

The Workshop of the City Council of the City of Panama City Beach, Florida, and when permitted or required by the subject matter, the Panama City Beach Community Redevelopment Agency, held on December 1, 2016.

ROLL

MAYOR MIKE THOMAS

COUNCILORS:
JOHN REICHARD
JOSIE STRANGE
PHIL CHESTER
HECTOR SOLIS

CITY MANAGER:
MARIO GISBERT
CITY CLERK:
DIANE FOWLER
CITY ATTORNEY:
AMY E. MYERS

Mayor Thomas called the Workshop to order at 2:00 P.M. with all Council members, City Manager, City Clerk and City Attorney present.

Councilman Reichard gave the invocation and led the Pledge of Allegiance.

ITEM 1 LOW SPEED VEHICLE REGULATION. Ms. Myers presented the draft Ordinance 1398 created with input from Staff and the industry. This Ordinance proposed to limit the number of rental LSVs to 300 and allow 50 vehicles per existing business. Mayor Thomas asked where the 300 originated and Ms. Myers replied from the joint meeting between Staff and the industry.

Mayor Thomas asked about the moratorium. Ms. Myers replied that yes, there was a moratorium but shops were grandfathered for vehicles ordered before the Council acted.

Ms. Myers explained that this proposed Ordinance amended the Code and established regulation of the businesses themselves, establishing the 50 vehicles per business cap and allowed for the transfer of 50 medallions assigned to each business. It deleted the requirements invalidated by the recent lawsuit and created a definition of amusement vehicles which included scooters, motorized vehicles, and some possible amusement vehicles which might in future come to this area such as Segways, megacycles, or dune buggies. This Ordinance created the class of amusement rental vehicles that must be registered at the Police Department to allow the City to monitor the numbers before being overwhelmed by the volume of a certain type of vehicle.

Councilman Reichard asked why this was being reviewed again. Ms. Myers replied that she had been directed to create a regulation for the LSVs before the City was overwhelmed by their volume.

The Ordinance also established property design standards for businesses that rented LSVs. It would not apply to those businesses that sold LSVs. It provided for grandfathering of existing businesses. She said there were sign standards, appearance standards, and outdoor displays limited to the size of one parking space to allow for four vehicles.

Councilman Reichard said the medallions would create equity which increased in value rather than depreciated like a used LSV. Councilman Solis questioned a business receiving 50 medallions when they only had 10 vehicles in inventory. Mr. Gisbert said the 300 was only proposed; the Council could determine to cap at the existing 200, and the business that had 10 now would remain at 10. Councilman Reichard said he was concerned with the medallions potentially sold at numerous locations, and Ms. Myers agreed which prompted focusing on the LDC regulations so that any new business would have to comply with the new requirements.

Councilman Solis said it should be all or none when selling the business and medallions. Mayor Thomas questioned what the beach would look like with 300 LSVs and the scooters on a 35-mph road. He said he did not know if this accomplished changing the City's image. He said basically this was making Front Beach Road an amusement park. He reminded everyone when this process started there were only 97 LSVs and then the next year it increased to 197, then 204. Councilwoman Strange said she considered Front Beach Road as an amusement park and her concern was the vehicles traveling on PCB Parkway. The Mayor said in his opinion the cap should be 100 and he did not like the medallion concept. He said the businesses could be allowed three years to reduce down to that cap, to get their money out of the existing inventory.

Councilman Chester asked the members of the industry in the audience how often 50 of their LSVs were out at one time. Mr. Rick Roof, California Cycles, replied that some rentals were for the week plus they sold LSVs. Ms. Eva Bush, Classic Rentals, said some of her LSVs were gas and some electric and she had to have extra inventory to satisfy the customer's need for a 24 hour service.

Mr. Ray Steinbrecher, representing Sara's Scooters, said much of their business was scooters and most of the time not all of their scooters were rented. Councilman Chester said the issue was not scooters but rather LSVs. Mr. Steinbrecher said the language in this Ordinance affected scooters as well. Ms. Colleen Swab, California Cycle, said the industry had been told two years ago to change their business, getting away from scooters and into LSVs which were not cheap. Councilman Chester said that was not the point but rather the LSVs traveling on the Parkway. Ms. Swab replied that many of those vehicles were privately owned.

