

**MINUTES
CITY OF LAKE WORTH BEACH
CITY COMMISSION WORK SESSION
CITY HALL COMMISSION CHAMBER
TUESDAY, MAY 11, 2021 - 4:00 PM**

The meeting was called to order by Mayor Resch on the above date at 4:10 PM in the City Commission Chamber located at City Hall, 7 North Dixie Highway, Lake Worth Beach, Florida.

ROLL CALL: Present were Mayor Betty Resch; Vice Mayor Herman Robinson and Commissioners Sarah Malega, Christopher McVoy and Kimberly Stokes. Also present were City Manager Michael Bornstein, City Attorney Christy L. Goddeau and City Clerk Deborah M. Andrea.

UPDATES / FUTURE ACTION / DIRECTION

A. Discussion regarding the Gulfstream Hotel

City Manager Bornstein stated that the work session would be a subsequent discussion to the one-on-one meetings regarding the Gulfstream Hotel Project and introduced the participants from Restoration St. Louis; Amrit Gill, President, Amy Gill, Chief Executive Officer and Laura Rebbe, Senior Vice President and General Counsel. He said that Joan Oliva, CRA Director, and William Waters, Community Sustainability Director, were in attendance as well as. He explained that the city had been trying to figure out for some time how the wonderful historic Gulfstream Hotel could return to functional glory to represent the city. He iterated that he, Juan Ruiz, Assistant City Manager, and Mr. Waters had gone over the different topics resulting from the meetings with Restoration St. Louis and the intention was to go through some details of to arrive at a formalized agreement by May 25, 2021 in order for the project to continue to move forward. He said that it would be important for the city's commitments to be understood such as abatements, rebates or allocations towards infrastructure.

Mr. Gill expressed appreciation for being able to talk to the commission and walk them through the project to ensure that everyone was happy and the project could proceed.

City Manager Bornstein said that Mr. Waters would go through the items taken from the Letter of Understanding (LOU) which were divided into three categories; any questions could be answered along the way.

Mr. Waters explained the city incentives were adopted as part of the code of ordinances within the economics incentive program or other avenues and had or were given to various projects and discussed those applicable to the Gulfstream project. He said that there had been a request to coordinate the entitlement process expeditiously. He stated that the project would be an urban mixed-use development and would go to the Historic Resource Preservation Board (HRPB) after review by the site plan review team, which had representatives from all city departments, and then come to the commission for two readings of an ordinance, a process that would take 120 days. He said that investment incentives were based on new revenue streams to the electrical, water, sewer and

stormwater utilities and were estimated to be \$250,000. He stated that there must be a performance bond posted, which would make up the difference in the amount of revenue the city had anticipated. He explained that the infrastructure incentives may include reimbursement of costs for necessary infrastructure improvements included in the five year Capital Improvement Plan (CIP). He announced that the city had reduced the building permit fees twice, which had been a concern, and there was a de-escalating scale as well. He said that a 10-year tax abatement, which was a routine process to abate increased building values of restoring a historic structure, would be coordinated on the historic portion of the project through review and approval before the HRPB, commission and PBC commissioners. He stated that there was a transfer development rights (TDR) program to allow for 10 more units an acre or a 10% increase in floor area ratio; the approximate \$300,000 cost would be waived. He said that the project would meet all of the requirements of the recently changed sustainable bonus program by incorporating the historic preservation component and other items like a public plaza and public art.

Mayor Resch stated that the commission had had an opportunity to ask questions of the developers when they met on-on-one and requested succinct questions.

Commissioner McVoy asked how the tax abatement would be split amongst the parcel regarding the unity of title.

Mr. Waters stated that there would be a historic value and a new value following the renovations coordinated with the property appraiser's office and the title could be done separately.

Ms. Rebbe responded that the unity of title requirement dealt with zoning, that the properties were developed as one project, not that they were literally one parcel. She stated that Restoration St. Louis wanted a clean title.

