

## **City of Coral Gables City Commission Meeting**

**Agenda Item D-3**

**July 15, 2008**

**City Commission Chambers**

**405 Biltmore Way, Coral Gables, FL**

### **City Commission**

**Mayor Donald D. Slesnick, II**

**Vice Mayor William H. Kerdyk, Jr.**

**Commissioner Maria Anderson**

**Commissioner Rafael "Ralph" Cabrera, Jr.**

**Commissioner Wayne "Chip" Withers**

### **City Staff**

**City Manager, David Brown**

**City Attorney, Elizabeth Hernandez**

**City Clerk, Walter J. Foeman**

**Planning Director, Eric Riel**

### **Public Speaker(s)**

**Gene Prescott, President, Biltmore Hotel**

**Maureen Darmody, Coral Gables Resident**

**Richard Namon, Coral Gables Resident**

**Javier Cervera, Coral Gables Resident**

**Roxcy Bolton, Coral Gables Resident**

**Margarite Rodriguez, Coral Gables Resident**

**Jackson "Rip" Holmes, Coral Gables Resident**

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D-3 [Start: 10:13:04 a.m.]

Gene Prescott, President of the Biltmore Hotel, to request authority to begin the evaluation process for a proposed public underground parking garage and low scale residential development on the site of the Hotel's west parking lot and to further request deferral of the City mandated fees associated with the project.

Mayor Slesnick: Mr. Prescott.

Mr. Prescott: Thank you Mr. Mayor, Vice Mayor and Commissioners. I'm here, Gene Prescott, representing the Biltmore Hotel your leasee on the Biltmore complex. And of course you all know some of the history of the Biltmore; it was conveyed to the City by the Federal Government and it was under the requirement in "D", that the City...the property should be used and maintained for historic monument purposes in perpetuity, long, long time. In order to achieve this goal the Department of Interior permitted the lease of the premises and concluded that the commercial revenue producing activities were compatible with the use of the property for historic monument purposes. And of course there was a lease arrangement that was for ninety (90) years, it was entered into with my predecessor, the Sovereign Group, which as you

remember they started to work on it in '84, and they went bankrupt, and the Barnett Bank took over, and we acquired that lease-hold interest from Barnett Bank. We have been the, for the last sixteen years, we've been the dedicated steward of this national historic monument, which incidentally is the longest interrupted operation of that facility in its history; tough property to operate. Although significant investment of equity and borrowed funds, I think we all agree that it's been elevated to a level of which we can all be proud of, and certainly the citizens of Coral Gables can be proud of. But of course the sustainability efforts have not come easily, nor inexpensively. There's been over fifty million dollars of restoration and the work unfortunately has not yet finished. The Manager, I think, has furnished you with a letter outlining what we believe are the last major requirements of the Biltmore ongoing sustainability program; consisting primarily of a public underground parking garage, and a low scale residential unit on the site of the hotel's west parking lot. Parking has been a historic concern for the City, for the Federal Government, and also the developer at that time of the Biltmore Hotel. The original lease of Sovereign, as well as the amended and restated lease with us, it was envisioned that the inadequate parking was a need that would ultimately need to be addressed in ways other than the surface parking, which are now in place and we believe an underground public parking garage be required as part of that last major restoration. The small point on the historic monument use, that's important because the historic monument use permits commercial activity where the parks and recreation does not; and over time we with the City and certainly with Reader Glass have moved it to be overwhelmingly historic monument. The last piece that's left is a small part of the west parking lot which is burdened or controlled by the requirement in the lease that is to be used to support parking for the Biltmore as well as the golf course. The other aspect as outlined in the letter, is we've seen a change in our business, in luxury hotels in a way they've been developed and the how they continue to maintain. They have had a significant residential component, and we see it in our own community; you see the Ritz in the Grove, you see it on Key Biscayne, downtown, of course the Four Seasons and the Conrad all have had another component of residential, and over on the Beach as well. Reduce the debt: also have the community which will help support that facility; and this is made more difficult competitors, and put the Biltmore at a competitive disadvantage. What we are asking today is pursuant to those activities contemplated under the current lease, that the Commission instruct the staff to assist and cooperate our efforts to commence the interactive process. I repeat that to commence the interactive process, and as I've outlined it would be those activities the construction of a public underground parking, limited number of private residents and some hotel suites. This of course would mean that we go through the normal process, normal process – lots of notice, lots of public input, and no, we are not asking for any reduction, in fact if anything we obviously want to encourage that. We've done some public outreach, talked to... adopted some of our own thinking to -- for instance to Roxcy even, and our neighbors; we've talked to over seventy people. That program that we started has evolved and in fact you see, it just gives you a glimpse of where we are on our existing; its going to need more work, also obviously the market, for the financial markets are in disarray, and its going to require a lot of work with those entities. We are needing from you the ability, and I think the Manager's looking for it, given we are a leaseholder, for your approval for us to enter into the formal process. That's my general remarks, and I'm open for questions or comments.

Mayor Slesnick: Let me make sure, Gene, that I understand; because you are a leaseholder of the City, you would like to move forward into a formal process, as we would do with any private

developer, but you are not doing that unless we grant you the authority to move forward with that.

Mr. Prescott: Correct.

Mayor Slesnick: Is that all that you are asking for today?

Mr. Prescott: We are also asking, as I mentioned in the letter, a deferral, not waiver, but a deferral of the mandated fees, until the time we've moved further along; and third, we are also asking that the City instruct the Manager to approach the Federal Government, that's important because obviously the Federal Government is a party to this contract, the deed, and we would need their approval for moving ahead. Now, about a year ago the City Manager and the City Attorney had Reader approach the people in Atlanta, and they, to describe in general terms on an informal basis, they thought it was agreeable. But I think obviously as part of getting this thing done, we need to have a formal approval from the Federal Government.

Commissioner Withers: I have a question. How far along are you with site plans, and renderings and...

Mr. Prescott: I'd say we are probably about thirty-five to forty percent; we have had informal meetings with the City Architect and we would need now to come in and do a formal approval. We've done a lot of studies, we've tested with various people, you know this is a very difficult market to make this work, and it's essential to be able to have these residential units. We started the larger number and the response to some comments from the public, we lowered the number of units to seventy-two plus twenty hotel units; we've also made it less of a mass so it integrates better with the community.

