




MEMORANDUM

TO: HONORABLE CHAIR AND, CRA BOARD COMMISSIONERS

FROM: JONATHAN EVANS, RIVIERA BEACH CRA EXECUTIVE DIRECTOR 

COPY: MICHAEL HAYGOOD, P.A., RIVIERA BEACH CRA ATTORNEY

DATE: DECEMBER 16, 2020

SUBJECT: MEMORANDUM- MARINA PHASE II – UPDATE

This memorandum contains an update concerning a conversation about the Marina Phase II project that occurred between the joint work team, which is the internal project team, and APD – Tezral, the codevelopers, who responded successfully and received the opportunity to develop Marina Village Phase II. As a result of the actions of the Community Redevelopment Agency (CRA) Board of Commissioners, on Wednesday, December 9, 2020, the staff requested a meeting during which a list of questions and inquiries would be discussed by the internal working group or the CRA Board of Commissioners. On Friday, December 11, 2020, the meeting was held, and APD – Tezral proffered 16 questions. At the request of the CRA, individual items were discussed, but the CRA Board of Commissioners must provide more clarity and direction for the work team to determine the most expeditious way to address the inquiries provided. In addition, to provide a thorough and detailed financial analysis, additional time is needed to enter into contracts with the appropriate firms to solidify the review, especially if the items exceed the \$25,000 purchasing threshold or there is not a competitive solicitation with the exact scope and an acceptable contract already administered and approved by another government entity.

Staff has obtained the solicitation administered by the Town of Lake Park and is currently reviewing the document. Based on the preliminary review, the solicitation seems broad enough to accomplish an effective review of the firms' financial capabilities. However, it is not reasonable to anticipate that a comprehensive review can be provided within a 30-day period. Based on APD – Tezral's initial questions, a conversation must occur to address the questions raised in the attached document.

The inquiry's most material aspect was determining whether the Board will review the merits of each individual aspect of the proposal vs. the entire submission. Our current review examines the project's eight elements individually and determines their economic strengths or weakness per element. It is not a comprehensive review of the firm's ability to finance and develop over \$200 million worth of anticipated capital expenditures. Nor was that the approach the developer anticipated.

The developers plan was for a phased approach to reduce the risk for both parties, as each element will be negotiated in earnest while protecting the City/CRA. As you are acutely aware, this project, like any, should focus on risk mitigation and reducing any risk or market volatility for the City/CRA while maximizing

economic benefits. To determine whether the Board chooses this approach, a discussion will be necessary immediately after the holidays. The staff recommends that the Board consider granting a flexible timeline that facilitates a thorough analysis by an independent firm. This is not something that should be rushed.

The major material factor associated with the proposal is determining adequate parking to accommodate the development of residential, commercial, and existing Marina Village activities. As part of the review, it would be advantageous for the CRA/City to determine the adequate parking necessary, as well as what costs and factors should be considered. Furthermore, the appropriate mixture of housing must be discussed, studied, and presented to determine how to ensure that local housing needs are met while making certain that individuals are not displaced or prevented from participating in the housing options as developed. It is the CRA's desire to discuss housing needs and philosophies in the coming months.

In closing, as you can see, multiple details need to be addressed, and this is a very sophisticated process. As additional information is readily available, the staff will provide regular and periodic updates. We intend to schedule a joint discussion immediately after the holidays to provide a venue and an opportunity to acquire clarity and direction from the Board, as this is a necessary process that requires direction.

- **Attachment(s)**
 - Development Process Agenda
 - Marina Phase II – Site Plan (7/11/2019)
 - Master Development Agreement – Draft
 - March 11th Letter(s) and attachments

C.

Joint Work Team – CRA and City
APD – Tezral Developers



Riviera Beach Marina Development Phase II

Below is a list of questions to resolve development actions between the City of Riviera Beach (City”) and the Riviera Beach Community Redevelopment Agency (“CRA”) (and together “City/CRA”), and APD Solutions (“APD”) and Tezral Partners (“Tezral”) (and together “APD-Tezral”). The purpose of this document is to address development components between the parties to be negotiated and the timeline required for the parties to reach consensus for the development of project elements or to isolate policy issues for actions to be taken by the Riviera Beach City Council and the Riviera Beach CRA Board of Commissioners for the subsequent development of a project element.

QUESTION	PRIORITY	CITY/CRA	APD-TEZRAL	TIMELINE	NOTES
1. Do the co-developers have demonstrated financial capacity to develop what is proposed?	High		Financial capacity should be demonstrated by Element and verified by the City/CRA as a condition to close or provide incentives or other items negotiated between the parties (see Item 3, Draft Notice to Develop, page 4, for suggested actions to assess feasibility and secure a firm commitment).	Ongoing and negotiated by Element	
2. Does the City/CRA understand APD-Tezral’s agreement and co-development process? Do they have comments to the draft operating agreement	High		Draft Operating Agreement sent to CRA General Counsel in October for review	30 Days or by _____	
3. Do we have a consensus on the conceptual site plan? If not, what should change?	High		<ul style="list-style-type: none"> Combined Conceptual Master Plan presented on July 22, 2019 (see Attachment 1 – Conceptual Site Plan) 	30 Days or by _____	
4. Are we in agreement with the order of	High		<ul style="list-style-type: none"> APDS-Tezral proposed a Master 	30 Days or by _____	

QUESTION	PRIORITY	CITY/CRA	APD-TEZRAL	TIMELINE	NOTES
redevelopment (Phasing Plan) and the timeline for the targeted start of construction?			<p>Development Agreement similar to City/CRA and previous master developer (see Attachment 1 - Draft Master Development Agreement)</p> <ul style="list-style-type: none"> APD-Tezral proposed a draft notice to develop on March 11, 2020 and included recommendations for financial advisors, market or project analyses (see Item 3, Draft Notice to Develop, page 3). 		
5. Do we have agreement on land use regulations and zoning? If not, what should change?	High	Supportive of a plan that increased heights and density for residential development	To secure housing tax credits, site control and evidence of zoning is required	30 Days or by _____	
6. In principle, what is the City's objective for ground lease revenues for land it owns? Does it matter by parcel?			In lieu of a ground lease payment, would city accept a negotiated allocation of TIF revenues paid to the city and lease land for \$1.00?	Target Decision Date: _____	
7. In principle, what is the CRA's objective for land it owns? Is it willing to sell or lease? Does it matter by parcel?			In lieu of a ground lease payment, would the CRA accept a negotiated allocation of TIF revenues paid and lease land for \$1.00?	Target Decision Date: _____	

