

CITY OF ST. AUGUSTINE

City Commission Workshop Meeting
July 29, 2003

The City Commission met in a workshop session Thursday, July 29, 2003, at 4:00 p.m. in The Alcazar Room at City Hall. The meeting was called to order by Mayor Gardner, and the following were present:

1. Roll Call:

George Gardner, Mayor/City Commissioner
Susan Burk, City Commissioner
William Lennon, City Commissioner
Errol D. Jones, City Commissioner
Donald A. Crichlow, City Commissioner

William B. Harriss, City Manager
Jack E. Cubbedge, Assistant City Manager
Martha V. (Nell) Porter, City Clerk
John Regan, Director, Utilities
Orfeo Paolini, Sound Technician
Karen Rogers, Recording Secretary

2. Public comments on future uses of the San Sebastian site.

Mayor Gardner stated that the purpose of the workshop was for public input regarding the Sebastian Inland Harbor project. He said that there would be a follow-up workshop on September 16, 2003 for the Commission to engage in discussion regarding the project. He said that some subjects considered were as follows:

- Maximize parking
- Residential development to increase tax base
- Retail/commercial mix
- Public Park
- Riverwalk
- Public uses
- Hotel with conference area

Mayor Gardner opened the public hearing.

The following people spoke regarding the San Sebastian site:

- Peter Romano, 62 Sanford St.
- Peter Imirie, 1300 Flagship Ct
- John Marple, 314 St. George St.
- Dennis Mooney, 159 Cordova St.
- William Tinnerman, 5 Willard Dr.
- Charles Cox, San Sebastian Winery
- Lynn Gilchrist, 7 St. Andrews Ct.
- Don Mergerner, 300 South Ponce de Leon Blvd.
- Tammy Byer, 70 Washington St.
- Peter Rumble, 133 Marine St.
- Alan Crawford, 36½ Cordova St.
- Doug Randall, 33 Comares Ave.

Some comments regarding the San Sebastian site were as follows:

- Recommended use of electrified trolleys similar to the ones used up until the late 1920's
- The Randall group had been the second choice in the previous RFP

- The effect on tourism after 9/11 was not lasting
- The Randall group had not pulled out of the project
- The Randall group were primarily residents of the community
- Do not bring outside developers into the process
- New bidders would not be radically different or superior from what had already been presented
- Rebidding the project would take too much time
- The City should move forward with the project using the Randall group
- A promenade access for water transport service should be included in the project
- It would be smart to develop a public water taxi system that could handle large volumes of people and would include parking areas outside of downtown to relieve the traffic situation
- The Commission, Parking Committee, Port Authority, Police Department, the press, developers, local business owners, and concerned residents were invited to schedule a site visit on Mr. Imirie's 67 passenger vessel free of charge to gather information and plan for the future
- Construction of the VIC parking garage from March 2004 until February 2005 would create a need for alternative parking for visitors making the addition of a San Sebastian parking lot crucial
- The City owned the property and had funds from the failed Lightner Museum parking garage that could be used to construct a parking situation at the San Sebastian site
- The need for parking for Flagler College was becoming more pressing and the San Sebastian site represented the only viable location for student parking
- The City should assume permanent stewardship for a parking situation on the San Sebastian site at Riberia Street, which could be made useful in months, so the City would be guaranteed use of the space
- The development would have to be beneficial to the City and the developer
- In real estate timing was everything
- The Doug Randall team had earned the projects approval and Vestcor had defaulted; therefore, the Randall team should be offered the opportunity to finalize their position
- The Randall group had increased the price for the sale of the property
- A time delay was not worth the potential of more money for the property
- Only the Doug Randall group had gone to the winery with a formal contract stating that they would take over the City's contract responsibility for 56 parking spaces within 200-feet of the winery and water drainage associated with the business, and the existing parking lot would be taken over by the developer
- The viability of a Civic Center on the site should be a serious consideration as it would sit empty most of the time
- Build a garage with the maximum parking spaces and maintain control of one parking garage
- The site was an eyesore; therefore, the sooner the development began the better
- Low income citizens lived on boats in the area and the development would eventually drive them out as boat slip costs would increase
- People supporting the tourist and construction industry would not be able to afford living on the site
- There should be a series of illustrations demonstrating to the public how the project would develop

architecturally along with the financial implications

- The project must be viewed as a totality and not isolated parcels
- The Commission had to commit to a team and get the process going as the process would take time
- The development would be the most important building project since Henry Flagler built the hotel; therefore, they should use a local team

Mayor Gardner clarified that the Commission had not decided to submit a new RFP for bids.

