



CITY OF ST. MARYS, GEORGIA

ST. MARYS INTRACOASTAL GATEWAY STEERING COMMITTEE

The Steering Committee's mission is to identify, pursue and implement with City Council approval and open public participation, appropriate development and funding for the St. Marys Intracoastal Gateway. The Committee's vision is to create a citizen and visitor destination while guaranteeing public access, environmental enhancement, and economic development which is fully compatible with the Historic District of St. Marys.



August 29, 2011 at 9:00 a.m.

MEETING MINUTES as amended and approved

NOTE: THIS MEETING WAS STRICTLY LIMITED TO THE REVIEW AND ANALYSIS OF THE TWO PROPOSALS AS RECEIVED. ANY COMMENT OR QUESTION THAT IS NOT RELATED TO THIS MEETING PURPOSE ARE NOT APPROPRIATE.

I. CALL TO ORDER at 9:00 AM

II. ROLL CALL – *Mr. Weaver*

QUORUM: YES XX NO

In attendance: Mr. Jim Gant, Mr. John Morrissey; Ms. Teddie Lockhart, Mr. Roger A. Weaver; Ms. Kay Westberry; Mr. Craig Root, Mr. Phil Jones, Steve Crowell, Artie Jones, III, Mr. David Keating (non-voting); Ms. Mary Neff

Absent: Mr. Jim Lomis; Mr. Sidney Howell

Visitors: Mr. Greg Bird, , Ms. Johna Rush, Mr. Roger Rillo, Ms. Rosemary Rillo, Mr. Mark Wells, Mr. Bill Creed, Mr. Dick Russell, Mr. Jay Lassiter; Mr. Dave Phillips, Mr. Bob Nutter.

III. AMEND AGENDA: Motion by Mr. Gant and second by Mr. Crowell to add a line item for Public to be Heard. No Discussion; Vote was unanimous.

IV. Committee and Visitors quietly Read the two received RFP Documents - This took about 55 minutes.
Community Development Partners, Inc., Jonesboro, GA
West Midtown, LLC, Atlanta, GA

Note: Staff did not read the RFPs prior to the meeting, believing that would allow the Committee and the Public to have equivalent access to the data. Therefore staff had no recommendation regarding either proposal.

V. Review and comment on the RFP documents by the Committee Members

A. Process Question: The evaluation should be according to the RFP and the five guiding principles.

B. Comment: Neither proposal follows the RFP, and this was acknowledged.

C. DISCUSSION on St. Marys Investment, LLC (name change from West Midtown LLC) (SMI).

1. P. Jones: Sale price \$1.3 million + 2.5% of revenue on outright purchase. City has no control of property. 150 rooms, and scope of building is massive; "TAD" question on release of liability, and relies on passage of "TAD" by March 2012.

2. M. Neff: Revenue – 150 rooms is unrealistic; 65% occupancy is unrealistic; room rate is realistic; proposal is too iffy and too large.

