

CITY OF ST. AUGUSTINE

Special City Commission Meeting
January 16, 2004

The City Commission met in a formal session Friday, January 16, 2000, at 1:30 p.m. in the Alcazar meeting 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
Errol D. Jones, City Commissioner
Donald A. Crichlow, City Commissioner
William Lennon, City Commissioner

Jack E. Cubbedge, Assistant City Manager
James P. Wilson, City Attorney
Martha V. (Nell) Porter, City Clerk
James Whitehouse, Staff Attorney
Mark Litzinger, City Comptroller
Mark Knight, Director, Planning and Building Department
Paul Williamson, Director, Public Affairs
John Regan, Chief Operations Officer
Jason Sheffield, Administrative Services Group Manager
Karen Rogers, Recording Secretary
Orfeo Paolini, Sound Technician

Also Present: George McClure, Attorney
Michael Stuebben, Architect

2. Presentation, discussion and ranking of proposals submitted for the Sebastian Inland Harbor Project.

Mayor Gardner stated that the Commission was convened to hear presentations from three teams that submitted bids for development of the Sebastian Inland Harbor project. He said the Commission would rate each bid by a preset criteria and name the winning team. He said that although it was a public meeting there would be no public input. He said that George McClure and Michael Stuebben were present to advise and answer the Commissioner's questions. He said the Commission would follow a strict timetable, and he outlined the format that the meeting would follow. He noted that the teams would deliver their presentation in fifteen minutes while the

other teams waited in another room, and the Commission would have an additional fifteen minutes to ask questions of each team.

Jack E. Cubbedge, Assistant City Manager, stated that staff had compiled and issued an RFP based on numerous categories that were determined by the Commissioners, and the submittals were before the Commission. He said that staff had also developed a compilation of the proposals to assist the Commission regarding the teams, and there were 19 criteria for ranking the teams. He explained staff's interpretation of the 19 criterion and at the Commission's request reduced the points for Presentation from 35 to 5. ¹

¹ Staff compilation of information and list of 19 criterion attached to original minutes

Commissioner Crichlow questioned the situation with Mr. Randall who had ranked second in the previous RFP, as Mr. Randall believed his ranking should be considered, although he had not resubmitted for the current RFP. He questioned whether the proposal was currently an option, especially in the event that after the presentations the Commission thought Mr. Randall's proposal was better.

Mr. Wilson replied that Mr. Randall's proposal had been withdrawn. He noted that the Commission was not bound to accept one of the current proposals, as they could re-bid.

Commissioner Lennon stated that he thought Mr. Randall's proposal had not been withdrawn.

Mr. Wilson stated that Mr. Randall had taken all of his materials; however, he was not certain whether he had officially withdrawn, and he understood that there might be a lawsuit pending on the matter; however, that was not before the Commission at that time.

Commissioner Jones stated that he did not understand Mr. Wilson's response and suggested that Mr. Wilson was confusing the matter.

A brief discussion ensued regarding the ranking system.

Mayor Gardner asked for a definition of developer.

Mr. McClure replied that the developer was the party responsible for assembling and coordinating the entire team of independent professionals and consultants and for attracting the individual entities to be responsible for the components of the development. He

continued that the developer might or might not have a long-term interest in the project, but they were responsible for developing and delivering their vision. He said that the responsibilities of the developer would be defined by the Commission, and his responsibility was to help the Commission structure the contract to insure that they had an accountable and financially responsible entity to carry through with the terms of the contract.

Old City Investment Group

William F. Harkins, President, J. W. MaCara, Inc. & Bay Communities, stated that he represented a development team composed entirely of First Coast team members who loved St. Augustine. He named some of the projects he had worked on including the Lyon Building. He said that they were in discussion with the Sheraton and the Hilton organizations regarding the hotel, but currently the time was inappropriate for one of their representatives to be present. He stated that they were a team with proven success on the First Coast, and their proposal brought more money and jobs into the City and certainly more tax revenue.

Gregg Robinson, Executive Vice President, J. W. MaCara, Inc., stated that he would be working as the construction administrator, because he had 30-years experience in residential, commercial and industrial construction, and he was a St. Augustine resident.

Carlton Jones, President, Renaissance Design Build Group, stated that they were a mixed use design build firm for residential and commercial, and they were real estate developers. He said that they owned and managed over 700,000 square feet of retail.

