

**CITY OF RIVIERA BEACH
PALM BEACH COUNTY, FLORIDA
CITY COUNCIL WORKSHOP MINUTES
HELD IN THE CITY COUNCIL CHAMBERS
SEPTEMBER 17, 2018 @ 6:30 P.M.**

(The following may contain unintelligible or misunderstood words due to the recording quality.)

I. CITY CLERK CALL TO ORDER

CHAIRPERSON DAVIS JOHNSON: Good evening. I'd like to call the City Council Workshop on the 3-P presentation to order. Madam Clerk, roll call, please.

II. ROLL CALL

DEPUTY CITY CLERK BURGESS: Mayor Thomas Masters? Chairperson Tonya Davis Johnson?

CHAIRPERSON DAVIS JOHNSON: Here.

DEPUTY CITY CLERK BURGESS: Chair Pro Tem Lynne Hubbard?

CHAIR PRO TEM HUBBARD: Here.

DEPUTY CITY CLERK BURGESS: Councilperson KaShamba Miller-Anderson?

COUNCILPERSON MILLER-ANDERSON: Present.

DEPUTY CITY CLERK BURGESS: Councilperson Julia Botel? Councilperson Terence Davis?

COUNCILPERSON DAVIS: Here.

DEPUTY CITY CLERK BURGESS: City Manager Karen Hoskins?

CITY MANAGER HOSKINS: Here.

DEPUTY CITY CLERK BURGESS: Deputy City Clerk Jacqueline Burgess is present. City Attorney Andrew DeGraffenreidt?

CITY ATTORNEY DeGRAFFENREIDT: Here.

DEPUTY CITY CLERK BURGESS: We have a quorum.

CHAIRPERSON DAVIS JOHNSON: Okay. We'll stand for a moment of silence followed by the Pledge of Allegiance led by Chair Pro Tem Hubbard.

III. INVOCATION

CHAIR PRO TEM HUBBARD: May the words of my mouth and the meditation of my heart be accepted within Thy sight, oh Lord.

IV. PLEDGE OF ALLEGIANCE

(Everyone stood for a Moment of Silence with the Pledge of Allegiance being led by Chair Pro Tem Hubbard).

CHAIRPERSON DAVIS JOHNSON: Madam Manager?

CITY MANAGER HOSKINS: Madam Chair, we have Mr. David Alvarez here to talk about P3, design build and design bid build. He is a member of the Florida Council of Public Private Partnerships and former executive of Puerto Rico P3 Authority. Mr. David Alvarez will be presenting tonight, and I don't know, we had scheduled for, what, 45-minutes presentation? So just to let you all know. And we'll take questions at the end or as we're going along.

CHAIRPERSON DAVIS JOHNSON: Thank you.

CITY MANAGER HOSKINS: Thank you.

CHAIRPERSON DAVIS JOHNSON: Good evening, sir.

DAVID ALVAREZ: Thank you.

COUNCILPERSON DAVIS: Good evening.

DAVID ALVAREZ: Thank you for the invitation.

V. AGENDA Approval: Additions, Deletions, Substitutions

VI. AGENDA ITEMS

PRESENTATION ON THE THREE CONSTRUCTION DELIVERY MODELS PUBLIC-PRIVATE-PARTNERSHIPS, DESIGN-BID-BUILD AND DESIGN-BUILD.

INTERIM PUBLIC WORKS DIRECTOR TERRENCE BAILEY (561) 845-4080

DAVID ALVAREZ: Again, my name, you know. I'm delighted to be here and so it's great to be with all of you, and it's good to see Councilman Davis who we have seen in Florida Council PPP's conferences before. So I'm responsible to share with you some ideas about public private partnerships and how they work. And the main objective for today is to really share with you how public private partnerships, which is a procurement method, can be another possibility or another tool to be used by the City in delivering projects.

CITY COUNCIL WORKSHOP
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2600 East Bay Drive, Suite 215
727-535-1066

So I prepared a very basic presentation. This is our agenda for today. A quick introduction. City Manager already help with this part. Then we'll go into an overview of public private partnerships or P3s or PPPs. Some consideration and project examples. So we'll get to talk about Florida close neighboring projects from here.

So that's me. I'm not really to talk about me here. What I wanted to share with you is that our organization, the Florida Council of PPPs, what we do is promote development of public infrastructure using public private partnerships. And we also serve as a central firm for exchange of ideas and research to educate cities, counties and local governments about how to use PPPs.

So having said that, an overview of public private partnerships. So let's start with a very basic definition. Public private partnerships are a long-term contract between the public sector and the private entity to develop or to deliver an infrastructure project. That contract has three main characteristics. Number one, it has to be a public asset or service. So there has to be public infrastructure involved. Number two, the private company has to have significant amount of risk in the project. And number three, the compensation to the private entity has to be linked to the performance. We'll get to talk about each of these elements, but it is important to keep in mind what differentiates a public private partnership from other traditional projects.

