

1 Riviera Beach Community Redevelopment Agency Regular Meeting

2 City of Riviera Beach Council Chambers

3 2nd Floor, Municipal Complex

4 600 West Blue Heron Boulevard

5 Riviera Beach, Florida

6 Wednesday, December 9, 2015

7 5:30 p.m. to 9:05 p.m.

8
9 APPEARANCES:

10 Chair Dawn Pardo

11 Vice Chair Terence Davis

12 Commissioner Bruce Guyton

13 Commissioner KaShamba Miller-Anderson

14 Commissioner Cedrick Thomas

15 City Attorney Pamala Ryan

16 Mayor Thomas Masters

17 CRA Executive Director Tony Brown

18 CRA Administrative Director Darlene Hatcher

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1 CHAIR PARDO: We ready? Okay. We're going to start the
2 meeting. Would everyone in the back please find a seat.

3 Welcome, everyone, to the City of Riviera Beach. Tonight
4 we have our Community Redevelopment Agency meeting.

5 Madam Clerk, roll call, please.

6 (Upon roll call by CRA Administrative Director Hatcher, the
7 following were present: Chair Dawn Pardo, Vice Chair Terence
8 Davis, Commissioner Bruce Guyton, Commissioner KaShamba
9 Miller-Anderson. Also present: Mayor Thomas Masters, Executive
10 Director Tony Brown, City Attorney Pamala Ryan.)

11 CHAIR PARDO: Okay. Thank you. I'd like to invite
12 everyone to stand for a moment of silence followed by the
13 pledge.

14 And let the record reflect that we have the Mayor joining
15 us this evening.

16 (Moment of silence, followed by the Pledge of Allegiance.)

17 CHAIR PARDO: Okay. Mr. Brown, do we have any additions,
18 deletions, or substitutions to the agenda?

19 EXECUTIVE DIRECTOR BROWN: Madam Chair, members of the
20 Board, since we first published our agenda we did make one
21 change. And all we changed was the order of our regular
22 business. Instead of the discussion of Viking being the last
23 item under regular business it's first, number 9, item 9.

24 CHAIR PARDO: Okay. Do we have any disclosures by the
25 commission or staff?

1 COMMISSIONER MILLER-ANDERSON: Yes.

2 CHAIR PARDO: Yes, ma'am.

3 MS. MILLER-ANDERSON: I'm a CM apprentice on the
4 construction project at the marina with JD Anderson
5 Construction; so I will be abstaining from 3, 7, 8, 10 and 12.

6 CHAIR PARDO: Okay. Anyone else?

7 Do we have a motion to adopt the agenda?

8 COMMISSIONER GUYTON: So moved.

9 CHAIR PARDO: Is there a second?

10 COMMISSIONER MILLER-ANDERSON: Second.

11 CHAIR PARDO: Madam Clerk.

12 (Motion passed, with Vice Chair Davis and Commissioner Thomas
13 absent for the vote.)

14 CHAIR PARDO: Any person who would like to speak on an
15 agenda item please fill out a blue public comment card located
16 in the back of the council chambers and give it to staff prior
17 to the beginning of the meeting. Members of the public shall be
18 given a total of three minutes for all items listed on the
19 consent agenda. Members of the public will be given three
20 minutes to speak on each regular agenda item. In no event will
21 anyone be allowed to speak on an agenda item after the
22 resolution is read or item considered.

23 Do we have a motion to accept consent, with Commissioner
24 Miller-Anderson abstaining from 3, 7, and 8?

25 COMMISSIONER GUYTON: So moved.

1 VICE CHAIR DAVIS: Second.

2 CHAIR PARDO: All right. Madam Clerk.

3 (Motion passed, with Commissioner Miller-Anderson abstaining on
4 items 3, 7, and 8.)

