



**MINUTES
WORKSHOP CITY COUNCIL MEETING
IMMEDIATELY FOLLOWING THE SPECIAL MEETING
MONDAY, AUGUST 15, 2022, 6:11 P.M.
NEPTUNE BEACH CITY HALL
116 FIRST STREET
NEPTUNE BEACH, FLORIDA 32266**

Pursuant to proper notice, a Workshop City Council Meeting of the City Council of the City of Neptune Beach was held on Monday, August 15, 2022, at 6:11 p.m., in Council Chambers, City Hall, 116 First Street, Neptune Beach, Florida, 32266

Attendance**IN ATTENDANCE:**

Mayor Elaine Brown
Vice Mayor Kerry Chin
Councilor Lauren Key
Councilor Nia Livingston
Councilor Josh Messinger

STAFF:

City Manager Stefen Wynn
City Attorney Zachary Roth
Police Chief Richard Pike
Senior Activity Center Director Leslie Lyne
Community Development Director Samantha Brisolara
Chief Financial Officer Danielle Dyer-Tyler
Grant and Resiliency Coordinator Colin Moore
Public Works Director Jim French
Mobility Management Director Megan Steward
City Clerk Catherine Ponson

**Call to
Order/Roll Call**

Mayor Brown called the workshop meeting to order at 6:11 p.m.

AWARDS / PRESENTATIONS / GUESTS**Impact Fee
Presentation**

Terrell K. Arline, Of Counsel, Ansbacher Law, via Communications Media Technology (CMT), presented information regarding impact fees. The presentation included what an impact fee is which is a source of revenue to finance a portion of the cost of public services and/or infrastructure required to serve new development. He reviewed the Florida Impact Fee Act passed in 2021 which established requirements for local governments. The local government would need to hire an expert who understands economic infrastructure and break down the costs for residential and commercial.

Mr. Arline stated that there are credits on impact fees. Local government must issue a "credit" "dollar-for-dollar" against impact fees for any contribution from the developer related to public facilities or infrastructure or prepayments. Credits are assignable and transferable to other properties. Credits go up if impact fees go up.

He advised it should be imbedded in the Comprehensive Plan. It is best practices to discuss the impact fees at the planning level in your Capital Improvements Element. He gave examples of impact fees from other areas including Orange County and St. Johns County.

Councilor Livingston asked if Atlantic Beach and Jacksonville Beach had impact fees and what did they look like?

Mr. Arline advised he had not specifically look at those cities. He can do that and let the City Manager know.

City Attorney Zachary Roth reported that Jacksonville Beach has a section called water impact fee but it's more of a connection fee.

Councilor Livingston commented that realistically looking at this it is not pressing to change it in the Comprehensive Plan. But at the same time is it something we would have to look at in the very near future and, if implemented, be submitted to the state?

Mr. Arline replied that the Comp Plan would be submitted to the state but the adoption impact fees are done by separate ordinance.

Mr. Roth informed Council that Jacksonville Beach appears to have school impact fee and a mobility fee.

Councilor Messinger stated if there was a situation if new or substantial redevelopment came in and they were going to increase the burden on the water and sewer system, they would have to pay for that increased burden. They couldn't say what would be installed without the City requesting it or giving that direction. It would get bid both ways and the City would pay the difference between what is required for the project and what the City may be asking for. He asked Mr. Arline if this was correct.

Mr. Arline said yes and added that the City gets to decide the size of the infrastructure. They can't create a credit by deciding to upsize. There are examples where developers will donate land for something or make a major improvement to a road and get credit. The credit process has been in place for years and usually applies with big developers doing large projects that have to upfront a lot of infrastructure. If they are going to upsize or overdesign, staff is going to have to want that and then generate an analysis of the equivalent credit.

Mr. Arline answered Councilor Messinger's next question regarding the limit for the costs incurred creating impact fees by stating that the legislature does not want impact fees to pay for running the City. They want you to limit the amount that goes to overhead of creating and implementing them.

Councilor Messinger asked when you say new development, does that mean, basically an increase in capacity related to a substantial redevelopment? You may have a commercial building that's being used. It increases the strain on the water and sewer systems, for example, that increased capacity costs would be passed on to the development versus incurred by the city, even though it may not technically be considered a straight new build.

