



"The Best Waterfront City in Which to Live, Work And Play."

CITY OF RIVIERA BEACH

TO: HON. MAYOR, CHAIRPERSON, AND CITY COUNCIL

FROM: JONATHAN EVANS, CITY MANAGER, MPA, MBA, ICMA-CM

SUBJECT: PRESENTATION: RIVIERA BEACH EVENT CENTER; UNWINDING NEW MARKET TAX CREDIT FINANCIAL AGREEMENTS

DATE: JUNE 23, 2021

CC: GENERAL PUBLIC

Background:

The New Market Tax Credit (NMTC) agreements and financial structures for the Riviera Beach Event Center are coming to the end of their seven-year term. The City of Riviera Beach owns the land the Event Center is built upon, and currently leases the property to the entities created by the NMTC transaction. The CRA's Bond Counsel for the transaction, Bryant Miller Olive P.A. provided the CRA with an overview of the NMTC structure and the related CDE Inc., and Event Center L.L.C., on February 24, 2021. Bryant Miller Olive has prepared a presentation for the City Council on the unwinding of the NMTC structure. The unwinding options could have a fiscal impact on the City of Riviera Beach, and the City of Riviera Beach owns the land beneath the Event Center. Both the City and CRA Budgets could be affected by the final determination on how to unwind the NMTC structure, and following the presentation to the City Council, and receipt of comments and questions by the Council, the firm Bryant Miller Olive will present to the CRA Board on July 14, 2021, to request direction, which will allow the City and CRA to prepare the related budget appropriations for operation and management of the Event Center.

Fiscal/Budget Impact:

The City Budget for the upcoming 2021/2022 could be impacted by the unwinding of this transaction. The operation of the Event Center results in an annual net loss of approximately \$650,000 per year, and the unwinding of the transaction will require a decision on the operation and management of the facility.