Commissioner Withers: So the first step would go to the...what department in the City would you go to?

Mr. Prescott: Board of Architects.

Commissioner Withers: Board of Architects. Are we going to discuss this later Don?- or...

Vice Mayor Kerdyk: Do you have any financial projections on the project?- yet since you massaged...

Mr. Prescott: Broad terms Mr. Vice Mayor. We have gotten it to where we have two construction companies have given us numbers that are about thirty percent a part; we have not done any value engineering; the big question of course is on the market side as you would imagine. I should ask you, what your forecast is for real estate prices in the City of Coral Gables over the next five years, that's the difficult, seriously is the difficult part to put it together. We have very rough back of the envelope numbers, and we've started to talk to some groups including financial institutions about it.

Vice Mayor Kerdyk: The only reason I ask that Gene, is the fact that I see it, really two fronts; one is of course you are going to go through as I understand it is the whole planning process where you are going to go into the public input, yet the whole issue and have a lot of public input and find out exactly what the neighbors feel, that's the number one issue; but also there is a financial issue with the City itself, which I think, really has to go on a different track, I mean, I think that needs to be vetted with the Commission earlier rather than later because that might be a deal killer for the Commission in general, and why go through the whole process and tie up the whole staff if there is not a financial, at least in general, ideas of where we want to go on this project if it ever goes to fruition. There might be some different thoughts here; Mr. City Manager, I really think that you need to look at it from that standpoint, I think you need to at least update the Commission on what financial arrangements, and I have heard of none as of this date – zero. I don't know what you are thinking, I have no idea whatsoever; I have seen the project, I told you I thought it was too large when you showed it to me initially. So, I don't want you...I think that there needs to be two separate tracks; I don't think they all have to show up here at one time, I think you need to in fairness to the Biltmore go ahead and yet that with the Commission so that we can give our feedback from that process.

Commissioner Cabrera: Would you agree that probably the best approach to take in this thing is to run this on two separate tracks simultaneously? Is that what you are getting at?

Vice Mayor Kerdyk: That's what I was getting at, yes.

Commissioner Cabrera: OK. See, I would support that, it would only be fair to you sir and to the City to be able to do that simultaneously because of the allocation of resources and expenditures and even the deferral of permit costs, it would really save us a great deal of time.

City Manager Brown: Like any other project that's public land there is a regulatory process, and then there is a land owner process, and we can do those concurrent.

Commissioner Cabrera: Well, I know, but concurrent for me means....

Vice Mayor Kerdyk: Together.

Commissioner Cabrera:...yeah, exactly, but not only together that's what it means, that's the actual meaning of concurrent, but what it means to me is that Mr. Prescott, he's before us today with a request, which I understand and I see the merits of the request, at the same time I see the merits of Mr. Kerdyk's question is, what will the financial outcome, the financial...

Vice Mayor Kerdyk: Benefits to the City.

Commissioner Cabrera:...yeah, the benefits, the features, the advantages, and the benefits of the City of Coral Gables can be, and not only financially but from an ability to sustain the property. So it's not so much of the profit side of things, but the ability to be able to sustain the property.

Mr. Prescott: Mr. Vice Mayor, Mr. Commissioner, we can do that, we thought a lot about it, the concern has been and the reason we didn't bring it today was we needed to start the process and

to make sure we move the project along, but certainly we can bring that together, we can think of a structure, it will be as you can well imagine, it will be in terms of a range given.

Vice Mayor Kerdyk: Yes, no doubt; and I don't think it needs to be perfect with numbers and nobody can prognosticate exactly what the numbers are going to be in the future, but I need to know the model in general; and if the model is acceptable or not acceptable, that might stop the process or keep the process going, and there is no reason as I think Commissioner Cabrera mentioned, there is no reason to keep the one process going, if the other process is not going to be a go from several of the Commissioners up here. Is that what you are saying Commissioner?

Commissioner Cabrera: Yeah, I am.

Mr. Prescott: We can certainly bring it forth and we have thought about the benefits to the City in terms of, and also sustainability and will come back to you if you wish with...

Mayor Slesnick: Well, the sustainability of the Biltmore and the benefits to the citizens of the City are one in the same.

Vice Mayor Kerdyk: Right, it's the same.

Commissioner Cabrera: That's why I think it's so critical Mr. Prescott; and then if I may take you in a different direction for one second; I think you made this clear early on that you had gone through an outreach program to Ms. Bolton, other esteemed members of our community, as well as the neighborhood and its neighbors; I think it's no mystery that, I shared this with the Manager's Office, we the Commission received a number of communications from folks that believe they are affected, because obviously they are neighbors of your property...of our property, and they really feel very strongly about the importance of being kept abreast of the process; and I think you...we know each other, and I consider you a personal friend; and I know the type of person you are and the last thing you every want to do is keep people in the dark about anything. So I want to go on the record saying that, but I say to you that's it's really critical to keep that communication open so that they don't feel that they're being somehow, somehow left out of the process, and that's really all I have to say about that.

Mr. Prescott: I hear you; we started because we wanted to get some reaction and wanted to get some input, and also to show the community and particularly our neighbors that we talked to several people, like seventy or so; it wasn't fully developed then and in fact we needed to develop more, and we thought within the process that we would go through the formal process certainly to do that, but we certainly will, we must do it, I mean, we must get the approval of the Commission, but also they are our neighbors, they are very important to us, and that's what we have done and will continue to do.

Commissioner Anderson: One of the, Commissioner Cabrera talked about, we did receive some communication from our neighbors, and I support the communication effort, and I'd like to suggest something that we might do is just like with any other thing in our Internet age, frequently asked questions, and if we could post those at some point on our website and/or things to keep citizens abreast in the front page so that people don't have to dig in, that would help a lot

as far as transparency, give people access to information and things like that. It is a big project and it's of great importance to the community, and sometimes there are concerns and sometimes there is misinformation out there that might be easily corrected by more information, correct information.

