

CITY COMMISSION WORK SESSION
July 19, 2010

The work session was called to order by Mayor Bradley at 4:08 p.m. in the Commission Chambers, 401 Park Avenue South, Winter Park, Florida.

Members present:

Mayor Kenneth Bradley
Commissioner Tom McMacken
Commissioner Beth Dillaha
Commissioner Carolyn Cooper

Also present:

City Manager Randy Knight
Tony Durham, Purchasing Agent
Dori DeBord, CRA Director
Deputy City Clerk Michelle Bernstein

Absent:

Commissioner Phil Anderson

This meeting was a work session with no public input.

Oral Presentations for State Office Building RFP

CRA Director Dori DeBord introduced Tony Durrum with the Purchasing Department to orchestrate the oral presentation for the State Office Building RFP 27-2010. Mr. Durrum introduced Concord Eastridge and asked them to begin their 30 minute oral presentation.

Mr. Jeff Arnold, President of Concord Eastridge, introduced himself along with Craig Starkey, Vice President of Development in the Orlando Office; Steven M. Hingtgen, President of RLF Architects and Ron Lowrey, Chairman of RLF Architects.

Mr. Arnold provided a brief summary of the RFP response and noted that a copy of the bound notebook dated July 19, 2010 was distributed to the Commission with this information. He stated that many of the items that are in the RFP response are self explanatory and encouraged the Commission to ask any questions they may have during the question and answer period.

Mr. Arnold's summary of topics included the participant's names and background information, their goals, CEI company background and office locations and active project locations. An aerial view of the project site was also presented. He discussed the redevelopment proposal in detail and noted that the existing two story 53,000 rsf building is to be stripped, gutted and fully redeveloped into a Class A, multi-tenant office building preserving trees with enhanced landscaping. He also stated that the project is to be LEED certified (aspire to Gold), and RLF Architects is to occupy the entire second floor (31,000 rsf+/-). The ground floor would be available for lease to multiple office tenant users (22,000 s.f.+/-), and Concord Eastridge would relocate its Central Florida offices to this building from downtown Orlando.

Mr. Ron Lowrey with RLF Architects provided a color rendering showing the building perspective view from Morse Boulevard, while giving a brief outline of the building enhancements that are to be done to the building and the site. While showing the site plan he noted that they have not added pervious area, preserving the basic footprint of the existing building. He also showed a floor plan for the 2nd floor layout, noting it will increase the capacity from 130 to 150 people. Other items presented included the proposed deal structure, the potential future expansion, Concord Eastridge's obligations, the City's obligations and the benefits to City.

There was a 15 minute Question and Answer discussion in which the Mayor and Commissioners asked for clarification on several items such as the loan value and financing regarding renovating versus building a new building, project locations in Florida, lease terms, value of land, lease payments and how they derived at the values presented. There was a concern regarding the site plan layout and how it would affect the construction in the rear of the project site for future development, as well as with the potential phase 2 development and reserving the right for future development.

The Commission asked that CEI provide a list of their current ground lease projects and locations, a list of completed projects not in the state of Florida showing the square footage and types of buildings, a list of projects that CEI currently owns, and a list of the types of organizations who they sell their projects to. Mr. Arnold acknowledged the request and noted that the information would be forthcoming.

After conclusion of the oral presentation, Ms. DeBord provided a brief outline of the pros and cons with the proposal presented, the building renovation, the lease terms/options and the value of the property, along with several options to consider. She noted that staff recommends that the lease is underrating the property and undervaluing the land. She asked the Commission if they wanted them to continue to work on that item and obtain lease terms and rates that are in the City's best interest or to do nothing and hold the property for a few more years. The Commission then discussed in detail the best and highest use of the property and the different options they have, the value and current appraisal of the property, the lease terms and rates, the return of investment and the yearly expenses to keep the property. It was noted that the City Attorney should provide clarity on the Florida Statute related to Disposing of Property. This item is to be brought forward at the next Commission Meeting dated July 26, 2010 for direction.

The Commission convened to attend the Executive Session meeting from 5:15 p.m. to 5:50 p.m.

Budget discussion:

Mayor Bradley asked that Commissioners put their suggestions in writing and submit them to City Manager Knight for response and distribution.

Mr. Knight suggested that another budget work session be scheduled for possibly August 16, 2010. Mayor Bradley agreed and stated that during that work session the Commission should provide a consensus so that staff could prepare the budget documents for issuance.

It was noted that the next meeting of July 26, 2010 the Commission will vote on the proposed millage rate and the following two meetings held in August, citizens will be allowed to provide public comment on the budget. The actual voting and approval of the budget will be held in the two meetings in September.

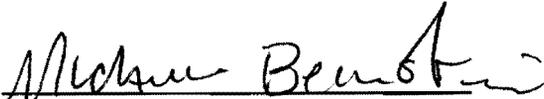
Mayor Bradley departed 6:08p.m.

Mr. Knight presented a General Fund 10 year trend chart to the Commission per their request. During the discussion he addressed various items of concern and provided detailed information and explained the history behind the increases/decreases with certain items. Discussion ensued regarding revenue sources, salaries and benefits, expenditures, debt to capita, reserved

and unreserved funds, taxable property value, police and fire pension plans, millage rates, outstanding bonds, population and change in Florida per capita personal income.

During the second half of the budget work session meeting Mr. Knight presented a 10 year projection report dated July 15, 2010 from Foster & Foster, Inc., the Actuarial Consultant for Retirement Programs. This report contained an analysis review of various changes to the current benefit structure for both the Police Officers and Firefighters Retirement Systems. It was noted in the report that the review was to provide information as to the effect the proposed changes would have on the City's funding requirements. There was a lengthy discussion regarding this report. Mr. Knight addressed each of the Commissioners concerns and it was suggested that this specific topic be continued at next week's work session meeting.

The meeting was adjourned at 7:55 p.m.


Deputy City Clerk Michelle Bernstein