald House.

Commissioner Partington stated that it mattered to him how the funds were comprised. He explained that if a third of the renovations were covered by grant funds, another third was raised by the Historical Society and then the city covered the other third, he would likely be convinced to agree to that if it was that important of a historic item for the city.

Ms. Shanahan noted that she had conversations with members of the Historical Society over the summer and they expressed that they believed the city's cost estimate for the repairs to be high. She stated that she instinctively knew that repairing an old home was a lot more expensive than purchasing a new one.

Mayor Kelley stated that in 1994 or 1995 the renovations cost twice the original estimate. He stated that he recalled the cost being close to \$500,000. He noted that they were discussing very valuable pieces of property. He suggested that if they did nothing else, he would suggest pulling the MacDonald House from the CIP.

Mr. Ted MacLeod, Assistant City Manager and Public Works Director, explained that the MacDonald House was in the unfunded section of the CIP and not prescribed for any particular year.

Commissioner Boehm stated that the problem with not having a plan was that if one day the roof began leaking they would have to decide whether to replace it or not. He stated that at some point in time the building would need major repairs; and if they put it off with no plan, they would just be waiting for a major incident to happen and then would have to choose what to do. He noted that at some point there had to be some sort of plan made. He stated that the house kept getting older and in worse shape.

Mayor Kelley stated that if all the moving parts could be put together and the funding could be arrived at by selling the Ames House and MacDonald House to acquire the Historic Fire Station, revenue would be produced. He asked Commissioner Partington if he would be willing to look at that, as he felt he might be more inclined to save the MacDonald House.

Commissioner Partington asked how much revenue the Historic Fire Station was presently producing; whereby, Mayor Kelley noted that it was very little.

Commissioner Partington noted that it was presently on the tax rolls and if they bought it back it would no longer be.

Ms. Shanahan noted that the city may be in the hole a little bit on the deal.

Commissioner Boehm stated that if the Ames House and the MacDonald House were sold, they would both be on the tax roll.

Ms. Shanahan stated that there was an issue with the Ames House. She noted that the bathrooms located there were put in by an ECHO grant and there were limitations, noting she was unsure if they would have to pay back the ECHO grant if the property were sold.

Mr. Randy Hayes, City Attorney, stated that some of the documents related to the Ames House were old and would need to be reviewed. He noted that there may not be conditions to worry about, but it would need to be researched.

Commissioner Stowers addressed Commissioner Boehm's point of moving something forward and stated that he felt like they could recommend staff get appraisals on each of the properties being discussed, the MacDonald House, Ames House, Tennis Center and Historic Fire Station, so that they had all of the information.

Commissioner Partington stated that he was not inclined to commit to anything conceptually at the current time. He stated that the city paid too much for the fire station and playground on A1A in the previous deal with the Historic Fire Station and that the other parties made out well. He noted that these types of multilevel deals with a lot of moving parts could make it questionable who really made out the best.

Mayor Kelley suggested the city look at getting an appraisal on the MacDonald House and the Ames House.

#### **Ames House / City Attorney Office**

Mayor Kelley suggested selling the Ames House and moving the city's Legal Department back to City Hall.

Commissioner Partington stated that he was not interested in selling the Ames House.

Commissioner Kent stated that he agreed with a lot of what was being said but also strongly disagreed with some things, namely selling the Ames House. He stated that he would have a difficult time even expressing how strongly he would dig in his heels and fight if they attempted to sell the Ames House. He explained that there was nothing like the Ames House anywhere else. He noted that he heard Mayor Kelley say that someone would potentially buy it and keep it in its current state and for public use. He explained that there were residents using the park area there and fishing there. He noted that a few years ago he would not even discuss getting rid of the MacDonald House but he was in agreement about it now.

Mayor Kelley suggested moving the Legal Department to City Hall anyway and not selling the Ames House. He stated that the Ames House could be used in a different

way. He stated that the City Attorney needed to be at City Hall from a functionality standpoint.

Commissioner Kent noted that he disagreed. He stated that he felt that if the City Attorney's office was located in City Hall, Mr. Hayes would be bombarded by staff questioning him and his productivity level would go down. He noted that it was an effort to see the City Attorney presently.

Mr. Hayes stated that his staff would locate themselves wherever the Commission desired. He stated that their reason for being located outside of City Hall was because of philosophical differences. He explained that he came to the city from a private law firm and was used to having a buffer. He noted that he had worked as a municipal attorney in both an inside and outside office, and he felt it was more productive for him to be outside because clients would not constantly be in. He noted that his staff was not married to the Ames House and would be fine being located elsewhere, but they preferred not to be located at City Hall.