And again, keep in mind public asset, private sector having risk or skin in the game. And -- and their compensation is based on how they're doing, how the -- the performance that they do in the project. This is a very graphical -- graphical representation of the main concept. So the cities, counties and local governments have a toolbox to deliver infrastructure projects or different projects. Mainly we talk about bonds or taxes or different ways of financing. So public private partnerships is another tool in the toolbox. It is a way of framework to team up with the private sector so they can take on some responsibilities that are typically done by the local governments in delivering the project. And we'll get to these. But I guess the main representation here is that it is just another tool that you might have to do different projects. So it's part of the possibilities that are out there.

Going in more detail, this is how it works. So you take a look at the left side of the screen. There is a very traditional way of doing a project. The local government, the city in this case, will design the project and then bid the construction of the project. So a contractor will come and build and do the construction. That's how it's typically done. So under that scenario, that project is being financed and funded completely with the public funds or the city funds.

Another way of doing this is transferring more responsibilities to the private sector, and that contractor can do now the design and the build. So that's the differentiation between design bid build and the design build. You're transferring also the design risk. So now it's on the contractor to properly design the project and properly construct within budget and within the time frame.

Now, we can continue on that way and looking for other project risk to be transferred to the private sector. So in an infrastructure that is already built, for example, you can transfer the operation of maintenance. In another project that is a new project to be built, you can also -- you can add to the design build. You can add the operations and the maintenance if you want. Keep in mind that we're not transferring the financing. You can also do the design build, the finance the operation and the maintenance. I think it's - it's becoming very clear that what we -- what we're taking a look here at every project is we take a very targeted discrete view of each project -- each project risk and we ask ourselves, What can we transfer to the private sector, and how can I team up with the private sector in order to maximize and preserve other tools that I might have in the toolbox, not increasing taxes and not issuing bonds or lending -- or -- or borrowing money from the bank.

So this is -- public private partnerships are in that square in the middle. And that's what we're going to talk about today. So finance, you can -- you can transfer that risk, also. And -- or you can keep it. It depends on what -- what is the best combination that makes sense. When we talk about risk, what we mean by risk is something very simple. It's the probability of something going wrong. So mainly is either the project going over budget or -- or being delayed in terms of schedule. But many other things can go wrong. So when we're transferring to the private sector those risks of something going wrong, mainly project over budget or outside the time schedule, running late, it's completely transferred to the private sector.

So going along to some key considerations when different local governments are thinking about P3s. Number one, think about your policy framework and your legal framework. We'll talk about that. The focus of the project risk, we already started kind of talking about that. P3s are not for free, so we'll -- we'll get to that. Sometimes a lot of local governments thinks that somebody will fund it for me, somebody finance it for me. And basically I don't -- I don't spend any money. The truth is that there has to be a payment for that. And so we'll get to that part.

Political support and the internal communication from the management team is really important, and investing early in the process is really important. So let's -- let's hit each -- each of those topics that we can have a more clear idea.

Legal and policy framework. So Florida Statutes have a very robust legal framework for P3s that allow local governments to do all these projects here in collaboration with the private sector. So take a look all the -- all the list. I mean, you can do various mass transit, airports, seaports. You go down the list, you can start seeing recreational facilities, sports and cultural facilities, water and wastewater facility, educational and public building improvements.

So basically if you don't have a policy for public private partnerships now in the city, what most of the cities in Florida, they -- what they do is that they kind of link to this statute. So they just said, In my ordinance, we're approving policy for public -- for allowing

public private partnership, to have that other toolbox in the -- that other tool in the toolbox. And we'll do that in accordance to the statutes of Florida that allows the local governments to do private -- public private partnerships for all these type of projects.

Now, when we talk about risk -- this is the second topic now -- this is how the matrix, the typical risk matrix of a public private partnership look. So the traditional is the design bid build in that you are the government or the public sector is keeping the risk or change in scope. Environmental approvals, that's -- that -- all those risks are with -- with the public and stay with the public, the government. The permitting, anything going wrong in the permitting or the permitting being delayed beyond reasonable time. Right-of-way, if the right-of-ways not acquired on time or different this -- so all those risks are -- stay with local governments or the public sector. Except for construction. Construction you hire the contractor and they have to build and -- and they take that risk.

In the public private partnership model you tend to transfer a lot of those risks to the private sector. So it is very likely that a change in scope stays in the public and the environmental approvals stay in the public. But then the permitting can be transferred or can be shared with the private sector, and then you can see all the lists where design -- the risk of design goes to the private sector. The construction, obviously. The quality and control. Final acceptance. The financing and the operations and maintenance.

In the transferring of risk, there tends to be savings for the government. And the savings are a lot of times making sure that your private partner uses best practices in either construction, design or operations and maintenance or different components of the project. So that's where a lot of these savings tend to be realized.