QUESTION	PRIORITY	CITY/CRA	APD-TEZRAL	TIMELINE	NOTES
8. Is there agreement that parking, all or some spaces, should be owned by the City?	High		Financing proposed by APD-Tezral required a master lease commitment from the City (see attachment): <ul style="list-style-type: none"> • Parking revenues to the City • TIF revenues allocated to the City • Ownership reverts to City at end of lease term • Update parking study 	Target Decision Date: _____	
9. Is there agreement on the management of the uplands Marina property and the public sources for the payment of common area expenses?	Medium		APD proposed offer to manage	Target Decision Date: _____	
10. Is there agreement on the management of the Event Center and the public sources for the payment of common area expenses?	High	City/CRA officials have expressed priority to secure second restaurant or allow Rafiki Tiki to expand	APD proposed offer to lease up and manage	Target Decision Date: _____	
11. Post pandemic, what's the vision to activate public spaces (Bicentennial Park, Boardwalk), including the amount and sources required to market and	Medium		APD proposed offer to lease up and manage	Target Decision Date: _____	

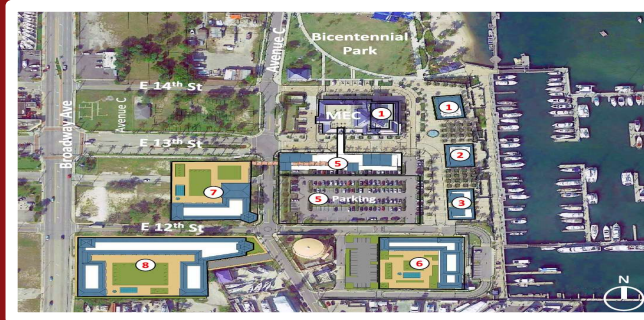
QUESTION	PRIORITY	CITY/CRA	APD-TEZRAL	TIMELINE	NOTES
promote the Marina and special events					
12. What additional infrastructure investments are required for the Marina and who should pay for these items? What accommodations are required to relocate the Marina offices and showers and the source of funds to offset these expenses?	High		Conceptual site plan at Element 5b proposed linear park to activate public market concept	Target Decision Date: _____	
13. What contributions, if any, is the CRA willing to make for pre-development expenses such as studies, legal, land use plans, site assessments, and other public realm investments such streetscape, landscaping and other items negotiated?	High			Ongoing and negotiated by Element	
14. Should the developer include the Riviera Beach CDC as a development partner for the Workforce housing concept?	High		Riviera Beach CDC would qualify development team for FHFC funds and contributions from banks.	Target Decision Date: _____	
15. What community benefit components should be	High			Ongoing and negotiated by Element	

QUESTION	PRIORITY	CITY/CRA	APD-TEZRAL	TIMELINE	NOTES
negotiated among the development Elements?					
16. Does the CRA intend to use the Riviera Beach CDE to raise private capital through the New Markets Tax Credit program if the program is extended?	Medium		Tezral proposed offer to manage	Target Decision Date: _____	

Marina Village Phase II Site Plan

*Joint Development Team Submission
APD-Tezral RBMVII (A Pending Joint Venture)*

July 11, 2019



Combined Site Plan Overview

This overview presentation represents the collaboration of the co-developers to reconcile their respective development site plans. The uses presented here respect the infrastructure investments previously made during Marina Village Phase I by not restructuring the uses on the parcels. The co-development team believes this approach provides greater ability to accelerate the project timeline. Another theme increases the height and scale of the project as you move away from the Marina back toward Broadway. Highlights include:

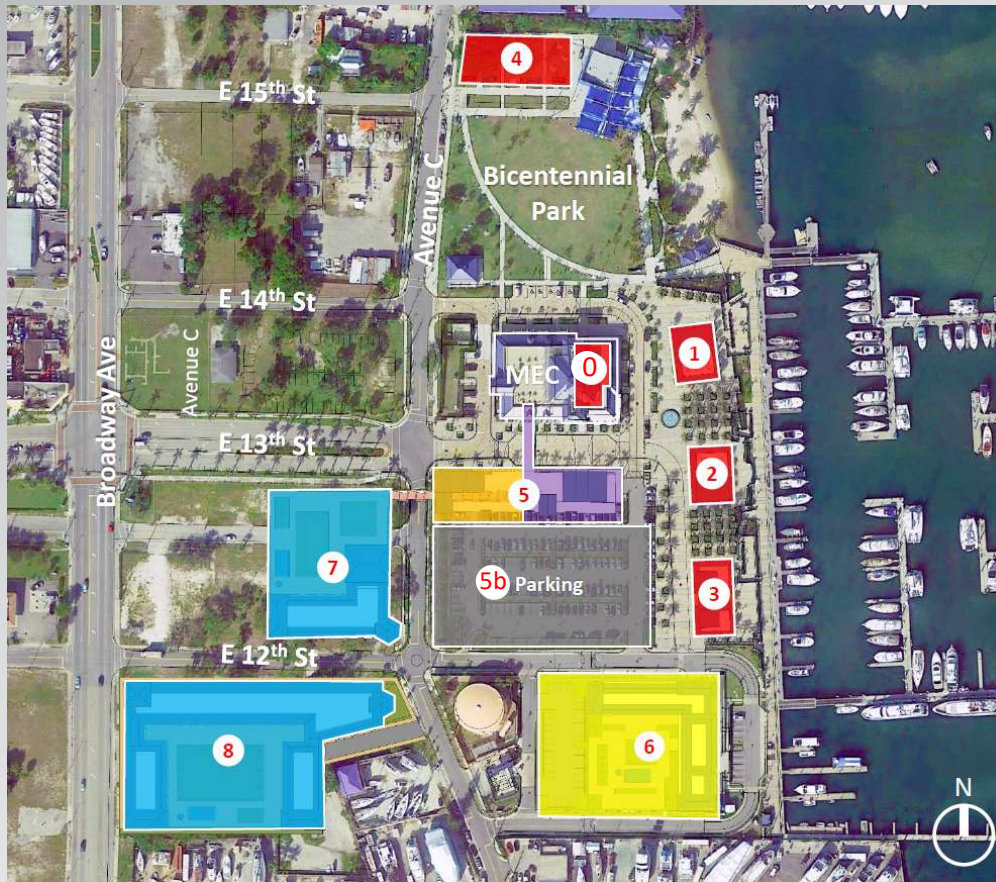
- ❖ 130 Room Hotel
- ❖ 225,000 SF of Retail/Restaurants
- ❖ Up to 1600 Parking Spaces
- ❖ Attractions/Amusements at Bicentennial Park
- ❖ Up to 320 Apartment Units
- ❖ Enhanced opportunities for local entrepreneurs

The design elements included are presented with the assistance of Song & Associates