Mayor Kelley stated that this was the only city he knew of that did not have its legal staff located at its City Hall, unless their legal staff were contracted from an outside firm and not directly employed by the city. He noted that all of the other in-house legal staffs seemed to function well, and he did not buy the buffer reasoning. He suggested the second floor area that the City Attorney's offices would be located in could be closed off. He suggested that the reception desk and the City Clerk's offices could then be located on the first floor. He stated that he felt some of the delays that had occurred because of the Legal Department's location needed to be addressed. He noted that he would probably lose the argument again, but he wanted to get his feelings out there. He explained that if the city were a private business there would not be a chance that they would not be located inside the main offices. He stated that it did not make sense to him that their productivity would be better because of the distance and noted that Ms. Shanahan was located in City Hall and her productivity was certainly not down.

Mr. Hayes stated that he heard what Mayor Kelley was saying, but their roles and functions were different. He noted that he and Mayor Kelley could agree to disagree. He stated that he had experience in both settings and knew that the buffer helped productivity.

Mayor Kelley noted that he would lose this argument four-to-one just like he lost the cell tower vote four-to-one and he would accept that.

### **Cell Tower**

Mayor Kelley noted that only one person from the city spoke against the cell tower. He stated that Ms. Shanahan did not have reception in her home and that he had to have a land line phone because he did not either.

Commissioner Boehm stated that Mayor Kelley remembered every vote he ever lost.

Mayor Kelley stated that he could not get cell service in Houligan's or Peach Valley West.

Commissioner Boehm joked that this pointed out the differences in a Strong Mayor form of government and a City Manager form of government. He noted that in a

Strong Mayor form of government there would be a cell tower and Mr. Hayes would be located at City Hall.

Mayor Kelley stated that his neighbors had to go out into the street to talk on their cell phones.

### **MacDonald House area Appraisals**

Mayor Kelley suggested an appraisal on the MacDonald House and the Tennis Center.

Ms. Shanahan asked if the appraisal would be with or without the parking lot.

Mayor Kelley stated that he would think they would not want to let the parking lot go as it served all of the businesses in that area.

Ms. Shanahan asked if they would look at relocating the parking lot to the rear of the property rather than on the frontage.

Mayor Kelley replied that would be fantastic.

Ms. Shanahan explained that was why she asked if they wanted it with or without the parking, as they might chose to extend the parking downtown.

Mayor Kelley stated that if the tennis courts were removed it would make perfect sense to have the parking lot area become space for revenue and move the parking back.

Commissioner Kent stated that he was comfortable with that appraisal and looking at it both ways.

Commissioner Stowers stated that in response to Commissioner Partington's comment about going down a path he was not suggesting that an appraisal would lead to some decision. He explained that he was suggesting that the city should know what assets they had. He noted that he did not know what the MacDonald House or Ames House were worth. He further noted that he was not suggesting that the appraisal results would lead to a certain decision, but he would like to know what value those city properties had. He explained that the city lost when the business community saw the whole picture and the city was looking individually and did not see everything. He further explained that was why he had asked for as many appraisals as possible. He noted that he did not mean to cause an issue with the Ames House; he just wanted to look at the value if nothing else. He further noted that knowing its value may solidify it as unique and something that should be kept.

Ms. Shanahan confirmed with the Commission a consensus about performing the appraisals on the MacDonald House and the Tennis Center, both with and without the parking lot.

### **Dog Park**

Mayor Kelley stated that another of his suggestions was to expedite the creation of a dog park. He noted that he had spoken with Ms. Shanahan about another idea that might be able to incorporate that.

Commissioner Boehm noted that he was working on something too.

Mayor Kelley stated that the idea was a gymnasium, noting that the location was being discussed, but if it proceeded there was a possibility to go with a dedicated bond issue for funding which would incorporate pickle ball courts, a dog park and a walking area. He noted that they could discuss it since two of them were talking about it, noting he did not know Commissioner Boehm was until he just mentioned it.

Commissioner Boehm clarified that he was working on something different that he was not ready to discuss. He noted that he would discuss it when more pieces were put together.