Another way of looking at this same -- looking at this same concept is this graph here, this diagram. So this is a traditional -- the traditional way of delivering the project. The city in this case, Vero Beach, will kind of contain all the risk associated to public debt, government funds, which is financing the project, designing and the engineering and then the operations and maintenance. So you're building a new project, you probably only transferred the risk of the contract -- to the contractor. The only -- only risk that you're transferring out is construction. Everything else stays with you. So if the project goes over schedule, it is -- it is your risk. If the project is not designed properly, it is your risk in all those elements.

In the -- in the public private partnership scenario, the City would push down all of those risks to the private party. The private party will constitute a company that is called X Project, Incorporated, let's say, that in this case is the middle blue box, is the project vehicle. And then they will -- they will take a lending. They will borrow the funds and they will take the fund -- the -- that money and invest equity also to build the project. And they -- they will contract the design and the build. They will contract the operator and the engineer. So all is pushed down to those other components.

The beauty of this model is that there is a lot of redundancy built into the model. So, for example, the lenders care that the project company pays back the -- their loans. And the project sponsors that put equity into the project are interested in making sure that -- that they have a return. So if the project company at one point runs into trouble -- let's say it goes bankrupt and all that, probably the lenders who will step into the project and replace the operator. So the -- the -- the -- kind of the model kind of out -- kind of self-corrects itself at one point. So it's all in the protection of that contract that you have between -- that they -- that they will have between the project company and the city in that case that makes all this the redundancy in the -- in this -- in this model. We can come back to this but -- but that's how those two differentiate.

CHAIR PRO TEM HUBBARD: Question.

DAVID ALVAREZ: Yes.

CHAIR PRO TEM HUBBARD: The operator -- does this mean that the City no longer would be operating the particular -- we could be talking about the library. We could be talking about Utility District. So are you saying that we no longer would be able to operate either -- the facility?

DAVID ALVAREZ: If the City hopes to do that, yes. It depends on the project. So operations and maintenance to allow the private sector to do it, it depends on -- it's an operated by project case. But you can --

CHAIRPERSON DAVIS JOHNSON: Out of --

DAVID ALVAREZ: -- you can -- yes, you cannot -- I'm not saying that applies in this case. But you -- in certain cases --

CHAIR PRO TEM HUBBARD: It's just an option?

DAVID ALVAREZ: -- projects -- yes, it is an -- yes.

CHAIR PRO TEM HUBBARD: It's one of the many options?

DAVID ALVAREZ: Yes.

CHAIR PRO TEM HUBBARD: Okay.

UNIDENTIFIED SPEAKER: If I may, real quick. I think for clarity, operating from a facility perspective, that's turning light bulbs, keeping the air C running. Not operating your library function as a part of the facility -- the City's function of running and providing service as a library. This is strictly from a facility perspective.

CHAIR PRO TEM HUBBARD: Building maintenance --

UNIDENTIFIED SPEAKER: Building maintenance operation perspective.

CHAIR PRO TEM HUBBARD: -- type of thing?

DAVID ALVAREZ: That's a very good point. That -- we get that question when we do a public private partnership for educational facilities.

CHAIR PRO TEM HUBBARD: Uh-huh.

DAVID ALVAREZ: And we get a lot of concerns about curriculum, educational content and all that. It's -- it's not about that.

CHAIR PRO TEM HUBBARD: It --

DAVID ALVAREZ: It's more about the facility. It's -- it's about the facility and the infrastructure.

Okay. The -- one of the other considerations is that P3s are not for free. So projects are funded and financed in two -- in two ways. Typically they're funded and financed by taxpayer money that runs through obviously your coffers and then you're paid for X or Y project in the -- in -- in the form of funding the design and then later contracting the construction and then later paying for the operations and maintenance or outsourcing the operation and maintenance somehow. But all that is taxpayer money.

In P3s you can actually use also user fees. That is whoever uses the public facility get to pay a fee for that. So think about a toll road, for example. You use the -- the -- the highway, you get to pay a toll. So that's another way of financing the -- the project. The important thing is that -- and there are hybrids. There -- there are also a combination of these two, but you can do a project that is partially funded with taxpayer money and partially funded with some -- some private user fee kind of real estate money, for example.

But this -- the funds always have to be repaid. So here is a -- here is a good -- another good graphical example of that. So on your left side you have how the project is -- is financed. In the middle there is the project. So let's say -- let's just talk about, I don't know -- let's talk about a park. So -- and then the -- on the right side there is the revenues that that park will generate. So the private company, the private PPP company, what they will do is that they initially will build or do the construction of the park and they will finance it. So they will use company equity, a debt, bank loans, some sort of government grants that will finance that construction.

But they don't get revenues until the facility is in operations. So when they -- you get to operations, the -- they have to be paid some way or somehow, and that can be tolls, user fees. You can make a payment to them or you can -- it can be subsidies, rents of different kinds. But the private company, the P3 company tends to be a risk in making sure that they can go through the construction quickly on time and on budget, because then they start collecting fees at the operational stage. So that's one of the main drivers

on making sure that the project stays within the time frame and within schedule and also within budget. They have to make sure that those revenues will be able to pay for their investment and the construction. So that's a good way to kind of see -- see how it works. But always have to be paid. So that's an important part.