Christopher Jones, Vice President, Real Estate Development, Renaissance, Design Build Group, stated that he hoped the Commission found the team competent, diverse and well experienced.

Keith Favor, Design and Build, Haskell Company, stated that he was fourth generation from St. Johns County, owned a home in Lincolnville, his uncle had served as Clerk of Court in St. Augustine for over forty years and two of his grandfathers had served on the City Commission.

Alan Wilson, Design Principal Architect, Haskell Company, stated that he looked forward to the opportunity, as he loved St. Augustine.

Chris Holmes, Principal Design Professional, Haskell Company, stated that he was a 30-year resident of the First Coast and a fifth generation Floridian, and his job was to manage the design process.

Christopher Park, Chief Development Officer, Haskell Company, stated that he would be involved in the public/private garage partnership for the maximum benefit for both uses.

Sam Reneau, Manager of Public Affairs, Haskell Company, stated that he would be delivering the inspirational speech for the ribbon cutting ceremony.

Sam Butler, Portfolio Manager, Citadel Capital Management, stated that between 1976 and 1986 they had done approximately a half billion dollars of similar construction projects. He said that they had the capacity and stood behind the team 100%.

Mr. Wilson referred to the four exhibits and said that it was an exciting opportunity to create a new section of

town and a new gateway entrance corridor. He referred to the first exhibit of the hotel and restaurant along the water as a blend of facades combining many of the elements existing in St. Augustine. He said that their intention was to make the project engage the public with a view core all the way to the marina; thereby, not isolating the riverfront and waterway from the public. He pointed out the public square, which was the forecourt for the hotel, and he continued to describe the project including the retail, condominiums, town homes, marina, public space, and the two garages as his team envisioned it. He emphasized that their overall objective was to keep the public access and make the project a community asset as well as being consistent with the architecture of St. Augustine.

Mr. Harkin offered to answer the Commissioner's questions.

Q: How many residential units were there?

A: Between townhouses and condominiums 175 units.

Q: Are any of the living units rentals?

A: He said that they did not handle rental units, but the condominiums would be priced in the mid-range.

Q: Was there public parking included in the project?

A: Both parking garages would be available for public and private parking.

Q: Was there surface parking also?

A: Not really, but there was parking under the condominiums for the owners.

Q: Were there connectors to the public spaces.

A: The walkways were pointed out.

Q: would mixed-use parking be in the garages?

A: Yes.

Q: There was no guarantee about a hotel?

A: There was a guarantee that there would be a hotel, but currently they were not certain which one.

Q: Were all the pools private or public?

A: One was for the Hotel and the other two were for the condominiums.

Q: One pool was by the public walkway, how would they handle that situation?

A: The pool wall would be elevated enough to provide privacy.

Q: What components would be in phase I and phase II?

A: The marina, hotel, condos, and garage would be in phase I, but they could be flexible.

Q: How many levels in the garage?

A: Four levels.

Q: How many months for completion of phase II.

A: 18 Months after completing phase I.

Q: How would phase I be constructed?

A: In its entirety, as the entry point would be necessary for marketing, and they would start with the marina. Phase II would also be constructed in its entirety.

Mr. Harkin clarified that the purchase from the City would all be in cash, and the discussion with the bank regarded normal construction loans.

Q: What was the closing date?

A: The closing date would be subject to signing the agreement and approximately five months from the date of the contract. The dates could be altered according to how the process went.

Q: The residential was intense, how much flexibility was there on the intensity of build-out?

A: There was not much flexibility in that regard.

Q: Are all the structures 50-feet tall?

A: Yes, they were within the parameters of the RFP.

Q: Were there any local City architects on the team?

A: Haskell was doing the design.

Q: Did the team run out of money on the Lyon Building project, because progress appeared to have stopped for a year or so?

A: There were design situations that delayed the progress because the building was so old; therefore, the design process had taken 11-months. ²

Premier Hospitality Group – Charleston, South Carolina

David Wentor, Team Leader, stated that his team had enjoyed working with City Staff. He explained that they had submitted the nonconforming proposal, but since their initial proposal they had further developed solutions regarding the RFP, but there were still critical issues to complete for their vision. He said that they wanted to include the property where the Police Department was, as it was a good location for a convention visitor's bureau. He noted that the project had been evolving for over the past eight years; however, they had only become aware of it in November of 2003. He said that they wondered whether the City would be interested in participating in revenue streams from the project, such as whether the City would be interested in the parking garage. He said that they understood Flagler College needed parking, and they hoped to work that into their program.