### **Cell Tower**

Mayor Kelley noted that he still wished the vote for a proposed cell tower behind the property on the intersection of Clyde Morris Boulevard and Granada Boulevard went differently. He explained that a cell tower located at the airport had been promised but it had not been moved forward. He stated that it was a shame he could not talk on his cell phone in his home with the present technology. He noted that only one resident and one non-resident had complained about the potential tower at the Commission meeting. He stated that he never noticed the one Commissioner Partington had mentioned. He explained that the police department lost communication with their computers in the area by Hand Avenue. He noted that his neighbors also did not have cell service in their homes. He stated that the technology was needed and noted that no one had spoken to him about bringing the issue back up.

Commissioner Partington suggested that the city could build their own tower at the airport and lease out space to the cell service providers.

Mayor Kelley stated that one needed to be built somewhere so that everyone could talk on their cell phones.

Commissioner Partington stated that he felt the airport would be an appropriate place for one.

Ms. Shanahan stated that there was a contract with someone to build one at the airport but they had not moved forward.

Commissioner Partington suggested cancelling the contract and having the city build their own and lease out the spaces to the cell providers.

Ms. Shanahan suggested that the reason that the contractor might not have moved forward was because they could not get anyone to lease the spaces. She noted she could find out more about it.

Mayor Kelley stated that there would have been three providers to lease the proposed tower.

Commissioner Stowers stated that he recalled that item and that the cell tower was allowed to be built at 90 feet by right, but they had wanted to build a larger one. He noted that every time he was in Town Center Circle in Port Orange he looked to his left and saw their tower and was thankful that was not located in Ormond Beach.

**Smaller Lot Size Developments**

Mayor Kelley stated that no one had talked to him about bringing this item back. He explained this he wanted to speak about another project where he lost the vote four-to-one. He noted this was the only place he could bring these topics back up. He explained that the project was for a development with smaller lot sizes for those who wanted to live in a quality, luxury type neighborhood but without large yards and properties.

Commissioner Kent asked which neighborhood Mayor Kelley was referencing.

Mayor Kelley stated that it was located at Tymber Creek and Airport Road.

Commissioner Kent asked if he was talking about Mr. Edward Speno's property, noting that Mr. Speno had the deal and could have developed it, but then came back and asked for changes to be made to it.

Mayor Kelley stated that type of concept worked. He noted that a new development with townhouses was going into Halifax Plantation and suggested that it probably would not be able to be developed inside Ormond Beach city limits.

**Impact Fees**

Mayor Kelley stated that he wanted to make sure that the city's codes, as well as the county's codes, allowed for no impact on fees on infield teardowns. He noted that he understood that if you added an addition to a house and left one wall standing there was no impact.

Ms. Shanahan asked Mayor Kelley to clarify what he was speaking about.

Mayor Kelley explained that if a home was renovated and everything was torn down except one wall there would be no impact fees. He further explained that if the wall was torn down for the rebuild, then there would be impact fees on everything. He stated that he did not think it was fair. He noted that some of these things would be discussed countywide, as well. He stated that if a house was taken down and replaced with a building for a business, which would produce jobs but not children to go to school, they still had to pay a school tax although those that were there before them did not have to pay them.

Commissioner Stowers stated that multifamily housing generated about half of the students that single family housing generated and yet the school impact fee for multifamily housing was the same as single family. He explained that a 900-square foot one bedroom apartment paid the same amount of school impact fees as a 5,000 square foot four bedroom home with four children. He noted that was not equitable, and he was glad that Mayor Kelley was in the role he was to speak with the county and hopefully shed some light on those issues.

Mayor Kelley explained that he was against impact fees altogether. He stated that he could build a home for his wife and him and still need to pay a school tax yet the person who then purchased their home would not have to. He stated that impact fees were another way for the government to try and get money. He stated that much better things could be rebuilt as opposed to leaving one wall up and building on to it.

**Bike Wash Setbacks**

Commissioner Partington stated that he was in favor of setting back bike washes far enough so that they would not be seen.

Commissioner Kent suggested setting them back to Daytona Beach.

Ms. Shanahan noted that she had a couple other things to discuss, that being one of them.

Commissioner Kent asked if the Commissioners could discuss some of their items before Ms. Shanahan.

Mayor Kelley suggested that Ms. Shanahan could bring some of her items up during closing comments at the Commission meeting, if they ran out of time at the workshop.

