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**CITY OF RIVIERA BEACH
PALM BEACH COUNTY, FLORIDA
MINUTES OF THE CITY COUNCIL WORKSHOP
HELD JULY 22, 2019, 7:00 p.m.**

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

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CITY CLERK CALL TO ORDER

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CHAIRPERSON MILLER-ANDERSON: All right. Da, da, da, da. All right. We're ready. Going to call to order a city council workshop to discuss the PFM to assist with understand P3s, July 22nd, 2019, 7:50 p.m. Madam, roll call.

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ROLL CALL

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DEPUTY CITY CLERK BURGESS: Mayor Ronnie Felder.

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MAYOR FELDER: Here.

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DEPUTY CITY CLERK BURGESS: Chairperson Kashamba Miller-Anderson.

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CHAIRPERSON MILLER-ANDERSON: Present.

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DEPUTY CITY CLERK BURGESS: Chair Pro-Tem Julia Botel.

25

CHAIR PRO-TEM BOTEL: Here.

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DEPUTY CITY CLERK BURGESS: Councilperson Tradrick McCoy.

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COUNCEILPERSON McCOY: Here.

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DEPUTY CITY CLERK BURGESS: Councilperson Shirley Lanier.

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COUNCEILPERSON LANIER: Here.

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DEPUTY CITY CLERK BURGESS: Councilperson Douglas Lawson.

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COUNCEILPERSON LAWSON: Here.

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DEPUTY CITY CLERK BURGESS: City Manager Jonathan Evans.

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CITY MANAGER EVANS: Present.

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DEPUTY CITY CLERK BURGESS: Deputy City Clerk Jacqueline Burgess is present. Assistant City Attorney Lina Busby.

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ASSISTANT CITY ATTORNEY BUSBY: Here.

30 DEPUTY CITY CLERK BURGESS: You have a quorum.

31 UNIDENTIFIED SPEAKER: All right.

32 CHAIRPERSON MILLER-ANDERSON: Do we have to do the invocation and the pledge
33 again? Is that -- I know it's proper, but do we have to? Can we just go ahead? We've done
34 it twice tonight. Okay. All right. We'll go right into --

35 UNIDENTIFIED SPEAKER: Donald Trump don't like that.

36 CHAIRPERSON MILLER-ANDERSON: We'll go straight into our -- why does it say
37 discussion and deliberation on here? It's just a workshop.

38 CITY MANAGER EVANS: Workshop. Yeah.

39 CHAIRPERSON MILLER-ANDERSON: Go ahead.

40 **INVOCATION**

41 **PLEDGE OF ALLEGIANCE**

42 **AGENDA Approval: Additions, Deletions, Substitutions AGENDA ITEMS**

43 **DISCUSSION AND DELIBERATION BY COUNCIL**

44 1. **DISCUSSION WITH PFM TO ASSIST WITH UNDERSTANDING P3'S.**

45 **RANDY SHERMAN, DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES,**
46 **561-845-4041.**

47 CITY MANAGER EVANS: Madam Chair, if I may have the finance director Mr. Randy
48 Sherman introduce the presenters to talk about P3 projects and getting better informed
49 on how the city would proceed in the event that we wanted to explore this option for
50 development.

51 RANDY SHERMAN: Good evening. Randy Sherman, director of finance and
52 administrative services. The last time we met on -- on -- talking about city facilities, there
53 were a couple of questions that we're going to try to answer for you tonight, or at least
54 partially answer for you tonight. First question was talking about public part -- public
55 private partnerships, and Sergio Masvidal from PFM, our public financial -- management
56 financial adviser is here to make a presentation on that. You also asked about similar
57 projects. Unfortunately, about 30 miles south of here in Boynton Beach is a similar project
58 going on, and the assistant city manager Colin Groff is here from Boynton Beach to talk
59 about their project. And then you also talked about cost. So, once the two of them move
60 through, then we'll get in, and I'll present the cost on the south side and the north side.
61 And again, Mr. Masvidal does have travel arrangement issues. Gladly come back at a
62 later time, you know, if we want to get into it further with them. So, I'll turn it over to Mr.

63 Masvidal.

64 SERGIO MASVIDAL: Thank you, Randy. Good evening councilmember -- members.

65 CHAIRPERSON MILLER-ANDERSON: Good evening.

66 SERGIO MASVIDAL: Sergio Masvidal, PFM Financial Advisors. Can everyone hear me
67 okay?

68 CHAIRPERSON MILLER-ANDERSON: Yes.

69 SERGIO MASVIDAL: Okay. Great. Thank you. Well, again, thank you for the opportunity
70 to come here and just discuss P3s in a workshop setting. Certainly, P3s have gotten a lot
71 of discussion nationally in the news, and there's a lot of I think misconceptions. So, it's
72 important. I think you guys are taking an excellent first step here in having -- in gaining a
73 better understanding around them. So, with that, I will try to move through these slides
74 relatively quickly kind of at a high level here, leaving some time for discussion -- an
75 opportunity for discussion at the end. However, please don't hesitate to stop me along
76 the way if, you know, there's more questions on a specific slide that we present.

77 So, again, as -- as Randy pointed out, we'll introduce project delivery alternatives,
78 including P3s, and then we'll talk about a couple sample case studies. Fortunately, there
79 are a couple cities just south of you that are doing -- or, currently underway with a similar
80 project to what you are considering here. So, let's start by discussing project finance and
81 alternative development methods. So, there's a -- a few types of -- of arrangements that
82 you might consider in project finance generally, right? These arrangements are typically
83 -- just as the name implies, in project finance, you finance a project that supports the
84 financing. So, the project itself should generate revenues that support whatever borrowing
85 you undertake on the city side. In addition, the debt for those projects typically is non-
86 recourse. You wouldn't pledge the ad valorem taxing power of the city in order to finance
87 one of these projects. They would be -- the project would generate revenues that in turn
88 would support a debt financing. We think about construction and operating risk kind of at
89 the outset of any project considered. And when I say that, I mean the full lifecycle cost of
90 -- of a project. So, it's not just the cost of interest on the debt. It's also the cost of
91 maintaining that facility, operating that facility for a long term for the next, you know, 30,
92 40, 50, 60 years even. And one important thing that we'll also touch on here is project
93 finance is not new at all in the municipal industry. It's been around for decades -- multiple,
94 multiple decades. Project finance is -- is very -- is something that's used by every form of
95 government around the country for years.

96 So, project finance and public private partnerships, how do those two kind of come
97 together? You know, a P3 can take many different forms, and there's very broad
98 definitions for public private partnerships, what I'll -- I'll call P3s here, you know, moving
99 forward. The city has probably engaged in some forms of P3s already. If you think about
100 in the simplest forms, just a contract to operate one of your -- one of your facilities, a
101 design build contract for the utility system, those are site -- types of P3s along the
102 spectrum of P3s. There are P3s that might involve all elements, design, build, operations,

103 maintenance, as well as the financing. At PFM, when we advise our clients on P3s, we
104 advise you to kind of take each of those components individually, think about them on an
105 individual basis and what makes sense for the private sector to do and what makes sense
106 for the public sector to do.

107 In addition, you know, after this, we'll consider at the core of P3s, the one thing I'd like
108 you to keep in mind is risk transference. What risk is being transferred to the private sector
109 when you engage in a P3? What risk are you -- are you maintaining yourself in a P3?
110 Really, that's where the value of a P3 lies. That's where the economics lie, is where is
111 that risk transference along that spectrum.

112 So, let's discuss project delivery methods. This graphic that -- that's in front of you
113 illustrates really that range of project delivery methods. You'll have on your left side of the
114 screen kind of the fully traditional public methodology, which is, you know, design build
115 contracts or a construction manager at risk contract. There's a design build bid build
116 contract. So, all sort of public -- public -- traditional public-type structures. All the way to
117 the right side, when you think about fully privatized -- for some reason, those slides aren't
118 showing up in the bottom box of this. But all the way to the right, you have your design
119 build finance, design build operate and maintain, and all the way to the farther side would
120 be an asset sale. If the city has an asset that is considered in selling or doing a long-term
121 lease on, that would be a fully privatized transaction.

122 So, let -- we're going to try to break down the rest of these elements, slides 7 through 11
123 or 12 or so, and then we'll summarize so we can discuss further. On slide 7, we talk about
124 kind of really high-level development issues along that public private spectrum. So, you
125 think about the management of the facility, the design, where the revenue source is
126 coming from, who's financing that facility, what are the security sources, the revenue
127 pledge behind that financing, the construction and operations, who's taking that risk, is
128 that the city, is that public or is that private, and where do those kind of -- where -- where
129 do the benefits lie there. There are certain control issues as well. The cost might be better
130 on one side if the private side did it, cost might be better if the public sector runs it. So,
131 we'll talk about kind of high-level -- those are the development elements I'd like you to
132 consider.

