

CITY COMMISSION WORK SESSION
August 12, 2013

The work session was called to order by Mayor Kenneth Bradley 2:03 p.m. in the Commission Chambers, 401 Park Avenue South, Winter Park, Florida.

Members present:

Mayor Kenneth Bradley
Commissioner Steven Leary
Commissioner Sarah Sprinkel
Commissioner Carolyn Cooper
Commissioner Tom McMacken

Also present:

City Manager Randy Knight
City Clerk Cynthia Bonham
Deputy City Clerk Michelle Bernstein
City Attorney Larry Brown
Planning Director Jeff Briggs

Others present:

Rebecca Wilson, Lowndes Drosdick Kantor and Reed Law Firm
Paul Ellis, CNL Real Estate

This meeting was a work session with no public input.

Public/Private Partnership on the Rachel D. Murrah Civic Center parking site Discussion

The purpose of this meeting was for the applicant to present their request regarding a potential public-private partnership for a new parking facility at the Rachel D. Murrah Civic Center in conjunction with a proposed development on the current Mt. Vernon Inn site.

Mayor Bradley suggested granting both the applicant and staff 10 minutes to present with a question and answer dialogue to follow. He felt that once they discuss the pros and cons with the deal, the Commission should provide consensus whether or not to move forward with future negotiations.

City Manager Knight explained that staff has met with CNL several times since the last Commission meeting and worked through several different options. He said staff agrees on the revenue numbers if the project is built as proposed. He explained that staff pushed for some type of upfront payment for the property or an on-going lease payment. However, CNL felt that this did not work for them since they believe the future revenues generated by the project are substantial and should provide enough compensation for the use of City property.

Paul Ellis, CNL Commercial Real Estate, presented the attached PowerPoint which included an aerial photograph of the proposed property, threshold questions for discussions including the financial analysis, and City benefits.

City Manager Knight explained that staff has two non-financial concerns about the project; the scale of the parking garage as compared to the Civic Center and if 600 parking garage spaces are enough for the project.

Discussion ensued regarding the financial analysis that CNL provided and the potential revenue benefits that the City would receive depending upon the type of project that would be built.

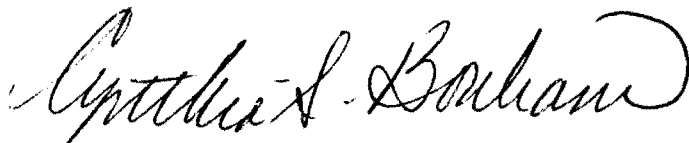
A question was raised by the Commission as to what the City's parkland would be valued at if the existing Land Development Code was changed to accommodate commercial development. City Manager Knight estimated the market value to be around the \$1-\$1.5 million range. Mr. Ellis disagreed with that value.

Further discussion transpired whereby each Commissioner provided input regarding the five threshold questions and the potential revenue benefits presented in the attached PowerPoint. A majority of the Commission agreed that we would not consider a deal where there was no income stream to the project.

City Manager Knight offered an alternative to put the hotel on the Civic Center site instead of the garage and to have the current or a rebuilt Civic Center be part of the hotel development. He explained that under this scenario the garage would be across Harper Street behind the Italia Restaurant. He spoke about this concept not being vetted and if there is interest for this they would need to begin a new round of negotiations. A majority felt that they should focus on the request at hand and not veer off with another scenario at this time.