**Eliminate Property Taxes**

Commissioner Kent stated that he had a radical and different idea. He noted that he had spoken to Mr. Hayes about it and received some pushback and that he had mentioned it to Ms. Shanahan also and felt her anxiety. He stated that he would like the City of Ormond Beach to do away with all property taxes, for residents and businesses alike. He stated that he would like to find a way to make that happen. He explained that he was disgusted that you owned your home but did not really own your home. He explained that he was disgusted with what businesses had to pay and the inequity of the property tax system. He noted that of course this would not affect the county, school or hospital taxes.

Commissioner Kent explained that Stafford, Texas, a city of 20,000, did not have city property taxes. He stated that the seven square mile city had gained attention for its fiscal management and had been pegged as a tax haven for senior citizens and ranked by Fortune as 36 on the small business list for the best 100 places in the nation to live and launch. He noted that no one around Ormond Beach was doing this. He explained that franchise fees and sales tax could make up that difference. He stated that he had been on the Commission for 12 years and was ready to do something radical. He stated that he thought the Commission was a smart group of individuals who were collectively smarter. He noted that he wanted to gauge the interest of the other members of the Commission.

Commissioner Boehm noted that it was a hugely inequitable system. He stated that he believed that State Representative and Former Ormond Beach Mayor Fred Costello had introduced a bill in the legislature to replace property taxes with sales tax and go revenue neutral on more than one occasion which never gained any traction. He stated that what Commissioner Kent did not mention was that part of the inequitable was the Save Our Homes legislation. He explained that with Save Our Homes if the Mayor sold his house, whoever bought it would get revalued up to its current appraised value and could be spending \$1,000 more a year in taxes than the neighbors on either side just because they moved. He stated that it made no sense that up and down a street residents could all be paying different rates based on when they bought the house, how long they owned it and when it was appraised.

Commissioner Kent suggested that was why they should do away with property taxes.

Commissioner Boehm noted that he was not sure the city could do away with property taxes and replace that revenue. He asked if the city could impose a sales tax.

Mayor Kelley stated that Port Orange did.

Commissioner Kent noted that the Volusia County School Board passed a half cent sales tax which would generate a half billion dollars in revenue. He asked what the city's property tax generated in revenue for the year was and noted he thought it was about \$8 million.

Ms. Shanahan stated that it was \$9 million and that included the Community Redevelopment Agency (CRA).

Commissioner Kent stated that the franchise fees were about \$12 million.

Ms. Shanahan explained that part of the problem with the sales tax was the way in which the state calculated it. She stated that if the city was able to keep all that it earned it would be great. She explained that the problem was that the city kept about 14% of what they actually earned in sales tax and the rest went to the state to fund the state government. She stated that there were lots of complicating factors. She noted that Commissioner Kent spoke with Mr. Hayes about what the legal issues were. She stated that she believed it would take an act of the legislature.

Commissioner Kent stated that if they did not talk about it, then it would never happen.

Mayor Kelley stated that he felt it was ridiculous that a person with a \$1 million home paid \$60,000 a year in property taxes. He stated that you should not have to keep paying over and over for your home. He noted that he supported a fair tax. He explained that he voted against Save Our Homes in 1992, as he thought it was ridiculous but was in the minority to do so.

#### **Honor Vietnam War Veterans**

Commissioner Boehm noted that the World War II Veterans and Korean War Veterans had been honored by the Commission. He explained that he thought the Vietnam War Veterans should also be honored even though there would be a lot more of them.

#### **History of Ormond Beach Elected Officials**

He stated that he thought a history of the elected officials of Ormond Beach should be compiled and displayed on a plaque or somewhere at City Hall. He noted that the pioneers and original city founders were spoken about, but the more recent history was not noted.

Commissioner Kent stated that Commissioner Boehm had an excellent point and he had brought up the topic years prior and not received any interest.

Commissioner Boehm stated that he thought there should be a compilation of all who served and it should be displayed at City Hall.

Mayor Kelley stated that he thought there had been an ordinance regarding having the pictures displayed at City Hall of those who served. He stated that Former Mayor Dave Hood had come back in for a photograph years after he served as Mayor. He stated that he did not favor pictures, but preferred a plaque with the names of the Commission.

Commissioner Stowers noted that Daytona Beach had such plaques.

Commissioner Boehm stated that his point was that if the history was not recorded it would be lost.

Commissioner Partington and Commissioner Stowers stated that they agreed with the idea, as well.