5 CHAIR PARDO: Thank you.

6 Regular business. Item 9. Discussion, Viking Developers'
7 Proposal. All right. Mr. Brown.

8 EXECUTIVE DIRECTOR BROWN: Mr. Evans, if you would load the
9 presentation, please.

10 Madam Chair, members of the Board, we have a short
11 presentation to give to sort of tee up the purpose of why we're
12 here today. And we're at a very important milestone in the
13 CRA's redevelopment history; and it has everything to do with
14 the expectation you have for private development on city-owned
15 land, and the expectation of how our investments are intended to
16 spark private development along the Broadway corridor.

17 I'm going to take a few minutes to just make sure that
18 we're all on the same page in terms of the type of agreement we
19 have, where did we start, how did we get to where we are, and
20 then I will pause and I will introduce a representative from
21 Viking who will share their plan. They had asked several weeks
22 ago to give them an opportunity to present a proposal for
23 everything; and I believe they're here to talk about and to
24 highlight that. And then after their presentation I'd like to
25 come back and then summarize the information presented and offer

1 a staff recommendation for the data that you saw.

2 So some of this is going to be repeat information. I
3 always like to talk about the marina history as the things that
4 happened before the special election of March 2014. Sort of the
5 pre-charter amendment.

6 And I think the point that I want to emphasize here is that
7 in five years that there is no private development under
8 construction and there is no private development seeking
9 permits.

10 So in 2010 a master development agreement was executed with
11 Viking. In 2011, as you know, you directed the CRA to go borrow
12 nearly 26 million dollars, which is the basis of the capital of
13 the public improvements that you're seeing today. In 2012 we
14 were going to start construction under the old master plan that
15 Viking presented and you approved.

16 In 2012 Viking asked that we not implement that new plan,
17 and instead that they wanted to commission a newer plan; and we
18 deferred action; and Viking hired a firm out of Canada called
19 Live Work Learn and Play. In completing the plan, in your
20 accepting the revised plan, we executed what is called a notice
21 element agreement, which was to define the process for the Phase
22 I marina improvements that are underway today. And so in
23 essence there are two legal documents that define this
24 relationship.

25 CHAIR PARDO: Hold on one second, please.

1 Let the record reflect that Commissioner Thomas is now on
2 the dais.

3 Go ahead, sir.

4 EXECUTIVE DIRECTOR BROWN: So there are two legal documents
5 that define this relationship. And as you heard me say many
6 times, that the master development agreement that we executed
7 with Viking is not a typical development agreement. It is a
8 document that we've agreed to cooperate. There are no
9 compelling requirements. We cannot make Viking do anything, nor
10 can they compel us to do anything. What it says is that of that
11 plan that you approved, that we define as a variety of elements,
12 that if we reach an impasse on the development of any of those
13 elements that you have the right to relieve Viking of the
14 responsibility to develop that notice element.

15 The notice element has a little bit more teeth -- actually,
16 the notice element has more teeth, more leverage than your
17 master development agreement. Your master development
18 agreement, your MDA, has no expiration date; it has no penalty
19 to the City, no penalty to Viking; it has nothing requiring you
20 to perform.

21 The notice element agreement has several very important
22 clauses, the most significant of which is that if we fail to
23 agree on site control issues you may terminate the master
24 development agreement. And so because of the way the MDA is
25 structured, and the fact that we have to negotiate by elements,

1 early on in this process we agreed that we would attempt to
2 negotiate the development of an element through a series of
3 either letters of intent or term sheets that would have a lot
4 more detail than the documents that you've seen over the past
5 three weeks. Those letters of intent would define the economic
6 terms. We would bring the letter of intent to you to make sure
7 you agree on the economic terms and all other issues. With the
8 agreement of the LOIs the lawyers would then develop legal
9 documents.

10 So you'll hear me use notice elements, I'll be talking
11 about Restaurant Row, Market Court, Marine Way, Spanish Courts,
12 13th Street Gateway. And there is a slide, I'll show what that
13 looks like pictorially.