133 As far as the construction strategies on slide 8 now, really, construction is dependent on
134 two things, I would say: Complexity of the project. What are you -- what are you building?
135 What are you designing? You know, if it's a tunnel, for example, that's a whole different
136 project than a municipal facility, which may be more standard, more straightforward. So,
137 complexity is one thing to consider. Do you want to transfer that risk of complexity to the
138 private sector depending on how complicated that project is to build, what -- what kind of
139 unforeseen might be involved in that project that you might want to transfer to the -- to the
140 private sector? In addition to complexity of a project, the other thing is just economies of
141 scale. If the private sector is designing something or building something near the footprint
142 that you're considering your building, other economies of scale to having the private
143 sector also develop your facility instead of kind of engaging two separate construction
144 firms or two separate design firms. Are there certain benefits to having one firm do
145 everything on that footprint? That's something certainly you'd want to consider during the

146 construction element.

147 As far as operations and maintenance strategies, historically, these have been public --
148 publicly-run, you know, services, operations and maintenance of your existing facilities.
149 Think about any -- any general, operational item every day, something as simple as
150 changing out light bulbs, making sure facilities work. That has traditionally been run by
151 the public sector. There can be, again, savings to a city if you were to privatize some of
152 those services. You have to consider that, kind of again, thinking about one component
153 on O&M strategies, consider whether you'd want to privatize that. It might make sense for
154 a municipal facility to privatize operations and maintenance. However, for a public safety
155 building such as a police facility or a fire facility, maybe the control needs to be a little bit
156 more tightly guarded, and you really need to have your own people running that facility.
157 So, something to consider on -- on operations and maintenance.

158 The other thing to consider on O&M that's -- that's I would say critically important -- and
159 more and more issuers and clients that we work with are looking at this element -- is the
160 long-term lifecycle of that -- of that facility. So, many cases, we've seen cities have
161 facilities or infrastructure that has just not been maintained properly over the years. Let's
162 face it, there's economic recessions that move forward. There's different priorities in the
163 budget every year. Sometimes, infrastructure maintenance gets deferred. So, what does
164 that do? It shorts the -- the useful life of a -- of a facility that may have lasted 50 years.
165 Now you're shortening to 35 years just because, you know, simple -- or, I wouldn't say
166 simple, but routine mile -- milestone maintenance that needed to be done was never done.
167 Through a privatized O&M contract, you can control that so you make sure at the end of
168 that O&M contract, you get that infrastructure back, that facility back exactly in the kind of
169 shape that you want to run it for another 20 or so years.

170 And then two more slides on -- on these elements. Revenue and credit strategies. So,
171 here, again, we're getting into the financing aspects of it, probably farther ahead than
172 where you are today in making your decision. But we have to look at what the revenue
173 streams are that would support a project, if it's a project delivery that you're discussing
174 here as far as having a developer come in and build a -- some private-use or mixed-use
175 facilities, as well as your public sector buildings. Are there going to be lease payments on
176 an annual basis from that developer? How credit worthy are those lease payments?
177 There's -- there's also going to be expectations of tax increases in the future that can also
178 support financing a project for the public sector. So, we look at those kind of revenue
179 strategies, how credit worthy are they, what's the cost of borrowing depending on those
180 different revenue streams, and the mix of revenue streams that the city would expect to
181 receive.

182 And then finally, financing strategies. I won't spend a lot of time on this just because I
183 think it's probably farther ahead than where we need to be today, but certainly there a --
184 you know, plenty of financing strategies available to the city. No matter what structure you
185 determine along that spectrum, whether it's fully public, traditional model, or a -- or a fully
186 privatized model -- and I'm specifically speaking about the -- the city's facility here -- you
187 can use private activity bonds, taxable bonds, things like that that still gain the efficiencies
188 of the, you know, well known municipal market.

189 So, with that, I'll summarize on 12. Just again, the key things -- key project inputs we look
190 at, revenue sources, construction costs and timing, financing interest rates, the
191 operational expenses, capital, renew and replacement. We talked about that as being a -
192 - an important one. And then we like to model this out over the long term. What's the full
193 lifecycle of a project, how does that impact the city's budgets not just this year but for
194 years to come into the future?

195 And then when are P3s, public private partnerships, viable? There's a couple -- couple
196 key -- you know, simple examples. Greenfield Project. So, brand-new, empty space.
197 That's -- that's certainly P3 worthy. You know, private sector could get interested in that.
198 Brownfield Projects at the same time. You know, assets that are already existing.
199 Underfunded lifecycle cost, just needs to be rehabbed some. P3s may have interest in
200 that as well. And then of course, there is financial considerations. Do you let the private
201 sector finance those -- those projects themselves maybe at a little high cost at capital?
202 Again, just transfer -- transferring risk, transferring benefit. That's a decision we have to
203 make kind of a few steps down the line if you choose to install it.

204 But certainly, the bullet here I want to make sure we -- we cover is value capturing. So,
205 are you capturing value from your existing assets? Is there a better value for your existing
206 asset? Is there pricing power, economies of scale, having one developer come in and
207 kind of build all these facilities at once? So, with that, I think -- we have a couple sample
208 case studies here. I mentioned a few projects going on to the south that I think would be
209 helpful in just framing the -- the considerations here. So, I'll try to cover these quickly as
210 well.

211 City of Miami, I'm not sure how many of you might be familiar with the Miami Riverside
212 Center. It was recently in the newspapers. The city commission actually just approved
213 this project to move forward I want to say about three weeks ago. Just to give you a little
214 bit of history, in 2016, the city determined that their current -- let me know if anyone's
215 been to Miami and seen that administrative building now. It's on the river. It's in downtown
216 core. They -- they decided in 2016 that that was really an underutilized asset considering
217 where it was and the development going on around it. It's about four acres of land. So,
218 not a huge space. The actual city administrative building only takes up about a -- an acre
219 and a half of that -- of that property.

220 So, what did they do? They decided this is valuable waterfront land. It's on the river. It's
221 in the downtown core. We could probably make better use of this asset. They went out
222 with a voter referendum in order -- because it's on waterfront, the City of Miami statutes
223 require that they go off of voter referendum. And basically said to the voters, we would
224 like to lease this over a long term, 99 year lease to a private developer that will build a
225 mixed-use project there. It's going to include -- right now, the developer's plans include
226 hotel, condo, and apartments, as well as a new administrative building for the City of
227 Miami, brand-new facility there. 64 percent of the voters approved that just in 2019. As I
228 mentioned a few weeks ago, they bought the development agreements back to the
229 commission, and the commission approved moving forward with that.

230 Now, how is that transaction going to work? You'll see here in the -- on the screen the city

231 benefits from -- they get lease income. So, there is lease payments coming in from the
232 developer. They have already made their first deposit once that was approved by the
233 commission. I believe that lease is just under \$4 million a year. That's a lease payment
234 they received. They're also estimated to receive brand-new property tax revenues. When
235 you think about it, this was a -- an asset -- the administrative building that was a public-
236 purpose asset, was not on the tax rolls. Now, they're -- they're turning it and making this
237 property -- putting it on the tax rolls. It will -- it will generate property tax revenues from
238 there. Brand-new facility for the -- for the city administrative folks, lifecycle planning. Their
239 current facility -- I'm not an engineer, but I understand their current facility may have been
240 undermaintained. So, there was some lifecycle planning that will go on. So, now this new
241 facility will be as part of the development agreement, will be maintained by that private
242 developer, and at the end of the lease term, the city will get -- will get their building, you
243 know, in -- in the shape that they expect it to be. And then of course, improved waterfront
244 activation. That's something that the city planners were certainly important to them.

245 So, what are the private benefits? Of course, a private developer comes in and has a
246 waterfront site, desirable location, a prime location to build right now, larger development
247 area, more buildable density. They -- they have a long-term O&M contract -- or, the
248 operations and maintenance, and they -- they are granted a developer fee. At the end of
249 the day, you know, when you re-ran the economics for this project, the building it will cost
250 about \$150 million. That's the capital cost of that building, not the financing cost. However,
251 we did structure the financing -- it's -- the financing is still forthcoming, but we're
252 structuring the financing such that it fits within the lease payments received from the
253 developer, as well as the expected property tax revenues over that long term.

254 Now, there's of course risk that the developer -- we -- we identified early on that there was
255 risk that what happens if you enter into this lease, you expect your lease payments to
256 come in, and they're going to come in no matter what, and the developer never builds
257 their project, the private side of this project. Then the tax revenues the city was dependent
258 on to service that debt don't become -- don't materialize. Well, after negotiation with the
259 developer, we did put in kind of certain safety guards that the developer, if they didn't
260 build their project -- and I may get the years incorrect, but bear with me -- if they don't
261 build their project by year five, they have to make increased lease payments to the city in
262 order for the city to be able to continue servicing their debt. And then at the end of year
263 nine, if the developer hasn't constructed what they anticipated to construct, the entire
264 project reverts back to the city, and the city can go ahead and negotiate with a new
265 developer to -- to rehabilitate that area.