Mr. Wentor said that their proposal was driven by civic responsibility; therefore, they took the time to understand what type of project they were building to be certain that they were not disrupting anyone in the community.

Mr. Wentor stated that he wanted the Commission to understand that they were hoteliers; therefore, they looked at it as though it was a hotel project with an

² Recess from 2:36 until 2:46 p.m.

opportunity for condos rather than the reverse.

Adrian Weavers, Vice President of Operations, said that they hoped to establish a relationship with a historic City that was older than Charleston. He said that PHG had a team with long-term exceptional experience in all aspects of resort areas, historic properties, and convention hotels, and he described some of their experience.

Mr. Weaver stated that they believed the hotel should be the anchor of the project and a first class operation setting the tone at the entrance to the City. He said that there should be at least 150 rooms, all suite property with full service, restaurant, lounge, ballroom, and approximate 5,000 square feet of meeting space. He said that Embassy Suites Hotel was the leader in suite properties in the industry. He said the suite hotel concept appealed to the leisure, corporate and social market while providing a first class hotel. He said that the project should appeal to all aspects of the community. He concluded that the operating principals of PHG knew how to run a quality hotel, and he stated that the site deserved a first class hotel.

Ron Flick, Compass Group, stated that the team had a wealth of capable experience and not just with hotels but with all the surrounding area. He said the crown jewel would be the hotel and the success of the hotel would determine the success of the entire site. He described some of the projects they had worked on. He referred to the developmental plan, which he explained indicated the space management, but it was not a site development plan. He stated that the San Sebastian Winery was the foothold from which the project would evolve.

Mr. Flick stated that Powers and Merritt would be joining the team and they were confident that they would recognize key features to share with staff and historic consultants to integrated selected accent points throughout the property. He stated that the goal was to start the project within 9-12 months

Mr. Flick indicated that they had tried to integrate the restaurant, retail and office space on King Street, as the exposure would lend to its success. He said that parking was an issue, and he indicated where the two garages would be. He said that the balance of density was important to them; therefore, as they developed the site condo space would be sacrificed for green space. He said that phase I would begin with the marina, parking garage, hotel, including parking for the San Sebastian Winery, and start the second parking garage.

Mr. Wentor explained that with the size of the suggested hotel they hoped to achieve \$6.5 million in sales; therefore, \$650,000 in taxes and an addition \$100,000 in property taxes. He said that including the taxes from the condos it would bring the total to \$2-\$2.5 million. He referred to one of the parking garages and stated that after paying the debt service they would turn the garage over to the City, which would generate another \$500,000 annually in revenue, which could go a long way with revenue bonds or simply added to the City budget. He said that they could make that offer as the project would be a success. He offered to answer questions.

Q: How could the Commission rank their project without a more detailed site plan?

A: Discussing vision without a visual model was difficult; however, they had not had the time to construct a model, but they would provide it in the future.

The hotel would be a blend of the City's features, staff would play a large role in the design of the entire site, and their team work would ultimately benefit the City.

Q: Did the land price include the police department?

A: No.

Q: Do you need a \$10 million threshold?

A: No, it was \$4.5 million, but it would be good to include the police department property to accommodate a convention visitor bureau to assist people coming into the area.

Q: The group was located in Charleston, how would they oversee the project?

A: The group would be in St. Augustine regarding the hotel development to be certain that everything went right, the contract would determine that the project went smoothly, and the Compass Group were good partners.

Q: How many residential units were projected?

A: They were estimating 125-175 units.

Q: You would give the garage on Riberia Street to the City?

A: After the facility was paid for they would deed it over to the City.

Q: What was the total number of parking spaces between the two parking garages?

A: Approximately 800 spaces.

Q: It looks as though there would be a wall of residential units along the water?

A: The boardwalk was public, and the various public areas were pointed out providing a 360 degree access to the property. ³

Q: Was moving the hotel toward King Street a revision?

A: Yes, it would be a better location.

Q: Had Premier Hospitality Group constructed any projects in the area?

A: Gateway to Amelia, a commercial development on Amelia Island, and in St. Augustine the San Marco Inn and Hilton Garden Inn.

Q: Was the Gateway to Amelia a mixed use project?