3. C. Root: Agrees with Neff and Jones; project is twice as big as was proposed; size and scope is similar to Laurel Island.
 4. K. Westberry: Question on size related to historic structures; Laurel Island has no development as yet.
 5. C. Root: Proposes to use off shore money via 'green card' federal program.
 6. J. Gant: Need to keep people in mind, character, ambiance of Waterfront.
 7. C. Root: Financing proposal not realistic.
 8. J. Morrissey: Parking is an issue; No confidence in financial projection goal of recoup money in 10 years; needs rezoned to C1; TAD – monitor Kingsland and then see???. Single purpose financing for TAD???. No Clear demonstration of financing; Conceptualization of connectivity yet to be seen; No confidence in marketing and numbers presented; No demonstrated track record.
 9. A. Jones: Project is large – can it be scaled down - 80-85 rooms to break even size – can it be scaled back; likes concept of parking under building; Consideration of a pool is good; Redevelopment powers law gives community the opportunity to set up districts – it is not for a specific project; “no strings attached” proposal is better than one with “conditions”; putting money back in coffers is better than financing the project/property.
 10. D. Keating (non-voting): Well defined concept, if developer is willing to risk his money and not the City's; Financing options are not acceptable; any bond must be secured by borrower (and their bank).
 11. S. Crowell: Like Phil, how will this benefit St. Marys; both proposals will change downtown
 12. R. Weaver: Project appears to be more of a contained destination/resort type facility will little connection to the rest of the Waterfront
- D. DISCUSSION on CDP partners document by the committee members.
1. P. Jones: Likes process; they could fund the market studies; \$20,000 for market study; three year schedule; proposal feels like a consultant not a development; needs clear MOU; non-starter; not in compliance with RFP.
 2. D. Keating (non-voting) Time line good; no price offered until 5-7 months out, then negotiation afterwards; proposal is soft, no cost, no deposit; there is room for negotiation.
 3. M. Neff: Nice use of property; seems to be comfortable; needs to have a pool; not overwhelming to the waterfront; 82 room total in hotel.
 4. K. Westberry: toured an inn the group developed in Savannah and it looked good.
 5. C. Root: Likes project team; process is realistic; needs an amenity; basis for negotiation for the \$20,000 figure.
 6. J. Morrissey: Glaze stated in the prior presentation that the marketing study would be approx. \$30,000 with the City participating in half only if they are not selected; this is not our expectation; professional presentation; no financial data – this needs to be completed; Paradise Hotel Group is acceptable; Pool, etc. is negotiable; three year time frame appears realistic; a lot of 'due diligence' needs to be done to move forward.
 7. A. Jones: When will the City recoup investment?; Parking footprint needs work; needs more access to the general public; They appear to be consultants more than developers; likes the openness of the plan.
 8. R. Weaver: too tight between buildings and parking should not be on the waterside of the project.
- E. COMPARISON DISCUSSION of both proposals.
1. J. Gant: Neither proposal meets our objectives; SMI has a lot of 'what ifs' on financing, and CDP does not even go there; Committee should ask by Tuesday on who is to pay what and when (on the marketing study).
 2. S. Crowell: Had experience where City did market study, then negotiated – this would give City control of the report.
 3. D. Keating (non-voting): should bring in both for negotiation.
 4. J. Gant: Is Drury proposal even viable; CDC is a process.
 5. P. Jones: SMI relies on us for financing; both proposals should tweak what we already have in St. Marys and not change it.
 6. S. Crowell: Both proposals have holes.
 7. J. Morrissey: Should get answers and clarifications from both.
 8. C. Root: This is huge (the marketing study difference from the Site visitation presentation and the RFP) so bring CDP in to discuss it. Get answers in writing first, then interview. They should bring in entire team.
 9. A. Jones: Council time for approval not critical – do not kick out a proposal because of Council meeting time.

- VI. PUBLIC TO BE HEARD SESSION: *(added by Amendment to the Agenda)*
- A. G. Bird: Committee had beat up both proposals pretty good; there is nothing done on Laurel Island by SMI as of yet. Proposals are upside down in this market. Project must resonate with community. CDP project is visionary. Not in favor of selling project. Committee is in driving seat . . . wait . . . for the right proposal. “can” the first proposal (SMI) and then work with CDP.
 - B. Rosemary Rillo: Both proposals are saying this is not a viable proposal. If banks are not willing to do this, we must be very careful about liability. Prefers CDP proposal. Appears that SMI proposal is leverage for the rest of his projects. The Market Study is important.
 - C. Roger Rillo: Infrastructure cost of the SMI proposal is questionable; did not look at fire/emergency access. Parking is an issue with the SMI proposal. The SMI project is not realistic. The SMI project is a resort – how will this affect the town. CDP - take time to study this out. Get TE and CGI grant work done as soon as possible.
 - D. J. Lassiter: neither proposal brings anything to the table at this time; put project on back burner and do a study with the CRC.
 - E. B. Nutter: SMI proposal not with St. Marys in mind. CDP proposal was St. Marys “centric”.

VII. Formulation of a Recommendation for further Action - *Mr. Gant*

- A. J. Gant: Hoped to get something we could act on.
- B. J. Morrissey: Need clarity about the marketing study and costs.
- C. J. Gant: Let the SMI proposal ‘go’. It could be viable to continue discussion with CDP as to who pays what and when,
- D. A. Jones: Do not eliminate anyone. Developers need to invest in this project.
- E. J. Gant: What is CDP proposing?
- F. Motion by C. Root to ask for clarification from CDP for cost of marketing and not pursue the SMI proposal, Second by M. Neff.

DISCUSSION ON THE MOTION: A. Jones: Should request data from both developers regarding putting up of money as commitment. C. Root: Pursue only the CDP proposal as viable – SMI is not acceptable. J. Gant: Preserve property for whole public use.

VOTE: 6 for; 1 against. PASSED.

VIII. Decision as to need for the Tuesday August 30, 2011 6:00 Committee Meeting - *Mr. Gant*

- A. The 08-30-11 meeting was to be a continuation of this meeting to cover any item that could not be covered in the time allotted. Since the current meeting was able to cover all of the items the meeting scheduled for 08-30-11 is cancelled.

IX. Motion to Adjourn

- A. Motion to adjourn by J. Morrissey, Second by M. Neff. UNANIMOUS.

Destiny is not a matter of chance, it is a matter of choice; it is not a thing to be waited for, it is a thing to be achieved.

William Jennings Bryan quoted at the Council presentation on June 14, 2010 regarding the 100 Ready Street Project