CITY COMMISSION WORK SESSION  
September 20, 2011

The work session was called to order by Mayor Kenneth Bradley at 3:36 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 Tom McMacken  
Commissioner Carolyn Cooper

Also present:  
City Manager Randy Knight  
City Attorney Catherine Reischmann  
Deputy City Clerk Michelle Bernstein  
CRA Director Dori DeBord  
CRA Assistant Director Peter Moore

This meeting was a work session with no public input.

Proposals for State Office Building:

This work session was to discuss the proposals on the disposal of the State Office Building.

CRA Director Dori DeBord provided background. She explained that on July 25, 2011 the City Commission proposed a Notice of Disposal for the State Office Building property located at 941 West Morse Boulevard. The advertisement was placed in the Orlando Sentinel allowing for all interested applicants to submit their proposal on or before August 29, 2011 to the City Clerk’s office for opening. Since that time the CRA Department has evaluated the proposals along with the Economic Development Advisory Board (EDAB). Ms. DeBord advised that EDAB held two meetings to discuss the proposals: September 13 where they heard brief presentations by each of the proposers and on September 19 where EDAB discussed the benefits and concerns of each proposal.

Ms. DeBord then provided the Commission with a summary sheet (attached) listing the project developer, proposal type, proposed uses and details, project details, purchase price, benefits, estimated taxable value at completion, estimated annual tax revenue to CRA and benefits/concerns.

The Commission agreed to allow each company 15 minutes to present their proposal and to answer questions. Presentations were given by Scott Culp with Atlantic Housing Partners, LLC, Paul Rutledge with Casto, Paul Ellis with CNL/Progress Point LLC and Hal Marston with Eagle Summit Partners, LLC. At the end of the presentations Ms. DeBord advised that Pollack Partners was not available to provide a presentation; however, they would like their proposal to be considered.

A recess was taken from 5:00 p.m. to 5:16 p.m.

Discussion ensued between the Commissioners and staff as to the highest and best use of the property, the benefits and incentives associated with each of the different proposals and if the Commission is obligated to make a decision today. Attorney Reischmann advised ‘no.’

Ms. DeBord advised that this item is on the September 26, 2011 agenda as an Action Item. At that time staff would be looking for direction such as, if the Commission is interested in moving forward with the Notice of Disposal, if they want to counter offer or is there one or more of the proposers that the Commission would want to enter into negotiations with.
Ms. DeBord advised that EDAB's recommendation to the City Commission is to negotiate with both Casto and CNL for an advantageous deal and require more detail concerning job creation and the Return On Investment (ROI). It was made clear that timing is important and that while there may be a need to move quickly, there is also a need to allow enough time to adequately answer and address concerns the City may have regarding the project. They suggested that the City create a timeframe that is reasonable to allow for adequate consideration of the economic impact of the deal.

Attorney Reischmann advised that the CRA statutes specifically contemplate that they could enter into an agreement with restrictions that would provide for assembling the properties and that if the developer or owner was not able to assemble, the City would have a right of first refusal to re-acquire the property back and then possibly find someone who could assemble it. She further explained that there are some interesting provisions that the City could add to a purchase contract to incentivize assembling or whatever else the City is looking to do. She also mentioned that the Commission would need to make a formal motion/action when they discuss this matter at the next Commission meeting so that staff has clear direction on how to proceed. The Commission acknowledged.

The meeting was adjourned at 6:02 p.m.