A: Yes, integrating commercial, office and retail; moreover, the project had green area requirements, as it was adjacent to the marsh.

Q: Was the project completed and what was the architectural style?

A: The project was approximately 50% completed, and the style was not relative to historical reproduction like they were currently working on for the Hilton Garden Inn, which required a specific planning cycle. They had more than one construction company assisting with the project, because they wanted to move quickly but the project was large, plus for bonding purposes they were required to have more than one construction company. One of the construction companies had a great deal of experience with historic properties.

Q: Where will your money come from?

A: Cherokee Development, which was a billion dollar real estate investment trust (REIT), and they would purchase the land, support the project, and expand the project if the opportunity was made available.

Mr. Cubbedge noted that staff had indicated that Premier's home office was in Charleston; however, it appeared that there was also a base on Amelia Island.

Mr. Harkin replied that although Premier Hospitality was based out of Charleston they wanted to have a local response team; therefore they would have a Fernandina office plus people in St. Augustine. He noted that Premier Hospitality was the driving force for the hotel, which would be their primary focus.

Commissioner Crichlow questioned whether they would sell the condominium parcel to someone to develop.

³ End of audio tape one

Mr. Harkin replied that they would do all that under the umbrella of Premier Hospitality and within one contract, because they felt the City would not want the project separated out. ⁴

San Sebastian Harbor Partners LLC

Mathew H. Merritt, Partner, San Sebastian Harbor Partners, introduced Rich Newton and stated that several team members would address the Commission. He referred to two site plans and said that he had started talking with the City six months earlier and drafted a preliminary site plan before a new RFP had been issued. He said that they had talked with staff, the Commission and private citizens to understand certain issues. He said they had learned that parking was an issue for the City and determined that their original density for the site plan was too high. He said that they had originally intended on 160 residential units with 60,000 square feet, but they had lowered the density to 130 residential units with 30,000 square feet; thereby, lowering the density dramatically, increasing the public space and allowing them to provide 342 excess public parking spaces for the City and College. He pointed out the boardwalk, amphitheater, two fountains, four viewing platforms, and water taxi landing. He said that their concept was to create a pedestrian friendly area. He said the architectural style would be brick, stone and hard coat stucco, which had been used in the City for over four hundred years. He said they intended to record protective covenants for the development and form an architectural review committee to approve all development plans before anything was built; possibly with representatives appointed by the City.

⁴ Recess from 3:26 until 3:36 p.m.

He stated that all public space would be protected by permanent deeded access.

Mr. Merritt stated that regarding the parking deck on Riberia Street they intended on issuing long-term lease agreements with Flagler College, as well as the residential portion of the development. He said that they had an agreement with AmeriPark regarding the issue, they had been in touch with the college, and if an agreement was reached there would be 342 parking spaces for students. He said the land for the parking deck was not included in the purchase but it could be, or AmeriPark could purchase the property from the City, or the City could donate the property. He said that AmeriPark would build, own and manage the parking deck at no cost to the City or college. He added that the 342 parking spaces would be available to the residents and tourists after school hours and during the summer months, representing a definable value to the City. He stated that the parking deck would add approximately \$5 million to the total build-out value for the project.

Mr. Merritt noted that he and Mr. Newton planned to contribute the land for the hotel development in exchange for a limited interest in the hotel, and they had offered to give the college whatever limited interest in the hotel they would require to develop a hotel management curriculum. He said the college expressed a strong interest in the potential.

Mr. Merritt stated that the retail and hotel partner planned to be long-term owners of their portion of the project. He said the recorded covenants would protect their investment, as well as the home, condominium and marina slip owners, and they would set up a master

association to provide responsible parties to address questions and problems.

Mr. Bill Shueth, Gittings, Schueth & Grunthal Real Estate Services, said they were a Jacksonville based company, and he had been in real estate for over 15-years. He said that his company performed real estate work for commercial properties. He stated that their intention was to provide the right architectural detail and quality to serve as a gateway to the City.

David Portwood, Architect, stated that it was a great project. He said that he had been working with the team regarding the architectural styles and how to capture the essence of St. Augustine. He said that the land plan was vital as well as dealing with parking and working with the college.

Wally Devlin, The Devlin Group, described the developments he had worked on in St. Augustine and Jacksonville. He noted that he was the largest developer in north Florida, and Tony Slayman was his financial partner for the condominium project.