Mayor Thomas asked years ago if the industry had been advised to get into the LSV business. Ms. Myers replied there was a provision at the end of the scooter Ordinance that the City reserved the right to regulate any amusement vehicles that were used to fill the gap from the scooter loss. She said that was a fair conclusion to draw from the conversations at that time because the City was doing numerous things to show the community was golf-cart friendly. Councilman Solis said after that meeting the statement had been made by a Council member that LSVs without limit could be purchased.

Councilwoman Strange questioned the cap being at current inventory. Councilman Solis said he had no problem using that number. Ms. Myers said if the Council wanted the cap at 203, it would change the regulatory scheme of the medallions but it could be reworked. Councilman Solis said he would like to add that the business could be sold but not sell the individual medallions. Ms. Myers said this Ordinance would create a new land use category specific to Low Speed Vehicle Rental Businesses.

Councilman Reichard questioned the 300 number and Ms. Myers said that number would allow some of the businesses to maintain the status quo and some to grow. Mayor Thomas questioned adding another 96 vehicles to the existing inventory. Councilwoman Strange recommended the cap reduced to 203 or existing inventory. Chief Whitman said there were 203 vehicles permitted but he would confirm that number. Mayor Thomas said the businesses would be capped at current inventory so that they did not lose any vehicles.

Ms. Myers said she understood a majority of the Council wanted to cap the number at 203, allowing the existing businesses to keep their current inventory. She said the vehicles would still be registered at the Police Department and use a decal system, not a tradeable medallion.

Councilman Solis asked about the display issue, that for some of the businesses with a large parking area, it did not seem right to restrict them to such a small area. He understood the concept in trying to clean up Front Beach Road but questioned how much could be displayed within only one parking space. Ms. Myers said that was only for the LSVs, not the scooters. She said she had understood from the Code Enforcement Workshop that the Council wanted to clean up the front yards and the displays of merchandise for all businesses on Front Beach Road. With these large vehicles, she wanted to reserve their right to display their merchandise.

Councilwoman Strange asked about signage. Ms. Myers replied that the signage was limited because most of these shops tended to have numerous signs in the right-of-way. She said Staff was trying to prohibit the "carnival" look and prohibit the transient, temporary, inexpensive signs. Ms. Myers said the grandfathering for the existing businesses was limited to one year. The Mayor opened the floor for public comments.

Ms. Colleen Swab, California Cycles, said she had a dealer's license which allowed them to sell vehicles. She said they must have a spot for sale vehicles and a spot for rental equipment. Ms. Myers said this Ordinance only addressed rental equipment but if renting and selling, the display would stand. Ms. Swab asked about the fire and safety lane, Page 2, and said it would be impossible for fire equipment to go down the lane due to fences, palm trees, telephones poles, mailboxes, etc. She wanted to confirm the LSVs could be allowed for overnight rentals during Spring Break. Ms. Myers said this Ordinance did make a change in the overnight scooters for Spring Break, to clarify sunrise and sunset, but did not expand it to include the LSVs. Ms. Myers said she had not been directed to change that for LSVs and did not recommend that change to the Council. Mayor Thomas said he did not want the impression that this proposed Ordinance would not change as it had not yet been voted upon by the Council members

Mr. Steinbrecher said he understood that his client had LSVs on order and he was concerned that limiting the number to 203 might impact those vehicles. He said that might become a taking. Mr. Steinbrecher said his client had purchased an expensive piece of real estate without these provisions that were currently being considered today. Mayor Thomas said the scooters were regulated from the sunrise to sunset, and there were currently no scheduled time closures for the LSVs. He suggested Mr. Steinbrecher put his concerns in writing and forward them so that they could be considered before the next meeting.

Mr. Burnie Thompson, 8317 Front Beach Road. Mr. Thompson said this was creating a monopoly. He mentioned the rule of law and treating everyone equally as opposed to grandfather clauses. He stated the government was taking, affecting workers and consumers.

Ms. Olesea Siriteanu, Hangout By The Sea. Ms. Siriteanu said it was not fair to her as she was the smallest shop but wanted to expand in the future. She now only had twelve vehicles and suggested fifty per business was a good number for each business.