### **Eliminate Property Taxes**

Mayor Kelley stated that it would be great if they could get rid of property taxes, but he believed it would take an act of the legislature. He stated that he did not like the sales tax formula either. He stated that when he was Mayor, Representative Fred Costello had proposed that the extra expenses for the police department during bike events be noted and a formula be created where the city could keep some of the extra sales tax because of the extra expenses they incurred. He noted that the sales tax generated right here was being sent to fund other counties and parts of the state.

Commissioner Partington stated that it was obnoxious how much this area paid out when they were one of the poorest counties in the state. He noted that because of geography and how votes were counted in Tallahassee, areas like Tampa, Miami and Jacksonville received a lot of those dollars.

Mayor Kelley stated that Ormond Beach got to keep about 14% of what they sent in sales tax.

### **Meeting Start Time**

Mayor Kelley stated that several years ago someone mentioned to him about starting the City Commission meetings at 6:00 p.m. or 6:30 p.m. He noted that he did not believe it would work now that the Commission held so many workshops on the same nights as meeting nights. He noted that workshops used to be held on Mondays and the meetings were held on Tuesday.

Commissioner Boehm noted that the meetings were usually rather short so there was no sense in moving the start time.

Mayor Kelley explained that he told someone he would bring the idea forward but that he did not necessarily support it. He noted that there was a time when he likely would have.

### **Granada Blvd Appearance**

Commissioner Stowers stated that he had received compliments on a fairly regular basis about Granada Boulevard as an east-west corridor from Interstate 95 to the beach. He noted that huge improvements had obviously been made downtown. He explained that someone recently told him that the Ormond Beach Bridge has the highest traffic figures of any of the bridges in the region, noting that he had not

confirm that information. He stated that he was also told by those who did economic development that they liked to bring people into the community on Granada Boulevard.

Commissioner Stowers noted that he frequently drove that roadway and there were some pieces he thought the city could facilitate improvements on. He explained he meant facilitate by trying to work with the neighborhoods and not that the city should maintain them. He stated that the green sound barrier fence at Winding Woods was not consistent with the downtown or medians throughout that corridor. He stated that he could easily see the city reaching an agreement with them to paint it and use faux-coquina to make a flat Ormond Beach welcome sign.

Mayor Kelley stated that it cost \$250,000 to put that up, and the city had offered to buy a house there to do so but that the owner would not sell in 1995.

Commissioner Stowers stated that Fiesta Heights was another such example. He stated that Chelsea Place, which was annexed into the city the previous year, was beautiful and a positive example.

Commissioner Kent suggested that The Trails was another good example.

Mayor Kelley stated that North Forty was another and explained that they had spent \$100,000 to put brick walls around the subdivision.

Commissioner Stowers suggested that the neighborhoods could be reached out to and worked with to clean up the landscaping. He noted again that the city would not maintain it but would work to clean it up. He stated that he thought investing in such a project would be money well spent. He explained that it would only take one CEO visiting to see it and love that every property was beautiful in the city. He noted that he was in favor of keeping Granada Boulevard four lanes, as well as he felt that six lanes would be too wide. He advocated continuing improvement.

Mr. MacLeod noted that the city worked with Winding Woods years ago and had containers put on the back of the wall for ivy and they had problems maintaining it.

Commissioner Boehm suggested finding someone to blow up the vacant gas station at the corner of Granada Boulevard and Nova Road, since they were speaking of things unattractive in the corridor.

#### **Relocation of City Hall / Creation of City Center**

Mayor Kelley stated that he wished the city had known that Florida Hospital was going to sell their former location off of Nova Road for \$2 million. He stated that he would have been in favor of moving City Hall, the library, the Police Department, and other city facilities out to that location to make a City Center. He noted that the City Hall location could have then been turned into an income producing property. He joked that everything in the city would then be located there except the City Attorney. He jokingly suggested building them a separate little cottage. He noted that in 1989 several people, including him, fought to keep the city offices in The Trails and not build City Hall on the property it is now. He noted that he was not in office then. He explained that the design of the City Hall building was not great and had hardly any river views. He stated that the site could be redeveloped into a combination of commercial and residential.

Commissioner Partington stated that he liked that idea also. He noted that the City Hall building was hideously designed.

Mayor Kelley stated that he wished he could sell the City Hall property for \$4 million and buy the other site for \$3 million.

Commissioner Stowers stated that his only concern would be if it was an all or nothing proposition. He noted that he had visited Greenville, South Carolina, which had beautiful mixed-use projects at the right scale. He stated that he had not seen that duplicated in this area. He explained that he would hate to sell the City Hall property and then have a proposed 70-foot condominium tower go in its place. He noted that he had not seen the development pressure here. He explained that he saw opportunities everywhere, but they just had not happened here. He noted a concern was that if City Hall and the library moved, it would take 200 people away from the downtown and make even less activity there until such time as something else came along.