All right. Another consideration is that PPP projects, given that you are integrating -- integrating private sector into more traditional areas of -- of government, they require a lot of political support. And a lot of communication is important. And a lot of internal communication. So all of you that are going to be taking the decision, you had to be informed about how is this project being structured, how long is going to be the contract, where are those revenues going to come from, what is the scope of the project, and all that is important.

So we always ask for -- make sure that there is a good internal political -- internal communication, whether it be working team, and that there is political support for the project. You -- you'll be the public faces of a lot of these projects so it's important. Also sometimes it requires major public policy decisions. So it is important you feel comfortable with the projects and how it is -- is structured together with the private sector.

In terms of how to get started, there is at least six to six -- five to six steps that we think are -- are important. Number one, you need to identify the need and the scope of the project and that revenue stream. So you make that park, is the park really a public asset that you need? And what is the scope of that? And how do you -- are you going to be charging a fee for uses of the park? And how do you think that the private sector will be able to fund and later collect on that, or whether the City can make a payment.

A project champion is always good, especially when challenging projects, that there will be a lot of scrutiny, public scrutiny about the project. So having someone that it is a leader, a champion and can be a collective. Right? The government and the -- the council can be together on -- on this and each -- each can serve as a -- as a vocal voice in favor of the project. That's an important thing.

Determine which P3 is best. So we talked about including operations and maintenance or you can leave that out or you can include finance that the public sector will finance that, or you can retain the finance; you can finance it more cheaply.

That's -- if that's what works. But the -- there's different combinations about this. And it is important to make sure that you pick the right combination for the project.

Retain consultants. Obviously we have specialized consultants in this market that help on the financial side, on the legal and the technical side of these things. The internal resources that you need, you have a dedicated team to work on this project. We've seen a lot of cities and counties that they want to do a project but their staff is doing many other things, and honestly, which happens to all of us. But then the project takes a very long time to do or the procurement kind of drags for a very long time. So when you're engaging

with the private sector, they like to come in and be focused on the project so they can deliver and start working on it. If it -- if it delays for a long time, so they start getting discouraged about the project. And obviously manage expectations. So you want to make sure you communicate effectively and in general that what are the benefits of the project and the benefits of having this partner -- a private partner do some of the functions that the City can do.

Project examples. There is some very good project examples very close to where we are. And we thought it would be a good idea to share some of the project examples. So let's start with Boynton Beach.

This project was recently awarded and what I think I'm going to focus on is on the right side of the -- of the picture there that it says the project descriptions. So Boynton Beach just finalized the procurement of what they call their Town PPP Square. And they selected a private entity to help them renovate the historical -- the historic Boynton Beach High School and convert that into a cultural center, which is very interesting. Also they included residential and retail spaces. The same contractor is going to do all this. A hotel. They're going to have some public spaces. Parking garage. A fire station. They're going to build a new fire station for the city. And they're going to also build a new City Hall. So this project is one that is -- it's a really interesting one and it's the latest one to be able to reach close in and to select -- successfully select a private partner to do this. The estimated cost of the project is \$118 million so it's a sizable project and totally transformative for Boynton Beach. So that's a good example.

If you can see on this project there's certain public elements to it that is -- that are really important. For example, the first one, the -- renovating the historic Boynton Beach High School and turning that into a culture center that will continue to be a public facility. Also the last two, the fire station and the City Hall. They both will continue to be public facilities, public buildings. So they will continue to provide this service to the public except that the private partner will build it and do the operation and maintenance of that.

So there is other example that has less of -- less public building content and less public building and -- and public infrastructure. And this is -- this is the Tamarac Village PPP Project. So Tamarac Village have -- have been discussing the need for a downtown redevelopment project for a very long time. Over 10 years. And they finally selected a private partner to help them do an \$80 million project. And the private partner, what they will do is that they will -- going to build the 401 apartment rental units in 13 residential buildings, a clubhouse. There also will be a 35,000 square feet commercial space. There will be a park. There will be a public park, obviously.

And obviously the project creates a town center that interacts with the public park and draws people to the -- the new renovated town center. That is the Tamarac. If you can see, this is not -- you don't have a fire station here. You don't have a -- a City Hall. You don't have a cultural center. But you have more type of real estate type of investment made in a way that serves a public purpose, which is rebuilding and -- and -- and

reinvesting in the -- in the town center in a way that was well done in the sense that it's just going to comply with what the Tamarac Village wanted to do.

So those are the two main examples that we wanted to share with you today and where you can see kind of they all apply to different things. So I think kind of to close, and again, talk about some of the -- kind of revisit the same -- same risk sharing, on the left hand side you have the risk elements of the different projects. In a traditional project, the government retains blue dark, the -- you -- the government retains the design, the construction, the finance and all those operating elements. On the P3 you only retain the land, the ownership and the rights of retention during the operations. Now, there's a hybrid which is kind of between the middle, and it's kind of more similar to Boynton Beach where you have certain public building facilities and other that are hotel, for example, and others that are kind of purely private real estate. You can combine those and do kind of a hybrid master contract.