14 The notice element agreement also did several things. It
15 said if this Board and if you sitting as City Council approved
16 the revised Marina District master plan, it then outlined
17 responsibilities for the public and it outlined responsibilities
18 for our private partner. For the public it said that we would
19 do a planning and zoning framework for the Broadway corridor,
20 we'd do architectural designs, traffic and parking complete. It
21 said we would be required to approve the marina district master
22 plan that was commissioned by Viking, that was developed by
23 Viking; you approved it. It also said that you would also be
24 responsible for the business plan and to execute the
25 improvements of the civic facilities and infrastructure.

1 The civic facilities and infrastructure. That meant
2 reinvesting Bicentennial Park, rebuilding Newcomb Hall, putting
3 in place new infrastructure. That is a 30 million dollar
4 investment.

5 We said that these public improvements would spark over 350
6 million dollars worth of private development. 350 million.
7 Only 20 million of that 350 million is on city-owned land. So
8 the vast majority of the private investment that our investment
9 was intended to spark is on private property.

10 Viking has been implementing some of its responsibilities.
11 They developed, as I said, and you approved the master
12 development plan. The first -- the only notice element that we
13 gave Viking early on in 2012 was that we told them, that we gave
14 them notice that we wanted to bring back the Tiki Restaurant.
15 And we were very specific, not just the Tiki Restaurant but Bob
16 Gregory and his partner. You approved parcel A lease under
17 below market terms with the sole intent to bring back the Tiki.
18 They could not get to terms. We could have ended -- you could
19 have ended that lease negotiations but you allowed the lease to
20 go forward and for Viking to find a replacement for the Tiki.

21 The notice element also requires Viking to develop a
22 business plan similar to our public investments, and a financial
23 analysis for the private elements by priority phases. No more
24 of this when the market is ready. You tell us by priority
25 phases when you're ready to go to construction and to include in

1 that a phase construction schedule.

2 Three and four continue to remain incomplete.

3 Failure to commit to construction on private elements on an
4 effective date that we would all agree to, among other things,
5 shall be a cause for you to terminate the master development
6 agreement.

7 This is the plan that Viking paid for, this is the plan
8 that you've approved, this is the plan where 30 million dollars
9 of public money is currently underway. This investment, this
10 investment is intended to spark private investment along the
11 Broadway corridor and Spanish Courts. The plan calls for a
12 seniors development, a health and wellness campus within current
13 zoning requirements. It called for an education and innovation
14 campus that would leverage the scientific research of Lockheed,
15 the significant impact of Rybovich moving its operation to 20th
16 Street, and it defined generally other commercial offices at the
17 13th and Broadway campus.

18 So now let me tell you where we started and where we are.
19 So on December 10th, 2014, as I indicated, you approved the
20 parcel A lease, authorizing Viking to develop the site for a
21 restaurant tenant. On May 27th, because we could not agree on
22 the terms to which we would lease the remaining parcels to
23 Viking for the remaining Restaurant Row, on May 27th you gave us
24 30 days to finalize the negotiation on those elements. On July
25 8th we came back still not in agreement. We had help from the

1 Northern Palm Beach County Chamber of Commerce, who attempted to
2 mediate. In the end you relieved Viking of the responsibility
3 to develop parcels B and D, and a month or so later you approved
4 the contract with CBRE to go out and market parcels B and D.

5 Then on September 23rd Viking brought their concept, the
6 Marine Way development. Earlier on there was some concerns as
7 to whether or not a parking garage so close to the water was the
8 highest and best use of the land, of our land, the marina land.
9 You approved by a five oh vote, not one dissent, the Marine Way
10 conceptual plan, and you directed staff and Viking to come back
11 in 30 days with the construction development plan that would
12 allow this project to come out of the ground.

13 In negotiating, in further negotiating some land swaps
14 between us and Viking -- remember I said earlier how critical
15 the site control issues are. When you look at the pattern of
16 ownership, what the CRA and the City owns between Broadway and
17 Avenue C, and you look at the pattern of ownership between what
18 Viking and the City and the CRA own between 12th Street and 14th
19 Street, it was a checkerboard. So we made an arrangement with
20 Viking, again based on their plan where the Public Market was to
21 go, we offered to swap property; that the land that we owned
22 north of 13th Street, City and CRA, would be swapped with
23 property that Viking owned south of 13th Street.