 Song + Associates, Inc.
Architecture • Planning • Interior Design



Base Scenario



- 0. Events Center Anchor Tenant
- 1. Restaurant Row 1
- 2. Restaurant Row 2
- 3. Restaurant Row 3
- 4. Activate Bicentennial Park – New attractions/amusement
- 5. Food Hall/Public Market
- 5b. Surface Parking
- 6. Hotel at Marine Way
- 7. Residential 2 and Parking Garage
- 8. Residential 1 and Parking Garage



Alternate Scenario



- 0. Events Center Anchor Tenant
- 1. Restaurant Row 1
- 2. Restaurant Row 2
- 3. Restaurant Row 3
- 4. Activate Bicentennial Park – New attractions/amusement
- 5. Food Hall/Public Market
- 5b. Retail Plaza
- 5c. Retail Marketplace
- 6. Hotel at Marine Way
- 7. Residential 2 and Parking Garage
- 8. Residential 1 and Parking Garage



The Development Program

0. Event Center F&B Tenant – 6902 SF

1. Restaurant Row 1 – 6000 + 2565 SF

2. Restaurant Row 2 – 5,000 + 7,000 SF

3. Restaurant Row – 6,000 + 8,400 SF

4. Bicentennial Park Amusements – 7,500 SF

5. Food Hall/Public Market – 40,000 SF

5b. (Base Only) Surface Parking – 100 Spaces

5c. (Alternate Only) Retail Marketplace – 40,000 SF

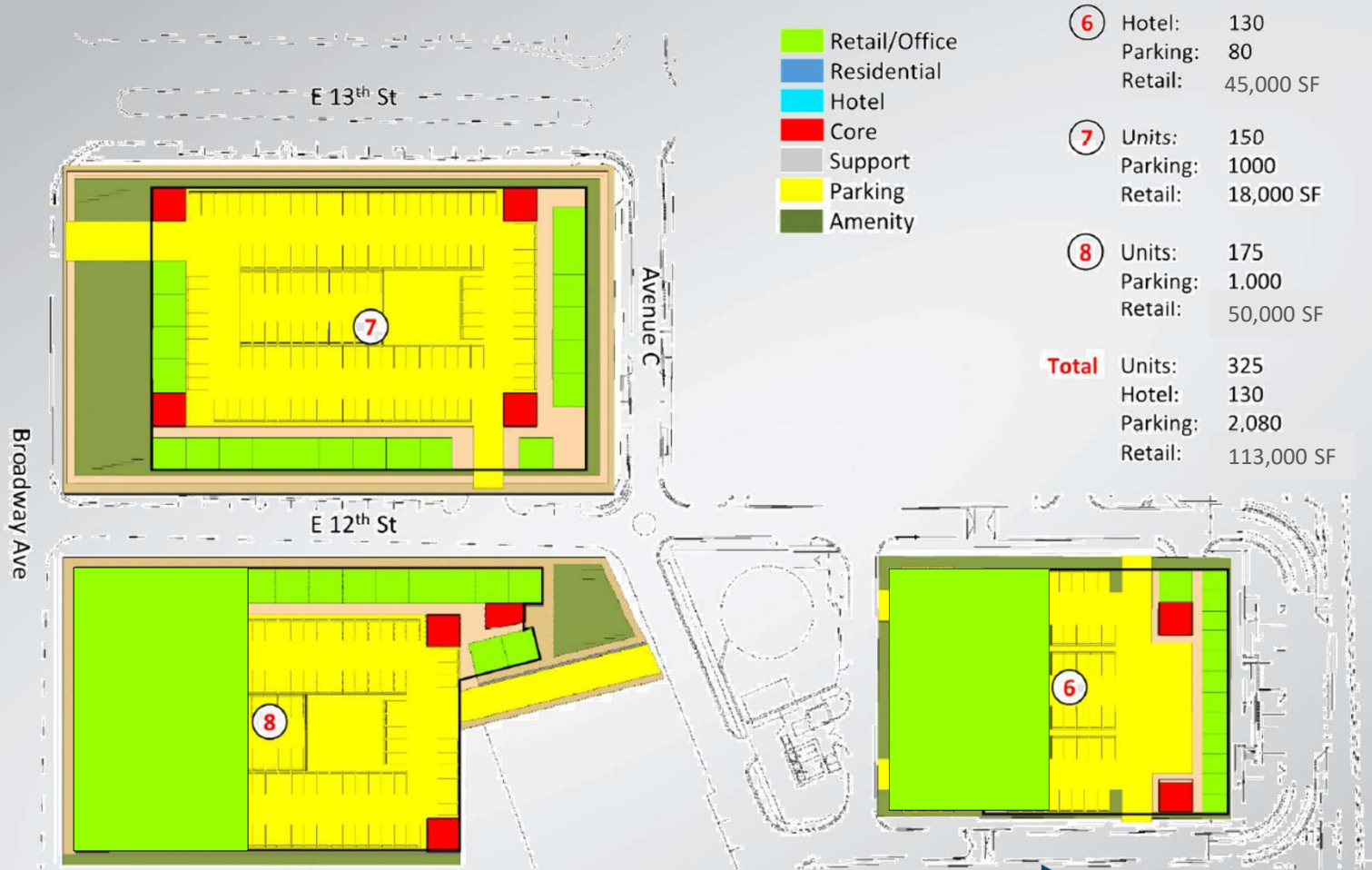
6. Hotel – 130 rooms | 80 Parking | 45,000 SF Anchor Retail | Marina Ops

7. Residential Tower 2 – 48 units & 500 Parking base | 150 units & 1000 Parking alt

8. Residential Tower 1 – 170 Units | 1000 Parking | 50,000 SF Anchor Retail



Residential/Hotel Ground Floor Layout (alt.)



Implementing BIG Ideas: Public Market

The Food Hall/Public Market concept will offer an unprecedented new, year-round retail outlet that will be a landmark public. The market will promote local economic development and serve multiple purposes, such as small business incubation/acceleration, tourist attraction, job creator and venue for fresh food.

- ❖ Eateries
- ❖ Artisan Shops
- ❖ Fresh meats, produce and seafood
- ❖ Demonstration kitchen
- ❖ Focus on local entrepreneurs



Bicentennial Park Amusement

A **Family Aquatic Center** (FAC), is an interactive outdoor water feature that provides a safe, family-oriented aquatic experience to patrons. It can embrace the needs of local families and draw visitors alike. The Family Aquatic Center features a number of interactive water features, including:

- ❖ Wave Simulator
- ❖ Concession area
- ❖ Drop slide
- ❖ Sunbathing deck
- ❖ Picnic areas,
- ❖ Tie in with splash park,
- ❖ Wet / dry sand play area



Bicentennial Park: Amusement Area



The development of an **amusement area** will activate the landside and will operate year round. With rides for children and adults. Located in site are #4 around Bicentennial Park and will be an additional attraction for visitors near and far.