Mr. Prescott: There was an anonymous letter that went to some of the neighbors and also to you the Commissioners; and in fact the Mayor sent us a copy of that and we responded to correct the misinformation, or perhaps not enough communication on our side; and we have documented that and we can certainly make that available and as you suggested Commissioner....

Commissioner Anderson: I think the City...it might be good to put it somewhere on the updated section of City projects, somewhere where we can figure that out.

Mayor Slesnick: Well, an anonymous letter should be taken for what they are worth, which isn't usually much.

Commissioner Anderson: Nevertheless it raises...

Mayor Slesnick: No, no, you're right, that's why I sent them the copy and they were good about responding to a lot of the misinformation in the letter.

Commissioner Anderson: I agree.

Mayor Slesnick: It is usually dealt with fear-mongering. Thank you Mr. Prescott. What we are going to do is, we do have some request for speakers, and because this is a City property we are going to have speakers, we have a three minute limit. But what I would ask though, for all speakers if you are going to make an impact on the Commission, we are not here discussing the project, so if you are going to discuss the project you may use your three minutes doing that, but we are here talking about allowing the Biltmore to proceed into a procedure pregegent to a required procedure which would mean that they would be allowed to vet this proposal publicly to their neighbors, to the City, to the Commission, and as you've heard Commissioner Cabrera, Commissioner Kerdyk talk about, also explain to the City, to the neighbors, and to the citizens not only about the project, but also about what it means financially to the citizens, and to the Biltmore, which is the citizen's property. So that's what we are discussing today, is allowing the leaseholder to move forward in a public process; we are not here to discuss the buildings which are not yet finalized, well anyways, you can discuss what you want, but that's what we're here trying to decide, so if you would aim your remarks to that you would be most helpful. So we are going to move on. We have Maureen Darmody...

Ms. Darmody: Darmody.

Mayor Slesnick: ...yes, 1531 Salvatierra.

Commissioner Cabrera: I'm sorry Ma'am, your last name is?

Ms. Darmody: Darmody.

Commissioner Cabrera: OK.

Mayor Slesnick: D-A-R-M-O-D-Y.

Ms. Darmody: That's correct.

Mayor Slesnick: Got it.

Ms. Darmody: Good morning Mayor, Commissioners, my name again is Maureen Darmody, I live in the surrounding neighborhood from the Biltmore, and I wish to object to this proposed project because I think it is completely incompatible with the surrounding neighborhood, and that's really the point I'm here to make today. Thank you ladies and gentlemen.

Mayor Slesnick: Thank you Maureen, thank you. We have Mr. Richard Namon of 5555 Oakwood Lane. Good morning Mr. Namon.

Mr. Namon: Good morning. Thank you Mr. Mayor, Commissioners for the opportunity to say a few words. I guess my main concern is that it's going forward a little faster than I would like to see the process, in other words, I'm for public inquiry and public hearing on this issue before going to the highest level of historic preservation and saying yes we should go forward. I think we have to have a little more local public input before making that decision; I would hope you would limit yourselves to just allowing the process for hearings to go forward without anything else, because if the Seaways Plan goes forward, we would loose the open green space to the right the Biltmore currently uses for ground level parking, that would add to last... green space new townhouses across the street. The Biltmore would not look the same and the water table around it would be changed so none extend by the large underground parking lot, and I have to talk about the underground parking lot just briefly because I've seen problems that occur like when Jackson decided to have a sub-ground level office below their parking garage, they discovered a natural spring and for about six or nine months they dealt with the problem. This is a land of underground water sources that are not necessarily predictable construction. I don't think we need to alter our historical Mediterranean landmark for a profit simply, we should hold citywide hearings and solicit opinions from local and national historic preservation organizations before moving forward. Its not an axiom, what's good for Seaway is good for Coral Gables. Some of the numbers that have been tossed around that would have one and a half million in new City taxes are impossible with the scale of what's been described. At our five and-a-quarter mill City tax, rate they would have to increase our tax base by about two hundred and eighty-six million for that amount of taxes. So I do think the question about financial is important, but I also think the real question is if whether or not the citizens of Coral Gables would be more willing to spend more on property taxes to keep the Biltmore in its present state, versus having a development on it, I think that's what the public hearing should center on, what we really want for that property. Thank you.

Commissioner Cabrera: Mr. Mayor, just in keeping with Mr. Namon's commentary; if today we went forward with approving Mr. Prescott's request, how many public hearings would take place before this project, if in fact this project moves forward, would we hear?

Vice Mayor Kerdyk: I was just asking Mr. Riel to answer that question, the same thing; maybe, Mr. Riel, can you discuss....I have the same concerns, the process, what is the process?

Commissioner Cabrera: Yeah, and the reason I'm....I don't know why you did it Mr. Kerdyk, I think I know why you did it...

Vice Mayor Kerdyk: I was going to ask the same question...

Commissioner Cabrera: I'm doing it to assure the citizens, those who are affected, those who are here this morning, and spending their time here with us, to give them the assurances that while this may seem like, Mr. Namon made a comment, and I had to chuckle under my breath when he said that this process was going very quickly, well I've known about this process for about three and a half years, so I don't know how quick that is, but maybe that's considered quickly, I don't know; bottom line is that I'd really be interested in knowing what exactly the steps would be, and I know I am putting you on the spot, but please do your best to respond.

Mr. Riel: The City's regulatory process, we have to go to the Development Review Committee, which is City staff made up of directors to provide comment. Based upon my knowledge of the application they need to do a change in land use, change in zoning, and a site plan review. Based upon the size of the parcel in all likelihood, it needs to go through State for review, because it is a map change, and also, given the fact that it is a historic property it would need to go to the Historic Preservation Board and Board of Architects. Ultimately the recommendation would then come to the Planning and Zoning Board and then the City Commission. So it would be a number of ordinances and hearings.

Commissioner Cabrera: I counted nine, I counted nine.

Mr. Riel: Nine.

Commissioner Cabrera: That's what I counted listening to you.

Mayor Slesnick: I would say ten.

Mr. Riel: About nine or ten...

Vice Mayor Kerdyk: Public meetings.