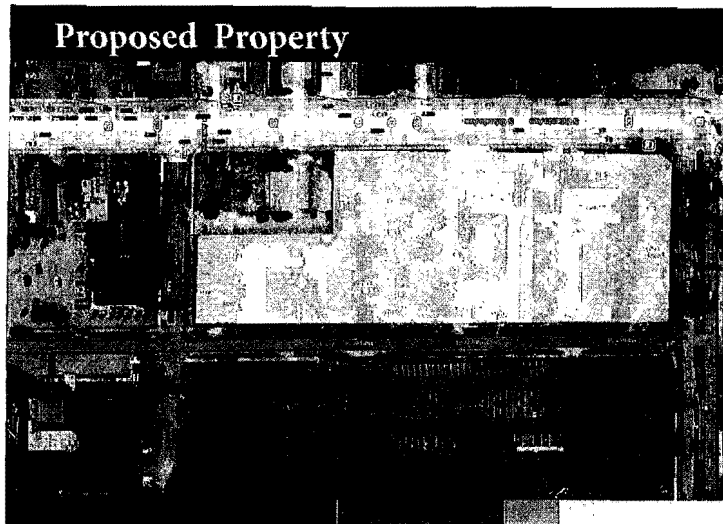
In summary, a majority of the Commission agreed that they were not in favor of the offer being presented the way it is currently structured.

The meeting adjourned at 3:05 p.m.



City Clerk Cynthia S. Bonham

Winter Park City Commission Workshop



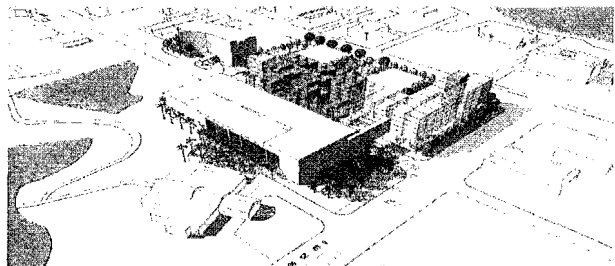
Threshold Questions for Discussion

Key Points:

- Is the current project, as contemplated, appropriate and desirable for 17-92?

- 356,472 square feet
- F.A.R. 2.29

Mult-Family	260 units
Hotel	100 units +/-
Restaurants	2 units @ 71,000 sf total



Threshold Questions for Discussion

Key Points:

- Does the City see benefit in using City land, already designated for parking, to enhance desirable development along 17-92?
- Does the City desire to subsequently use incremental revenue created from the project to enhance MLK park and/or update the Civic Center?
- Based on projections agreed to by Staff and CNL, the opportunity cost of this decision is equal to \$6.1 million (\$4.1 million on a Net Present Value basis).
- If the City does desire to use this additional revenue, two potential alternatives:
 - CNL is willing to provide upfront capital for City directed improvements in return for revenue sharing associated with the contribution.
 - Alternatively, the City can direct and use incremental revenue within its current financial strategy.

Threshold Questions for Discussion

Financial Analysis

Joint Venture for a 615 stall +/- parking garage on Civic Center Site.
 Multi-Family 286 units
 Hotel 100 units +/-
 Restaurants 2 units @ 21,000 sf total

Revenue Impact to the City - 15 Year analysis (assumes 15 years in
 construction/infrastructure)

No Decision - Project holds for a year - 50% less density - no hotel -
 Same 15 Year Period

	Total	NPV @ 5%	Total	NPV @ 5%
Total Tax Revenue	\$1,312,500	\$1,350,577	\$1,034,721	\$738,697
Franchise Fee	\$1,635,000	\$1,118,233	\$575,000	\$395,384
Net Utility Revenue	\$4,450,000	\$3,023,417	\$1,837,600	\$1,137,645
Total Value	\$6,397,500	\$4,392,227	Total Value	\$2,255,526

Opportunity Cost of No Decision on Garage Today:

Total Cost	\$6,140,179
NPV @ 5%	\$4,136,751

City Benefits

Public Private Partnership to develop a joint use parking garage over the Civic Center parking lot that will enhance the urban, economic and pedestrian environment along 17-92 and MLK Park.

Key Points:

- How does a garage and our project benefit the City?
 - Solid Urban planning
 - Ensures the maximum use of the park.
 - Improves the pedestrian experience.
 - "Springboard" for redevelopment of the 17-92 corridor and will diversify types of uses
 - Parking garage will provide an expanded economic base and create jobs.
 - \$9.3 million in incremental revenue to the City
 - Construction jobs
 - New restaurant and hotel jobs
 - Job opportunities for local residents - establish local resident job fair.
 - Establish minimum local and minority hiring targets for construction and long term training.