Potential Attractions:

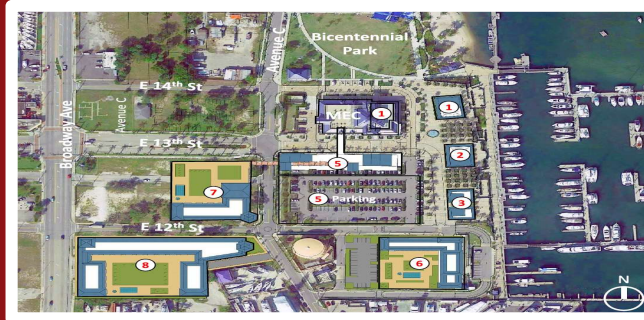
- ❖ Outdoor Ropes Course
- ❖ (NO Ferris Wheel)
- ❖ Street performers
- ❖ Children's Area
- ❖ Integrated with boat rentals



Marina Village Phase II Site Plan

*Joint Development Team Submission
APD-Tezral RBMVII (A Pending Joint Venture)*

July 11, 2019



MASTER DEVELOPMENT AGREEMENT

By and Among

the

CITY OF RIVIERA BEACH, FLORIDA,
a Florida municipal corporation

and

**THE RIVIERA BEACH
COMMUNITY REDEVELOPMENT AGENCY,**
a body corporate and politic created pursuant to Part
III, Chapter 163, Florida Statutes

and

APDS-TEZRAL RBMV II, LLC
a Florida limited liability company not yet formed

MASTER DEVELOPMENT AGREEMENT

This Master Development Agreement ("Agreement") is made this ____ day of ____ 2020, by and among THE CITY OF RIVIERA BEACH, FLORIDA, a Florida municipal corporation ("City") THE RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY "CRA" or "Agency"), created by the City of Riviera Beach pursuant to Chapter 163, Part III of the Florida Statutes, and APDS-TEZRAL RBMVII, LLC ("APDS-Tezral"), a Florida limited liability company, its successors and assigns ("Developer" or "APD-Tezral"), to be formed.

WITNESSETH:

WHEREAS, the City and Agency seek the redevelopment of certain property located within Marina Village as a community redevelopment project ("Project") pursuant to the City's Community Redevelopment Plan ("CRA Plan"); and

WHEREAS, the Project is located in Marina Village bordered to the east by the Intracoastal Waterway, bordered to the west by Broadway/U.S. Highway 1, bordered to the south by East 11th Street and bordered to the north by East 13th Street and the northern boundary of Bicentennial Park; and includes the City marina docks and uplands, and additional property that includes streets, sidewalks, parking areas, improved and unimproved land, and recreation areas (the additional property includes properties owned by City, collectively, "City Property," properties owned by CRA, collectively, "CRA Property," as well as any properties owned by the Developer, collectively, "Developer Property,") together are collectively called the "Project Site," described on Exhibit "A" attached hereto; and

WHEREAS, on January 24, 2018, the Board of Commissioners approved Resolution 2018-01, seeking development proposals from qualified master developers for the development of Phase 11 Marina Village Project (the "Project"), directing the Executive Director to convene an evaluation committee to rank the respondents for submission to the Board of Commissioners for approval to begin negotiation; and

WHEREAS, on February 2, 2018 RFP 2018-01 (the "RFP") was issued by the Agency in compliance with the Community Redevelopment Act of 1969, Chapter 163, Part III, Florida Statutes and the Riviera Beach Community Redevelopment Agency Procurement Code; and

WHEREAS, two (2) firms, APD Solutions, LLC ("APDS") and Tezral Partners, LLC ("Tezral"), responded to the RFP and were evaluated in accordance with the criteria provided in the RFP; and

WHEREAS, APD and Tezral have agreed to form a Florida limited liability company APDS-Tezral RBMV 11, LLC ("LLC" or APDS-Tezral") upon the successful negotiations of a development agreement to assign to special purpose entities in their operating agreement certain phases of the Phase II development; and

WHEREAS, the Concept Plan submitted by APDS-Tezral comprised of eleven (11) separate project elements as described on "Exhibit B" as may from time to time be amended; and

WHEREAS, the parties acknowledge that any future development activities in the Project area must be coordinated to insure their compliance and consistency with the Concept Plan, and the parties mutually agree to cooperate to achieve such coordination; and

WHEREAS, the Concept Plan calls for a multi-phased, mixed use development, and the

parties agree to the development of the Concept Plan as provided herein.

NOW, THEREFORE, it is hereby mutually agreed by and between the Parties hereto that this Agreement is made upon the terms and conditions hereinafter set forth.

ARTICLE 1 RECITALS

1.01 Recitals. The foregoing recitals are true and correct and incorporated herein as a part of this Agreement.

ARTICLE 2

DESIGNATION OF MASTER DEVELOPER AND PHASING OF DEVELOPMENT

2.01 The City and CRA hereby designate APDS-Tezral RBMV II, LLC as the Master Developer.

2.02 The phasing of the development of the 11 project elements is designed to follow such sequencing as when the market conditions and demand are deemed by the parties to be appropriate to proceed with an individual project element and the specific terms and conditions for each project element shall be delineated in a separate agreement(s). Notwithstanding the above, APDS-Tezral, as required in our joint proposal, outlined specific actions to be taken by the City and CRA as a condition to close. These actions include the completion of land swaps and property acquisitions between the City, CRA and Viking Developers, LLC ("Viking") or Viking's related entities.

- (a) Completion of land swap agreements and abandonment of old 13th Street with Viking for the properties located at 13th Street between Broadway, Avenue C and East 12th Street.
- (b) CRA, City and Viking agreeing to acquisition of PCN #5643423306015001 (Yachtsman Site)
- (c) Viking, CRA, City and APDS-Tezral agreeing to acquire the 13th Street post swap properties owned by Viking for parking garage at Element 7.

2.03 The City CRA will provide the Developer with reasonable Architectural and Design Guidelines for development of the Marina Village. The guidelines may be updated by the City/CRA from time to time, in consultation with the Developer, and will ensure that all projects within Marina Village have a coordinated design theme and similar architecture. The parties agree to use best efforts to maintain a coordinated design them within reasonable market conditions and costs.

2.04 When deemed appropriate by any of the parties, notice shall be given in writing to proceed in negotiations for the development of any of the 11 project elements.

2.05 Within sixty (60) days of notice of a party's request to negotiate an agreement for the development of a project element, the parties shall commence negotiations.