Ms. Eva Bush, Classic Rentals. Ms. Bush said she understood the fifty per business had been discussed but also a lesser number has been discussed. She said if the Council elected to reduce to a lesser number than 50 per company in order to be fair, that could be addressed. She questioned signage and said at one of her locations, she had a lit pole sign and was concerned about it having to be removed. She also mentioned some signs mandated by the City and if those were counted in this calculation. Mr. Gisbert said no.

Mr. Tony Horton, Bike the Beach. Mr. Horton questioned the definition of amusement vehicles and made comments about his business being hurt during Spring Break. He said it was not his job to bend to the will of government but rather government bend to the desires of the people.

Mr. Frank Sewell, 435 Hidden Island Drive. Mr. Sewell recommended to let the free market limit the number. He said the City was not limiting people from buying LSVs. He said families rented the LSVs and were concerned about families being limited.

ITEM 2 MEDICAL MARIJUANA DISPENSARIES REGULATION. Ms. Myers said in the Agenda packet was information furnished by an attorney who represented one of the businesses licensed by the State under the Compassionate Use Act. He had a proposed Ordinance but not necessarily with her recommendation or not. She continued it was merely a starting place for the discussion. Under the City's zoning authority, the Council had the ability to limit the number and location of the facilities, and she did not believe that would change. She had a moratorium prepared which would limit any dispensing facility from coming into the City until the Council had decided.

Mayor Thomas said he had asked for this item since a majority of voters approved this Amendment. His concern was the appearance of shops in California and Denver, looking like some of the aesthetic issues the City was trying to avoid. He said he had thought that since it was for medical purposes, it would be dispensed at a pharmacy.

Councilman Reichard suggested that the Council consider a six month moratorium until the State and County determined their regulations. Ms. Myers confirmed that the County was proposing their eight month moratorium Ordinance at their Tuesday meeting and the City's would be presented Thursday. Mayor Thomas said he did not think the State could change the City's land use regulations and Ms. Myers confirmed that the City could adopt a zoning location requirement.

Mr. Keith Bell, managing partner of Clark Partington Law Firm, said his firm represented one of the six nurseries currently licensed to dispense medical cannabis products. He gave a brief legal history explaining the Compassionate Use Act and the new Right To Try Act. He said the six businesses were in various stages of cultivating, manufacturing and ultimately dispensing the products under both Acts. As a result of Amendment 2, they expected an expansion of the list of ailments for which the product would be available. Mr. Bell said it was still a very restrictive medical cannabis Ordinance. As far as implementation, there were two thoughts whether to start over totally or to keep the present framework of the two Acts and allow the six companies to act under Amendment 2. He said they believed the second option would occur. He agreed with Ms. Myers regarding Home Rule and that the Statute would leave it to the City's discretion to the number of dispensaries and location in the City.

Mr. Bell said they believed it would be appropriate to consider this type of Ordinance now because the super majority of the citizens wished for these businesses to be allowed. Moratoriums were being adopted in many locations and it made sense to

allow time to study the issue. He believed the Ordinance as written or modified by Ms. Myers would certainly be appropriate to adopt now.

Mr. Bell said they expected those Statutes simply to be amended to expand the number of illnesses and the existing framework would remain in place. Councilman Solis asked if he thought this would expand to illnesses which were not terminal and Mr. Bell said that would be consistent with Amendment 2. Presently, there were less than 400 patients registered statewide under both Acts. Mr. Bell added that these six companies were responsible in its entirety of the cultivation, manufacture, and distribution aspects of the businesses.

Councilwoman Strange asked Ms. Myers if the shops would be regulated by the LDC. Ms. Myers confirmed under the zoning authority, the City had the ability to regulate the appearance. She continued that there was the possibility that the legislature would preempt the City's existing authority so that was an argument against waiting. Councilman Solis questioned the success rate for the businesses based on lower populations, which led to illegal activities. He said he was concerned about the County's actions and Mr. Bell confirmed he had met with County staff and the reception was relatively positive. Mayor Thomas said the County's population was 185,000 while the City was 13,000. He suggested that since the island only had about 25,000 people and was classed as a beaches special treatment zone with the County, maybe there would only be one dispensary on the island. Councilman Solis was concerned about all three dispensaries being located on the island and recommended a joint workshop with the County to discuss.

