

1
2 MINUTES
3 CITY COMMISSION MEETING
4 March 2, 2023

5 The City Commission met this evening for a special meeting in the Commission
6 Chambers. A quorum being present, the meeting was called to order at 6:00 PM with the
7 following in attendance.

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|----|-----------------------|---|--------------------------|
| 8 | Mayor | : | Hubert B. Smith |
| 9 | Commissioners | : | Catherine Hamilton |
| 10 | | : | Christine Wasdin |
| 11 | | : | Edward Crosby |
| 12 | | : | Clark (Tom) Browning, IV |
| 13 | City Clerk | : | Tammy Johnson |
| 14 | City Administrator | : | Carl Scott |
| 15 | Police Chief | : | Joe Hart |
| 16 | City Attorney | : | Hayward Dykes |
| 17 | Public Works Director | : | Nathan Kelley (camera) |
| 18 | Recorder | : | Beth Millsaps |

19 Others in Attendance (Not Inclusive) Chandler Huff, Bob Bachelor, Tom &
20 Martha Woodcock, Barbara & Bobby Cowan, Bert & Joyce Marthis, M. J. Raymer,
21 Marianne Wright, Debbie Early, Linda Wright, Michael & Jackie Gillian, The Irwins,
22 Arlene & Cliff Hansen, Lyn Knowles, Terry Griffin, Bryan Griffin, David Nichols, Les
23 Chambers, Max Dysh, Patrick Palmer

24 **1. BUILDING LEASE AGREEMENT (SYNOVUS BUILDING)**

25 Mr. Dykes said we are meeting tonight with Mr. Chandler Huff in a public forum
26 in regard to tax issues. He said in the rental agreement number 5 speaks to taxes on the
27 building at 23 John Sims Parkway. Mr. Huff believes the city should pay the taxes or an
28 increase needs to be made to lease purchase.

29 Mr. Huff, owner of the property located at 23 John Sims Parkway, previously the
30 Synovus bank building, said because city is a tax exempt entity didn't not believe taxes
31 would need to paid on the building, however since the city is only the lessee and H and
32 S LLC. owns the building they are being taxed. Mr. Huff wants to do what is best for
33 the city. He said they paid the taxes last year but since the city signed the lease, he felt
34 the city should pay going forward. Mr. Huff thought since the city was renting there
35 wouldn't be taxes from the property appraisers but the property appraisers office said
36 no.

37 Mayor Smith said that Mrs. Johnson has prepared two options on the city
38 financing with the Florida Municipal Loan Council for \$2,300,000.00, 15 year rate is

1 4%, 20 year 4.25%. Or if possible, we could use the purchase option now and continue
2 to pay the lien to H and S, LLC. Mr. Huff said that he and Mr. Dykes get together and
3 get a note/mortgage recorded the city pays the cost for the reporting of the mortgage and
4 the city pays whatever taxes are due at that time and the city will own it on that date.
5 Mr. Dykes said if the city goes through with the purchase as a governmental entity there
6 is generally no right to foreclosure. The lessor can sue but not repossess. Mr. Dykes
7 said once Mr. Huff deeds property to the city, it would be the cities. Mr. Dykes said he
8 needs guidance from the Commission on what route to take.

9 Mayor Smith said he is agreeable to let Mr. Huff pay the property taxes due, sign
10 the property over to the city and Mr. Huff holds the note and then it will be tax exempt.
11 He does not feel the city owes the taxes, we had no expectation of the tax. Comm.
12 Wasdin said we all thought taxes would not have to be paid because the city is tax
13 exempt. Comm. Wasdin said on the property appraisers tax statement it shows
14 \$13,432.29 is due. She said she sees no problem with us getting our mortgage from Mr.
15 Huff with him being the bank. Mr. Huff said he does not believe this is anyone's fault,
16 just a learning curve. Mr. Huff said he just wants what is best for the city. Mr. Huff
17 said on the lease to own contract, he owes the tax assessment because he is technically
18 the "owner" and that is why it has been billed with taxes. Comm. Wasdin said the
19 downside for Mr. Huff is that for the next 30 years the taxes will continue to go up and
20 they will and our monthly payment will remain the same.

21 Mr. Dykes said the city can advance the purchase so that the property will be in
22 the city's name with no property taxes, or the city can pay the taxes each year. Mr.
23 Dykes said he needed Commission direction. Comm. Hamilton said the city could pay
24 half the bill, with Huff paying the other half. Mr. Huff said he would be good at paying
25 50% like Comm. Hamilton suggested.

26 **COMM. HAMILTON MADE A MOTION TO SPLIT THE PROPERTY**
27 **TAX BILL 50/50 WITH H AND S LLC FOR 23 JOHN SIMS PARKWAY.** She
28 said she feels it is the best idea since this situation wasn't anyone's fault, a learning
29 curve as Mr. Huff stated. **COMM WASDIN SECONDED THE MOTION.**

1 Mr. Huff thinks we could get this done in 15 days as a matter of getting the
2 mortgage typed up and the deed repaired. Mr. Dykes said he was not sure if we would
3 have it by our next meeting on the 13th. Mr. Huff said it is up to the city when to pay it
4 off. Mr. Dykes said there would be no penalty for early pay off.

5 Mr. Terry Griffin, 253 Grandview, asked Mr. Dykes what do you understand the
6 lease to be? If not have to pay taxes on the lease, cannot go back to the lease. Mr.
7 Griffin said he heard Mr. Huff didn't want to pay the taxes, he wanted to the city to pay
8 taxes.

9 Mr. Daniel Irwin, 184 Chicago Ave, can the city legally pay taxes if they are tax
10 exempt? Mr. Dykes said the taxes would probably become part of the purchase price.
11 Mr. Dykes stated a new agreement or lease would come back to the Commission at a
12 public meeting for approval. Mr. Irwin asked the attorney if he was familiar with
13 Florida Statue 192.042 Property Tax oversight with the State of Florida because under
14 Section 197.2423-1 it states you are allowed to put in for a deferral of last year's taxes
15 by March 31st working through the tax holder himself. Mr. Dykes said he will look at
16 this.

17 Mr. Bachelor, 154 Grandview, felt it would have been better if Mr. Huff had
18 produced a written proposal since this was his idea. Mr. Dykes said he did not want to
19 go out a start negotiating with Mr. Huff because we do have a lease and he needed to
20 know which path to go down. read part of the lease taxes are owed.

21 **MAYOR SAID WITH NO FURTHER DISCUSSION HE CALLED FOR**
22 **THE VOTE 4 TO 1 WITH THE MAYOR VOTING IN THE NEGATIVE.**

23 Mr. Dykes said just to make clear, he and Mr. Huff will go back and discuss the
24 purchase and prepare documents with the understanding that Mr. Huff's entity and the
25 city would split the 2022 taxes with a proration for 2023. I will also look into that
26 statute and see if it is something we will be able to take advantage of. We will structure
27 the payments to remain the same.

28 Mayor Smith said his vote was no disregard to Mr. Huff he was just under the
29 understanding the city would pay no taxes. That was my reason for voting in the
30 negative.

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With no further business before the Commission this evening, meeting adjourned
0 PM.

Hubert B. Smith
Mayor

Catherine Hamilton
Chair, VCA

ATTEST:

Tammy Johnson, CMC
City Clerk

A recording of the March 2, 2023, Commission meeting will be kept on the City's secure file server as a permanent part of these minutes.