So in that -- under that scenario you only retain the risks that are associated to land ownership and the rights retention. But on the private elements like a hotel, residential building and all that, the private sector would retain all those risks of that. So it is a matter of kind of understanding the project, kind of the profile risk of the project and how -- what is the best combination to do this to deliver a successful project that maximizes the -- the -- the innovation of the private sector and the partnering with the -- with the private sector.

So just to conclude and open it to questions, again, private partnerships can have a very significant -- can have significant public benefits. Number one, expedited project completion. You bring the private sector, they really focus on that timeline on -- on budget completion. Project cost savings over the life of the -- over the life of the project. On those fire stations and City Hall, the private sector will be very effective in looking for ways to save money. Energy efficiency, different ways of designing the building in a way that it will consume less energy. Very different things.

We've seen that in PPPs, the energy efficiency target of savings tends to be between 20 and 30 percent. So a significant number of energy savings. Um, leverage the private expertise and innovation. Access new sources of private capital. And preserving credit conditions. So we've seen a lot of local cities that have done PPPs because they don't want to -- because they want to preserve their bonding capabilities, their bonding capacity for other uses that might be more related to funding public schools or funding -- funding other elements of infrastructure that they believe are more critical and they preserve their bonding capabilities and funding capabilities for other projects. And the ones that are more P3 can be done by P3. They just do the P3 way.

So that -- this is what I -- what I -- what I wanted to share with you today so I wanted to thank you and -- and open it for questions and any discussion. So again, thank you and -- and let's see if we've got some questions.

COUNCILPERSON DAVIS: Madam Chair?

CHAIRPERSON DAVIS JOHNSON: Councilman Davis, you're recognized.

COUNCILPERSON DAVIS: Thank you, Madam Chair. Mr. Alvarez, I want to say thank you for bringing this presentation.

DAVID ALVAREZ: Thank you.

COUNCILPERSON DAVIS: We've been having this discussion for a little over two years now.

DAVID ALVAREZ: Uh-huh.

COUNCILPERSON DAVIS: When -- when we hear and watch our meetings, all the colleagues have been definitely talking about community benefits, what is the limit, what opportunities we have. You know, we talk about all these jobs coming to the community. But do we have the facilities to train our people so when they come they can say, Hey, they -- we can eliminate that excuse about we are trained. You know, and having the library freeing up potential capital and access and building a large -- taking advantage of those acres across the street -- 'cause currently right now we're spending a lot of money on all our facilities, but it's off the tax roll. And that's been going on for almost 95, 96 years.

So do we want to transform and put this city in the future of what trends are going but still maintain control. Get the things that we want for our community that they come to the microphone and talk about. They have a whole 'nother group of people that don't even come to the mike. They're in schools right now. You know, they're either away in the military. They're coming back. And they're coming back with an intention.

So we must definitely continue to ask the questions but move this city forward. Make some decision one way or the other where we need to go. I went to maybe two or three P3 conferences, and state of Virginia and I tell you, Colorado, all these cities are getting extremely creative and they're moving forward and it's happening and it's changing things. You know? My kids when they graduate from school, we can talk about permanent and short-term job creations here on the facility that we control. We can control the language in the procurement because we control the land to sell that picture. And I would definitely ask my colleagues to definitely -- let's drill down on the date we've been discussing to do a tour. Get your questions asked and answered so you can make a real strong decision on which -- you know, how you feel about which way you choose to go.

But it's been two years and -- and our residents definitely need to be in position to know that they're going to get not just a product but probably the best product -- we're positioned better than anybody in Palm Beach County when you look at the way our corridor structure with our beach. People have talked about keep it on the blue, but keep

what on the blue? What is your vision for the blue? You know, keep your library. Well, what type of library? You want two stories or do you want four? You know, in that four you're going to have the retail. You'll have opportunities to let folks go in and go some long-term jobs in that retail space. You know, and we control that decision on how we write and structure our agreement if we was to do that.

And, you know, I'd just like the opportunity to be able to tell our story and potentially draw up some language in the future if we were to do so in the betterment of those who keep missing out on all these opportunities. You know, and there's a lot of ways we can do P3s with the training of the proper facility. We can put that in the language. If they was to build a library, we can have a whole floor as a training center. And they can invest in that. So when we have all these energy companies come and all these folks that come to talk about -- AT&T, all these different companies, Apple as they expand, you know, we can have folks in place to get those jobs.

Like, for instance, AT&T is going to be in, I want to say Sunrise October. They're doing a big ground-breaking on a P3. So they opened up some of these city facilities on a long-term agreement, on a P3 with AT&T. So Sunrise is getting all those jobs, those customer service jobs that start at 18.83 per hour. That is game-changing for our communities. Young folks walk around with cell phones every day. We're spending the money but we're not making the money. So when we got these corner stores selling the cell phones, you know, you don't see a lot of these companies going up and putting cables in the ground, climbing up the poles. Those are jobs that we want to retain here in this community and opportunities like this, you can tell the story. You can write the language. You can create the law. And you can deliver something that, you know -- that you can be proud of for years to come.