Mayor Thomas asked Ms. Myers for her recommendation. Ms. Myers replied that there were some merits to the Ordinance and some things which could be done differently. She said she had been speaking with the County and would continue to do so because it was important for the City and County to march in step on the issue. However, she does not know the direction the County will take nor how they feel about the Ordinance. She said she felt the moratorium was the most appropriate next step and she anticipated talking with the County as matters developed. Ms. Myers said it would not go into effect until January but it would be in place starting next week, and sync with the County's timeline.

Ms. Myers explained that this Ordinance contained all of the verbs that described the marijuana dispensing facilities and used all of the verbs in the moratorium. Mr. Bell said it made sense to pass a moratorium on all potential businesses related to marijuana of any sort because of the confusion about the effect of Amendment 2.

Councilman Solis questioned cultivate in the language of the Ordinance and Ms. Myers replied that it was included in the moratorium to affect all activities and would not actually regulate the facilities, just not permit them, consistent with State and federal law. Further discussion ensued concerning superseding the State.

At this juncture, Mayor Thomas passed the gavel to the Vice-Mayor and stepped out of the meeting. Vice-Mayor Strange asked if there were any further questions for Mr. Bell and there were none. Mr. Bell left the meeting.

Ms. Myers said part of the purpose for the discussion today was to see Council's thoughts and direct Staff concerning the LDC regulations. She said at the very least, the City would be doing a moratorium to preserve the City's ability to do something. The Mayor returned to the meeting and Vice-Mayor Strange returned the gavel.

Councilman Reichard said the customers of these dispensaries were sick, not evil people. He did not consider this the same as alcohol next to a church.

Mr. Thompson asked the Mayor about asking Mr. Bell questions and the Mayor said he was available in the hallway.

Councilman Solis said he was trying to think ahead, and in other states, the medical marijuana led to recreational marijuana. He said if the City planned now, this might prevent a future problem. Councilman Reichard agreed that being cautious was a good idea but did not want to make it difficult for those people who were ill.

Ms. Myers said she would continue talking with the County and report back.

ITEM 3 OVERSIGHT OF PROJECTS FOR HALF CENT SALES TAX AND CITIZENS OVERSIGHT COMMITTEE. Mayor Thomas said when this first started, Staff created ideas and projects were not vetted by the Council. The Mayor asked the other Council members to think about projects within their neighborhoods. He reminded that an Oversight Committee would need to be appointed, to ensure the monies were spent properly, but the use of these funds should be decided by the Council. He said this would be a good opportunity to correct some problems with the anticipated annual funds of \$1.2 Million Dollars- \$1.5 Million Dollars.

all day so that the fields were tied up but organizer did not pay for the fields. In this, the rental was raised from \$10 to \$13 per hour which was still low but locked the promoter to 12 hours. Councilman Solis said he felt the City was still under-market on the price.

Mayor Thomas said the organizers who rented the fields for the tournaments were getting a lot of money and he thought the City should be charging more. He did not believe a small increase would stop teams from coming and he did not believe \$13 to \$15 per hour would cover the maintenance on the fields. Councilman Solis said the City was spending Two Million Dollars on Frank Brown Park and his initial request was to charge \$15 per hour for tournaments. He said Staff needed to monitor costs every year and have the City gets its fair amount every year. He said as soon as the new Sports Park was built, they would be charging more than \$15 per hour, more like \$20 to \$30 per hour.

Councilman Reichard said until this year, the City had an adult softball team. He asked what the City provided for a local league. Mr. Ponek said the local league paid \$500 per team for a minimum of 12 games with that fee paying for trophies. The City provided the umpires, balls, scorekeepers, and recreation staff. Councilman Reichard said that basically the local leagues were playing there for free. Mr. Ponek said umpires were \$35 per hour and scorekeepers were \$10 per game, and at the end of the day the cost equaled the fee. He had raised the fee from \$400 to \$500, and received many complaints.

