



# City Commission Work Session Minutes

February 2, 2023 at 1:00 p.m.

City Hall, Commission Chambers  
401 S. Park Avenue | Winter Park, Florida

## Present

Mayor Phil Anderson, Commissioners Marty Sullivan, Sheila DeCiccio, Kris Cruzada and Todd Weaver (arrived 1:05); City Manager Randy Knight; City Clerk Rene Cranis

## Also Present

Damien Madsen, Sr. Vice President and Managing Director, and David Williams, President and CEO, Harbert Realty Services

### 1) Call to Order

Mayor Anderson called the meeting to order at 1:00 p.m.

### 2) Discussion Item(s)

#### a. Old Library Site Discussion

Mayor Anderson gave a brief history on the RFP for reuse of the Old Library. He said no official action would be taken today, but a consensus may be reached on what actions may be considered in an upcoming regular meeting. Commissioner Sullivan asked whether consideration should be given to renegotiate or send out a new RFP.

Commissioner Weaver arrived at 1:05 p.m.

David Williams spoke about the importance of this project, the efforts of his firm and their commitment to the project.

Damien Madsen explained the efforts and design/redesign of their proposal. He believes the \$6-7M cost to renovate the building is insufficient given the repairs, updates and renovations. His team is prepared to move forward with their proposal or one that can be agreed upon such as using only the top two floors with the city using the first floor or their using the first two floors.

Mayor Anderson noted his biggest concern is the financial benefit to the city and feels the latest offer of \$150k per year for 70 years is not acceptable. He asked what the financial benefit would be to the city if the existing building was demolished and replaced with a new building. Mr. Madsen said the benefit would come down to the size of the building and gave scenarios for what the building could be rented for at different sizes and uses.

Mr. Williams stated the benefits to the city of having a fully renovated building and discussion followed on financial benefits, particularly the lease benefit with a renovated building versus a new building and the benefit for the city's use of the first floor which would decrease the lease payment.

Mr. Madsen said the costs of renovations increased significantly and feels the current proposal is fair with the value of improvements and benefit to the community.

Mayor Anderson said the \$150k lease of the existing building did not provide a financial benefit to the city and asked if selling the land creates more value.

Mr. Madsen asked why \$150k per year is not sufficient and said if the commission is trying to maximize financial value to the city, then selling the site would be the best option. He added that selling the site would open issues related to zoning and density and what uses would be allowed on the property. He stated the city could maximize the financial value by \$3-\$4M per acre depending on use and zoning.

Mayor Anderson noted that he is not opposed to a residential use and the RFP was written with the uses coinciding with the use of the existing building.

Commissioner Weaver provided information on use of the site for workforce/affordable housing which could generate more than \$750k depending on site design. He feels a residential use should be highly considered.

After an in-depth discussion on uses, consensus was that residential use should be considered with the intent to have something that provides a benefit to the citizens which could include workforce housing.

Mr. Williams said he is willing to look at residential use, but it would be more feasible with a new building due to the difficulty and cost to convert the existing building.

Commissioner Sullivan agreed that converting the existing building to residential would be difficult and raised the question of whether the building should be demolished and rebuilt.

Commissioner DeCiccio said selling the building might make sense due to infrastructure needs. She supports workforce housing but is concerned about how to determine eligibility to rent. Another option could be to demolish the building and build a history museum. She said the city has to determine what will benefit the city most.

Mayor Anderson spoke about different types of residential options (affordable, high-end, or land trust) for the site and discussion followed on valuations for commercial versus residential. He said the highest economic value to the city is to sell for either commercial or high-end residential, the second highest to be a long-term land use (likely commercial) and then the third to be a shared community benefit such as a land lease or affordable housing.

Commissioner Weaver feels the original RFP response time of 45 days did not provide ample opportunity for other proposals to be submitted. Mayor Anderson feels the market's response to the RFP revealed there is no economic benefit to the existing building. Discussion followed on bid responses and the response deadline.

Mr. Madsen said he has a vested interest in this project and restated his company's desire to complete the project.

Mayor Anderson expressed his appreciation to Harbert Realty for their response to the RFP and said the commission expected a higher valuation for the lease. He said due to the purchasing policy and procedures for RFPs, this will probably have to go back out as the initial RFP didn't bring the expected results. He said he would like to explore whether there is enough civic benefit with the existing proposal to move ahead.

Mr. Madsen asked for a five-minute recess. Commissioner Sullivan commented that he respects Mr. Madsen and his team for continuing with negotiations and feels the discussion helps to determine what is best for the city and its citizens.

A recess was held from 2:03 to 2:08 p.m.

Mr. Madsen stated his team would like to move ahead with the existing proposal and is willing to increase the lease to \$175k with the annual escalation stated therein. He noted that construction numbers show that a new building could be built at the same cost or slightly less. Mr. Williams added that the offer is a gesture to show their willingness to continue to work for the benefit of both parties.

Mr. Madsen restated that the type of use on the top two floors is a bright spot in the world of office space and spoke about the benefits of co-working spaces.

Mayor Anderson asked Mr. Madsen what the rent would be if the city was the shell space tenant on a portion of the first floor of the building. Mr. Madsen said the square footage is needed to determine the cost of rent. Mayor Anderson gave a hypothetical example of 4,000 sq. ft. Commissioner Sullivan added that it would be beneficial to understand what the scale is per 1,000 sq. ft to determine the cost. Mr. Madsen will provide the calculations in advance of the next commission meeting for discussion.

Mayor Anderson summarized the items to be addressed the next commission: receipt and discussion of the revised restated proposal, discussion of whether the proposal is acceptable or not, whether the city wants to counter, and whether or not to continue exclusive negotiations

Commissioner Weaver spoke about using city funds to demolish the building and asked why the city would pay the cost to demolish the building when a potential owner could cover the cost. Mr. Knight said the decision to demolish the building is a policy decision for the commission that depends on timing. He said if the decision is to allow a future commission to decide about the building, it doesn't make sense to keep the building

operating. Alternatively, if the city is moving forward with an RFP right away it would make sense for the proposer to take care of the building.

**3) Adjournment**

The meeting adjourned at 2:18 p.m.

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Mayor Phillip M. Anderson

ATTEST:

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City Clerk Rene Cranis