266 So, that's the City of Miami's project. Again, we're just kind of at the -- at the very forefront
267 of this. But I think the gentleman from Boynton Beach will come up and discuss his. I'll --
268 I'll pause there in case there was any questions.

269 CITY MANAGER EVANS: Yes. Madam Chair, if I may. What was the process that the
270 City of Miami undertook to be able to solicit participation from the private sector on this
271 project?

272 SERGIO MASVIDAL: That's a -- that's a great question. They -- they went out with a full

273 procurement, four developers. So -- and actually did it in two parts. So, it was a -- a
274 request for -- I might get the terminology wrong -- RFLI. Request for Letters of Interest I
275 believe that stands for. They received letters of interest from the developer community. I
276 think they -- they might've gotten 15 or 20. Then they shortlisted that group to I believe it
277 was seven or eight. Then they went out for requests for bids, and they said basically, who
278 was -- you know, their criteria was who would provide the greatest annual lease payment
279 to the city, and then also they looked at kind of the -- what I call the esoteric factors as far
280 as what are they going to design there, how will they activate the waterfront, kind of the
281 more stall factor I'll call them as -- in additional to the -- the dollar values. And I can get,
282 Mr. Manager, more detail on exactly what that process was.

283 CITY MANAGER EVANS: Yeah. We -- that -- yeah. That would be beneficial to have that
284 information as far as the process that they undertook. And now through that letter of
285 interest and that solicitation, at what point does the board have the ability or find out the
286 business acumen and the financial wherewithal of those entities that are involved in the
287 process, or when -- when you get all -- when you all get involved? Because that -- that's
288 I think a principal concern, is that you -- anyone can give you a proposal, but do they have
289 the finances and the business acumen to pull off a project like this that will --

290 SERGIO MASVIDAL: That -- that's an excellent point. And absolutely, I think in the --
291 early on in the process, from RFLI to where you would shortlist proposals that can even
292 give you a bid, you would want to get certain years financials -- you know, historical
293 financials for that firm, exactly what their ownership structure is now, kind of what banking
294 relationships they have. I believe they even had letters from lending institutions that
295 supported that they would finance the project for them. So, absolutely you want to make
296 sure -- that's -- that's criteria one. You want to make sure you pick a partner that's
297 creditworthy for you all.

298 CHAIRPERSON MILLER-ANDERSON: Anyone have any questions or comments
299 regarding this section? All right. We're going to Boynton.

300 ASSISTANT CITY MANAGER GROFF: (unintelligible).

301 SERGIO MASVIDAL: Thank you all.

302 CHAIRPERSON MILLER-ANDERSON: Thank you.

303 UNIDENTIFIED SPEAKER: I think the Boynton guy (unintelligible).

304 UNIDENTIFIED SPEAKER: (unintelligible).

305 UNIDENTIFIED SPEAKER: Yeah.

306 ASSISTANT CITY MANAGER GROFF: So, first, I'll introduce myself. Colin Groff. I'm the
307 assistant city manager for the city of Boynton. I'm glad to be here. Although, I didn't know
308 I was going to do a presentation or talk to you all or anything, so this is kind of starting
309 from scratch. But I do want to follow up because that was a great question on how do you
310 procure these services. What I do -- I'm going to go real quickly through our project so

311 you can see what we did because I think it's very similar to what you guys are looking at.
312 But I do want to talk about how we procured it because we did it very similarly to Miami -
313 - Miami, although just a tad bit different, and our procurement also has been through the
314 inspector general in Palm Beach County. So, we do know it works, and we didn't get any
315 comments. So, that's very important for us in Palm Beach County to -- to know that.

316 We used the CCNA, Consultant Competitive Negotiation Act, legislation, state of Florida
317 do it. So, we did a qualification based only process which was two steps. The first step
318 was a request for qualifications or request for letters of interest. And what we requested
319 was we wanted to know a couple thing, what project the team -- what -- what the team
320 looks like, what their experience was, what kind of projects they built, and what kind of
321 financial partner they would bring to the table, because we wanted to see -- that's a very
322 important part of it, is the financial partner, to make sure they -- and then that group was
323 shortlisted to three that which then offered their proposed plans, what they would do, and
324 what they would build. And also, their -- their -- their financial package with all of the
325 details. And then that was also reviewed and graded. And then we selected that team
326 based on qualifications.

327 The third, really, step was we also had an off ramp. So, we -- we -- we said we would --
328 they actually had to pay for the first phase of the project. We didn't pay a dime. They paid
329 for the first phase to get us to what we called guaranteed maximum prices and guaranteed
330 schedules and guaranteed financing. They paid for all that, brought it to us, and we had
331 an off ramp that if we didn't like that, we would pay them for their work up to that date,
332 and then we would get all of that information and move to somebody else. So, we had
333 those guarantees in that procurement process to make sure we covered all of the -- the
334 contingencies that could come up. The other thing we did, too, is in the request, we said
335 -- we asked them to supply all of their team members. We wanted to make sure when we
336 approved the team to move forward, every single team member was included so we didn't
337 run afoul of any procurement rules later on when we had to do changes or we wanted to
338 add something to the project or something like that. So, we -- so, that was the -- to follow
339 up on that question, that was how we procured it, and it worked really, really well. Takes
340 six to seven months. It's not real short, but it works real well, and you get a lot of really
341 good information, and we wound up with a really good team.

342 So, with that, I'm not going to spend a lot of time -- I don't know how many slides this is
343 because I can't remember which presentation this is, so -- but I'm going to try to go through
344 this to talk about our project. So, we did a very similar project. It's a mixed-use project in
345 downtown Boynton Beach. We owned about 16-and-a-half acres, and -- in downtown
346 which -- which housed five or six really old government buildings. They were completely
347 underutilized. They were falling down with the exception of a 20,000 square foot addition
348 to a library that was only eight years old and we still owed money on. That was one of the
349 interesting twists in this project. We knew we needed some new buildings. We didn't --
350 we didn't -- but we didn't want to leverage existing tax dollars on -- on payments. You
351 know, we could go out and bond. The city is not in that bad of shape. Our bond rating's
352 pretty good, so we could've gone out and borrowed \$100 million and put it on the tax --
353 you know, and -- and -- and put that money, and we'd have to raise our milage fee --
354 milage rates a little bit to cover it, but we really didn't want to go there because we knew

355 that in this area, we had -- there was a lot potential for private development. So, we felt if
356 we could use about half of our property for private development, we could leverage those
357 future taxes like the gentleman talked -- your -- your consultant talked about, leverage
358 those future taxes to cover the construction cost of the public buildings.

359 So, that's kind of how we -- we decided to go forward with a P3. The challenge we had
360 was we really couldn't find anybody in the country that had done one this complicated
361 with multiple -- we're building five buildings, plus there's four, five private development
362 buildings. There's parking licenses, parking garages, parks. It's not just buildings. We're
363 building parks also at the same time all in the same site and an off-site -- one off-site
364 building. It's a mixture of public safety buildings and municipal buildings, which are
365 different kinds of construction, different types of contractors. So, it's fairly complicated.
366 So, Miami was actually going forward with their project very close time. So, we kind of
367 looked at what they were doing. We looked at some places in California done, and we
368 kind of took some ideas.

369 So, we own the land, and we wanted to build it, and we wanted to replace the police --
370 we wanted to get that actually out of downtown. We had a -- we had a public safety
371 complex. We'd already built our fire administration building in EOC, and we wanted to
372 build our police station at the same site, so we were going to move that off-site. We
373 selected a real -- E2L Real Estate Solutions as the master developer. So, we chose a
374 master developer, and underneath that master developer, everybody else comes
375 underneath that. So, it's a --a firm that kind of controls all of the contracts and controls the
376 construction.

377 We talked about how we -- so, the public portion, we're building a brand-new city hall,
378 brand-new library, brand-new police station, and a brand-new downtown fire station to
379 serve all of this new development. We're also -- we had an old building built in 1928. It
380 was an old high school that had decayed to almost nothing, falling down. So, we decided
381 to go ahead and restore that into a cultural center because we had a bunch of small
382 buildings used for, you know, recreation activities that were kind of falling down. So, we
383 said, let's pull all those together into one building and restore this building. So, it's a very
384 interesting part of the project. And then the developer's bringing in apartments, hotel,
385 parking garages, retail space, office space. And what's interesting in the city hall, we're
386 also in the city hall constructing some what we call incubator space for businesses to
387 come in and rent in city hall so they have the access to the -- both our library services
388 and all of our technical services in our library, and the city government. So, we're weaving
389 that into city hall.

