



Florida's Dynamic
Waterfront Community

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MEMORANDUM

TO: HONORABLE CHAIR AND MEMBERS, CRA BOARD OF COMMISSIONERS, RIVIERA BEACH, FLORIDA

FROM: JONATHAN EVANS, MBA, MPA, ICMA-CM
EXECUTIVE DIRECTOR, CRA

COPY: MICHAEL J. HAYGOOD, CRA ATTORNEY

DATE: JULY 29, 2021

SUBJECT: PRESENTATION & DISCUSSION: MARINA VILLAGE RIVIERA BEACH EVENT CENTER; UNWINDING NEW MARKET TAX CREDIT FINANCIAL AGREEMENTS

SUMMARY:

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. (BMO), 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. BMO provided the City Council with a presentation on the options for next steps following the unwinding the NMTC agreements on June 23, 2021. Bryant Miller Olive has prepared a presentation for the CRA on the next steps to follow 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. The NMTC agreements are projected to be unwound on July 26, 2021. This first step will remove the banking institutions from the current agreements in accordance with the originally approved agreements. The next steps will be determined by the direction provided by the CRA Board.

NEXT STEPS:

July 29, 2020; Presentation by BMO and request for Board Direction on which entity they would like agreements prepared for to control and operate the Event Center.

August, 2021; Agreements for the entity that will now control the Event Center will be drawn up in accordance with Board direction provided on July 29, 2021, and City and CRA Budgets will be modified accordingly.

September, 2021; BMO presentation on the CDE and request for CRA Board to determine their recommendation for the Future of the entity.

September, 2021; City Council and CRA Board approval of changes to the agreements to complete the control of the Event Center (these actions can be changed at a future date)

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. The Entity that will control the Event Center will also need to partially fund the future buildout of the vacant space within the facility which will cost over One million dollars.

RECOMMENDATION:

The CRA staff is recommending that the Board select Option 1 from the attached BMO presentation, directing staff to prepare amendments to the existing agreements to allow the CRA to retain management and control of the facility for now. The City and CRA budgets will be presented accordingly, and through the Budget process the financial terms will be presented for CRA Board and City Council consideration and approval.

MARINA VILLAGE PHASE II UPDATE:

The City & CRA Joint Work Team (JWT) has been proceeding with discussions with the Development Team APD-TEZRAL. The Development Team is working on modifications to the proposed plan that would position the project to apply for tax credits in next year's cycle. The continuation of these discussions are proposed to be led by the proposed Public Private Partnership firm of Jones, Lang. Lasalle (JLL), following Board consideration of their selection and scope of services on July 29, 2021.