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November 15, 2021

To: Robert Fournier
City Attorney, City of Sarasota

Cc: Sarasota City Commission

Cc: Marlon Brown
City Manager, City of Sarasota

Letter of Intent – Proposal for Purchase of Fillmore Lot

Introduction

Our firm has the pleasure of representing Mr. Gregory Thomas Leonard, who submits this Proposal to Purchase the Fillmore Drive Surface parking lot on St. Armands Circle (Property ID No. 2014050104) (“Fillmore Lot”). This Letter of Intent details the material terms of our client’s proposal for consideration by the Sarasota City Commission, the City Manager and the City Attorney. If accepted, the proposed redevelopment of this lot would include:

- A boutique hotel with 60 habitable units;
- A maximum building height not to exceed 35 feet;
- Approximately 50,000 square feet of commercial space;
- An upscale restaurant, retail, and JWO grocery in its Commercial mixed-use space
- 200 + valet internal parking spaces;
- Building height will not exceed 35’ above required flood elevation on all sides across from residentially zoned properties; and
- Increase building setback along residentially zoned properties by 10’ for additional landscape buffer.

Enhanced buffering is anticipated along residential property lines. This proposal considers a fee simple transaction with the City relinquishing its parking rights on site.

The proposed purchase price is \$8,000,000.

Contingencies

Given the unique nature of this potential transaction, several contingencies must be addressed and are proposed below. Closing is proposed to occur thirty (30) after days zoning changes and site plan approval. This proposal is contingent on the following:

1. Zoning Text Amendment – The “CT” zoning district presently does not allow for hotel use. The Sarasota zoning code would have to be amended to allow for hotel use. The proposed building height would not exceed the current 35 foot limit currently required in the CT district.
2. Rezoning from G to CT – The property is proposed to be rezoned to the CT district, which after successful completion of the zoning text amendment would allow for a hotel and associated uses.
3. Site Plan Approval – from all necessary City agencies and/or departments.
4. Development Agreement – As appropriate, and if needed, Mr. Leonard will enter into a development agreement consistent with Florida Statutes.
5. Amenities - Redevelop, beatify and maintain Fillmore Street from St Armands Circle to the Fillmore lot. Rename Fillmore to “Shore Drive.”

Bond

Consistent with the memoranda from the City Attorney, City Manager and Bond Counsel Duane Draper, there are elements to consider with respect to the bond associated with the Fillmore Lot. This proposal contemplates only full ownership of the Fillmore Lot without restoring surface parking. This proposal contemplates only a near-term acceptance by the City of Sarasota and not subsequent to the October 1, 2027 call date of the bond.

It is our client’s understanding that, at present, the Fillmore lot is an underperforming revenue source and it is likely that the taxation revenue from a fully operational hotel/mixed use development will far outpace the revenue potential of the existing surface lot. Again, our client does not propose to restore the City parking spaces upon purchase, but a surface parking lot is simply not the highest and best possible use for the City of Sarasota. Our client understands that surface parking revenue is tied, at least in part, to bond security, and he is committed to working with the City and Bond Counsel to safeguard bondholders’ interests. Applicant will pay into the parking fund until the bond is paid to match the existing revenue generated from Fillmore not to exceed 3% of the gross revenue receipts and not to exceed \$50,0000 per year in total.

Conclusion

We thank the City Commission, and especially the City Attorney and City staff, for their hard work and diligence through this process. Our client’s proposal would represent an extraordinary amenity for St. Armands Key, bolster the economic vitality of the community and improve the revenue potential currently existing with the underperforming surface parking lot. Our client looks forward to further discussion at the appropriate public hearing(s).

Respectfully Submitted,
//s// David B. Singer