Mr. Riel: Public meetings...

Commissioner Cabrera: Public hearings...

Mr. Riel: Regulatory...

Commissioner Cabrera: Regulatory public hearings.

Mr. Riel: For the City of Coral Gables only, not sure about any federal...

Commissioner Cabrera: The Mayor counted ten, I counted nine, he's better in math than I am, but the bottom line is that we're looking at nearly a dozen public hearings on this matter.

Mr. Riel: That's my guess, obviously when...

Mayor Slesnick: That's in addition to anything the Biltmore does in its outreach.

Mr. Riel: It might require two hearings before certain Boards given the interest.

Commissioner Cabrera: I added, I added...and first and second hearing on any change of land use, change of zoning, so that's why I added a couple of numbers. Being realistically, we are looking at over a dozen public hearings.

Mr. Riel: Yes.

Vice Mayor Kerdyk: And several months, this is going to take a long time.

Mr. Riel: At a minimum given advertising requirements you are looking at ninety to one hundred and twenty days just in statutes requirements in terms of...

Vice Mayor Kerdyk: Just to get started.

Mr. Riel: If we got an application in tomorrow, minimum of a hundred and twenty days.

Vice Mayor Kerdyk: For what?

Mr. Riel: Giving public notice, advertising of the hearings...

Vice Mayor Kerdyk: To start the hearing process, to start the hearing process.

Mr. Riel: Yes; a hundred and twenty days, I'm being very generous, my guess it's probably more towards six months.

Vice Mayor Kerdyk: Six months to start the process.

Mr. Riel: Yes, until you finally get to the actual first quasi-judicial....

Vice Mayor Kerdyk: So this could be a year's process; I'm just trying to quantify time wise; at least six months to a year process of going through the whole...

Mr. Riel: Well, in terms of actually advertising the ordinance, obviously if there's interest and there's issues that the Boards ask for more information, that would be another hearing, so we don't have control of that.

Mayor Slesnick: Let's be bottom line; this isn't happening...if we went through, I just want the citizens to understand; we go through the entire process to the day, and if it goes through the entire process, and it's not cut short for some reason, if it goes through the entire process to the day that we sit here and vote yea or nay in the final hearing, we are talking a year.

Mr. Riel: That's my guess, yes.

Mayor Slesnick: By the way, we are going through this exercise just to make sure before if someone goes out to explain otherwise what the process really is for everybody, so that you understand how much there is to this and how many times there is to give input and so forth, and that does not include any outreach meetings that the Biltmore may do with its neighbors.

Vice Mayor Kerdyk: And I'd like to add just one more thing. This is exactly why I want to know the financial deal prior to continuing this process down and continuing for a year, let's know the financial here, so that we know that makes sense before we put staff through the whole issue.

Commissioner Cabrera: You know, I forgot to mention one last thing, the rationale for the question really was to give the citizens the understanding of how this process will take, but it's not being done to insulate ourselves or to protect ourselves from this project, that's not my rhyme or reason, I have no problem...

Mayor Slesnick: It's on the firing line for a year.

Commissioner Cabrera: It does, exactly – that's the point that I'm trying to make, we are on the firing line throughout the entire process; so if anybody here thinks that we are trying to back peddle or protect ourselves, we're not, we're wide open to this thing and there is an election coming up next year, so I thought I'd remind everybody. No big deal, hey listen, no big deal, it's the best job we are ever going to have. Thanks Mr. Riel.

Mayor Slesnick: Melissa Bassett – she left, OK. We have Javier Cervera.

Mr. Cervera: ...[Inaudible – off mike].

Mayor Slesnick: Muchas gracias Señor, no hablo muy poquito.

Mr. Cervera: By the way, I know you are not running again so I'm not concerned; I know this is not a political matter, I know that you people are honest and you try to do the best job, I want you all to know that.

Mayor Slesnick: Thank you.

Mr. Cervera: The main reason for which I'm here...

Mayor Slesnick: And we are all neighbors too.

Mr. Cervera: Definitely are...as you well know Mr. Slesnick, when Mr. Prescott, I don't know where he's gone, is he still around?...[inaudible]...when Mr. Prescott called me to explain to me about this project, I definitely objected to it, I think its completely out of place, we don't come here to discuss this here today. The main thing that I'm here, and I'm really upset because every neighbor here should be informed with plenty of time of anything that touches this even with a ten foot pole; because if we had known....I found out about this because somebody knocked on my door that they read the Sunday paper, I was out of town; why not send all the neighbors a letter and tell us about this. To begin with he's already asking for a free ride on all this process, which we all object to and I'm sure had we all known about this you would have had a full house here today opposing that, because if he want something let it pay for it like all of us do. OK. Basically that's what I need. Please keep us informed Mr. City Manager; let us know every step of the way because we are organizing, we are organizing very strongly, everybody in the entire neighborhood in the big one on Alhambra; you know my family lives here, its not a matter of money, it's a matter of quality of life; this is where we raise our children and our grandchildren. If we wish to solve the parking problem, I'll give you a great idea Mr. Prescott, cut down on your events...

Commissioner Cabrera: Mr. Cervera please approach us, talk to us, talk to us.

Mr. Cervera: ...and then you can solve the...I apologize for that... the parking problem. Thank you very much for your time and keep us apprised of what's going on. Thank you.

Commissioner Cabrera: Thank you.

Commissioner Anderson: Thank you very much.

Mayor Slesnick: Roxcy Bolton, 124 Cadima.

Ms. Bolton: Good morning gentle persons, my name is Roxcy Bolton, I live at 124 Cadima Avenue. First of all let me say, I care about the Biltmore; the Biltmore is certainly the icon of all historical sites in Dade County, indeed in Coral Gables. Most of us have been here many years love that place; we've seen it go through different stages. My husband worked to save the Biltmore, you know, when it was in crisis. I'm sure...were you out of college then?- you were.

Mayor Slesnick: Yes ma'am.

Ms. Bolton: Anyway, my husband worked to help to save the Biltmore. I was standing on the steps of the Biltmore when Trisha Nixon handed the deed to Mayor Knight...

Mayor Slesnick: You told me Knight yesterday, yes.