So I just want to say a lot of my questions had been answered over the last two years. I may have more but I just want to open up that statement to all my colleagues and to the public that we -- we are a great city. And let's continue being great. Don't let no one else stop us from being great. Do not let no one stop you from being great. We must maintain that position of being great for our people so we can do some great things. We'll create some job opportunities, some training and some revenue on the site. You know? There's some revenue that we can make off this. So, you know -- and you talk about the homes and apartment and neighborhood homes on the Monroe Heights community, all the way to Congress on both sides. Them property values are going to shoot sky high. You know? And if they're going to shoot sky high, guess who benefits?

We're talking about lowering the millage rate. Now you have an opportunity to consider lowering the millage rate and addressing these bonds issues that we have on the Utility District side. So we have to do something significant to put staff in position of having more options to allow us to do what we want to do on the council side. Thank you.

CHAIRPERSON DAVIS JOHNSON: Any other questions for Mr. Alvarez?

COUNCILPERSON MILLER-ANDERSON: No, I don't have any questions for him.

CHAIR PRO TEM HUBBARD: I just want to thank you for coming out this evening. And you answered my question earlier. It's a great presentation. To know that we have options and can still contain, you know, control in this 3P scenario, 'cause I think that's -- like you say, you get a lot of weird questions about the roles and the relationships. And you cleared up a lot of that for me.

A lot of it is us maintaining and retaining the control over the operations of say our library or our utility department. And when you use those words they're not necessarily interchangeable. You're -- you know, you say operation and maintenance and here we're thinking of that. The operation and building maintenance. Otherwise you're just talking about the maintenance and -- of the structure. So I think that clears up a lot of the basic questions for this new scenario for a lot of people in this P3 world. So thank you for coming and thank you for doing such a great job in explaining and alleviating a lot of the fears.

DAVID ALVAREZ: Thank you.

CHAIRPERSON DAVIS JOHNSON: So I, too, want to thank you for presenting to us but I do have a question for you. How is it that a municipality identifies individuals or firms that are interested in those types of partnerships? Does your organization have a list of firms that are interested in partnering with municipalities and others? How do we go about identifying those individuals that may potentially engage in a 3P partnership with municipalities.

DAVID ALVAREZ: Yeah, sure. So two ways. Our organization has a list.

CHAIRPERSON DAVIS JOHNSON: Uh-huh.

DAVID ALVAREZ: We can -- we can put -- put together a list and -- and send it and share it with the -- with the working team. Also, the cities have -- cities can actually open a consultation process, which is very healthy in my opinion. You're thinking about a project. It's always good to engage with the private sector in a consultation process early on.

It takes -- it is a simple exercise. I mean, we put together a request for information and you can schedule it in different ways. They can come and meet or you can have different conference calls or they can submit documents. They can submit a response in writing. So it depends. The important thing -- which, what you're asking is important because it kind of opens the door for a consultation process, a dialogue. Opening a dialogue with the private sector and they will come. They will come. Because right now, there is plenty of interest out there.

CHAIRPERSON DAVIS JOHNSON: Uh-huh.

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DAVID ALVAREZ: So actually the private sector is in a situation where they -- they -- there is no scarcity of funds. There's no scarcity of private capital. What they -- what is -- what is scarce is projects. So private sector is really looking for ways to -- to park the investments they have and look for projects. So very healthy and robust market out there now. So if you open a dialogue, I'm sure they will come. We can facilitate the process through our organization and provide a list. But it's a good initial step to understand the interest and the major concerns that they might have. But it's an important thing to do early on in the process.

CHAIRPERSON DAVIS JOHNSON: Is there a cost for that consultation?

DAVID ALVAREZ: No. No.

CHAIRPERSON DAVIS JOHNSON: So it's just exploratory?

MDAVID ALVAREZ: It is purely exploratory. The only thing that the City will have to do is describe your project in a very simple document. We have plenty of examples of other cities that we can share, also. And describe what you want to do, describe why is it needed. Issue the document in a public kind of -- maybe similar to a -- a public solicitation process. But it's only a solicitation for comments. And you provide alternatives to do -- for them to respond. They can respond in writing or they can request a conference call with the people responsible for the project. And that's -- they will do that right away. I mean, we've seen a lot of interest with different projects across Florida. So --

CHAIRPERSON DAVIS JOHNSON: (Unintelligible). I don't know. The other question that I had, when entering into -- when you talked about the focusing on the risk, focus on risk sharing and going -- when you laid out traditional versus the 3P process --

DAVID ALVAREZ: Uh-huh.