Mr. Waters spoke about the negotiations regarding a collaboration of projects between the city, the developer and the property owner which encompassed: a parking study on South Lakeside Drive, a valet lane on Lake Avenue, streetscape improvements, golf course packages, Bryant Park improvements, public beach amenities, utility relocations, support for a \$5M HUD grant and street closure during construction.

Commissioner Stokes asked if the city would have to contribute funds if the HUD grant were awarded.

City Manager Bornstein replied that the city was committed to spend \$1M in that area.

Assistant Manager Ruiz responded that Oceanside Services could provide cabana services at the beach and would be available to discuss the matter.

Mr. Gill stated that there would be a backup plan to provide expected services.

Commissioner Malega inquired about item D in the LOU regarding the reduction of the code compliance items and where the \$1M in parking would be.

City Manager Bornstein replied that the issue had been resolved with the Special Magistrate.

Assistant City Manager Ruiz answered that the parking would begin with Phase III, zone 3, then circle around.

Mr. Waters said that the first three items on the partnership page would be subject to funding and incentives from the CRA, the next three could get relief from the County and there could be other incentives from the State or Federal governments.

City Manager Bornstein stated that the Gills had spoken to the County and State regarding ARPA funds that might be available.

Vice Mayor Robinson said that there would be many partnerships with the project and the community was overwhelming supportive of having the hotel renovated and reopened. He expressed concern about the CRA division of tax collection and said that HRPB would be the zoning entity for the project. He said that the value of the perception of the project moving forward could not be measured. He stated that the city was committed to the oceanfront park to further encourage the Gulfstream's investment and asked for consensus to spend the \$6M on the oceanfront park.

Mr. Waters corrected that because the project would be a new urban mixed use development, HRPB would be involved with the historic aspects but would not have final say and PZB would not be involved.

Mr. Gill stated that \$500,000 in impact fees and \$2.6M for public schools would be paid by the TIF. He said that Restoration St. Louis would be very supportive of improving the community.

Mr. Waters stated that there was over \$1M square feet in the Transfer Development Rights Bank and \$900,000 would be left after four current projects were completed. He said that the Gulfstream project was very important to the city, the citizens loved the building and the project would encourage development and investment interest in the city, especially downtown.

Commissioner Malega said that golf course packages and public beach amenities would trickle down into the community and it would be important to raise the morale of the city. She stated that the city would be investing in items that would improve the city, like redoing the parking. She spoke in favor of spending \$6M plus at the beach and reopening the pool.

Commissioner McVoy iterated that everyone wanted to see the Gulfstream renovated, but the city had taken other parcels that would have new development and lumped them together. He said that he was in favor of the historic renovation, but not necessarily in the new development. He recommended that the developer could have support for the whole project by looking at alternative designs.

Mr. Gill answered that their goal was to rebuild a community asset that had an important place in the city and they had done similar projects. He said that they would need to have certain amenities to make the hotel a success and could work with Mr. Waters and the architects to have a project that everyone would get behind and there were opportunities for value engineering and how the building looked outside.

Mrs. Gill stated that everyone wanted the design to meet everyone's expectations and Mr.

Waters had many great ideas that could be put into practice with a commitment from the city.

Commissioner Stokes said that the commission was very excited about the developer and the project and was comfortable with the commitments listed thus far, but she expressed concern about spending too many funds on future items because the city had so many needs. She stated that she was pleased with the discussions they had had thus far.

Commissioner Malega expressed confidence that the building would be beautiful and that the developer would be a great partner for the city.

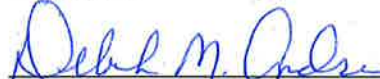
Mayor Resch stated that the developers had shown great faith in the city and thanked them for putting up with the commission.

ADJOURNMENT:

The meeting adjourned at 5:17 PM.


Betty Resch, Mayor

ATTEST:


Deborah M. Andrea, CMC, City Clerk

Minutes Approved: June 1, 2021