Commissioner Crichlow suggested that a water taxi system would evolve naturally as a progression to development. He added that it would provide a wonderful venue for visitors to experience the City.

Commissioner Crichlow questioned whether it would be better to include the City use in a parking facility at the San Sebastian site as an agreement in a sales contract or should the City not convey a piece of the property until 2005.

Mr. Harriss said that question was foremost, as there was a timing problem regarding how to make the situation work. He said the City's environmental attorney pointed out that the City could not install a coquina parking lot on the San Sebastian site, because it could create a contamination scenario when the site was currently under environmental scrutiny. He said that the City could construct a paved parking lot with enough landscaping to meet code, but Flagler College had offered to build something on the site for student parking. However, he said a potential developer would need some parking in the area also. He said the situation would create a three-way agreement, but

he felt a solution could be achieved when they chose a developer. He said that unfortunately if a three-way agreement was formed, both garages would be under construction simultaneously. He said they could construct a surface lot and then tear it up to construct a parking garage, or start the garage with the theory that a developer would have to accept the City's terms. He said that the City had not arrived at a solution to the situation.

Commissioner Burk suggested building the garage at the San Sebastian site first, as there was a functional parking lot at the VIC.

Mr. Harriss stated that if they could do that first, combined with a transit system, it could work.

Mayor Gardner questioned whether the first floor of a garage on the San Sebastian site could be constructed below the surface.

Mr. Harriss replied that he was not certain, but there was a requirement to build-up two feet before construction; therefore, it was not likely.

Mayor Gardner questioned whether they could simply construct the first floor of a parking structure.

Mr. Harriss replied that the garage could be constructed in phases; however, the foundation would require extensive construction; moreover, the contractor would no doubt object to that process.

A brief discussion revealed that a developer would probably need some parking in the proposed Riberia Street garage; furthermore, they could probably come to an agreement.

Mayor Gardner questioned whether they should be focusing on parking or residential/commercial development to increase the tax base.

Commissioner Burk pointed out that there were discrepancies around the agreement with the winery, and she suggested that the new Commissioners make the time to talk with the City Attorney about the matter.

Jay Culberth, Interstate Hotels and Resorts, stated that he wanted to answer any questions the Commission might have regarding the hotel component within the Doug Randall group proposal. He added that he would be the funding partner of the hotel and specialty retail within the group.

Mayor Gardner questioned whether Interstate built hotels and whether Interstate would guarantee a hotel on the site.

Mr. Culberth said there absolutely would be a hotel on the site. He said that Interstate was a consultant partner during construction of the hotel. He explained that Interstate was the continuity that assured once the construction was completed the operation within the hotel and surrounding site ran well. He clarified that post construction Interstate would run and fill the hotel.

Commissioner Burk questioned who owned the hotel.

Mr. Culberth said that he would be the funding partner responsible for acquiring the funds to build the hotel.

Commissioner Burk questioned whether he would own the hotel or sell it.

Mr. Culberth replied that he had plans to own it and the operation facilities would be handled by the management company.

Commissioner Burk questioned whether he would be buying a parcel of property from the person buying the site from the City.

Mr. Culberth responded that it would depend on how the parcel was conveyed to the developer. He said that it could be a lease or purchase arrangement. He added that currently the timing was good as the interest rates were right and St. Augustine had not taken as much loss in tourism as some other cities in the U.S. after 9/11.

Commissioner Jones noted that the Commission was getting off track, as the workshop had been advertised for the public to discuss concepts for the site. He added that it was not about people it was about concepts.

A brief discussion revealed that the Commission did not adhere to a height of 35-feet for the hotel.

Mr. Culbert concluded that he attended the meeting to reinforce a few of the points that had been mentioned in the previous presentation. He said that he wanted the Commission to be assured that meeting space was a viable option within the hotel, the architecture would be in excess of 35-feet and congruous with the City, and transportation would be a key element to move people from the hotel to downtown. He recommended a historic mode of transportation.

Commissioner Lennon stated that the hotel should be a part of the first phase, as the need was apparent.

Mr. Culberth stated that he would like to get started as soon as possible, primarily for economic purpose. He explained that if the interest rates went up, financing for the hotel would be difficult.

3. Adjournment

There being no further business, the meeting was adjourned at 5:30 p.m. ¹

MAYOR

CITY CLERK

¹Transcribed by Karen Rogers, Recording Secretary