

A workshop meeting of the City Commission was held on September 18, 2012 at 5:00 p.m. in the Commission Chamber at the Municipal Administration Building. The meeting was called to order by Mayor Michael S. Carter.

COMMISSIONERS PRESENT: Christopher Lutton; Betty Wojcik; Jonathan Thornhill; Terry Y. Howell; Mayor Michael S. Carter;

COMMISSIONERS ABSENT:

CITY REPRESENTATIVES PRESENT: Terry Leary, City Manager; Clara VanBlargan, City Clerk, Jacquie Hawkins, Deputy City Clerk

[Meetings are recorded but not transcribed verbatim]

Agenda Item 2. Grand Hotel Presentation by the Developer

The full staff memo is incorporated into the minutes.

[Begin city manager agenda memo]

Economic Development Director Harold Gallup reviewed Agenda Item 2.

Raymond Brown, the developer of the Grand Hotel, gave a presentation with the following points made:

- Mr. Brown expressed his love for, and commitment to the historic Grand Hotel building, downtown Lake Wales, and the City of Lake Wales.
- He gave a brief history of the building since it opened in 1928.
- He explained the differences, drawbacks and benefits between restoring, renovating and rebuilding, and why he thinks restoring is the best option.
- He listed his goals and his continued commitment to the project.
- He explained the problems he has had with financing when he lost the \$2.5 million from one investor due to the bad economy, but he believes the economy will turn and he has found people interested in the condos.
- He said that people keep telling him the project cannot be done but he has taken that sentiment from a project that is "impossible and not profitable" to one that is "possible but most difficult."
- He showed slides depicting the problems he has had with things like cleaning the tiles, removing the tar on the building, and getting the limestone. He explained steps he has been taking to find answers to the problems.
- He apologized to the public for his lack of communication and said he is committed to improving.
- He said he believes in the project and in Lake Wales and he will not throw in the towel.
- He said the project is hard, the economy is hard, and public relations have been hard. He asked for support. He said he was sure he would get the support when the project is finished but he really needs the support now.

Engineering Plans:

- Commissioner Wojcik said she appreciated his love for the building and community and understood his funding problems. She said staff has been working with him to try to help him get leases lined up but they can only go so far because he has not given them the floor plans they need and have asked for. She explained the reasons why it was necessary for them to have plans, at least for the two leases on the north end of the building, but better yet, how it will tie in with the south side of the building, the entire first floor, and the whole building.

Mr. Gallup said the focus has been on the north side of the building in order to get commercial activity going and once that meets the development standards, the entire system will be extended.

- Cliff Smith, Building Official, said at the beginning, the entire commercial bottom floor was intended to be done all at once. Then Mr. Brown asked if he could do the north half, and get it occupied while working on the southern half. He said there has to be a science behind the initial plan. He has been very clear that he needs, at a minimum, engineer plans, designs, and calculations upfront to verify there will be adequate electricity and plumbing, etc. for the entire building. They need the plans so the building is not piecemealed together, even though it can go up in phases.

Mr. Brown said he needs to anticipate what future tenants might need before he can give them that information, which will take a great deal of engineering, but he is working on it.

Commissioner Wojcik recommended first finding funding to pay for the engineering plans. Once that is completed, Mr. Brown can then move forward to get the spaces rented out so he can start recouping some money and do the other things he needs to do.

Reputation for Business Unfriendliness:

- Mr. Brown told of several instances where people he worked with outside Lake Wales, and even as far as Orlando, made it clear that they thought Lake Wales had a reputation of being business unfriendly. Commissioner Wojcik said that their need for the design and engineering plan had nothing to do with being business unfriendly.
- Mayor Carter asked if Mr. Brown was getting the support he needed from city staff because he wanted to make sure they were not being business unfriendly, though he didn't believe that was the case. Mr. Brown said the city employees were fine and explained problems he has had with bad publicity in the Lake Wales News and him feeling like he was being shot down by them. He hoped he could get better cooperation and more support from them in the future.
- Commissioner Thornhill said he has also gotten complaints about Lake Wales not being business friendly but when he asks for specifics he never receives any. He said if Mr. Brown could give them specifics they would then work on it.