2.06 If the parties are unable to reach an agreement within thirty (30) days of initiating negotiations, then either party may elect not to participate in the development of the subject project element. Notice of said election shall be given in writing to the other party, and the Developer shall be relieved of further responsibility with respect to that project element.

ARTICLE 3

TRANSFER AND ASSIGNMENT OF DEVELOPMENT RIGHTS

4.01 In furtherance of the design, construction and completion of the Project, the Developer shall retain the right to transfer and assign all of its development rights for the development of any and all elements, and the phases thereof, of the Project as depicted on the Concept Plan (as may from time to time be amended), subject to acceptance and approval by the City and CRA.

4.02 The Developer, as assignor, shall deliver to City and Agency an agreement of assignment between Developer and assignee prior to final approval of any assignment by City and CRA.

4.03 City and CRA shall not unreasonably withhold, delay or condition its approval of the Developer's assignment. Upon any such assignment of development rights executed by Developer and approved by the City and CRA, Developer shall have no liability with respect to the development of the project elements subject to the assignment, but rather the City and CRA shall look solely to the assignee for the performance of any obligations under any applicable development agreement.

ARTICLE 4

EFFECTIVENESS TERMINATION

4.01 Effectiveness and Termination.

(a) This Agreement shall be effective as of the Effective Date, which date shall be the date on which the last of the Parties execute this Agreement ("Effective Date").

(b) This agreement shall expire on the Expiration Date, which date shall be the earlier of (i) the issuance of a final certificate of occupancy for the final phase of development or (ii) the termination of this agreement by the parties.

ARTICLE 5

NOTICES, CONSENTS AND APPROVALS

5.01 Service of Notice and Other Communications.

(a) Whenever it is provided herein that notice, demand, request, consent, approval or other communication shall or may be given to, or served upon, either of the Parties by the other or whenever either of the Parties desires to give or serve upon the other any notice, demand, request, consent, approval or other communication with respect hereto or to the Premises, each such notice, demand, request, consent, approval or other communication ("Notice") shall be in writing and shall be effective for any purpose only if given or served by certified or registered U.S. mail, postage prepaid, return receipt requested, personal delivery with a signed receipt or by a recognized national courier service, addressed as follows:

If to Developer: APD-Tezral RBMV II, LLC
2915 E. Tamarind Ave.
West Palm Beach, FL 33407
Attn: Tony Brown, Co-Managers

with a copy to: Vaughn Irons
APD - Solutions
Address
City, State & Zip

If to Owner: The City of Riviera Beach, Florida
Attention: City Manager
600 W. Blue Heron Boulevard
Riviera Beach, Florida 33404

With a copy to: The Riviera Beach Community
Redevelopment Agency
2001 Broadway, Suite 300 Riviera
Beach, Florida 33-J.04 Attention:
Executive Director

Any such notice may be given in the manner provided in this Article. (i) on either Party's behalf by its attorneys designated by such Party by notice hereunder. and (ii) at Developer's request on its behalf by any other Person designated in such request .

(b) Every Notice shall be effective on the date actually received as indicated on the receipt therefor or on the date delivery thereof is refused by the recipient thereof. All references in this Agreement to the “date” of a Notice shall mean the effective date as provided herein.

5.02 Consents and Approvals.

(a) All consents and approvals which may be given under this Agreement shall, as a condition of their effectiveness, be in writing. The granting by a Party of any consent to or approval of any act requiring consent or approval under the terms of this Agreement, or the failure on the part of a Party to object to any such action taken without the required consent or approval, shall not be deemed a waiver by the Party whose consent was required of its right to require such consent or approval for any other act, except as expressly set forth herein to the contrary.

(b) Unless expressly provided or otherwise, all consents and approvals which may be given by a Party under this Agreement shall not (whether or not so indicated elsewhere in this Agreement) be unreasonably withheld, delayed or conditioned by such Party and shall be given or denied within the time period provided, and if no such time period has been provided, within a reasonable time. Upon disapproval of any request for a consent or approval, the disapproving Party shall, together with notice of such disapproval, submit to the requesting Party a written statement setting forth with specificity its reasons for such disapproval.

ARTICLE 6

MISCELLANEOUS

6.01 Govern in g Law and Venue.

This Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida, without regard to principles of conflict of laws. Venue of all proceedings in connection herewith shall be exclusively in Palm Beach County, Florida.

6.02 References.

(a) The captions of this Agreement are for the purpose of convenience of reference only and in no way define, limit or describe the scope or intent of this Agreement or in any way affect this Agreement.

(b) The use herein of the words “successors and assigns” or “successors or assigns” of City and Agency or Developer shall be deemed to include the heirs, legal representatives and assigns of any individual City and Agency or Developer.

(c) Nothing in this Agreement or in the Parties' acts or omissions in connection herewith shall be deemed in any manner to waive, impair, limit or otherwise affect the authority of Agency or the City in the discharge of its police or governmental powers .

(d) All references in this Agreement to the terms "herein," "hereunder" and words of similar import shall refer to this Agreement, as distinguished from the paragraph, Section or Article within which such term is located.

6.03 Successors and Assigns.

The agreements, terms, covenants and conditions herein shall be binding upon, and inure to the benefit of City, Agency, Developer, and their respective successors and assigns.

6.04 Disclaimer as to Governmental Authority.

Nothing in this Agreement shall be construed, interpreted or applied in such a manner as will constitute contracting away or waiver of any governmental police power by the Agency or the City.

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EXECUTION

IN WITNESS WHEREOF, City and Agency and Developer, intending to be legally bound, have executed this Agreement as of the day and year first above written .

CITY OF RIVIERA BEACH, FLORIDA

**RIVIERA BEACH COMMUNITY
REDEVELOPMENT AGENCY**

APDS-TEZRAL RBMV II, LLC
A Florida limited liability company (to be formed)

By: _____
Tony T. Brown, Co-Manager

By: _____
Vaughn Irons, Co-Manager

LIST OF EXHIBITS

Master Development Agreement

- A. PROJECT SITE
- B. CONCEPTUAL MASTER DEVELOPMENT PLAN

EXHIBIT A
PROJECT SITE



EXHIBIT B
CONCEPTUAL MASTER DEVELOPMENT PLAN

Alternate Scenario



- 0. Events Center Anchor Tenant
- 1. Restaurant Row 1
- 2. Restaurant Row 2
- 3. Restaurant Row 3
- 4. Activate Bicentennial Park – New attractions/amusement
- 5. Food Hall/Public Market
- 5b. Retail Plaza
- 5c. Retail Marketplace
- 6. Hotel at Marine Way
- 7. Residential 2 and Parking Garage
- 8. Residential 1 and Parking Garage





March 11, 2020

Honorable KaShamba Miller-Anderson
City of Riviera Beach, Florida City Council
Riviera Beach Community Redevelopment Agency
600 W. Blue Heron Avenue
Riviera Beach, Florida 33404

VIA EMAIL

Re: Riviera Beach Marina Village II – Negotiations Process

Dear Chairwoman Miller-Anderson:

We enclose for your review, documents sent to the City Manager and the Interim CRA Executive Director concerning the process to negotiate an agreement for the Phase II development of Marina Village. This process began in February 2018. In December 2019, the CRA Board directed staff to negotiate a development agreement with our firm. To date, there has been no effort made to negotiate a development agreement. We offer this process as a good faith effort to begin a constructive dialogue for the redevelopment of the Marina.