390 So, we've got this vision that we started. I'm not going to go through this. We had an
391 improved master plan, and we went through that process. I will say one point is, is the
392 master plan that we're building right now is very different than the master plan that was
393 submitted by the developer that we chose. So, that's one of my points. When I get to the
394 end, I'm going to give you some points -- some -- some key points that make these things
395 work and how they work. And again, our final site plan was different than our master plan.

396 So, we had a master plan -- and the reason is because it's a team effort. Lots of people -

397 - the public's involved. We did hundreds of public meetings. We did public workshops with
398 feedback. We had voting tools. And I did most of them myself, so I know (unintelligible) a
399 lot of time out there talking to the public to find out -- we let the public pick the architectural
400 style, the colors, the playground equipment, where the parks go, kind of the layout. Now,
401 the things we didn't bring to the public are the professional things that the engineers pick
402 like what is the building going to be built out of, you know, and things like that. That's left
403 for the professionals. But we separated up because we wanted a lot of public input, and
404 we got it.

405 So, just real quick, that's some -- some of the private development being built in the -- in
406 our cultural center. Most of our buildings were building a private component into the
407 building. You know, we got some restaurant space. The city center, which is a city hall,
408 has the business incubator space and a nice café in the lobby really for staff and for --
409 because it's a combined city hall library. First two floors is kind of public access to all the
410 staff. So, like, building services and -- and -- and utilities and all that on the first floor,
411 along with a library. And then second floor is all library. And then the third and fourth are
412 administration buildings. The residential commercial, about 320 units. There's a total of
413 about 600 residential units. It's -- we're up to about 160 room hotel and around 30,000
414 square feet of office space -- office retail-type space in the project, and then we have two
415 parking garages to park all of this, which is about 1,700 parking spaces.

416 What's interesting is is the reason we did that is we knew it would stimulate the growth
417 around us, and since this project kind of kicked off, we -- we've got three -- we've got one
418 finished mixed-used development, three approved, ready to break around and go in, and
419 another three or four that's in the preliminary planning stages. It's about half a billion
420 dollars worth of construction, of -- of development approved and ready to go, and another
421 half a -- half a billion that's in process. So, it really did do what we wanted to do, which
422 was stimulate the growth in our downtown. We didn't have a downtown, so we were
423 creating it, is what we --

424 CHAIRPERSON MILLER-ANDERSON: Where is this exactly? (unintelligible) --

425 ASSISTANT CITY MANAGER GROFF: So, this is on -- if you go -- you go to Boynton,
426 and you get off on Boynton Beach Boulevard --

427 CHAIRPERSON MILLER-ANDERSON: Uh-huh.

428 ASSISTANT CITY MANAGER GROFF: -- and you go toward the ocean --

429 CHAIRPERSON MILLER-ANDERSON: Okay.

430 ASSISTANT CITY MANAGER GROFF: -- right before you get to Federal is -- between -
431 - between Boynton Beach Boulevard and Ocean -- we have an Ocean Avenue, too -- right
432 between there is -- is -- that's our downtown area. It starts at Seacrest, and it goes all the
433 way to our marina district.

434 CHAIRPERSON MILLER-ANDERSON: Okay.

435 ASSISTANT CITY MANAGER GROFF: So, we have a downtown district and a marina
436 district, and it's going to be all mixed-use. It's high density. It is fairly high density. It is
437 more of an urban setting. It's what the elected officials wanted in that area. They wanted
438 to keep it a little more suburban in other areas, but there, they wanted the urban setting.
439 So, that's where it is. Real quick, just some pictures. That's -- city hall, actually all the
440 walls are up right now, and it does look sort of like that. But that's our new city hall library
441 and our lobby, and we're trying to build it so it's very friendly for the public so they can
442 come in and use it, with a café. We're going to have concerts. We're going to have book
443 readings and things. It's really to bring the public to our -- to the downtown and have a lot
444 of activities. City hall won't be 9 to 5. It'll be open -- that building will be open until -- seven
445 days a week from probably 7 a.m. to 11 p.m. Every day, we've got staffing for it and that
446 we're working on. Try to figure all that out as we go. But we want to keep the -- the city
447 buildings active so the rest of the town is active, because we don't -- we don't want is
448 110,000 square-foot building that's dead --

449 CHAIRPERSON MILLER-ANDERSON: That's dead.

450 ASSISTANT CITY MANAGER GROFF: -- at night.

451 CHAIRPERSON MILLER-ANDERSON: Uh-huh.

452 ASSISTANT CITY MANAGER GROFF: So, real quick, that's another picture. We're also
453 putting a lot of public art, about \$1 million worth of public art, in to the project, and that's
454 one of our art pieces that I don't understand, but I'm not an artist, so I'm not going to go
455 into that. I'm an engineer. So, that's the construction. So, we actually are under
456 construction. So, this is a project that's real. I mean, it's -- it's being built right now. It's
457 under construction. We decided at the last minute, about two months before we were
458 supposed to start construction on the city hall, we were going to stay in our building and
459 then move -- you know, build part of it and then build our city hall, and then private
460 development will build a part, and then we would move in, and, you know, we kind of had
461 it phased out over five years, but we started looking at the market, and the worst thing
462 can happen is the private development doesn't get built. We're not -- we're not relying on
463 it for our financing like Miami-Dade is. They're rely -- Miami -- City of Miami is relying it on
464 their financing. We're not. This is in our CRA, so we're relying on total TIF funding and
465 the CRA to fund our leases because it's a P3 where we're lease -- ground leasing to -- to
466 a -- a 501(3)(c), and then we're going to lease the building back for 25 years, and then
467 we own it. But we didn't rely on that, but we still need the private development.

468 So, we decided about two months before we started construction to go ahead and move
469 the entire city into temporary space. So, we had two months to find the space and to move
470 everybody. That was a challenge. But that's the -- that's the secret of P3s, you -- with
471 design build, you have to be flexible enough. And -- and that's one of my points is, is, you
472 know, we had a -- we had a team that was flexible enough to make these decisions on
473 the fly and make it happen and then keep it within the legal framework of the procurement
474 process. Because one of the things we procured in -- in our team, we said we want a real
475 estate broker because we may need space. So, we said put one on the team so we don't
476 have to go out and procure one. So, we had one, and they were able to go out and find a

477 space, and we got moved, and we had -- found -- found some great spaces to move into.
478 It was amazing. I don't know how it happened, but it happened.

479 CHAIRPERSON MILLER-ANDERSON: So, is your city hall spread out in different areas,
480 or you're --

481 ASSISTANT CITY MANAGER GROFF: It's not. It's not. We were fortunate enough to
482 find -- we -- we put our police into a warehouse space. It's right across the street from
483 where they're building their new building. Now, we had to remodel a little bit for police.
484 Police is the hardest to move.

485 CHAIRPERSON MILLER-ANDERSON: Uh-huh.

486 ASSISTANT CITY MANAGER GROFF: Absolute hardest to move. They have demands
487 that are a lot more than everybody else. And then right across the street from that, we
488 found a -- a -- an office building that happened to have the -- the -- the bottom floor was
489 already set up in office spaces perfect for a city hall. So, we were able to move all of our
490 city hall functions -- our library -- the CRA had just bought an old bank building, so we
491 said, well, let's just remodel and put the library --

492 CHAIRPERSON MILLER-ANDERSON: You talking --

493 ASSISTANT CITY MANAGER GROFF: -- in the bank. So, we moved the library to the
494 bank.

495 CHAIRPERSON MILLER-ANDERSON: Is this Riviera Beach --

496 UNIDENTIFIED SPEAKER: It sounds (unintelligible). Yeah.

497 CHAIRPERSON MILLER-ANDERSON: -- or Boynton that's you're -- we're talking here?

498 ASSISTANT CITY MANAGER GROFF: Exactly. That's why -- what -- that's -- I think
499 that's why we wanted to share a story, because we're very similar to y'all. It's a very similar
500 setup, and we just found these places and moved in, and we all worked as a team to get
501 it moved. But the real point is is we're under construction. That building, actually, that was
502 from three weeks ago. That building actually is already up. You can see the four-story
503 building right now. That's our old high school that we're remodeling. We're going to be
504 opening that in October. It's not going to be fully opened because the parking is not going
505 to be quite ready, but we'll have it open. So, we took a building that was falling down, and
506 we completely restored it. And this is what I want to show. This is, like, one of the few --
507 one of the few places ever use this type of architecture with the curved iron beams and
508 the -- and the -- and the Dade County pine per lawns and roof, and we -- we were able to
509 restore about 70 percent of it. It was -- you know, so, we really were able to capture it.
510 But then the rest of it is a modern building. So, we -- we adaptively reused the historic
511 building into a very modern cultural center. It's going to be full of -- for arts and for craft.
512 But the -- the -- the auditorium is going to sit 500 people for a concert. There's no place
513 in the south that can really -- in our area that can do that. So, we think it's going to be
514 heavily used.