Mr. Arline explained that impact fees apply to new building permits. That could be an expansion of an existing residential redevelopment. Residential and commercial redevelopment pay impact fees. A residential redevelopment would have to actually increase the number of dwelling units. If it doesn't, then an impact fee is not collected. A commercial redevelopment would have to have expanded the existing square footage. If the use changes and the demand on public infrastructure increases, there is an impact fee.

Councilor Messinger stated that if someone had a single-family home and were renovating their home, that wouldn't necessarily trigger an impact fee. He asked if they doubled the size of their home, would that trigger a fee?

Mr. Arline replied that it would depend on the City's definition of dwelling unit is so it may or may not have an impact fee.

Vice Mayor Chin stated his question had to do with the existing debt or previously approved projects. He stated that if we understand that we need improvements on our wastewater treatment plant, that is something that is existing and we are working on. A new development would have great impact on that wastewater treatment plant, thus acquiring an increase in the level of service. Would we not be able to apply the fees collected to the continuous improvement of the wastewater treatment plant?

Mr. Arline answered that you could apply the impact fee, but you would have to earmark it for what an expansion would be. It needs to be clear that you can't charge the new development for fixing an existing problem

Councilor Key stated she was very familiar with impact fees. During the 500 Atlantic process was when she realized the City did not have them. She has never lived in a city that did not have them. Most cities have, once you come up with what your percentages are, have very simple forms on their website to type in the information. There is no staff time. She hopes if we move forward with this, we would have something like that on our website and not have to take staff time, which also costs money. She is glad this is finally being brought forward. It is something that needs to be discussed and happen. She is happy to support it.

Councilor Livingston commented that she is not against impact fees. It is not surprising that we don't have them now that she knows our neighboring cities don't have them. She asked how realistic for Neptune Beach to have them based off the fact that it is only for new development?

Mr. Roth responded that it is realistic to have impact fees in place. Is it realistic to think it would make a substantial impact helping us fix the issues we have? They don't solve the current issues. It would be a shield.

Councilor Messinger added that we have been talking about these a lot in the past. He requested if staff, Mr. Roth and Mr. Arline could give concrete steps and options to weigh and consider.

Vice Mayor Chin pointed out that Mr. Arline mentioned hiring a consultant. He asked if it was feasible if we adapt one of our neighbors' impact fee schedules, such as the City of Jacksonville.

Mr. Roth advised it would not be very achievable to use COJ's as the data that would be covered would be different from Neptune Beach. Where you might find cost savings is rather than start from scratch, bring in a firm that specializes in creating these types of ordinances. They would be using forms that already exist.

Mayor Brown thanked Mr. Arline and told him we would be talking with him in the future.

DEPARTMENTAL SCORE CARD / CITY MANAGER REPORT

Dept. Score
Card/City
Manager Report

City Manager Stefen Wynn presented his City Manager Report for June, July, and August. He reviewed City projects including, Jarboe Park and water and wastewater improvements and the budget process.

He reported that the Finance Committee would meet Wednesday, August 16. The first read of the budget will be Wednesday, September 7, due to the Duval Scholl Board meeting. We can't hold our budget hearing at the same time as another tax entity that taxes our residents.

The final and second read of the budget is scheduled for September 19. All of those meetings are open to the public.

There is a Penman Road meeting on August 29, 9:00 a.m., for City staff and COJ staff to talk about the process moving forward.

Councilor Messinger asked if there was an agenda or if there was more information about the Penman Road meeting.

Mr. Wynn stated that they did not have an agenda, however, he and Grants and Resiliency Coordinator Colin Moore would be in attendance and would take minutes.

Vice Mayor Chin inquired about the completion date for the repair of the clarifier arm at Wastewater Treatment Plant #2.

Public Works Director Jim French (via CMT) reported it would be a couple of months before it is back online.

The Departmental Score Cards and City Manager Reports are posted on the City website at: <https://www.ci.neptune-beach.fl.us/city-manager/pages/city-manager-reportsdepartmental-score-cards>.