We were advised in December that the City/CRA were in the process of hiring a Financial Advisor and, to our knowledge, no such advisor is currently employed. We both understand and respect the additional technical assistance needed by the City/CRA and believe these resources should be hired in relation to the development of project elements. We complied with the requirements of the RFP and our financial capacity was rated and ranked. Both firms were deemed qualified.

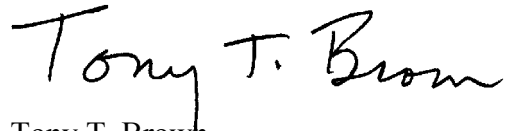
We understand that the City/CRA is required to complete their due diligence. To do so in isolation is not fruitful nor consistent with our experience as developers in other public environments. We are ready to proceed. You should note that our proposed “Notice to Proceed” for development outlines the potential resources the City/CRA may want to consider in hiring Financial Advisors. Our interests are aligned, and we view the process of negotiating to be a collaboration between our interests and resources.

We can achieve the Board’s December directive by April if the following actions are taken:

1. Direct Mr. Haygood to review the Master Development Agreement (MDA) proposed by us and opine if it is an adequate framework to start an effective negotiations process. We modeled our draft on the MDA executed by Viking in 2010 with one major deviation. At Section 2.02 in the proposed MDA, we added a conditions precedent that requires completion of land swaps and property acquisitions between the City, CRA and Viking.
2. As you know, I served as Executive Director of the CRA during Viking’s term as Master Developer. Negotiations broke down over the terms to develop Project Elements. In learning from this experience, we have offered a draft “Notice to Develop” on four projects and believe development agreements can be negotiated in 2 – 4 months. We respectfully request that you ask Dr. Botel, as the Board’s representative on the Negotiations Committee, to deliver this “Notice” to the Committee to use as a start for deliberations.

We hope you will accept our draft MDA and the related draft Notice to Develop four elements from our Conceptual Site Plan as a starting point for deliberations. Time is of the essence and we desire to move forward as quickly as possible. Thank you for your attention to this matter.

Very truly yours,

A handwritten signature in black ink that reads "Tony T. Brown". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Tony T. Brown
Co-Manager
Tezral Partners, LLC

Cc: Vaughn D. Irons, APD Solutions, LLC and Co-Manager of APDS-Tezral RBMVII, LLC
City of Riviera Beach City Council and as Commissioners of the Riviera Beach CRA
Jonathan Evans, City Manager
Scott Evans, Interim Executive Director, CRA
Dawn S. Winn, City Attorney
Michael Haygood, General Counsel, Riviera Beach CRA



Date

Mr. Jonathan Evans
City Manager
600 W. Blue Heron Avenue
Riviera Beach, Florida 33404

Mr. Scott Evans
Interim CRA Executive Director
2001 Broadway, Suite 300
Riviera Beach, Florida 33404

Re: In anticipation of an executed Master Development Agreement (“MDA”) between the City of Riviera Beach ("City"), the Community Redevelopment Agency of Riviera Beach ("CRA") and APDS-Tezral RBMV II, LLC (“APDS-Tezral”) this Notice to Proceed to Develop is Offered

Dear Messrs. Evans & Evans:

We submit this letter as a good faith gesture and notice under Paragraph 2.04 of the proposed Master Development Agreement (MDA) drafted by us to expedite the negotiations process. See Exhibit A for the draft MDA. We desire to proceed to develop certain elements and areas of the APDS-Tezral Conceptual Master Plan as shown on the attached Exhibit B. The elements to be developed are as follows: 0, 1, 6 and 8.

We complied with the requirements of RFP 2018-01 (the "RFP") and our financial information was provided, rated and ranked. Both firms were deemed qualified and responsive to the RFP. We understand that the City/CRA are proceeding with the hiring of a financial advisor to assess our ability to complete redevelopment of Phase II. We believe this assessment should equally reflect the City's and CRA's ability to meet certain financial requirements you asked us to present to you for completion of the Marina Project. Tezral has copied the firm financial commitments we provided in past RFPs under Exhibits C & D.

As noted in the draft MDA at Section 2.02, APDS-Tezral, as required in our joint proposal, outlined specific actions to be taken by the City and CRA as a condition to close. These actions include the completion of land swaps and property acquisitions between the City, CRA and Viking Developers, LLC (“Viking”) or Viking's related entities. We were insightful in our response to the RFP and included a financing commitment that would allow the City/CRA to acquire Viking's land and construct a public parking garage— see Exhibit C.

We cannot proceed to developing the Marina unless these actions are first resolved. Any evaluation of our financial capability should be taken into consideration of the underwriting of Project Elements. We therefore propose that the first element negotiated between us start at Element 8 on land owned by the CRA.

1. Element 8: Mixed-Use Development & Public Parking Garage:

We propose the development of 1,000 public parking spaces, 170 apartment units and 12,000 - 50,000sf of commercial space. The cost of development is projected at \$40 - \$55 million. We also recommend that the cost to acquire Viking's land be rolled into the parking credit facility which would eliminate any RFP for financing for this purpose. A firm commitment to finance the land and parking garage is attached under Exhibit C.