515 Real quick, again, we picked -- all of our playground equipment is all going to be unique.
516 We found a company that's -- that's kind of taken designs and building them unique to
517 Boynton Beach. So, they're kind of one-of-a-kind, and -- and it doesn't cost any more than
518 standard playground equipment. But that's something the public wanted. And the themes
519 fit Boynton Beach. We went out and said, what do you want it -- what theme do you want,
520 and they picked the theme, and we picked the -- the playground equipment. People say
521 why is playground equipment important. Well, we want to bring those families in. I mean,
522 we're -- somebody said earlier -- designing for millennials. I mean, that's what we're doing.
523 That's what we're seeing moving in, so we're designing for that.

524 Again -- whoops, let me go a little faster here. New police and fire station. Brand-new,
525 modern police and fire station. The downtown fire station is an urban setting. It's a two-
526 story building. It's three -- it's a full-service fire station. It's -- and we also put a police
527 annex into it. And what's interesting is we decided to start a new utility for this project, to
528 provide cold water to all of the private and public buildings. So, the utility actually started
529 a chilled water utility or district energy utility. So, the utility is now going to provide the
530 energy for the air conditioning to all of the buildings (unintelligible) not just here but all
531 the other private development surrounding it that's coming up, and it's a -- it's a profit
532 center for the utility and for the city. So, the profits from that are going to go to help pay
533 lease payments and some other things.

534 So, it's just another way -- we didn't -- when we went into it, we thought we could do -- we
535 didn't know if we could, and we decided it made sense because it -- it -- it -- for the project,
536 it's very green. It's very environmentally friendly. But it's also attached to the fire station,
537 so the fire people -- firemen are pretty interesting, but they've got the best cold water
538 anywhere because they're right next to the plant. But that -- you can see actually -- that
539 building you see up in the -- in the left corner, that's the chilled water plant that's already
540 up, and we're going to be running it. We have to start running it first because all these
541 buildings, as we add drywall to them, they need air conditioning. So, that'll be up in -- you
542 see the police station's up. We're actually getting ready to start doing the finishing the
543 inside, putting the windows in and finishing up the shelves. So --

544 UNIDENTIFIED SPEAKER: You -- you guys tilt wall construction?

545 ASSISTANT CITY MANAGER GROFF: It's all tilt wall.

546 UNIDENTIFIED SPEAKER: Okay.

547 ASSISTANT CITY MANAGER GROFF: We will be moving into the -- the -- the fire station
548 will be moved in in -- in December of this year, police station in January of next year, and
549 city hall about May of next year.

550 CHAIRPERSON MILLER-ANDERSON: Hmm.

551 ASSISTANT CITY MANAGER GROFF: We started construction this -- let's see, when
552 did we start? We did our groundbreaking in February.

553 CHAIRPERSON MILLER-ANDERSON: Oh.

554 UNIDENTIFIED SPEAKER: Sure.

555 UNIDENTIFIED SPEAKER: Okay.

556 CHAIRPERSON MILLER-ANDERSON: So --

557 ASSISTANT CITY MANAGER GROFF: We actually started this project --

558 CHAIRPERSON MILLER-ANDERSON: (unintelligible).

559 ASSISTANT CITY MANAGER GROFF: We -- we actually -- the -- we did this kind of
560 workshop in July of 2016. Took us about nine months to get the contract and then about
561 nine months to get the designs done and all of that and to get to construction and
562 permitting. But we're doing the whole project in 36 months.

563 CHAIRPERSON MILLER-ANDERSON: Hmm.

564 ASSISTANT CITY MANAGER GROFF: From the time they said go sign the -- they signed
565 -- the commission said sign the contract to the time we're going to be moving in. And we
566 can only do that with a P3 because we couldn't have gone out and gotten the financing
567 ourselves and did all that. And we'll talk a little bit about -- I can talk a little bit about our
568 overall -- the public cost is about \$120 million. It's not all funded through bonds. There's
569 a bunch of different funding sources. We're funding all the utility infrastructure out of the
570 utility funds. We're funding the chilled water -- the air conditioning, which is a huge savings
571 to construction out of -- we actually started (unintelligible) utility, borrowed money to bond,
572 and it's actually going to be in the black within 24 months. It -- it'll be paying off its bond
573 and actually be making money. The hotel -- I mean, the high school we couldn't put into
574 the private equity bonding because there's some interesting rules. So, we're paying for
575 that with a variety of different sources. Some of the ser. tax money is going to it because
576 it was a run-down building, so we could -- we had said we were going to use some money
577 there. We're doing some naming rights. We're going to sell some rooms and some naming
578 rights, and that'll help pay for some of it.

579 CHAIRPERSON MILLER-ANDERSON: Yeah, Port St. Lucie (unintelligible).

580 ASSISTANT CITY MANAGER GROFF: So, we're paying for it out of multiple different
581 ways. Our parking is being paid for by the land sale. So, we had about \$10 million worth
582 of land that we were going to sell. So, we -- instead of the developer paying us 10 million,
583 he's building the parking garages and giving us our spaces. So, it's paying for all of our
584 parking. So, there's no money there. So, altogether, it's about \$120 million, we're
585 borrowing about \$80 through the private equity bonds.

586 The contract -- when you do these kind of projects, the contracts are complicated, but you
587 can break them down fairly simple if you get the right team together. But what you have
588 in a -- in a P3 -- in this type of P3, we're using private equity bonds -- you're going to have
589 a 501(3)(c) company that's going to go take -- get the bonds out of the bond market. We're
590 probably paying a quarter of a percent more than we could've done it ourselves, and it's
591 well worth it because we don't have to commit current funds. So, we're not touching

592 current taxes. So, you have that company that you have contracts with, and you -- we
593 ground lease to them, and then they're building all the buildings, and we're going to lease
594 the buildings back -- the public buildings back to them. We also have development
595 contracts with the private developer to make sure he builds his things, and there's --
596 there's all kinds of safeguards in there to make sure he builds. And if he doesn't build, we
597 have the land back, and we can go to the next developer that's ready to build. So, we
598 have safeguards built in. And then we have with our master developer who's overseeing
599 the whole thing. And the master developer works for us and also works for the non-profit
600 that's funding it. So, he works for both, and he has to make sure that project is --
601 everything is being built together in -- in coordination.

602 So, that's just some dates. I don't -- we use -- we actually used a local building wealth
603 program. We didn't have any set-asides. We just said do the best you can to get as many
604 local businesses and people involved in it. You know, our police station's up over 50
605 percent. It'll all built -- be built by local. Some of the others a little bit less because of the
606 type of construction, where it is. But this was a great program. I don't want -- I don't want
607 to go too much into this, but we call it building wealth, and it's a great program. We -- we
608 got it from -- we actually stole it from somebody else, but we're going to take credit for it.

609 UNIDENTIFIED SPEAKER: Wow.

610 CHAIRPERSON MILLER-ANDERSON: Is this -- Delray -- Delray have something --

611 ASSISTANT CITY MANAGER GROFF: They -- they tried to do it and couldn't --

612 CHAIRPERSON MILLER-ANDERSON: Okay.

613 ASSISTANT CITY MANAGER GROFF: -- get it off the ground. We got ours --

614 CHAIRPERSON MILLER-ANDERSON: Okay.

615 ASSISTANT CITY MANAGER GROFF: -- off the ground.

616 CHAIRPERSON MILLER-ANDERSON: Okay.

617 ASSISTANT CITY MANAGER GROFF: We -- we're better than Delray. I don't know if
618 we're better than Riviera Beach, but we're better than Delray, so -- anyways. But that was
619 a really important part of the project, was to make sure as much of this money stayed
620 local as possible, and we're doing really well. I -- I think where -- by the time where it's
621 said and done, about 25 to 30 percent of it will be local contractors, and -- and even more
622 of it will be local with other things that we're doing. So, that's really important to us, is to
623 make sure we're building that wealth in our local community.

624 So, anyways, that's just some contact information. So, what I wanted to end with is that's
625 kind of our project. But a couple key points, if you're really considering going down to
626 redevelop your -- you know, you've got a great area. It's very similar-type project to
627 redevelop it. There's a couple things you have to have. One is is you're already doing it.
628 You've got a good consultant onboard. We -- we were unfortunate. We didn't have any

629 money, so we couldn't hire a consultant, so they made me do it all.