CHAIRPERSON DAVIS JOHNSON: -- let's just say hypothetically we enter into an agreement. We have a 3P. We want to ensure that our procurement policies and our desires for small minority and women business participation is there, is there an opportunity to craft that language into the agreement?

DAVID ALVAREZ: Yes. Yes. That's -- you can include that agreement -- that language and be as specific as you want. As -- as long as it's a reasonable language, I will say. But you can actually put metrics and say X amount of woman-owned or minority-owned, yes. There is plenty of room to do that.

CHAIRPERSON DAVIS JOHNSON: Okay. Are there any other follow-up questions? Let the record reflect that Councilwoman Botel has --

COUNCILPERSON BOTEL: Madam Chair?

CHAIRPERSON DAVIS JOHNSON: -- joined the meeting. You're recognized.

COUNCILPERSON BOTEL: Thank you. I've been watching but I may have missed a little bit at the beginning. So my question relates to time frame. From beginning to end, once a municipality decides to enter into a project like this, what's the typical time frame from start to finish?

CITY MANAGER HOSKINS: Time frame. What's the --

CHAIRPERSON DAVIS JOHNSON: What's the time --

DAVID ALVAREZ: Time frame?

CHAIRPERSON DAVIS JOHNSON: -- what's the typical time frame on a 3P from start to finish?

DAVID ALVAREZ: Yes. So the -- the procurement -- the procurement process tends to be a little bit -- tends to take over a year, definitely. We've seen 15 months, 18 months. I will say that the average is around 15 to 18 months.

Obviously it depends. It varies on a case-by-case basis. One of the major factors that can expedite that is how well the city is -- how well the -- how well the city is prepared for the project. So this kind of goes back to one of the key considerations that we had up there which is invest early in the process. So if you define your scope, kind of your -- define your scope, understand kind of what will you like the private sector to do, and -- and do the different environmental studies that need to be done and all that, the more preparation you have, the more kind of expedited process you will have. But I will say that 15 -- between 15 and 18 months is kind of average, depending on the project and the complexity of the project.

CHAIRPERSON DAVIS JOHNSON: Wonderful. No further questions? Thank you, Mr. Alvarez.

DAVID ALVAREZ: Thank you.

COUNCILPERSON MILLER-ANDERSON: Thank you.

DAVID ALVAREZ: Thank you to all of you.

CHAIR PRO TEM HUBBARD: Thank you so much.

DAVID ALVAREZ: Thank you.

COUNCILPERSON DAVIS: Good job.

COUNCILPERSON BOTEL: Thank you.

CHAIRPERSON DAVIS JOHNSON: There being no further business, do you have the -- oh, Chair Pro Tem would like to make an announcement.

CHAIR PRO TEM HUBBARD: I just wanted to remind the community that tomorrow there will be an update in public comments on the Monroe Heights Road Project. It will be here in the chamber from 6:30 to 8:00 p.m. so we would like you to come out, speak with staff, speak with the contractor. Find out about your utility turn-on and turn-offs and ask all of your questions. So come out and get the information firsthand here in the council chamber on the Monroe Heights Road Project. 6:30 p.m. to 8 p.m. tomorrow night. Thank you so much.

CHAIRPERSON DAVIS JOHNSON: Madam Manager, you have comments?

CITY MANAGER HOSKINS: Madam Chair, now that you all have been educated on the P3 project process, staff will be bringing back a recommendation to you all in the next 60 days.

COUNCILPERSON MILLER-ANDERSON: Recommendation -- Madam Chair? Madam Chair?

CHAIRPERSON DAVIS JOHNSON: What is the recommendation?

CITY MANAGER HOSKINS: So it would be the type -- well, the -- the funding and the projects, how we move forward with the -- the -- the process.

COUNCILPERSON DAVIS: Okay.

CHAIRPERSON DAVIS JOHNSON: We do have the outstanding request. We agreed a couple months back to do a tour down to the Wynwood district down in Overtown, Miami, to take a look at their 3Ps.

COUNCILPERSON DAVIS: Uh-huh. And Pompano.

CHAIRPERSON DAVIS JOHNSON: And I believe the -- pardon?

COUNCILPERSON DAVIS: And Pompano was on the list, too.

CHAIRPERSON DAVIS JOHNSON: Pompano is also on that list.

CITY MANAGER HOSKINS: Okay.

CHAIRPERSON DAVIS JOHNSON: We should --

COUNCILPERSON DAVIS: But they actually got a completed library.

CHAIRPERSON DAVIS JOHNSON: -- perhaps we should take a look at those. Is the council still interested in participating in that tour?

CHAIR PRO TEM HUBBARD: Yeah.

COUNCILPERSON DAVIS: Absolutely.

CHAIRPERSON DAVIS JOHNSON: Councilwoman Miller-Anderson?

COUNCILPERSON MILLER-ANDERSON: Sure.

CHAIRPERSON DAVIS JOHNSON: Okay. Councilwoman Botel?

COUNCILPERSON BOTEL: Yes.

CHAIRPERSON DAVIS JOHNSON: Okay. So we should make preparations.