24 In requirements from Viking to make sure old 13th Street
25 closed we conferred with the City. The City reminded us we

1 needed to get a sign easement and some other things. And so on
2 October 14th you approved easements that would allow us to bury
3 utility lines and in order to post a sign.

4 You postponed the action for the real estate exchange
5 agreement as Viking had expressed to certain members of the
6 Board that they had a proposal for everything. And so you
7 postponed the action of the real estate exchange agreement; and
8 that we expected Viking to provide their proposal by the end of
9 October. You received it on November 13th. And I believe that
10 is the document that most of the citizens in this room have come
11 here to speak about.

12 But before November 13th Viking did two actions that staff
13 reported to you we thought was disingenuous. Viking terminated,
14 gave us notice that they would terminate early the parking lot
15 lease for the Yachtsman. This is Viking's property within the
16 marina that we currently lease at over \$110,000 a year. This is
17 the property that we demolished at our sole expense, the old
18 Yachtsman hotel, and put in parking.

19 So we are required, given that early notice -- and that
20 clause was developed thinking we would be intending to go to
21 private development, but we will be required to vacate that
22 property by the end of September.

23 Also Viking felt that the easements that we're proposing
24 had an adverse impact in the value of land that we would swap,
25 so they indicated and gave notice to our attorney they did not

1 intend to close on the real estate exchange agreement. So as a
2 result it took us back to the checkerboard. We keep our
3 properties, Viking keeps their properties; we cannot do the
4 Public Market, nor can Viking do I believe the hotel that they
5 propose on that site.

6 So after 20 months -- and this is where I really -- and
7 have said before, this is really where the true efforts began
8 between the City and the CRA, after our citizens by a 74% margin
9 said we want access, public access to the marina, the plan that
10 Viking commissioned, the plan that you approved, 74% of the
11 voters said yes. And so after 20 months I'm here to tell you
12 there is no agreement on economic terms for Viking's opportunity
13 to develop in our marina. There is no agreement on feasibility
14 timelines for Viking's opportunity to develop Spanish Courts.
15 There is no agreement on construction timeline for any private
16 project wherever Viking would like to develop it. And so from
17 March of 2015 to October 2015, I explained that timeline.

18 And so you will hear shortly Viking's presentation, what
19 they are proposing to do. And I think I'll stop here and let
20 Viking present its plan; and then I'll summarize it, and then we
21 can go forward.

22 CHAIR PARDO: Okay. And I'd like to make a comment to the
23 council -- or commission. I would suggest that we all write our
24 questions down, we'll hear from Mr. Healey, wrap it up with
25 Mr. Brown, go to the public, and then have the council

1 negotiate, ask questions; and do it like that just to keep it
2 orderly. Okay?

3 EXECUTIVE DIRECTOR BROWN: And in fact before we switch,
4 the next two or three slides does sum up the actions on the
5 13th. So on November 13th the proposal that you received sought
6 to develop Spanish Courts as a 20-story high rise where zoning
7 currently allows five to eight stories. Viking again asked to
8 develop Restaurant Row after being relieved; the proposal asked
9 that we cap common area maintenance at six dollars where our
10 current plan currently has it at eight. Marine Way is proposed
11 to be developed as conceptually approved. Market Court is
12 proposed to be developed as conceptually approved.

13 At 6:45 p.m. yesterday they modified their plan. They have
14 agreed to the Public Market swap but they want additional land
15 as compensation. The Yachtsman value that they offered at 15
16 million has dropped to 4.85 million, compared to your appraisal
17 of 1.9 million. And the Yachtsman property will transfer not
18 with the earlier onerous conditions that they proposed on
19 November 13th but it will only transfer if they have development
20 rights for Marine Way and Market Court. And I say for those
21 first two items it is not an issue; but they also say Restaurant
22 Row, and which I reported they were relieved.