COMMITTEE REPORTS

Finance Committee

Finance Committee Chair Councilor Lauren Key confirmed there would be a meeting on Tuesday, August 16, at 10:00 a.m.

PUBLIC COMMENTS

Public Comment

Sharon Jachem, 1716 Strand Street, Neptune Beach, stated she is looking at rebuilding her house and the placement of her front porch. She also commented regarding the Sylvester palm trees on her property.

Mary Frosio, 1830 Nightfall Drive, Neptune Beach, thanked Council and for providing their services. She added that the impact fees seem like a missed opportunity and is a way for the City to not have to pay for the additional impact.

PROPOSED ORDINANCES / NONE

CONTRACTS AND AGREEMENTS / NONE

ISSUE DEVELOPMENT

Airbnb/Short-Term Rental Discussion

Airbnb/Short-Term Rental Discussion. Councilor Key started the discussion by stating one of the reasons she got involved with City Council is the first meeting she ever attended was because her neighbor was running a short-term rental. It was fracturing the neighborhood and changing the character. There were parties until three o'clock in the morning, people parking in the wrong spot, and a massive amount of people coming by her yard throwing beer bottles and impacting her quality of life.

Councilor Key reported that Council had received an email last week regarding significant Airbnb complaints. She read the complaint and felt very sorry for the individual who has this sort of experience. She looked online and saw a few other Airbnbs in our area. Some are 28 days, some are longer and some are less than that.

Councilor Key expressed that she understands the nuances and challenges of enforcing Airbnbs. People check in on the weekend and check out on a Monday. Throughout the visioning process we heard that people don't want commercial in residential. They don't want commercial enterprises happening in their area. They want to be cornered off from that. We are not a tourist town. We want to preserve our character. Part of that is dealing with this short-term rental situation.

Councilor Key continued that in thinking about how Council and staff can find a better solution for that. She researched company called Govservice through Granicus that serves over 350 cities to do host compliance. You have to be licensed to have an Airbnb and they track who is getting revenue, who had short-term rentals and who had longer term rentals. It can narrow down and give a brief overview based on revenue. She wanted to bring this up to see if this is something staff would look into as it said free assessment for government services. This could help us with the challenges that we do have and sort of nailing down the Airbnb and short-term rental situation.

Mayor Brown stated that she questioned if they are registered with the state and in compliance with that part of it. She does know that we have got to stop it affecting our neighborhoods so negatively.

Councilor Livingston remarked that Councilor Key brings up a very good point. She also looked and there are different programs that can track this. There are other complaints and violations that can stem from these properties. It's not just unpleasant. It is a safety issue. She does not think our community is the community for Airbnbs.

Councilor Messenger reported that he went on Vrbo and found over a dozen that are actively listed for as little as one or two days. He knows that staff in the past has tried to shut it down. A lot of them will be listed as Jacksonville Beach. If you look at the photos, you can recognize them as being in Neptune Beach. He expressed that it's a problem and it's grown and going to continue to grow as Florida becomes more popular and coastal communities become popular. He found an article naming the top ten vacation rentals in Neptune Beach. He agrees with Councilor Key in finding a technology solution and robustly pursuing some of these properties is important.

Mr. Roth answered Councilor Messenger's inquiry regarding a lawsuit by stating that his concern is the practical perspective of would be how much would it cost to win. Because of their resources, they could run us into the ground financially.

Councilor Messenger stated that the websites state they will collect county and state taxes on the unit's behalf and remit those to the county and the state. Revenues are being paid even if they are unlicensed. Some of the technology solutions connect the taxed to the location for enforcement.

Mayor Brown stressed that if we let it go, there will be more. She does not blame neighbors for complaining. You have the added traffic. We need to put the hammer down on this as soon as we can

Community Development Director Samantha Brisolara wanted to clarify and state what staff is doing on that end. The City is not ignoring the issue. They are difficult to enforce. She stated that one problem is that they state 28 days on the website. Then the renters only stay for seven days and then get reimbursed. She added that the technology solutions tracking is a good idea but how fast would we get the data. Would we be paying for the service we would not get a return on?

Councilor Messenger stated it is difficult but they are getting crafty and we need to find a solution. Is there an ability to work with the Duval County Tax Collector?