City Clerk Cynthia Bonham
State Office Building NDD Proposals

<table>
<thead>
<tr>
<th>Project Developer</th>
<th>Atlantic Housing Partners, LLP</th>
<th>Castle</th>
<th>OH/Progress Point LLC</th>
<th>Eagle Summit Partners</th>
<th>Pollock Partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Uses</td>
<td>Multi Family &quot;A&quot;</td>
<td>Castle</td>
<td>Seniors Living Village</td>
<td>Castle Senior Living Village</td>
<td>Multi-family Residential</td>
</tr>
<tr>
<td>Details</td>
<td>137 unit active senior Motuoka (age 55+)</td>
<td>106 unit family</td>
<td>OH proposes to exchange property owned by the City at 941 W. Monroe Boulevard for property owned by Progress Point, LLC located at 1350 N. Orange Avenue. This will be for fair simple transfer of the property title. The City will provide credit for the redevelopment of the State Office Building on the City property.</td>
<td>Eagle Summit Partners proposes a project known as Calabria Winter Park consisting of 125 unit assisted living facility and a separate 40 unit memory care center. The total square footage of both buildings is 130,735 square feet.</td>
<td>Pollock Partners proposes to construct and operate a multifamily long term rental residential development of at least 125 units.</td>
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<tr>
<td>Project Details</td>
<td>Three 4-story buildings; 1.1 parking spaces/unit, underground retention, but shelter below grade. Balconies above grade</td>
<td>Three 2-story buildings; 1.6 parking spaces/unit, underground retention, but shelter below grade. Balconies above grade</td>
<td>Proposed Mixed Use Development which may include the following components: Office, Library, Commercial Hotel, Senior Living, Parking Structure</td>
<td>The Assisted Living Community is proposed at a three story structure, primarily facing Detweiler Drive. The two-story Memory Center will be located internal to the site. The parking area is on the west side of project with 0.02 parking spaces/unit.</td>
<td>FLUID designation: Office and Professional</td>
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<tr>
<td>Purchase Price</td>
<td>$10,000,000</td>
<td>TBD</td>
<td>Exchange</td>
<td>$5,400,000</td>
<td>$6,200,000</td>
</tr>
<tr>
<td>Est. Taxable Value of Completion</td>
<td>$5,04,000,000 Residential units at $71,000 Taxable Value per unit</td>
<td>Cannot be determined.</td>
<td>$0.82 million (82,000 SF Office &amp; 51,000 Taxable Value per SF)</td>
<td>$13.4 million (550 residential units at $76,000 Taxable Value per unit)</td>
<td>$24.7 million (550 residential units at $76,000 Taxable Value per unit)</td>
</tr>
<tr>
<td>Est. Annual Tax Revenue to City (Based on NP and DC Millage of 0.0252 and 4.0447 respectively)</td>
<td>$8,487</td>
<td>$6,291</td>
<td>$75,697.84</td>
<td>$100,489</td>
<td>0</td>
</tr>
</tbody>
</table>

**Conservancy**

| Multi Family Option "A" would require a change to the height limit in this area and the density exceeds the maximum allowable density for any residential designation in the Comprehensive Plan. Additionally, the sale offered for the property is significantly below both the Property Appraiser's assessment as well as any appraisals that have been completed within the past two years on the site. If the City were interested in pursuing one of these uses, a sales price would need to be negotiated that reflects a price closer to current market value. |

| There would need to be a land use amendment and rezoning on both parcels to allow for a mixed use concept. There is also limited information about the terms of a joint venture agreement provided in the proposal, especially with regard to any development timing. |

| There is no cash offered to the City as part of this deal. The overall value of both parcels becomes the significant concern with this proposal. The City utilized an appraisal of both parcels in June, 2013. The appraiser showed the State Office Building site valued at $4,490,000 and the Progress Point site valued at $4,747,000. OH also contracted for appraisal of both sites. Their appraisals show the sites valued at $5,010,000 and $5,480,000 respectively. OH has also included an exchange table in their proposal that outlines the value further, give the credit requested for the demolition of the building and the payment of the Orange Avenue assessments. Staff recognition that there could be a conference date with regard to the appraisals. This is, the City may want to consider any difference in be appraised as an incentive to the developer to encourage the redevelopment of the site and the possible placement of one if not two corporation headquarters, further enhancing this concept. |

| This project would require a change of land use and rezoning. The overall FAIR exceeds the City's current permitted density coverage on this parcel. In addition, the developer has submitted a sales price that is significantly below the current appraised value of the property. If there were interest to develop this use, the City would need to negotiate an acceptable sales price based on current market value. |

| The proposed project density far exceeds any allowable density in the City's Comprehensive Plan. To the extent that it is presented, it is expected to be three times higher than the high density land use designated in the Comprehensive Plan. The density would significantly modify the City's Comprehensive Plan. With that noted, the ability for this increased density in any other area of the City becomes a concern. Additionally, while the sales price is higher than the appraised value of the property, the significant change to the City's Comprehensive Plan and the potential change of the land use causes by this change makes this proposal difficult to evaluate. Should the City make such a significant change to the Comprehensive Plan, it would shift the potential entitlements and value of the City's property as well, thereby driving the greater value than appraised to the City. Should that occur, the City should consider offering for site based on these new densities. |

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