Melvin Katz, President, Triarc International, Inc. stated that they had offices in Celebration Florida and Stamford Connecticut, they were a family owned company, and they had been in the development business for approximately 30-years. He described some of the projects the company had completed. He said that they had discussed the hotel project with Marriott, Sheraton, and Hilton, and they had all expressed interest in the site. He concluded that the ultimate hotel product would depend on the market feasibility study, which took approximately 60-days.

Mr. Merritt offered to answer any questions.

Q: What was the current marketability for hotel construction?

A: Currently the market was good, but the question was the type of product that would best fit the market. The hotel would be full service with a conference facility and a spa, which was an amenity that attracted hotel guests.

Q: The parking deck would add \$5 million to the build-out value?

A: Parking spaces cost approximately \$6,500 each and the parking deck had 575 spaces, making the cost of construction approximately \$5 million bringing the build-out to approximately \$70 million.

Q: What was the function of the firm Smallwood, Reynolds, Stewart and Stewart?

A: They were the original site plan architects and designer of the elevations. It was not uncommon for the team members to have relationships with their own architectural firms. Smallwood Reynolds would be involved with the hotel and retail, and it was common practice to have more than one architectural firm in a project of that size.

Q: What was the intention of including Lorida Street in the project?

A: Retail was included along Lorida Street, which could generate a spark of redevelopment from downtown to the river, and they would invite the merchants on King Street to be part of the protective covenants and architectural review process.

Mr. Merritt described phase I and said that it would encompass the marina, a portion of the condominium development, hotel, conference center and a portion of the retail, and Phase II would be the remainder. He added that

if a parking deck on Lorida was included it would be developed in Phase I.

Q: Which parking deck was in Phase I?

A: Both were in Phase I.

Q: What was the total number of parking spaces?

A: 975.

Q: How many parking spaces were there in deck one?

A: 190 and with street parking there were 210 making 400 beside the parking deck with 575 parking spaces making a total of 975, which included the 58 parking spaces for the winery. If they could found off site parking they would eliminate the second deck and increase the landscaping, but that might not be economically viable.

Q: Would the commercial retail build-out be held by the builders?

A: The builders on the project were long-term owners, and their philosophy was to build and hold.

Q: Was that a departure from normal procedure?

A: Everyone had different strategies; however, they intended on bringing a lot of energy to the site.

Q: Would there be 130 condo units and 110 hotel rooms?

A: They would do a market analysis, because they thought that 150 rooms would be more appropriate.

Q: Would their site plan accommodate a 400-600 capacity conference facility?

A: It was difficult to estimate, as a lot of the capacity for the banquet facility could be local, but if the hotel had 10,000 feet it would accommodate 400-600 people. A market study would determine precisely, but no one would spend \$35,000-\$40,000 for a study without having control of the property. They would do the market study and simultaneously the hotel companies would conduct their own internal study, and they would compare the two for determination.

Q: Tony Slayman, owner of the Jacksonville Landing, had been mentioned.

A: They had talked about doing residential projects together in Daytona, and they had kind of merged, as Mr. Slayman was a 50% financial partner, but he would not take part in the architectural design.

Q: Mr. Slayman had expressed interest in the project earlier.

A: He was sorry that he had not pursued the project from the beginning, but he was busy with the Landing.

Q: The initial proposal had not included the second parking garage in terms of the land or the design?

A: The RFP had not included the land, but it suggested making a design for recommendation; therefore, their offer did not include the property in question.

Q: The price offered for the property did not include that parcel of land in that case?

A: It would not include that parcel, but they could purchase the property, or AmeriPark could purchase the property from the City to build the deck.

Mr. Cubbedge clarified that in the RFP it was stated that the development would include construction of multi-level parking structure(s) with access available to the public. He said that the City intended to facilitate construction of a parking structure on the eastern most 1.25 acres for government, commercial, and institutional uses, and they had invited the developers to participate in the venture and encouraged suggested methods of how to best accomplish that end. He said that the City had not indicated that it would hold or sell the land; therefore, the \$3.6 million purchase price did not include purchase of that parcel of property.

A brief discussion resulted regarding the aforementioned property.

Q: I had envisioned the hotel on the corner to draw the people as they went over the bridge.

A: The concept had not proven viable historically, as putting the hotel on the corner would block the view of the entire project. The retail would be along King Street with the hotel on the water and visible from all angles.