Ms. Bolton:...and to talk about things here today that may not fall very warmly on some ears doesn't mean that I don't care and I'm not concerned. First of all, we must be reminded that the Biltmore owes the citizens of Coral Gables nine million dollars (\$9M), we start off with that, because today banks going under, the financial situation is different than it was a few years ago, so we must bear that in mind; we've been very good to the Biltmore and the Biltmore is mostly

been good to us. But what I'm asking you to do today is to hold a public hearing at Coral Gables High, in that auditorium, so everybody in Coral Gables and those neighbors, a number of those neighbors have said to me, Mrs. Bolton what are we going to do?- we are going to have two hundred cars a day up and down our street, we don't want it; and I think David has kept it under wraps a little too much, you and Mr. Prescott are buddies, and you kept it under wraps for too long. When Armando Codina puts out a project he has this big, is there an architect here that could tell me the name of that big board that they put up and they outline everything; you can go and read, what's that called?- you're a realtor.

Vice Mayor Kerdyk: Billboard, real estate sign.

Ms. Bolton: What?

Vice Mayor Kerdyk: Real estate sign.

Ms. Bolton: You like those.

Vice Mayor Kerdyk: Yeah, sure.

Commissioner Cabrera: It's a scope of a project

Ms. Bolton: Sir?

Commissioner Cabrera: Scope of the project.

Ms. Bolton: Thank you; you always know those big words.

Commissioner Cabrera: Scope is not a big word. I use it every morning.

LAUGHTER

Ms. Bolton: The bottom line is that's what we need in City Hall, so when people walk in, would you tell Mr. Prescott that, I don't want to turn around because Ralph wouldn't like that if I addressed the audience, tell Mr. Prescott to get one of those boards, those real estate boards or whatever its called, the scope of the project...

Commissioner Cabrera: Yes ma'am.

Ms. Bolton:... Put it out here in the Hall so people can stop and look at it and see that's a massive project; I'm worried about the water table. When they invited me to this gracious breakfast and I dined with all those big shots, some from New York, architects and all; and I said, I'm concerned about the water table, how far are you going down? One architect, I think he said he was from New York, and he was a big shot, he said about ten feet. Well he didn't know that he was talking to an old country woman that knows about the land, and that really "T'd" me off to think that he would insult me by saying they are going to put an underground garage ten feet, no way. We must hold before you, vote on the fees or anything; how much are the....what's

the total amount of the fees that Mr. Prescott wants us to hold back on? How much does it amount to? David?

City Manager Brown: There are four fees that he is asking for before any building permit or any permission, Commission permission...

Ms. Bolton: What's he asking for today David?

City Manager Brown:...that's the Planning fee, the Historical fee, the Board of Architects fee, and the concurrency fee, and...

Ms. Bolton: Total.

City Manager Brown:...on the average its about five hundred and ninety one thousand dollars (\$591,000), that's our roughest estimate.

Commissioner Cabrera: That's why he's asking for a deferral, because it's so expensive.

Ms. Bolton: Now, should it not go through, are we guaranteed that money back?

Mayor Slesnick: The deferral...two things...the deferral is a deferral till we get to a certain point in the process...

Ms. Bolton: Oh, he's not going to get it in his hand, just deferred.

Mayor Slesnick: Oh yes, just deferred, in other words he won't pay the City until a certain point in the process, at which time he will have to pay, but we are going to go through – his request is to go through a few steps before, so that they know that there's any process to go through.

Commissioner Cabrera: So we are not eliminating those fees.

Mayor Slesnick: And the other thing is for everybody to understand, is that what Mr. Prescott pays comes off the bottom line of the hotel which is what we get money on, so I mean, its all part of the wash, I mean, he pays five hundred and ninety one thousand, the bottom line of the hotel goes down five hundred and ninety one thousand and that takes out our income for the year, I mean that takes down our income for the year, that's part of the rationale.

Ms. Bolton: But the bottom line is the City, the City Manager, his agents, and his assigns have been working on this for a long time, that's City employees, they have been yes.

Mayor Slesnick: We haven't been working.

Ms. Bolton: Sir?

Mayor Slesnick: We have not been working on this.

Ms. Bolton: Sir?

Mayor Slesnick: We have not been working on this.

Ms. Bolton: I am not going to argue with you.

Mayor Slesnick: Just because there maybe discussion, we have not been working on this; one thing...

City Manager Brown: One preliminary look by the Board of Architects.

Mayor Slesnick: That's it.

Ms. Bolton: Again, I'm going to ask you to hold a public hearing at Gables High, invite all, put a page in the newspaper advertising the date and the time; those neighbors aren't happy, its not right that we invade their neighborhood with a project...it is an invasion when you have that many cars, if you have that many cars...traffic study...how could you get a traffic study approved with all those cars, then you want to dig under in front of the Biltmore, and how far down are they going to go?

Mayor Slesnick: We don't know those things yet because they haven't started the process yet, so I don't know.

Ms. Bolton: Well, when you put up this billboard or whatever it's called, over at the Biltmore and put it up at City Hall, so people can be better informed, the entire City, that community is at risk. You know their greatest investment is in their homes and they are going to be affected adversely. Thank you Mr. Mayor. Good day.

Mayor Slesnick: Thank you Ms. Bolton.

Commissioner Cabrera: Thank you ma'am.

Mayor Slesnick: Margarite Rodriguez, 1043 Anastasia.

Ms. Rodriguez: Good morning, ...[inaudible]...

Ms. Bolton: Can't hear you.

Commissioner Cabrera: Take the microphone and just put it like that, there you go you ma'am.

Ms. Rodriguez: I'm very concerned and all the neighbors are about this project. They called us and we went to see the project, its such a big monumental thing for that space and it would be a lot of traffic; right now we have traffic; we have school, we have two churches, plus we have the Biltmore, this will create more and more traffic, you know, I'm concerned, we live right across the street, and in the morning you can see a lot of traffic. With all that many buildings, construction or whatever they call it, that's why we are concerned. I walked yesterday with two

neighbors and asked a lot of people, we went to twenty-five houses, most of them were against, only two people were in favor, so I think this should be considered before they go ahead and do anything else to be sure that the neighbors want this project. That's all I want to say. Thank you.