23 The Yachtsman property would also transfer on additional
24 conditions. We would have to build the 14 million dollar
25 parking garage at Marine Way, which I would say to you is no

1 issue, we have always negotiated the CRA's intent to do that;
2 and that the occupancy permits for Restaurant Row and Marine Way
3 were two additional conditions that your staff had not
4 recommended. Viking retains development rights for Market Court
5 at six dollars a square foot; and I'll talk to that when I
6 return.

7 They had one item in that memo that I'm not clear about,
8 but they said changes to the addendum do not affect other
9 elements; and so I really don't know what that means, and
10 perhaps Viking will clarify that.

11 So, Tyler, are you speaking? Are you representing? Okay.

12 MR. ALTEN: Do you mind if I bring up a couple slides?

13 MR. EVANS: That's it?

14 MR. ALTEN: That's it. Thank you.

15 Thank you, Chair, Commissioners, Executive Director.

16 Tyler Alten, Viking Developers; and Robert Healey, Sr.,
17 chairman of the Viking Group.

18 CHAIR PARDO: Welcome.

19 MR. ALTEN: On November 12th we at Viking submitted a
20 comprehensive master plan as directed by the Board for the
21 private development in the marina district. We stand by that
22 plan; we believe it was mutually beneficial for the success of
23 both parties.

24 Following the submittal however we consulted with community
25 leaders, business leaders, residents, and public officials who

1 accepted our invitation. We then submitted a master plan
2 addendum on December 8th as a result of those consultations.

3 The master plan addendum was circulated in an effort to
4 come to terms for private development.

5 The general terms of the addendum, as you received
6 yesterday, we would transfer ownership of the Yachtsman to the
7 CRA; and in return we would secure Restaurant Row, Marine Way
8 and Market Court at six dollars a square foot. We asked for 60
9 days to submit two restaurant leases, one on pad A and one on
10 pad D. Unfortunately we could not come to an overall consensus
11 with the executive director.

12 We met following -- excuse me. Before we distributed this
13 addendum we met with the executive director; we had two major
14 areas of disagreement.

15 The first area of disagreement was that the CRA's
16 responsible for Restaurant Row site improvements to raise
17 elevations to acceptable level at a cost of approximately one
18 million dollars. As we've heard from many restaurant operators
19 the seawall and the current elevation of Restaurant Row is
20 unacceptable; you have no view from the marina of the water; so
21 we have significant site improvements that need to happen there.

22 The second major area of disagreement relates to Restaurant
23 Row as well. Viking proposes to lease and build out Restaurant
24 Row and pay the CRA six dollars a square foot. We used a comp
25 as the cafe space in the Events Center, which we calculate at

1 \$7.16 a square foot when you take into consideration both the
2 indoor and outdoor spaces. We felt that was fair. However, the
3 executive director stated that Restaurant Row was not our
4 responsibility, nor is it your intention to have it be our
5 responsibility.

6 The third area of disagreement regards the adult job
7 training program. In our master plan that we delivered in
8 November we went to great detail in importance about the Hire
9 Local First program and an adult job training program at our
10 Maritime Academy. Viking would fund this program, which is
11 estimated to cost approximately 3 million dollars over 10 years.
12 We have requested the CRA to cover a third of that cost at a
13 million dollars.

14 These are the major areas of disagreement.

15 Now if the Board is not ready to move forward with our
16 addendum, not ready to move forward in this partnership, which
17 we have been negotiating for over three years and continue to
18 provide deal terms to the executive director, we have yet to
19 agree on those deal terms, then we present this option to move
20 forward: We will sell the Yachtsman to the CRA for 4.849, 4.8
21 approximately million dollars, with a 5-year pay-out at 4%
22 interest. We will complete the Public Market property swap.
23 The CRA then will retain ownership of the Yachtsman. Site
24 control has always been critical to the CRA director. And the
25 CRA will retain parcels for the Public Market.