CITY MANAGER HOSKINS: Yes, ma'am. I'll schedule a bus ride down south in the next two to three weeks.

COUNCILPERSON MILLER-ANDERSON: Are you going to give us some dates?

CITY MANAGER HOSKINS: Yes. I'll send out some dates.

CHAIRPERSON DAVIS JOHNSON: I won't be riding. I'm going to see my parents afterwards. You know they're down there so I'll be driving and meeting you guys there.

COUNCILPERSON MILLER-ANDERSON: Come by for the cookout. Come for the cookout.

CHAIR PRO TEM HUBBARD: (Unintelligible).

CHAIRPERSON DAVIS JOHNSON: Uh-huh.

COUNCILPERSON DAVIS: They cooking dinner for everybody?

CHAIRPERSON DAVIS JOHNSON: Uh-huh. Uh-huh.

CITY MANAGER HOSKINS: And maybe we'll do lunch down there in --

CHAIR PRO TEM HUBBARD: Tonya's providing that.

CITY MANAGER HOSKINS: Oh, she -- oh, the Chair is providing lunch? Okay.

CHAIRPERSON DAVIS JOHNSON: Bag lunch.

CITY MANAGER HOSKINS: All right.

COUNCILPERSON DAVIS: Madam Chair?

CITY MANAGER HOSKINS: And it'll be -- I'll send out some dates. It'll be a Friday or a Saturday morning.

CHAIRPERSON DAVIS JOHNSON: Uh-huh. Okay. Probably Saturday morning because --

CITY MANAGER HOSKINS: Saturday morning? Okay.

CHAIRPERSON DAVIS JOHNSON: -- a few of us work on -- on the days --

CITY MANAGER HOSKINS: Okay. That's -- okay. Sure.

COUNCILPERSON MILLER-ANDERSON: I can't take off.

CHAIRPERSON DAVIS JOHNSON: I can't, either. Council -- Councilman Davis, you had a question for the Manager?

COUNCILPERSON DAVIS: I -- no, it was a statement. I just want to say thank you to all my colleagues to definitely giving the opportunity to do this bus tour and looking at the 3P concept as the possibility of the -- of where we can take our community.

It's -- like I said, it's been a lot of time and effort put into this over the last two -- two and a half -- about two plus years. And it's great to see us actually make a decision to move this city forward. Greatly -- I'm sure all the residents at home will get an opportunity to really celebrate something that we -- as we tell our story, that we can all come together on a potential project.

Also to the Sickle Cell Foundation, we had a wonderful Sickle Cell Walk at the Ocean Walk this weekend. Also the Neighborhood Clean-Up. The neighbors united in the Monroe Heights Park. It was a wonderful event. It was great -- we had great things happening in the city over the past weekend. And actually, Sickle Cell Walk actually made the 11:00 News last night. We had some great things that continue to happen in this community. So we have to continue.

I would like to just maybe see staff -- maybe we give a report once a quarter on Channel 18 of all the great things happening. I think we need to go on ahead and bring a firm in and start telling our story because as we protect our brand -- we had a major discussion tonight to talk about these positions. And when you tell the great things, people fight to get in. They understand that there's a real community family there and people -- one thing about government versus the private sector, the government is not going anywhere. And people that jump -- those folks that chase the money, they're going to chase the money. But we want folks that's committed to a community. And that's what we want to sell to our community and to those that don't live within the community as they come and apply for jobs. We don't want folks that's going to come and get a check and walk away. We want someone that's going to make each other better, and we need to

continue selling that with this potential project and so many things that come before this city. Thank you, Madam Chair.

CHAIRPERSON DAVIS JOHNSON: Thank you. Any further comments?

COUNCILPERSON DAVIS: And thank you, staff, for the job well done tonight.

CHAIRPERSON DAVIS JOHNSON: Any further comments from council? Mr. Attorney, any comments?

CITY ATTORNEY DeGRAFFENREIDT: No, ma'am.

VII.ADJOURNMENT

CHAIRPERSON DAVIS JOHNSON: There being no further business we stand adjourned.

COUNCILPERSON DAVIS: Amen.

(CONCLUSION OF WORKSHOP)

APPROVED:

THOMAS A. MASTERS
MAYOR

TONYA DAVIS JOHNSON
CHAIRPERSON

ATTEST:

CLAUDENE L. ANTHONY
CERTIFIED MUNICIPAL CLERK
CITY CLERK

LYNNE L. HUBBARD
CHAIR PRO TEM

KASHAMBA MILLER-ANDERSON
COUNCILPERSON

JULIA A. BOTEL, Ed.D
COUNCILPERSON

TERENCE D. DAVIS
COUNCILPERSON

MOTIONED BY: _____

SECONDED BY: _____

L. HUBBARD _____

K. MILLER-ANDERSON _____

T. DAVIS JOHNSON _____

J. BOTEL _____

T. DAVIS _____

DATE APPROVED: **OCTOBER 17, 2018**