Mayor Slesnick: Thank you very much. Rip Holmes.

Mr. Holmes: Hi, Rip Holmes, happy to say I live at 800 Andalusia. I did live on Miami Beach and I am sympathetic to hotels and tourism; I'm also sympathetic to this concerned neighbor who is upset about this to be taking notes, my heart goes out to you. I actually have a proposed solution on this. When I moved to 800 Andalusia, I did so because I wanted to be near the golf course, near Venetian Pool, and I brag about it; I feel like I have a stake in the golf course because it's in walking distance. I think that the Biltmore...

Commissioner Cabrera: Mr. Holmes, talk to us.

Mr. Holmes: ...the affected neighbors, I think these people are going to listen to me, thank you...

Commissioner Cabrera: They are watching on TV, Mr. Holmes.

Mr. Holmes: ...give the affected neighbors a stake in the Biltmore even conceivably, if you think about it, a covenant running with the land, free membership, free access to the golf course, it's very expensive to eat there, you see what I'm saying? - there is an impact on your house. If you have...if you can say you live in a little bit of a maelstrom here, but guess what, we have free access; you come to see us you get to play golf for free. Thank you.

Mayor Slesnick: Thank you. We're going to close public commentary, and we'll open the floor for discussion, questions or motion. What we are considering is, if we can get Mr. Cabrera back here, pardon, I'll ask Ms. Lubin to look for him, you can relax. We are discussing at this time, a request of the Biltmore to move forward with the planning process on this because they are leaseholders, and so this is a public property and they are looking for our consent just to move into the planning stage, they are looking for a deferral of the mandated fees until a certain point; David what point would that be?

City Manager Brown: Well, the point would be when this Commission says yes or no to the project moving forward, then a new set of fees would come into place which will be the building permit fees, and then the fees that were deferred would also be due at that time.

City Attorney Hernandez: So it's not until such time as the building permit is issued.

City Manager Brown: Correct.

City Attorney Hernandez: OK. Till what time specifically?

Vice Mayor Kerdyk: Well, in other words, in other words, let's ask this question so we understand it. When the Commission approves it, they get entitlements, correct? - at that point?

City Attorney Hernandez: Correct.

Vice Mayor Kerdyk: So is it that point or is it when they go and pull the permit which can be eighteen months to two years afterwards, which one is it?

City Attorney Hernandez: Well, that's why I was asking for clarification.

Vice Mayor Kerdyk: So which one is it?- Is it when they are granted the entitlements or is it...?

City Manager Brown: Because of the passage of the impact fee, all those fees are due at the time that you start the building permit process.

Vice Mayor Kerdyk: So what you are saying is that those fees could be delayed until we pass it at the Commission, if, and we are just saying if, that's a big "if".

City Manager Brown: That would be my interpretation.

Vice Mayor Kerdyk: That's one thing; the other date is when they pull the permit, which doesn't have to be right after they get the entitlements from the Commission, it could be up to eighteen months to two years after they get the approve. So where is it in that process?

City Manager Brown: I understand Vice Mayor; I was saying that because the impact fees are now due when you start the building permit process, that's when we would collect the...

Vice Mayor Kerdyk: So when they pull the permit.

City Manager Brown: When they pull the permit.

Vice Mayor Kerdyk: Start moving ground.

City Manager Brown: Yes.

Commissioner Anderson: Let me ask a question...

City Manager Brown: Because at that point the cash is paid, the impact fees are separated, and everything is itemized. So when they go out of there with their permit, that's when all the cash is due.

Commissioner Anderson: OK, quick technical question; today to get approval for them to move forward, they need how many Commissioners?- is it a super majority or is it just a simple majority today?

City Attorney Hernandez: For the waiver of the permit fees, it's just a simple majority.

City Manager Brown: Its deferral.

Commissioner Anderson: A deferral, that's correct; but I wanted also to talk about if it were to come back and if it were to be approved, it would require four Commissioners, it's a super majority, is that correct?

City Manager Brown: Correct.

City Attorney Hernandez: Correct.

Commissioner Anderson: It would go through the process of all the Boards, plus additionally, we have a process that goes through when we have sale or lease of public land over a certain amount, it has to go through three other Boards actually.

City Manager Brown: Three other Boards and...[inaudible]...

Commissioner Anderson: So that would require four fifth majority vote, so its not...what I would say it's a little more stringent, so for the public sake I just wanted to clarify that up as well. Not today but in the future it would require four Commissioners to vote on the project for it to move forward in another phase, if it were to move forward.

Mayor Slesnick: Anyways, so the three things were approval to move forward in the process, deferring the fees to a later date to be set, and also to instruct the Manager for us to proceed to get the Federal Government's opinion on whether or not this is an acceptable project on this piece of land. This is not, by the way, asking for anyone's approval or any kind of grant of authority, we are asking their opinion if this would fit into the scheme of things for the national landmark property, which is something we should know no matter what.

Commissioner Withers: Can I ask Liz a question? It seems that just from hearing the discussion that, and by the way, I support moving forward on this, its seems as we move forward on this that the City is expecting some kind of partnership as far as whether the future of the Biltmore is guaranteed through some kind of trust fund, or whether the City actually participates in the sale; it sounds like we are headed for another partnership.

City Attorney Hernandez: Well, yes Commissioner, if the Commission decides to say, OK, let's start moving forward with additional discussions two things will happen; the Commission will then start discussing the lease, and any type of financial obligations under the lease, and any amendments to the lease that would be brought back to the City Commission for consideration, and then in addition to that the zoning approval process would commence, or the zoning review process, which would also come back to the City Commission in its regulatory capacity.

Commissioner Withers: So we would be wearing two hats?

City Attorney Hernandez: You would be wearing two hats, and then you will be wearing a third hat, once it goes through the Federal Government, because as the owner of the property the Biltmore cannot proceed forward without the City Commission giving consent to proceed forward; you don't necessarily have to give consent to the project, just merely consent as owner to proceed forward.