Q: Would there be a boat landing behind the hotel?

A: It had not been anticipated as a place for people to dock their boat.

Q: It would be good to have a landing for local people with boats who wanted to go to the restaurant.

A brief discussion determined that expanding the dockage was possible and would be included in the architectural review process.

Q: What was the reasoning behind an amphitheater in the project?

A: They wanted to bring something unique to the site and along with the viewing platforms it seemed natural on the waterfront, as it provided a haven for people to congregate.

Q: The retail on King Street would have two stories?

A: Yes, to maintain the vertical diversity.

Q: Would there be a swimming pool for the hotel?

A: It was a matter of space and there might be one included, but the condominiums would probably be connected to Serenata Beach Club.

Q: What about the hotel guests?

A: Once the study was completed regarding the property and the potential spa, a pool would be taken into consideration.

Q: What was the closing date?

A: When the negotiations for the contract were completed the closing date would be set, as there would be core testing and

other testing that would determine a closing date. ⁵

Mr. McClure noted that there was no conflict of interest with his representation. He stated that he did not envy the Commissioners position, as there had been so much time and effort put into the project. He said that a developer's objective was to maximize the value of their investment, and the price for the project was a big consideration for the Commission. He stated that the project would represent a front door to the community, and it was appropriate for them to consider the limitations or encouragements of the uses they required on the site to retain the value of the land. He said the component of the preserved public access to the site was subjective and presented a different challenge for the developers. He said all the things he mentioned could be documented in a contract that could provide the protection the City required. He pointed out that they were in an ever changing economic, social and political environment, and the successful bidder would be making tremendous decisions based on an uncertain future environment.

Mr. McClure stated that the plan might not evolve as they currently envisioned it, but whatever happened on the site it had to be economically viable. He added that they were currently dealing with proposals, and they did not have to make a decision at that time. He noted that the more they defined what they wanted a buyer to construct, the more it would restrict the possible purchase price. He offered to answer questions.

Commissioner Crichlow questioned whether Mr. McClure had detected any concerns.

⁵ Recess from 4: 18 until 4:30 p.m.

Mr. McClure replied that some of the proposals would be more challenging to document than others, but he had not heard anything that was impossible to accomplish. He said that his challenge would be to provide the greatest degree of confidence that what was expected would occur.

Mayor Gardner noted that the decisions they made during the meeting would not be under contract, they would be authorization for staff and special counsel to negotiate. He questioned whether the architectural designs would be a part of the negotiations.

Mr. McClure replied that he could not think of a site where the architectural appearance and compatibility would be more important; therefore, it would be a legitimate object of the contract; moreover, control was appropriate.

Mayor Gardner questioned whether there was a way of parceling off title to sections of the property to insure the appropriate development.

Mr. McClure replied that it was generally easier to prevent what they did not want to happen than to assure what they did want to happen, hence assuring that the job got done. He said that the Mayor's suggestion to avoid risk was worthy of consideration, but there might be other ways financially to provide assurance that the job got done. He explained that finance dealt with the print worthiness of the bond and the collateral. He said that if it was a single purpose entity with no financial responsibility beyond the assets in that entity they would make the investment and walk away. He said that they wanted to be sure that the developer had a financial stake in the outcome so they would not walk away.

Commissioner Jones questioned whether the Commission was obligated to score the ranking during that meeting, or whether they could give the presentations consideration.

Mr. McClure replied that they had no obligation to announce a decision that day, and the City Attorney agreed. He offered that it was important that the Commissioners make progress on the matter and he added that building something that looked Spanish was not necessarily intrinsic to St. Augustine or what would compliment the entrance corridor; however, a benchmark would be important. He further added that in his opinion the community was on the verge of dramatic changes due to the economic base, and the value of real estate was changing astronomically, which would affect the type of development in the community. He emphasized that the Commission would have to pay attention to that evolution. ⁶

Mr. Stuebben stated that he had been engaged the previous day to provide counsel; therefore, he had not had an opportunity to investigate the projects. He noted that the presentations were put together well, two provided more visual information, but the third provided good information in the presentation. He said that the densities were appropriate and the stylist approach could change and generally overtime a master plan did change. He expressed concern that putting the hotel on King Street would represent a tall austere wall on the building gateway to a community, but he suggested that retail on King Street was a better approach.

Mayor Gardner questioned how Mr. Stuebben would approach the design.