630 CHAIRPERSON MILLER-ANDERSON: (unintelligible).

631 ASSISTANT CITY MANAGER GROFF: Not sure they got the best value for their money,
632 but --

633 CHAIRPERSON MILLER-ANDERSON: (unintelligible).

634 ASSISTANT CITY MANAGER GROFF: But -- but I think the first tee is you have to have
635 a project champion. In our case, the city manager -- through the city -- I'm the project
636 champion for the city. In other words -- and through the -- I have the city manager
637 authority, and my job is to make sure every single department, every single person, every
638 single staff member in the city, every single department, every single process is geared
639 to making sure this project happens. So, when a roadblock comes up, my job is to make
640 sure it goes away. And you have to have that project champion high enough level to make
641 sure you can get those roadblocks out of the way. So, I can go -- when I'm having a
642 permitting problem, I can go to the building official and say, you know, you gotta solve
643 this, and you have till tomorrow at noon to have it solved, and their job is to solve it. And
644 you do it nicely, and you work, but you have to have that project champion, because
645 without it, you -- you're not going to make the project work, any kind of project. You got to
646 have somebody that's excited about it. I live and breathe this every day. I get up -- and I
647 have a full-time job, too. Being the city manager over five or six (unintelligible). So, not
648 my only job. But you have to be able to do that.

649 The second thing you need is a really good technical team. And if you don't have an in-
650 house, you need to go out and find a technical team that understand these kind of mixed-
651 use, P3-type projects that have the skills -- we were fortunate we have an in-house. We
652 have a public works director who's an engineer, a building official, and a general
653 contractor. We brought in an outside contract architect to work on this team. He's a full-
654 time architect. He's done nothing but government buildings his whole career. He's great.
655 And then I have a -- I've done about 65 of these types of projects. I have the experience
656 on the construction side and -- and the contract side. So, that's our expert team. It's in-
657 house -- which we could've used a consultant, too. We just chose to do it in-house. We
658 just happened to have the team.

659 And the third thing, which is probably most important is, is one of the things we told our
660 elected officials from day one is is you got to be fully supportive of the project all the way
661 through. You may -- there may be pieces of it that, hey, that doesn't make total sense,
662 but if the overall project works, sometimes you have to overlook the one or two things that
663 may not make sense. For example, I told you about our library, which the 20,000 square
664 feet that we still owed money on. When the proposals came in, it was saving that piece
665 because we said we want to save that piece in our -- our -- by the way, our RFP was only
666 19 pages. It wasn't huge. It was 19 pages. You don't have to be complicated on this. You
667 get a good product not being complicated.

668 But we got about three or four months into the -- to the conceptual design and laying it

669 out, and we just figured out -- I said, that's stupid library is right in the way of everything.
670 It was hurting the entire site and the entire design. So, we went to the commission and
671 said, we want to make a change, and we want to tear this building down. They looked at
672 us and said, "Well, do you think it's the best thing? What are we going to get?" We said,
673 well, we're going to get this many more apartments. We're going to get this. We're going
674 to get this circulation. They said, go tear it down. Now, they -- did they like it? Did they get
675 a little bit of criticism? They got a little bit, but not much because it made sense. We
676 explained it.

677 But all through this process, we've had full support from our elected officials. And that is
678 so important because once you make decision to go forward, you go forward. These
679 things do work. We're evidence. They work. We have -- we did not commit and current
680 tax dollars. We did not raise any taxes. We're not -- so, we're building \$120 million worth
681 of government buildings, and we didn't touch the tax system. Now, we're going to pull
682 future taxes from the future development that's coming and use that for our lease
683 payment, but we were able to build our lease payment into -- we've got some -- we've got
684 a whole 25-year schedule, where the money's coming from, but it's not -- it's not having
685 to commit that current. But you -- we couldn't have done that with our -- without our elected
686 board saying, you know, we want to do this, and we're behind you. You know, that doesn't
687 mean it's always been smooth. I mean, there's a few rough patches here. You got to go
688 in, and you got to talk, and you got to workshops, and you got to discuss things. You got
689 to get beaten up a little bit, and then you, you know, say, well, let's change this. But that's
690 the way these projects work. And -- and it really is a way to do a big project successfully,
691 is to use this kind of P3 modeling, get a great team together from multiple different types
692 of companies. We have 20 different companies involved all doing their piece, and it works
693 because we're all have the same goal at the end, is we want to finish this and have a
694 vibrant downtown.

695 So -- anyways, with that -- I went on longer than I wanted to, but -- anyways, any questions
696 for us? So, since we're go -- living through the pain -- but no, it's really not that bad. It's
697 actually been a great project. It hasn't -- it really hasn't been bad. There's, you know, a
698 few rough spots, but nothing really bad.

699 CHAIRPERSON MILLER-ANDERSON: Well, I -- I definitely appreciate your presentation
700 and your enthusiasm, and I think that in itself just makes you want to go out and find
701 somebody right now and get started. You know? I mean --

702 UNIDENTIFIED SPEAKER: (unintelligible).

703 CHAIRPERSON MILLER-ANDERSON: I mean, this is great. I would love to see how we
704 could get something going like this myself. So, anyone have any questions or comments?

705 CITY MANAGER EVANS: Madam Chair, if I may. Can -- can you talk about the public
706 participation process? Because we've had some internal conversations, and
707 conceptually, staff has worked on what we believe to be the most opportune site for
708 certain facilities. However, there hasn't been that public information component, and I
709 think that's a very valuable component because at the end of the day, you know, the

710 public needs to take ownership of -- of it as well.

711 And the other question I have is the housing element to that, because I think that creates
712 a lot of synergy for what you're trying to do, and we don't want to get into a project that
713 just builds municipal facilities and lease space. We want to have that synergy where
714 people can live, work, and play in that area. So, if you can speak to that.

715 ASSISTANT CITY MANAGER GROFF: Well, I'll answer the first question first. And my
716 boss -- you know my boss. I work for Lori. She always tells me I tell too many state secrets,
717 but that's okay. I don't mind. But really, the secret is, you're right, we started in-house with
718 our staff talking about how do we want to do this, and we met, we talked about it. But we
719 knew we needed public input because one of the things you know in government -- when
720 you work in local government, you're going to have a group of people that they may not
721 be against it, but they're going to be very outspoken. So, we identified who they were,
722 what they would have problems with upfront. Staff -- we know them. They come to every
723 commission meeting. We're talking to them. And we appreciate them because they're
724 usually -- the citizens that are involved are citizens that you want to help because they're
725 involved. And so, we appreciate that. But we knew who they were. So, the first thing we
726 did is we sat down and said, what are they going to want to see, and what are they going
727 to have input in, and we actually designed public input based on what we felt like their --
728 what they needed to see.

729 So, one of the big things in Boynton Beach was architectural style. There's a group of
730 people that are big on architectural style. That may not be here. That just happens to be
731 what we had. That was one thing. And so, we said we're going to do a public workshop
732 where we're going to bring in styles. You're going to pick styles, and you get to vote, and
733 then we're going to go back, and we're going to work some more. We're going to bring
734 them back and -- and just enter a process. We're going to let the public pick the
735 architectural style because we're -- it's -- it's -- it's the public's buildings. Let them pick it.
736 And then that's going to be for the whole project, how he said.

737 So, that was one thing. That's -- so, we did that. One of the biggest things we had was
738 we had a playground that the -- that the community built 22 years ago called Kids
739 Kingdom. They built it right here on the site. It was a beautiful playground 22 years ago.
740 Two years ago, we had to close it. It was -- it was basically the place where they did illegal
741 business if you know what I mean, all night long. And so, we couldn't keep it open, and it
742 was just bad. But the public built it, and they were very attached to it. And so, we knew
743 that just tearing it down wasn't going to work, so we knew we had to say we're going to
744 replace it, but we want to replace it with something modern and safe and is going to be
745 easy to maintain and keep main -- because it was a wooden concrete structure, and you
746 know wood in south Florida is not the best material to build with. That's what it was built
747 with. So, we knew we didn't want to do that, but we wanted their input. So, the playgrounds
748 were all -- we had these public workshops where we brought these people in. We did
749 things like they had their names on pickets. So, we did a picket giveaway at the same
750 time you got to vote on playground equipment that you wanted to see in the new
751 playground. So, we did these things to make sure that these things we knew people were
752 concerned about, they had a voice in.