Commissioner Withers: OK, well saying that, on the Board of Architects first stop, I really think that, I would feel more comfortable if the City actually had a City representative there representing the City, and I think our Architect would probably be the most logical individual; but other than just a developer versus the Board of Architect, I think that if we are going to be joined at the hip moving forward on this thing, that we kind of need some representation moving forward on the project, I don't know how you feel about that. That's number one, and secondly is there anything now that we could be looked upon as a joint developer of the Biltmore as we move through the process, that we have to... any new rules, or any new obligations that we have to instill in this Commission since we are now a business partner in this deal, if it moves forward. I just want to make sure the structure now moving forward is put in place, so that a year down the road we are not in any violation of...

City Attorney Hernandez: You are not at this juncture, assuming that the three motions that are being requested are approved; you are not a business partner at the present time. It is my understanding that number one, is merely a request for the City Commission to direct the Manager that as to applications, because the City is the landlord, the Manager provides consent to proceed.

Commissioner Withers: I understand, I know we are not now Liz...

City Attorney Hernandez: Right.

Commissioner Withers: ...but if our intention at the end of the day is that we are going to participate in profits, we are going to participate in a share of whatever, I assume that then is the definition of a partner.

City Attorney Hernandez: Yes.

Commissioner Withers: The City and the developer.

City Attorney Hernandez: It will be...right...it will be the same landlord tenant.

Commissioner Cabrera: Did we do that...did we do that with the Country Club? Did we have that type of representation from the City; I think we did, didn't we?

City Attorney Hernandez: Yes.

Commissioner Cabrera: I guess we did.

Commissioner Withers: This to me is a little different than that Ralph.

Commissioner Cabrera: Well its four million bucks.

Commissioner Withers: No, no, what I'm saying, that was more, I think, a lease arrangement, this is more of a, we want "X" amount of dollars at the end of the day when you are successful.

Commissioner Cabrera: I hear you; maybe you are misunderstanding, I'm just trying to see what framework we had before, if we had City...because you made a very valid recommendation that is to have City representation in the process, and you recommended the Board...

Commissioner Withers: That would be the logical choice to me.

Commissioner Cabrera: I think it's a great idea, my question though is under whose supervision or direction does the Architect operate under?

City Attorney Hernandez: Right.

Vice Mayor Kerdyk: And by having the Architect there Chip, is that showing that we are endorsing the project at this particular case?- when we are talking about having all this public input, is another question I would have.

Commissioner Withers: I don't understand what do you mean endorsing the project?

Vice Mayor Kerdyk: Well, if we are having a representative there on our behalf and we are going together as a partnership that could be conceived as...

Commissioner Withers: I'm not necessarily, I'm not necessarily saying for comments or for direction, I'm just saying be a part of the process, because you know how many times issues come back to us and we kind of have a little bit of anx because...

Mayor Slesnick: Our Architect may take exception to the proposal on our behalf.

Vice Mayor Kerdyk: Right, but I just don't want to give him any preconceived ideas from here that we are supporting the project and that he needs to go whole-heartedly along with whatever is coming up from the Biltmore.

Commissioner Cabrera: I took a more; I took a more...on your side because of the profitability component as an oversight function than a partnership.

Vice Mayor Kerdyk: He said partnership.

Commissioner Cabrera: OK, you know what, you can call it partnership, I look at it more as an oversight function, and that way we can be better briefed to protect, create checks and balances.

Commissioner Withers: That's fine.

Commissioner Cabrera: But there is a financial component so you have a point there as well.

Commissioner Withers: But just as we move forward Liz, I just want to make sure as we set this up, we don't jeopardize our position in any way.

City Attorney Hernandez: Right, remember as to the landlord aspect of it, the Manager has a team; the Economic Development Director becomes involved, our Special Counsel in my office becomes involved; we have various people that become involved in the review, discussions, negotiations, a Public Works representative, so there is a team that the Manager's Office will put together and we will all work cohesively in order to review it from the landlord's perspective, that's an executive decision of the City Commission, so you are free to discuss issues with the public and with the Biltmore, the Seaway Companies, you are free to discuss it with anyone who is interested in discussing it because it's an executive decision of the Commission. With regard to the zoning aspect of it, it is a quasi-judicial process, so you cannot discuss any quasi-judicial matter with either Mr. Prescott or any members of the public, because that will come before you in a public hearing, it will go through the regulatory process, and you cannot have any ex parte discussions with anyone regarding the zoning aspect of it.

Commissioner Withers: I understand. Now, with regards to the notification of the neighbors, I think it is very, very important; and I don't know if the neighbors want to assign one or two individuals as kind of their...I don't know if they've organized, if there is any kind of group or whatever; but I think it would be very helpful if you did identify some folks that are going to kind of carry the banner for you, and you be on the mailing list of the Biltmore, and be on the mailing list of the City; and so make sure that you're involved in the Board of Architects meetings and involved in all the meetings.

Commissioner Anderson: And for the general public, if we could provide some sort of communication vehicle via the web page clearly identified, not too hidden away in the pages, I think that would be great.

Commissioner Withers: Great. That's all I have. Thank you.

**Mayor Slesnick: Let's take this in three parts; the first part is a resolution authorizing the Biltmore to move forward in the process. Do I have a motion?**

**Commissioner Withers: I'll move it.**

**Commissioner Anderson: I'll second it.**

**Mayor Slesnick: It's been moved by Mr. Withers, seconded by Ms. Anderson; any further discussion?** Let me just say, I haven't said much at all, but let me say that I am supporting these motions today because I feel that our partner and our neighbor, your neighbor, and our neighbor, and our partner, Mr. Prescott's organization who has been a good neighbor since 1992. I mean, I know we all have some complaints, I'm serious about that; it's hard to run a hotel in a residential area, and so therefore there are things that happen at the Biltmore I'm sure that you don't appreciate, there are things you do, but the fact of the matter is that for about sixteen years now, seventeen...sixteen years, the Seaway Corporation has run a historic monument property that is difficult to run, difficult to make successful and has done so, and has returned dividends to the citizens of the City. You all should understand that we do get a check every year from the Biltmore as a portion by the terms of the lease as a portion of their revenues we get a formalistic payment to the citizens of the City, which runs about a million and-a-half...