Communication:

- Commissioner Howell said she too appreciated Mr. Brown's commitment and dedication to Lake Wales and she was not against him doing the restoration. The problem she saw was lack of communication because people are beginning to ask her again if there is a completion date in sight. Mr. Brown said he couldn't tell her that. He didn't know when the recession would be over so all he could tell her was that he would work as best as he could, as hard as he could, and as fast as he could.
- Commissioner Howell said they were supposed to be getting monthly statements and the Commission has not heard anything. She wanted to know when at least the first floor would be finished and contributing to the tax roll of the City.
- Commissioner Howell said that keeping the community informed and updated would improve the PR [public relations] problem. She recommended that periodically the city manager give a statement for the newspaper saying something like that Mr. Brown is still working on the Grand Hotel, that finances are hard right now but that he is still working daily to do his part, and then tell what is being done inside the building. That way everyone would know what is happening.

Mr. Gallup said that in the early days they had meetings with the press for updates on the progress, and the reports on some of those meetings were distributed to the Commission in their boxes. But he said some of those meetings did not come out in the paper the way the meeting went and he gave an example of one instance. He said that Mr. Brown felt like he was being beat up and so went back to what he does best.... work on the building.

Mr. Gallup said the present meeting gives public support to the efforts of Mr. Brown.

- City Manager Terry Leary said she would be happy to send a statement to the newspaper. She asked Mr. Brown if there was anything the City could do as a community to help; for instance there may be some people that might be able to help him find an investor. She said she needed to know how the problems will be solved. Mr. Gallup said he and Mr. Brown talked with several possible investors but whether any will materialize or not, he couldn't say. He said they will never stop trying to find money for the project.

Commissioner Lutton applauded Mr. Brown for tackling a very difficult project with serious technical hurdles. He said Mr. Brown has a vision of what the building will look like in the end, even though many people in town can't see that vision. Mr. Brown believes in what it can be and that it can make a profit. Commissioner Lutton said that after touring the pizza place location in the hotel, he saw immediately that it would look like an old-timey pizza parlor. He said Mr. Brown is already wearing many hats; forensic architect, project manager, accountant and financial soothsayer. But he needs to put on one more; a PR hat, and every month or so write up a statement for the newspaper to print.

Commissioner Lutton said that if Mr. Brown hadn't taken on this project, and we had to tear down the building, it would cost the citizens roughly \$1.5 million dollars, leaving an empty spot. Mr. Brown is taking all the risk and investing the money, so it's not costing the citizens of Lake Wales a dime. He said the City should be ashamed of itself for throwing darts at him. If it takes him 15 years, it still won't cost the city a cent and it isn't in worse condition than if it had been left to deteriorate on its own. The city should do all it can to retain its historic buildings as much as possible and he thought it would be an important draw for downtown when finished.

PUBLIC COMMENT

Ed Bowlin, Circle Drive, said he didn't care if the building was torn down or not but recommended that they reconsider because there is no funding or financing for it.

Sal Giovanni who has a lease for Giovanni's NY Pizza, said he loves the hotel and can't wait to start his business there. He has invested his own money in the shop to be in the Grand Hotel and trusts Mr. Brown and believes the hotel will be a great asset once completed.

Lisa Pedersen, who also has a lease agreement for the Grand Hotel, said she wanted the building to be done right rather than rushed through just to get the doors opened. She said she would wait as long as it takes.

John Kimbrough, Tartan Loop, said to give Mr. Brown a shot and see what happens because we have nothing to lose. He said that looking at it from a business standpoint he does not know how Mr. Brown can make it profitable, but Mr. Brown thinks he can so he asked that the City support him.

Commissioner Howell said she didn't want the people watching to think that she, or the Commission, is against Mr. Brown or the renovation of the building. That was not their motive for the workshop. They just needed some information.

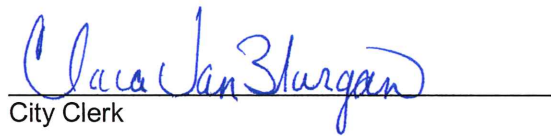
[End city manager agenda memo]

There being no further business, the meeting was adjourned at 6:15 p.m. Mayor Carter said there would be a five minute break before the start of the City Commission meeting.



Mayor/Commissioner

ATTEST:



City Clerk