Mayor Thomas asked what percentage of youth baseball and youth soccer were City residents. Mr. Ponek said about 80% were City residents but he had not checked that figure. The Mayor stated when he last sat on the Council, 72% of all children playing at the Park lived outside of the City limits. He said he did not believe that figure had changed that much. A few months ago, he had asked for data who lived in the City and who did not but had not yet received that information. He emphasized that it was a City Park paid by the City taxpayers and there should be a charge if living outside of the City limits. Councilman Solis said he understood the complexity with people having a Panama City Beach address but living in the unincorporated part of the island. He said verifying that information would back up the lines. Mayor Thomas said if the Park was used by more County people, it should cost someone more money. Councilman Solis agreed if someone was from Walton County or Alys Beach, but defining between City limits and unincorporated County made it difficult. Councilwoman Strange mentioned out of state being a higher rate and trying to make it simple. Councilman Solis said it would be simple with having an ID stating Panama City Beach being one rate, not looking at City limits.

Mr. Ponek asked about the Pier Passes and the daily fee. Councilwoman Strange said she thought the Council had agreed that the fishing daily pass would remain at \$6. Councilman Solis said he wanted to raise the fee. Mayor Thomas said he had no problems increasing to \$7. Mr. Ponek said he was taking over the Concession Stand at the Pool and planned to make \$60,000 this year. Mayor Thomas reminded that he wanted the percentage of the people for the City and unincorporated areas.

FLOOR ITEMS

Mr. Burnie Thompson, 8317 Front Beach Road. Mr. Thompson spoke of the medical marijuana dispensaries and had questions about Mr. Bell. Ms. Myers clarified that Mr. Bell was an attorney for one of the licensed businesses. Mr. Thompson said Mr. Bell was a lobbyist and he questioned if his partners or Law Firm contributed to any of the Council's campaigns. Councilwoman Strange said not hers. Mayor Thomas said no. Ms. Myers confirmed she had introduced him as a representative of the industry.

Mayor Thomas announced the Christmas Tree Lighting would be at Frank Brown Park Monday, December 5th at 6:30 P.M.; a joint Workshop with the County concerning UBER/Lyft would be at the County Government December 6th at 2 P.M.; the regular City Council meeting would be Thursday, December 8th at 6 P.M.; and the Christmas Parade would be December 10th at 5 P.M.

Councilman Reichard asked about mandatory garbage and said years ago when first discussed, both he and Councilwoman Strange had opposed mandatory garbage at that time. At that time, many citizens opposed the mandatory garbage. He said since that time, he felt the issue had evolved and wanted the Council to again explore the matter. Mayor Thomas agreed. Mr. Gisbert said he would bring information back. Councilman Reichard said previously, there were too many options and he felt many

people did not understand. He recommended narrowing those options. Ms. Myers said at the end of the discussions, the options had been presented to the Council but there was no consensus on which option to take. Councilwoman Strange said keep it simple. Mr. Gisbert said Staff would present two options.

Councilman Chester asked about the GPS on the vehicles. He said the maintenance and the insurance would save a lot of money. Ms. Myers said Mr. Shortt was looking into that issue and was trying to find a contract that could be used to piggyback so that it could be done as expeditiously as possible. Mayor Thomas said he would also like the City to investigate the numbers of vehicles leaving the island, that there were more than the Council was led to believe. He wanted that added to the list. Councilwoman Strange asked if this meant police vehicles and Mayor Thomas said not police and explained he had no problems with the visibility of patrol cars in the neighborhoods.

With nothing further, the meeting was adjourned at 5:00 P.M.

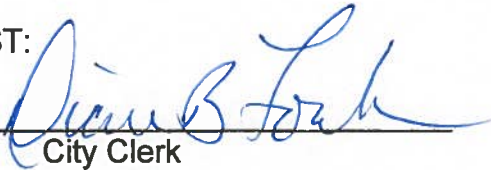
READ AND APPROVED this 9th of February, 2017.

IN THE EVENT OF A CONFLICT BETWEEN THE FOREGOING MINUTES AND A VERBATIM TRANSCRIPT OF THESE MINUTES, THE FOREGOING MINUTES SHALL CONTROL.



Mayor

ATTEST:



City Clerk