City Manager Brown: Closer to two million dollars a year.

Mayor Slesnick: Closer to two million dollars now. Secondly, Ms. Bolton said that they owed us nine million, I'm not sure of the exact figure, David, what is the debt?

City Manager Brown: I think its nine point three (\$9.3M).

Mayor Slesnick: Nine point three (\$9.3M); and several different loans that we've made through public access monies to give to the Biltmore to do the golf course and to do the meeting rooms and things like that; and as far as I know, unlike some, I don't want to open up another door, but as far as I know the Biltmore has never missed a payment...

City Manager Brown: They've never missed a payment.

Mayor Slesnick: They've never missed a payment, and they are paying, knock on wood.

Commissioner Cabrera: That was very bold for you to ask.

Mayor Slesnick: I know; they've never missed a payment, and they pay their debt, and so they have to make that money to pay us. So for all those reasons what I'm trying to say is I feel like they deserve a chance to move forward to talk to the neighbors, talk to the public and test this theory out. Let me say to the neighbors, however, as a neighbor, not quite as close to some of you, I have concerns about size, about density, about the appropriateness; I have those same concerns, I said that publicly, I'll say that here again, I have those very, very grave concerns. I also have concerns with the public property aspects of it, and I have concerns with the financial aspects of it, so don't misunderstand, I think we've all expressed this, and each of the Commissioners have expressed this, and I wanted to express my feelings.

**Mr. Clerk**

**Vice Mayor Kerdyk: Yes**

**Commissioner Withers: Yes**

**Commissioner Anderson: Yes**

**Commissioner Cabrera: Yes**

**Mayor Slesnick: Yes**

**(Vote: 5-0)**

**Mayor Slesnick: We need a motion on the deferral of the fees; do I have a motion on the deferral of the fees.**

**Commissioner Anderson: I'll move it.**

**Commissioner Withers: Second it.**

**Mayor Slesnick: It's been moved by Ms. Anderson, seconded by Mr. Withers. We need a specific date for deferral here.**

Vice Mayor Kerdyk: Like, like, once they get the entitlements...when the time.

Commissioner Anderson: And to put that as part of the agreement.

Commissioner Withers: It's acceptable.

City Attorney Hernandez: Once we receive approval by the City Commission

Mayor Slesnick: The maker of the motion and the seconder accepts, when they in the process receive any entitlements, how do we word it?

City Manager Brown: I'll call it building permit that's....

Vice Mayor Kerdyk: No, no...

Mayor Slesnick: That's the thing; Mr. Kerdyk is distinguishing from that.

Commissioner Anderson: Let's make it clear as far as what would trigger it.

City Attorney Hernandez: I think Commissioner Kerdyk is saying when they receive final Commission approval, correct?

Vice Mayor Kerdyk: Exactly, that's when you get entitlements.

City Attorney Hernandez: Right.

Mayor Slesnick: OK, which is different from building permit fees, which is later.

**Mr. Clerk**

**Commissioner Withers: Yes**

**Commissioner Anderson: Yes**

**Commissioner Cabrera: Yes**

**Vice Mayor Kerdyk: Yes**

**Mayor Slesnick: Yes**

**(Vote 5-0)**

Mayor Slesnick: Let me also make a footnote to that motion for everyone to understand, what I think I understand. If this process could end very soon, or at any time, that's the reason for this, because right now the Biltmore, our hotel, doesn't know if this is going to go past the next planning step, and it isn't fair to charge ourselves, the citizens, five hundred thousand dollars, if we don't go very much further, and this may not; I take it that there are several in the audience that would like it not to. OK...

Commissioner Withers: Then I move that we move forward with approaching the Federal Government for – I don't know – how do I phrase that motion Liz?

City Attorney Hernandez: This is just basically, in order for them to be able to move forward, in order for the City to be able to move forward, the Federal Government also has to give its consent and also has to provide whatever changes in the process are needed, so you're just instructing the City Manager to begin the process with the Federal Government in order to allow this process to proceed.

Commissioner Withers: And I assume that would be an attorney's letter and the Biltmore would be paying for that attorney's letter.

City Attorney Hernandez: Yes. It is my position under the terms of the lease that the Biltmore is responsible for any special counsel fees that we incur, Mr. Prescott am I correct?

Mayor Slesnick: Why don't we just ... wait, wait, wait....

Mr. Prescott: You are correct in your opinion.

City Attorney Hernandez: Yes, and you concur in my opinion.

Mayor Slesnick: That's not satisfactory to me; let's make that part of the motion.

City Attorney Hernandez: OK.

Mayor Slesnick: We'll make it part of the motion that the Biltmore will pay any attorney's fees encountered by the City in this effort; and I want to make sure that the motion if you don't mind also includes that we are looking for direction from the Federal Government, I mean, I'd like to get that idea across to the citizens that we are looking for direction from the Federal Government as to the appropriateness of this project.

Commissioner Withers: Are we looking for direction as far as, let me see, the parking lot is owned by us, is that correct?

Mayor Slesnick: Absolutely, yes.

Commissioner Withers: So as far as the air rights or the land rights that's our issue, that's not the Federal Government issue; what direction are you looking for from...

Mayor Slesnick: Because it's part of the historic landmark designation, whether or not we can proceed with...

City Attorney Hernandez: We are federally designated.

Commissioner Withers: Understood.

**Mayor Slesnick: I'm sorry, you did make the motion?**

**Commissioner Withers: So moved.**

**Mayor Slesnick: We need a second.**

**Commissioner Anderson: I'll second it.**

**Mayor Slesnick: Second by Ms. Anderson; any further discussion?**

**Mr. Clerk.**

**Commissioner Anderson: Yes**

**Commissioner Cabrera: Yes**

**Vice Mayor Kerdyk: Yes**

**Commissioner Withers: Yes**

**Mayor Slesnick: Yes**

**(Vote: 5-0)**

Mayor Slesnick: We will be starting the process which is a long process, and it may end at any time based on factors which may arise, like the Federal Government.

[End: 11:13:55 a.m.]