

# Palm Coast OKs impact fee resolution

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PALM COAST — In the eyes of the mayor, the long, drawn-out battle between the city and Flagler County has come to a peaceful end.

Palm Coast will receive \$3.5 million in impact fee revenue and use it to extend Palm Harbor Parkway to the north and connect it to Matanzas Woods Parkway. Doing so, city officials said, will help alleviate any concerns about heavy traffic in anticipation of the Interstate 95 interchange at Matanzas Woods.

"This will finally put to bed a discussion that has been ongoing since 2002," Palm Coast Mayor Jon Netts said after the City Council voted 5-0 Tuesday to approve the interlocal agreement between the city and the county. "Sometimes things do come to a conclusion."

In May, the City Council was exploring its options — including filing a civil suit against the county — to accelerate the \$3.5-million transaction. City officials said the county was sitting on the money that was entitled to Palm Coast for its road construction.

County officials, meanwhile, said it was the city's fault for waiting too long to finish purchasing land along Palm Harbor Parkway. They also said it was their money and they had no legal obligation to fork it over. The ongoing threats of litigation were only endangering the interlocal agreement, according to county officials.

A high school and some residential neighborhoods are in the area of Matanzas Woods Parkway and city officials want to extend two roads — Palm Harbor Parkway and Old Kings Road — before the I-95 project is finished. The impact fee money is critical for the Palm Harbor construction, officials said. A small portion also will be used to fund the Old Kings extension, according to the city.

Extending both roads will give motorists exiting off I-95 easier access through town without disrupting traffic along Forest Grove Road, city officials said.

About 90 percent of the design for the interchange project is finished and construction is scheduled to begin during the second half of 2014, county spokesman Carl Laundrie said.

The city will receive the money in three installments. The first \$1.5 million will be handed over in a matter of weeks. The next \$1.5 million will be issued after the county is reimbursed by the Florida Department of Transportation for its wetland mitigation costs.

The final \$500,000 will be issued after the project is complete.

In other news, City Council members voted 5-0 to approve a resolution that implements a new funding agreement between the city and property owners along the southern portion of Old Kings Road.

The property owners will repay a loan during a 30-year period, but if new developers come in and pay impact fees, some of those revenues will go toward repaying the loan. The district is

banking on repaying the loan faster once impact-fee dollars start rolling in, said City Manager Jim Landon.

"They're on board with it," he told the council Tuesday.

The property owners agreed in 2005 to create a special assessment district that would provide a funding mechanism — through property tax assessments — to pay for a four-lane project on Old Kings from Palm Coast Parkway to State Road 100.

The property owners knew they would directly benefit from the construction, so they agreed to pay for it. Eventually, the real estate market collapsed and no new buildings were being constructed along Old Kings. Among the scrapped projects was a new Walmart.

As a result, the road-widening project was only halfway finished before it came to a halt. The road is four lanes from S.R. 100 to Town Center Boulevard. It remains two lanes from that intersection to Palm Coast Parkway, which is about a 4-mile stretch.

The district owed \$6.7 million for the work on Old Kings.

Both the city and district came to terms on a new agreement — one that will enable the district to repay the loan to the city in increments and begin paying off the principal in the next three years.

City officials said developers won't build along Old Kings unless there is a deal in hand to expand the road from two lanes to four. That obstacle has been cleared now that a deal has been reached, they said.