753 We did a lot of work. I probably went to 100 different HOA meetings to talk about just --
754 presentation like this, to talk about why are we doing, what are we doing, what is it -- what
755 -- what's the intent, and talk to the public and got their input, and we just kept track of it.
756 We kept track of all the input. We had emails coming in, and that's -- helped us design
757 the project. All of that went right to our designers. So, when people were picking
758 playground equipment, went to the designers. This is what we're looking for. And they
759 would come back, okay, based on those input, here's what we propose. Same thing with
760 the building architecture, same thing with the park area, same thing with the layout. It --
761 it was all -- we decided upfront what we were going to do and what public input we were
762 going to have, and then we did, and then we lived by it. We didn't say, okay, we listened
763 to you, now we're going to do our own thing. We lived by it. Now, I don't agree with 100
764 percent of it, but I don't have to. It's not my job to agree. My job was to listen and then
765 make sure it got put in there. And I completely forgot your second question. It was -- it's
766 too late (unintelligible) --

767 CITY MANAGER EVANS: The housing -- the housing component.

768 ASSISTANT CITY MANAGER GROFF: Oh, the housing component.

769 CHAIRPERSON MILLER-ANDERSON: (unintelligible) early.

770 ASSISTANT CITY MANAGER GROFF: So, yeah, that was really important because --
771 so, we have a private developer who's doing it, so we didn't want to get in his way on --
772 we wanted it market-driven. So, he came to us, and he wanted to do workforce housing,
773 but he said, you know, if I do workforce housing, on one, I'm going to have to do something
774 -- I -- I need some more density on the other. So, we had already been talking about
775 changing our workforce housing policies to allow some density bonuses if you provide it
776 by height because we have some height restrictions that people don't like to go -- but you
777 can get a couple extra stories on your building if you do some percentage of workforce
778 housing. So, he was going to take advantage of that. And so, we wanted that component
779 in there. We wanted to make sure we had enough people. So, we're going to have about
780 12 or 13-hundred people living in this 16 acres. We wanted to make sure they were living
781 there because we're going to have 30,000 square feet of office space. We want them
782 working there, the incubator space. So, you can move in -- you can get out of college,
783 you can move in, you got a business idea, you can open a little business in incubator
784 space. You can get a desk. Our library is full of technology. You don't have to buy a piece
785 of equipment if you're right there next to the library. We have printers and copiers and 3D
786 printers and -- I mean, just tons of technical equipment that's in our library. So, you can
787 take advantage of it because you're right there.

788 So, we wanted to make sure we had that where you could -- you could live there, you
789 could start your business there, and as your business grow, you could grow into one of
790 the retail spaces. And we also -- we wanted that entertainment along Ocean, so we have
791 some restaurants and things coming in. And we also knew what that would do, is
792 stimulate. So, we, again, all down this area, we have multiple developments that in either
793 -- have already been approved in some very similar developments. They're a combination
794 of residential, retail, office, restaurant. Another hotel. So, we're going to have a hotel on

795 our side and a hotel there. So, we're getting hotels now in downtown. So, that's how we
796 addressed it. We -- we actually put in our RFP that we wanted residential component,
797 retail -- we put in there what we wanted. We didn't say how many, we didn't say what,
798 and we didn't say how. We just said we want these components in this mixed-use
799 development. So, that's how we did it, and it seemed to work because we're building it.
800 So, it did work.

801 CHAIRPERSON MILLER-ANDERSON: Uh-huh.

802 ASSISTANT CITY MANAGER GROFF: But anyways, any other quick questions?

803 COUNCEILPERSON McCOY: Madam Chair?

804 CHAIRPERSON MILLER-ANDERSON: Yes.

805 COUNCEILPERSON McCOY: Thank you so much for just coming to speak on the
806 experiences you're having. This is just eerie how it sounds like Riviera Beach, and we're
807 very excited. And I've been talking about this P3, and I know our board has been looking
808 to just find out more information. Could you speak more on the CDC involvement and
809 how you actually parted with the CDC to get this job done?

810 ASSISTANT CITY MANAGER GROFF: The --

811 CHAIRPERSON MILLER-ANDERSON: CRA?

812 ASSISTANT CITY MANAGER GROFF: The CRA.

813 COUNCEILPERSON McCOY: CRA.

814 ASSISTANT CITY MANAGER GROFF: Oh, we have a --

815 COUNCEILPERSON McCOY: I'm sorry.

816 ASSISTANT CITY MANAGER GROFF: -- CRA.

817 COUNCEILPERSON McCOY: CRA. Yes, sir.

818 ASSISTANT CITY MANAGER GROFF: Yeah, I -- (unintelligible) now. CRA. Yeah. So,
819 this -- this -- this land is actually in our CRA district, and they had done a -- they -- they
820 completed a master plan about four years ago, and they had shown this area to be a
821 mixed use. So, the way we did is we went to the CRA, and they are funding about 60
822 percent of the project lease payments, and they're funding it out of their program funds.
823 So, when the -- when the TIF money comes in the CRA, and I -- it's probably very similar
824 --

825 CHAIRPERSON MILLER-ANDERSON: Yeah.

826 ASSISTANT CITY MANAGER GROFF: -- to CDC.

827 COUNCILPERSON McCOY: Uh-huh.

828 ASSISTANT CITY MANAGER GROFF: So, the TIF money comes into the CRA, and
829 then it goes into a program fund, and then they use that to fund redevelopment activities.
830 So, this is a redevelopment activity because this is one of the deadest spots in town. So,
831 it's definitely the stimulation. So, it fits everything a CRA is supposed to do with one
832 exception is, is if you're going to do a -- if you're going to spend it on government buildings,
833 you have to get the other taxing authority's permission. So, we had to go to the county to
834 get permission to spend it. So, I had to go do this sales pitch to the county commissioners.
835 They bought off on it. It was 7-0 vote to support it, so they -- they bought off on it
836 eventually. But -- so, that's how we're doing it. We're doing it with the TIF funding program.

837 But what we didn't do is, is we were trying to be conservative. So, we knew we had -- and
838 I'm going to use a round number. We knew we had \$10 million of programming funding a
839 year right now in the CRA, of which, about 6 million of it is already committed to other
840 development that's already going on. So, they had about 4 million. So, we -- we structured
841 the payment so in the first five years, the CRA is covering about \$3.5 millions of our 4.5
842 million, \$5 million payment.

843 COUNCILPERSON McCOY: Hmm.

844 ASSISTANT CITY MANAGER GROFF: And we're covering the rest out of our fund. But
845 we have some bonds retiring in over the next seven to ten years. We have some bonds
846 retiring. And we're going to take that money, and then the CRA money is going to go
847 down, and we're going to pay more as the city. It's really all the same tax money, but it
848 was a way for us because it -- because it is in the CRA district, we don't -- the city doesn't
849 get any of that TIF funding. So, we're not getting any taxes for all this growth, so it's a way
850 to pull some of that money back into the city -- totally legal -- to make payments on this
851 P3. To me, it was -- it was the ideal way to find -- to -- to pay the lease payments because
852 we're talking -- again, we're leveraging those future taxes that are going to come into
853 those program funds, and they're going to grow. We used today's funds. We -- we
854 anticipate those funds are going to be 20 to \$25 million dollars over the next five to ten
855 years. So, the CRA is going to have a ton of money to still spend on redevelopment, and
856 we're getting our projects done. So, it's really a win-win for everybody. So, it really did
857 work out well. Does that answer your question?

858 COUNCILPERSON McCOY: Yes, perfectly. And Madam Chair, a quick follow-up?

859 CHAIRPERSON MILLER-ANDERSON: Go ahead.

860 COUNCILPERSON McCOY: Your staff that you actually had, you had full-time staff
861 that was just working on this project. Was it current staff that was in place in the city of
862 Boynton, or did you bring in additional people to work on this?

863 ASSISTANT CITY MANAGER GROFF: No, actually they're not full-time. So, the -- the
864 staff members that are actually running the project is three people. There's myself --

865 COUNCILPERSON McCOY: Yes, sir.

866 ASSISTANT CITY MANAGER GROFF: -- and it's not my -- because again, I -- I'm still
867 the assistant city manager --

868 COUNCILPERSON McCOY: Still the assistant --

869 ASSISTANT CITY MANAGER GROFF: -- with all my other duties.

870 COUNCILPERSON McCOY: Right.

871 ASSISTANT CITY MANAGER GROFF: It's our public works director who is running
872 public works and sanitation, solid waste, and all of that. And then we did hire -- we brought
873 in one outside contractor. We brought in an architect that we had worked with before on
874 some public buildings as our design professional in-house, and he's on contract, and
875 we're paying him through the duration of the project. And -- so, that's our three-member
876 team. So, it's two in-house which have other jobs. But one of the things we do is we have
877 the master developer. Now, the master developer also has a team. So, there's a master
878 developer who is a general contractor, and he has a project manager on-site -- actually,
879 and he -- two assistant project managers and an accountant-type person to kind of
880 manage the money. And what they do, they do the heavy lifting everyday of making sure
881 all of the different 20 contractors are staying on schedule, submitting their pay requests.
882 Then at -- and then we -- we meet -- every week, we meet for -- there's -- I think it's on
883 Wednesdays now. We meet all day long on each project, and we go over with the
884 contractor on those projects what are we doing, where are we. And not -- all three of us
885 don't have to go every time, because each one has a -- so, I'm responsible for the kind of
886 finance contracts and all that, and then my public works director is kind of sites and utilities
887 and that, and then my architect's responsible for the building. So, we kind of tag each
888 other so we're not there all the time.