1 The Public Market property swap. As was presented to you a
2 few weeks ago, the closure of old 13th Street both east and west
3 of Broadway. Transfer of properties as set forth in the
4 attached exhibits, which we will show you. We will accept the
5 signage and utility easement that was added after the fact to
6 the property, which would be transferred to Viking. And
7 furthermore Viking will work directly with utilities in the CRA
8 to grant the eight other utility easements that have been
9 requested on our property. We have yet to be brought to the
10 table to discuss those easements, so we would like to do that.

11 Exhibit A, the properties as transferred to Viking. As you
12 can see here, and the executive director described, is a
13 checkerboard of properties; so we would like to work with the
14 CRA to make this Public Market land swap happen. We would like
15 to include the remnant parcels west of Broadway along 13th
16 Street. These parcels are of no value to anybody besides
17 Viking, as we have the contiguous property; and we have plans
18 for redevelopment that we would like to submit to planning and
19 zoning for that area.

20 The Exhibit B, transferred to the CRA. You can see the
21 properties highlighted here. It would be the home for a large
22 portion of the Public Market. They would also provide for the
23 expansion of the food bank on 11th Street.

24 As I mentioned, the easements. This is something that
25 Viking has not been privy to; we have not sat down with

1 utilities or with the CRA to discuss these yet. It has been
2 requested that Viking grant eight easements as laid out on our
3 property, in green here. The easements are in red. Some of
4 these are smack in the middle of developable areas and will
5 result in our property being worth less. And so we have
6 requested a list of equipment at each easement. We have
7 requested elevations and specs, statement of compensations; and
8 frankly we've requested all information available at each of
9 these easements so we can work together and make these happen.

10 The Yachtsman. We're standing by our valuation to sell the
11 Yachtsman, which is over 40,000 square feet, to the CRA based on
12 a land value of six dollars a square foot, at a CAP rate of 5%,
13 resulting in a transfer value of approximately 4.8 million
14 dollars. You can see the Yachtsman here highlighted in red. It
15 is a significant parcel east of Avenue C, inside the marina
16 proper.

17 So going forward. We're happy to address any questions.
18 We hope that the CRA can pass binding resolutions to enter into
19 these contract swaps.

20 I'm going to let Robert Healey, Sr., chairman of the Viking
21 Group, elaborate on that.

22 MR. HEALEY: Here is our basic problem. For five years
23 we've been trying to negotiate with the executive director
24 unsuccessfully.

25 One of the basic philosophical problems that we have not

1 been able to agree upon is what is our responsibility and the
2 responsibility of the CRA Board under the law on community
3 redevelopment. Our philosophy is and we believe it is two
4 things: Jobs and tax dollars. The CRA director tells us that
5 that that's not the Board's responsibility or our
6 responsibility, it's the responsibility of others.

7 We have -- we are anticipating if we could get this program
8 going, of spending -- of backing 6 million dollars for the new
9 Riviera Beach Maritime Academy and running an adult night
10 training program in the academy. We met with pastors of
11 churches, we met with a number of civic associations, and we
12 believe one of the problems in Riviera Beach is that we have an
13 18% plus unemployment rate in Riviera Beach, and we have less
14 than 5% in Palm Beach County. We believe it's our
15 responsibility to go out -- we went out to some job fairs and
16 they were very unsuccessful because the people were not
17 qualified for the jobs. We would bring these people in, we
18 would go out to the churches, work with the churches, work with
19 the civic associations, bring them in and vet them, bring them
20 in to a night training program which would be taught by
21 different businesses. And what would happen, they would have an
22 opportunity to talk with these business people and train, and
23 they would go to work for this overall long-term project, 3,000
24 jobs. We would like to see some 1500 jobs over 10 years go to
25 the residents of Riviera Beach.

1 The executive director has a different philosophy. He says
2 jobs is not our responsibility or your responsibility, and take
3 that off the equation.

4 The second thing that's been -- yesterday we met with him.
5 We tried to work something out. We had an agreement on a -- to
6 acquire the Yachtsman for 4.98 million dollars, we'd do the
7 swap; but where we got off track was he doesn't believe the job
8 program is our responsibility.