We concur with the City/CRA's hiring of professional resources to further the redevelopment plan. The evaluation of financial capability is of equal concern by us of the City/CRA's ability to provide resources

as well. We are concerned that your hiring of a financial advisor is underway without an understanding of our development proposals and the opportunity for joint due diligence between us, the City/CRA, our investors and lenders. We have therefore outlined a scope of services for Financial Advisor(s) by Project Element to help ensure adequate resources are available to move this project forward.

a. Financial Advisor (FA): Scope of Services:

- Parking Consultant: (1) Assess costs, revenue and expense projections of the parking facility; (2) Advise City/CRA of debt service coverage from parking revenues only; (3) Assess debt service coverage if tax increment revenues (TIF) are pledged; (3) Review proposal from Municipal Acquisition and provide recommendation to City Manager as to action.
- Apartments: Developer proposes workforce housing at the site using the 4% Low Income Housing Tax Credit Program. (1) FA to assess developer's budget and financing strategy. (2) FA to advise City/CRA of likelihood of financing or success from similar projects.
- Commercial: Developer proposed up to 50,000sf of commercial retail space. (1) FA to assess developer's budget and financing strategy and should possess an understanding of the New Markets Tax Credit Program; (2) FA to advise City/CRA of likelihood of financing or success from similar projects.
- CRA Contributions: (1) CRA completion or contribution of an appraisal, market study, environmental assessments and infrastructure improvements as negotiated to improve the site and determine the sale or ground lease value of the site; (2) FA to advise CRA of funding strategy for approved contributions to Project Elements.

b. Time Period to Negotiate Element 8

We estimate 90 – 120 days to negotiate: (1) Purchase & sales agreement between City/CRA and Viking; (2) terms for land lease or acquisition of site 8 between the CRA and sub-developer(s); terms and conditions of public parking lease between City, Port of Palm Beach and Municipal Acquisition; (3) Assignment of development rights from APDS-Tezral to sub-developers, subject to City/CRA approval; (4) assessment of financial projections by City/CRA's financial advisor; (5) Development Agreement between APDS-Tezral, Sub-developers and City/CRA

2. Elements 0 & 1: Event Center Restaurant & Site A (Restaurant Row):

Members of the CRA Board have expressed urgency for the completion of the Event Center and an additional restaurant at the site. The cost of development is projected at \$7 million and the CRA (or the Riviera Beach CDE) may need to contribute as much as \$2 - \$3 million to complete construction of the Event Center and modify existing structural elements on the roof and sub-surface elements at Restaurant Row.

a. Financial Advisor (FA): Scope of Services:

- Market Study: Completion of an appraisal and Market Study to aid the City/CRA assess ground lease rents (rates and terms) to negotiate with Master Developer.
- Restaurants: Developer proposes to lease up over 21,000sf of restaurant or retail space with a 50-year limit on ground leases. FA to advise City/CRA of likelihood of financing or success from similar projects.
- CRA Contributions: FA to advise CRA of funding strategy for approved contributions to Project Elements.

b. Time Period to Negotiate Elements 0 & 1

We estimate 60 - 90 days to negotiate terms and up to 365 days to market the site(s) for a restaurant: (1) Assignment of development rights from APDS-Tezral to sub-developer, subject to City/CRA approval; (2) Ground lease agreement between City/CRA and sub-developer; (3) Event Center Lease Agreement for Restaurant Tenant between City/CRA, CDE and sub-

developer; (4) assessment of restaurant's financial ability delegated to sub-developer; (5) commercial broker agreement between sub-developer and City/CRA; (6) Development Agreement between APDS-Tezral, Sub-developers and City/CRA

3. Element 6: Hotel:

Master Developer has proposed a Marriott Residence Inn to be locally and minority-owned. Riviera Beach is an untested market. Thus securing New Markets Tax Credits (NMTCs) will be beneficial to the financing strategy and time is of the essence. The cost of development is projected up to \$35 million and the City/CRA may need to contribute funding for the relocation of Marina operation, site infrastructure improvements and temporary parking facilities.

a. Financial Advisor (FA): Scope of Services:

- Market Study: Completion of an appraisal and Market Study to aid the City/CRA assess ground lease rents (rates and terms) to negotiate with Master Developer.
- Hotel: Developer has proposed a minority-owned hotel with Urgo Resorts serving as hotel manager, operator and designer. FA to advise City/CRA of likelihood of financing or success from similar projects and should possess knowledge of NMTC and TIF financing.
- CRA Contribution: (1) Delegate management of CDE to Master Developer to attract NMTC investor and complete application for NMTCs – see Exhibit D for NMTC commitment; (2) FA to advise CRA/City of funding strategy for approved contributions to Project Elements.

b. Time Period to Negotiate Elements 6

We estimate 90 – 120 days to negotiate terms: (1) Assignment of development rights from APDS-Tezral to sub-developer, subject to City/CRA approval; (2) Ground lease agreement between City/CRA and sub-developer; (3) facility lease for marina operations, if applicable, between City and sub-developer; (4) Management Agreement and scope for CDE and NMTC Application; (5) Development Agreement between APDS-Tezral, Sub-developers and City/CRA

This notice contemplates that the elements outlined above will be negotiated in good faith. We hope you will accept the draft MDA and this Notice as our commitment to the project and desire to move forward. Time is of the essence. We look forward to our discussions in pursuance of the above.

Very truly yours,

Vaughn D. Irons
Co-Manager
APD Solutions, LLC

Tony T. Brown
Co-Manager
Tezral Partners, LLC

EXHIBIT A
MASTER DEVELOPMENT AGREEMENT
(see Separate Document)

DRAFT

EXHIBIT B
CONCEPTUAL MASTER DEVELOPMENT PLAN

Alternate Scenario



- 0. Events Center Anchor Tenant
- 1. Restaurant Row 1
- 2. Restaurant Row 2
- 3. Restaurant Row 3
- 4. Activate Bicentennial Park – New attractions/amusement
- 5. Food Hall/Public Market
- 5b. Retail Plaza
- 5c. Retail Marketplace
- 6. Hotel at Marine Way
- 7. Residential 2 and Parking Garage
- 8. Residential 1 and Parking Garage



EXHIBIT C
MUNICIPAL ACQUISITIONS FUNDING COMMITMENT

DRAFT



February 26, 2019

Mr. Tony T. Brown Manager
Tezral Partners, LLC 2915 E. Tamarind Avenue
West Palm Beach, FL 33407

Re: Riviera Beach Parking Master Plan and Financing Proposal

Dear Mr. Brown:

The purpose of this letter is to re-affirm our commitment to Tezral Partners, LLC ("Tezral, or Master Developer") for financing parking facilities at the Marina Village, Riviera Beach; and to offer an additional commitment to Tezral to finance a public parking structure in Riviera Beach on Singer Island near the vicinity of 2441 – 2431 Beach Court, Riviera Beach. Further, you have shared the Updated Riviera Beach Parking Master Plan completed by Desman Design Management ("Desman") on September 28, 2019. We welcome the opportunity to provide the financial solutions outlined by Desman in their report and our proposal of terms below is consistent with a viable public-private partnership (P3). As explained below, our commitment is to finance up to \$75.1 million for 2,350 parking spaces in three public parking facilities.

Riviera Beach Marina Village – Phase II

We re-affirm our commitment to fund one hundred percent (100%) of the project cost for the parking facilities in support of Marina Village Phase II. The Marina Village parking facilities have been conceptually designed by Song + Associates to include up to 2,000 parking spaces in two parking garages and surface space parking. You have represented that these parking facilities could cost up to \$66 million, inclusive of land costs/site acquisition.