889 But that's how we're doing it. And -- and doing it design build, you can do it that way
890 because you're not responsible for the day-to-day review of the project, because those
891 design builders have a product they have to deliver at a certain specification. And if they
892 don't, they have to keep doing it till they do. So, we have that guarantee in our contract.
893 So, it makes it a lot easier to manage it. I hope that answers your question.

894 COUNCILPERSON McCOY: Very much. Thank you.

895 ASSISTANT CITY MANAGER GROFF: It's -- yeah. So, it's really -- it's in-house kind of
896 combination.

897 COUNCILPERSON McCOY: Right. Thank you.

898 ASSISTANT CITY MANAGER GROFF: So, any other questions?

899 CITY MANAGER EVANS: Madam Chair, if I may.

900 CHAIRPERSON MILLER-ANDERSON: Uh-huh.

901 CITY MANAGER EVANS: Obviously, you have the -- the public spaces, and you have

902 the situation that you're going to be utilizing city hall past traditional business hours. How
903 did you incorporate the end user, the city employees, the police department, the fire
904 department in some of these spaces, because obviously they have unique needs, and
905 then the day-to-day operations, and then add the public component in that in those
906 meetings? How did you mesh that?

907 ASSISTANT CITY MANAGER GROFF: Very carefully. No. So, the buildings themselves,
908 when they're built, they are going to be multi-use buildings. So, that's a critical thing for
909 security. So, we do have a very hefty security plan in place. Everything is cameraed.
910 Everything in our downtown is cameraed. Every camera will go back to the police
911 department's real crime time -- crime -- whatever they call it center. So, that was one of
912 the critical things we had upfront that we knew we need to do.

913 But how do we -- how do we mesh it all together is is the public came in and said that's
914 what they wanted. They wanted to access the building. They didn't want those -- of
915 course, the library is open anyway. And since the library is in city hall, you keep city hall
916 open. Now, the administrative floor -- that's why we picked the administrative floor is on
917 the third and fourth because those will be closed. They -- they can be closed because
918 they're up high. The lights will be on anyways because you got the emergency lights on,
919 and we've got nice up lighting on the building. So, it'll look active, but they're going to be
920 closed off. The elevators to the administrative floors can only be gotten on if you have the
921 badge and all that, so it's got the full security. So, we can bring the public in the building
922 and keep -- still keep the building safe for staff.

923 On the first floor, all the back office stuff, all of our development people, our utility people
924 and all that, there actually -- there's a big lobby that people come into, and they can come
925 up to the different windows, but they're behind the wall protected from the public, and then
926 those walls just close down afterhours. They just close down. So, the public has full
927 access to the lobby, which we will have security in, cameras. Our chambers are also in
928 the building, and they're around the corner, so, you know, the idea is we're going to pipe
929 the chamber information like y'all do on TVs and all that, so you can sit in the café and --
930 we're actually hoping to sell beer and wine in the café at -- at -- after 5:00 in the city hall.
931 I know that's unheard of, but we want to keep it active. Now, during commission meetings,
932 that may be --

933 CHAIRPERSON MILLER-ANDERSON: (unintelligible) --

934 ASSISTANT CITY MANAGER GROFF: -- really handy for staff.

935 UNIDENTIFIED SPEAKER: That -- that's --

936 ASSISTANT CITY MANAGER GROFF: So, that's --

937 CHAIRPERSON MILLER-ANDERSON: (unintelligible) council.

938 ASSISTANT CITY MANAGER GROFF: (unintelligible) you already rule that said we can't
939 drink during the meeting, but as soon as it's over, we can start.

940 CHAIRPERSON MILLER-ANDERSON: Yeah.

941 ASSISTANT CITY MANAGER GROFF: So --

942 UNIDENTIFIED SPEAKER: Additional revenue stream in the budget.

943 ASSISTANT CITY MANAGER GROFF: Just so you know, just a little secret. But --

944 actually, in the fourth floor, we got a nice balcony that overlooks our park. We have a big

945 -- we're putting a big amphitheater in our park for concerts, and the -- the -- the city hall

946 front actually looks at the amphitheater. So, you'll be able to sit on the fourth and third

947 floor, have these big balconies the staff can use, or we can rent out, which we're going to

948 lease out to companies when there's a big concert. They can have it. But on the fourth

949 floor, you know, our city manager wanted to make sure it was designed so we could have

950 a beer garden if we wanted it. So --

951 CHAIRPERSON MILLER-ANDERSON: Somebody likes beers.

952 ASSISTANT CITY MANAGER GROFF: So --

953 UNIDENTIFIED SPEAKER: (unintelligible).

954 ASSISTANT CITY MANAGER GROFF: Any other questions?

955 CHAIRPERSON MILLER-ANDERSON: Anyone else?

956 UNIDENTIFIED SPEAKER: Sold.

957 CHAIRPERSON MILLER-ANDERSON: I am, too.

958 ASSISTANT CITY MANAGER GROFF: Oh, sold?

959 CHAIRPERSON MILLER-ANDERSON: Where do we sign up?

960 ASSISTANT CITY MANAGER GROFF: (unintelligible). But we're -- we're -- we're

961 available if -- you know, as y'all go through this process --

962 CHAIRPERSON MILLER-ANDERSON: Yeah.

963 ASSISTANT CITY MANAGER GROFF: -- if you --

964 CHAIRPERSON MILLER-ANDERSON: It would like to take a tour.

965 ASSISTANT CITY MANAGER GROFF: -- if you guys have any questions or need any

966 information --

967 CHAIRPERSON MILLER-ANDERSON: Yeah.

968 ASSISTANT CITY MANAGER GROFF: -- I've shared a bunch --

969 CHAIRPERSON MILLER-ANDERSON: Yeah.

970 ASSISTANT CITY MANAGER GROFF: -- with Randy. You know, I've shared him some
971 contracts, and I've given him some other stuff that we've done. And again, a lot of our
972 have already been through these -- have been through the audits. And so, cross your
973 fingers, we think we -- we've pretty much done a pretty good job making sure all the legal
974 things are taken care of and we have a good project. So, anything we can do to help, be
975 glad to help.

976 CHAIRPERSON MILLER-ANDERSON: Wonderful.

977 ASSISTANT CITY MANAGER GROFF: Because here in West Palm --

978 CHAIRPERSON MILLER-ANDERSON: We definitely --

979 ASSISTANT CITY MANAGER GROFF: -- we like our sister cities in West Palm.

980 CHAIRPERSON MILLER-ANDERSON: And Riviera.

981 ASSISTANT CITY MANAGER GROFF: So -- all right.

982 CHAIRPERSON MILLER-ANDERSON: Thank you so much. Appreciate it. Any other
983 comments? Okay. So, we know what we want to do.

984 UNIDENTIFIED SPEAKER: Yeah.

985 CHAIRPERSON MILLER-ANDERSON: We want to do exactly what they're doing.

986 UNIDENTIFIED SPEAKER: They doing.

987 CHAIRPERSON MILLER-ANDERSON: Right? Okay.

988 UNIDENTIFIED SPEAKER: Yes.

989 CHAIRPERSON MILLER-ANDERSON: I mean, let's just take their playbook. They
990 already put it together. Let's just take what they did and move forward. All right.

991 CHAIRPERSON MILLER-ANDERSON: So, you know where to go from here, and --

992 UNIDENTIFIED SPEAKER: Yep.

993 CHAIRPERSON MILLER-ANDERSON: -- this would be the end of our meeting, guys.

994 UNIDENTIFIED SPEAKER: All right.

995 CHAIRPERSON MILLER-ANDERSON: All right.

996 UNIDENTIFIED SPEAKER: Yep.

997 CHAIRPERSON MILLER-ANDERSON: It's been adjourned.

998 **ADJOURNMENT**

999 (CONCLUSION OF MEETING)

1000 **APPROVED:**

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1003

1004 **RONNIE L. FELDER**
1005 **MAYOR**

JULIA A. BOTEL, Ed.D
CHAIRPERSON

1006

1007 **ATTEST:**

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1009

1010

1011

1012 **CLAUDENE L. ANTHONY**
1013 **CERTIFIED MUNICIPAL CLERK**
1014 **CITY CLERK**

DOUGLAS A. LAWSON
CHAIR PRO TEM

1015

1016

1017

TRADRICK MCCOY
COUNCILPERSON

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1022

KASHAMBA MILLER-ANDERSON
COUNCILPERSON

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SHIRLEY D. LANIER
COUNCILPERSON

1028

1029 **MOTIONED BY:** _____

1030

1031 **SECONDED BY:** _____

1032

1033 **T. MCCOY:** _____

1034 **K. MILLER-ANDERSON:** _____

1035 **S. LANIER:** _____

1036 **J. BOTEL:** _____

1037 **D. LAWSON:** _____

1038 **DATE APPROVED:** **FEBRUARY 3, 2021**