⁶ End of audio tape two

Mr. Stuebben stated that compatible design was not necessarily mimicry of existing buildings, but providing buildings that worked well with what existed, or stitched into the fabric. He suggested leaving it open to the designers, as they were all talented.

Mayor Gardner questioned whether a good architect could successfully work in different styles.

Mr. Stuebben said that a good architect should be able to.

Mayor Gardner questioned how the Commissioners would like to proceed.

Commissioner Burk suggested that they hand in their score sheets for ranking and adjourn, and they could discuss the results during the subsequent Commission meeting.

Mayor Gardner noted that it was a special meeting; therefore, they could take action at that time.

Commissioner Burk suggested that the Commissioners take the necessary time to fill in their ranking sheet but turn them in for discussion at the subsequent meeting.

Commissioner Crichlow suggested that each Commissioner summarize their opinion on each of the presentations.

A discussion resulted, and it was determined that they would turn in their ranking forms for calculating for a decision at that time.⁷

Mayor Gardner said that it was his understanding that the Commission had the option to authorize staff to negotiate a contract with the leading team, which would take some time. He said that his

concerns were sufficient protection for the community, and there would be input from the community regarding the design elements.

Commissioner Crichlow stated that once the selection was determined the real work would begin. He questioned whether Commission input would be required before the contract was signed.

Mr. Wilson suggested that Mr. McClure and he meet with the selected party's attorney to begin negotiations, draft the legal requirements of the contract and bring the results to the Commission to interject their concerns.

Commissioner Crichlow stated that at that point they would begin the architectural design.

Mr. Wilson stated that during the previously negotiations the contract had not been signed, because the final design had proven unsatisfactory. He said that a more detailed plan would have to be determined before the contract was actually signed.

Commissioner Crichlow agreed that the project had to commence, but they needed a successful project, which could mean compromise, because they could not try to force the developer into a situation of not making the necessary profit.

Mayor Gardner agreed that the area was not large enough for everything they would like included, so they would have to compromise. He questioned whether the attorneys researched the strengths of the selected team.

Mr. Cubbedge said the developer would also do research on the property as well, and the City would be conducting due diligence on the developer and the team.

⁷ Recess from 5:11 until 6:01 p.m.

Commissioner Lennon pointed out that if the Commission demanded less condominiums units the developer had the right to decrease their price, because the developer had to be able to make a profit.

Commissioner Jones noted that the Commissioners were the authority for the contract, and they would determine the direction of the project. He suggested that the Commission determine publicly whether there would be any negotiating with the second or third ranking team in the event that the first place team withdrew. He stated that he did not want to go through another RFP process.

Mr. Cubbedge stated that in the past it had never been staff's determination that the second ranking team would be recognized, should the first ranking team withdraw. He pointed out that it was not a CC&A process for selection of an architect or engineer. He said that the teams had been ranked on merit, and if a contract could not be agreed upon the process would be to move forward. However, he said that would be determined by the Commission.

Commissioner Jones suggested that prior to making a motion the Commission agree that if a contract could not be determined with the first ranking team the matter would be brought back to the Commissioner to determine whether they wanted to select the team ranked second.

Mr. Wilson stated that the Commission was not obligated to accept any alternative ranking. However, he said the Commission could decide in the event of failure to look at their options, but the team could have been dissolved. He said that it was better to hold the

option to see if they needed to use it rather than exercising the option.

Mayor Gardner noted that it would be hard for the developers to hold the team together; however, if they knew the Commissioner's intention it could make it easier for them.

The Commissioners thanked the three groups for their presentations.

Mr. Sheffield distributed the results of the ranking.

Mayor Gardner stated that the San Sebastian Harbor Partners, LLC had ranked highest with 276.33 points, Old City Investment Group had ranked 216.67, and Premier Hospitality had ranked 200.00.

MOTION

Commissioner Lennon MOVED to negotiate a contract with San Sebastian Harbor Partners, LLC. Commissioner Crichlow SECONDED the motion.

VOTE ON MOTION

AYES: Lennon, Crichlow, Jones, Burk, Gardner

NAYES: None

MOTION CARRIED UNANIMOUSLY

7. Adjournment

There being no further business, the meeting was adjourned at approximately 6:21 p.m. ⁸

MAYOR

⁸ Transcribed by Karen Roger, Recording Secretary

CITY CLERK