Riviera Beach/Singer Island – Ocean Mall West

In addition to the above, we are also committed to fund one hundred percent (100%) of the project cost for a public parking facility in support of parking demand created by Ocean Mall, the nearby Beach Park and future development planned for the Ocean Mall West area. You have represented that the Ocean Mall West parking facility will be designed in collaboration with MTN Investments, a private property owner, and the city of Riviera Beach. The final design is dependent on height approvals and is subject to change. You have budgeted the costs of the parking facilities at Ocean Mall West at \$9.1 million for 350 parking spaces, inclusive of land costs and site preparation.

Conditions of Financing Applicable to Parking Structures

Our commitment to financing is subject to the City of Riviera Beach, Florida and/or the Port of Palm Beach, Florida at the Marina Village facility ("Public Entity") agreeing to a master lease and the general terms outlined below. The benefit to this structure is that it is, simply put, a real estate transaction, and this structure enables the garage to be built to cost, and that all net profits will be retained by the Public Entity. Municipal Acquisitions has successfully used this structure in the State of Florida with Broward College and the State of Florida. A case study may be reviewed here:
<https://www.municipalacquisitions.com/broward-college-miramar-campus>

The Public Entity will execute a NNN lease between 20-30 years which commences at the expected completion of construction of the parking facilities. You have represented that the design of the parking structures will allow each Public Entity to separately

own its parking structure. Each Public Entity would receive lien-free title to the improvements at the end of the term (a reversion) and the following terms would be negotiated in a Parking Lease Agreement:

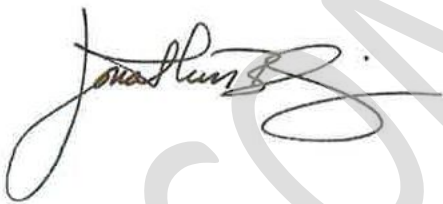
- **Lease will be structured in accordance with all regulatory and statutory requirements**
- Rents will be triple net
- Each Public Entity may hire a 3rd party parking operator to run day-to-day operations or negotiate such rights with the Master Developer
- Parking rates to be set by the Public Entity
- All net profits will be retained by the Public Entity
- Private parking spaces set aside for the development of Marina Village will be embodied in the lease under terms agreed to by the Public Entity and Master Developer
- Ownership of the parking structures will revert to the Public Entity at end of lease term
- The City of Riviera Beach, through its Redevelopment Agency, will further benefit from the surrounding economic development and increased tax revenues

Municipal Acquisitions is a private real estate investment firm based in Washington, DC. with a current portfolio of approximately \$400 million, we are an established and reliable investor with a demonstrated record of successfully closing transactions that meet our programmatic parameters. To date, more than fifty of the world's most respected insurance companies, pension and retirement funds, mutual funds, and family offices have co-invested in our transactions.

We seek out opportunities throughout the United States with a narrow focus on real estate developed for or otherwise used by public sector entities including towns, cities, counties, and state governments. We do not invest in federal government properties or outside the United States.

We acknowledge your submission of this letter in conjunction with the submission of a response to the Marina Village Phase II Development Opportunity and the Acquisition of CRA Property for the Purpose of Providing Public Parking and Redevelopment. We look forward to participating with you as an investor in your construction of public parking facilities.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jonathan B. Kling", is written over a large, light gray "CONFIDENTIAL" watermark that is oriented diagonally across the page.

Jonathan B. Kling
Chief Executive Officer

EXHIBIT D
FIFTH THIRD BANK NMTC COMMITMENT

DRAFT



Fifth Third Community Development Corporation

5747 Perimeter Drive, Suite 253, Dublin, OH 43017

June 18, 2018

Mr. Tony T. Brown, Managing Member
T. Brown Consulting Group, LLC
PO Box 15666
Fernandina Beach, Florida 32035

RE: T. Brown Consulting Group LLC (TBCG) NMTC Investment

Dear Mr. Brown;

The purpose of this letter is to express our commitment to participate as an equity investor in TBCG's Feed America Fund (Feed America Fund) or it's to be formed subsidiary Community Development Entities (CDE's). Fifth Third Community Development Corporation commits funding for a Qualified Equity Investment (QEI) up to the full \$28,000,000 application amount in the Feed America Fund. Our funding is contingent upon the approval of the Fifth Third Community Development Corporation's Investment Committee Board and an award of New Markets Tax Credit (NMTC) allocation authority to T. Brown Consulting Group, LLC in conjunction with the submission of a 2018 NMTC Allocation Application to the U.S. Treasury's Community Development Financial Institution Fund. Funding from Fifth Third Community Development Corporation can be in the form of a leverage loan and/or equity structure. Our commitment hereunder is subject to the approval of QLICI's by the appointed investment committee.

It is our understanding that our QEI may be used solely for purposes of making investments that meet the definition of a Qualified Low Income Community Investment (QLICI) as defined under the NMTC Program. QLICI's will further be subject to other restrictions as defined under an executed Allocation Agreement with the Community Development Financial Institution Fund and 45D of the Internal Revenue Code. Our QEI will also conform to the requirements of a mutually acceptable and executed Operating Agreement between the members of T. Brown Consulting Group, LLC or its subsidiary CDE's and Fifth Third Community Development Corporation.

Fifth Third Community Development Corporation is a subsidiary of Fifth Third Bancorp and is a direct tax credit investor whose portfolio is over \$1 Billion in Low Income Housing, Historic and New Market Tax Credits. While Fifth Third Community Development Corporation is primarily focused on NMTC transactions within our footprint, we also invest nationally.

Fifth Third Bancorp is a diversified financial services company headquartered in Cincinnati, Ohio. As of Dec. 31, 2017, Fifth Third Bancorp had \$142 billion in assets and operated 1,154 full-service Banking Centers and 2,469 ATMs with Fifth Third branding in Ohio, Kentucky, Indiana, Michigan, Illinois, Florida, Tennessee, West Virginia, Georgia and North Carolina. Fifth Third operates four main businesses: Commercial Banking, Branch Banking, Consumer Lending and Wealth & Asset Management.

We also acknowledge that this letter may be utilized by T. Brown Consulting Group, LLC in conjunction with the submission of a 2018 NMTC Allocation Application of which we understand that Frenchtown Gateway, Pleasant City/Northwood Village, downtown Jacksonville and the Marina Village Phase II are pipeline projects. We look forward to participating with you as an investor in your NMTC initiatives.

Sincerely,



Bruce Bryant, Sr. Vice President
Fifth Third Community Development Corporation