Commissioner Kent stated that made a ton of sense.

Commissioner Stowers stated that if the development pressure was there it made sense, but his concern would be that it was not. He noted that he thought Daytona Beach experienced some of that when some major facilities moved west and sucked the life out of their downtown. He noted that they were continuing to work on that.

Mayor Kelley stated that there had been an opportunity previously for redevelopment on the river, but at the last minute it was killed.

Commissioner Partington stated that it was healthy to have these discussions, noting that no one knew the right answer necessarily and they had to work with their ideas, what staff told them and what the citizens wanted.

### **Strategic Planning**

Ms. Shanahan stated that the Commission was set for their Goals Setting Workshop in the next month or so. She noted that what she thought and heard from the Commission was that they were ready for more strategic planning and more visioning into the future. She explained that she had some conversations with some of her colleagues in Volusia County who had utilized the Florida Institute of Government and Ms. Marilyn Crotty to perform what they called "Community Conversation." She explained that Community Conversation was for the community to identify the things they valued and to provide input for the City Commission as they begin their strategic planning process. She noted that the Community Conversation would occur without the Commission participating, though they could be present if they wished. She explained that could happen any night of the week; session for the Commission.

Ms. Shanahan explained that the idea was to devote time before two meetings, or perhaps in place of a meeting, for two back-to-back, three-hour sessions for the Commission's strategic planning session. She noted that it took about six hours to develop a strategic plan. She stated that the Florida Institute of Government did a good job facilitating and had worked with Orange City and Deland before on similar endeavors. She stated that the visioning and Community Conversation would cost

\$2,400 and she believed that Ms. Crotty would do a very good job. She noted that an additional workshop would incur additional costs. She noted that potentially there could be one in the morning and one in the afternoon for citizens.

Mayor Kelley stated that in business and government you had to have visionaries. He stated that Representative Fred Costello was one of the best visionaries he had ever been around and that Former Mayor Dave Hood was also one.

Commissioner Partington stated that he thought that Mayor Kelley was more visionary than Representative Costello; whereby, Commissioner Kent expressed agreement.

Mayor Kelley stated that the idea of community input was a good one. He stated that was where they found out what the community liked. He explained that most of the community was not active and involved and either did not care or were happy with the ways things were.

Commissioner Partington stated that Ms. Crotty was an excellent facilitator. He stated that the price made it seem like it was subsidized.

Ms. Shanahan noted that it was a very reasonable price and she had been shocked by it. She stated that she would work out the details and bring it back.

#### **Team Building for Commission**

Commissioner Partington stated that his other thought would be to do a team building exercise with the Commission and maybe the senior staff. He noted that he did not think there was a problem, but suggested it so they could make sure that they stay strong and were an example of trust and communication.

#### **Strategic Planning**

Ms. Shanahan asked if there was a preference when to do the strategic planning session for the Commission. She asked if they would rather have it on a Tuesday night or on a Saturday.

Commissioner Partington suggested Tuesday.

Mayor Kelley stated that he would give up one Saturday. He noted that they did it once before and did it all in one day.

Ms. Shanahan explained that it would take about six hours and they would have breakfast and lunch.

Commissioner Kent asked what the Tuesday schedule would be; whereby, Ms. Shanahan stated that it would be either in place of a workshop or a regular meeting from 5:30 p.m. to 8:30 p.m. and there would have to be two such meetings. She stated that she would put together some dates, send them out to see what the consensus was.

Commissioner Boehm suggested not doing it during football season.

Ms. Shanahan stated that it would be done during the spring before the budget meetings.

Mayor Kelley stated that they could eliminate one Commission meeting.

Ms. Shanahan suggested that they could also start early, like at 4:00 p.m., and go until 9:00 p.m.

Mayor Kelley stated that he would like to have it done all at once, if possible.

Ms. Shanahan stated that the facilitator did not want more than ten days to pass between the two meetings because of continuity and freshness of the items.

Commissioner Kent suggested meeting for a long Tuesday meeting from 3:00 p.m. to 9:00 p.m. or to meet on a Saturday.

### **III. Adjournment**

The meeting was adjourned at 6:58 p.m.

Transcribed by: Colby Cilento