9 And the second thing is there was a flaw in the design of
10 Restaurant Row. That flaw is going to cost approximately a
11 million dollars to correct. The level of the floor of these
12 restaurants is below the wall and you can't see out over the
13 wall. We said that we would correct that but we want a
14 long-term concession on the dollar rent; we correct that million
15 dollar problem.

16 The second -- third thing is the CRA director says, well,
17 you can't deliver restaurant leases. There are gentlemen here
18 tonight who are ready to enter into contracts for a lease on the
19 restaurants.

20 You people gave the CRA Board some seven months ago the
21 right to go out and lease Restaurant Row. That hasn't happened.
22 They have no -- they wanted \$42 a square foot for the land, and
23 then you've got to build the restaurant. There are people out
24 here tonight to say that financially will never work. We are
25 ready to lease to them and build to suit the restaurant, take

1 all the responsibility for its success.

2 And what I'm going to say to you is this: Yesterday in the
3 Palm Beach Post, this morning it came out that the executive
4 director accuses us of being land grabbers, or taking control,
5 of trying to take control of the Riviera Beach Marina District.
6 Look, we're not land grabbers. And if you people just want us
7 here, we're willing to do the following: We'll make the swap,
8 we'll sell them the Yachtsman long-term pay out, and we'll back
9 out and he can go forward with other developers. I know he
10 needs the Yachtsman. I know he needs the swap. We'll do that
11 for him; and we'll back out and we'll develop our own
12 properties.

13 I don't want to fight. I don't want to be in the
14 newspapers as a land grabber, if this goes on and on and on.

15 So I'm saying to you people tonight, if you want to approve
16 our program as we submitted to you most recently, we'll go for
17 it. If you don't want to approve it, we'll make the swaps so
18 that the CRA director can go forward. We don't want to hinder
19 your growth. If you can get it done, get it done.

20 We're big landowners in Riviera Beach. We have a big
21 project here in our yacht -- boat company.

22 We don't want to fight with you. We don't want to be bad
23 citizens. We'll do one or the other. And if you don't want us,
24 we'll just back out completely.

25 Thank you very much.

1 CHAIR PARDO: Okay. Thank you, Mr. Healey.

2 Do you want to finish up?

3 MR. ALTEN: No. If there's any questions, thank you, we'll
4 be happy to entertain them.

5 CHAIR PARDO: Okay. We'll do that after public comment.
6 Thank you.

7 EXECUTIVE DIRECTOR BROWN: Scott, re-load.

8 Just as a point of clarification, yesterday I told
9 Mr. Healey that it is very much the CRA's responsibility and
10 commitment and your commitment to do job training programs. As
11 you know, you made a tremendous commitment in doing that for the
12 marina development.

13 What I explained to Mr. Healey is that last year we
14 considered in investing in a program by Career Source or the
15 Urban League, and whether it would be his program; we decided in
16 this fiscal year that we would not invest in work force
17 development programs but we would leave that responsibility to
18 the City. And, you know, we had that discussion during our
19 budget workshop. But relative to Viking's proposed plan, I
20 don't know how it compares to the ones we looked at from Career
21 Source or the Urban League.

22 Let me see here. Scott, is the thing -- it won't advance?

23 MR. EVANS: No.

24 EXECUTIVE DIRECTOR BROWN: Okay. It's not advancing.

25 So as we re-load, it's going to be -- so I want to

1 summarize what staff's recommendations are relative to the
2 proposals. I'm pleased to hear that Viking would agree to the
3 Public Market swaps. As you know, we have offered the
4 additional land that we own west of Broadway, but we had also
5 requested that -- I guess Viking in being silent on, I assume
6 that they do not agree -- we had also requested that they amend
7 the notice to terminate the Yachtsman lease by at least another
8 six months, because the land that we were offering, the
9 additional land that we were offering to give them equated to
10 the amount of ground lease rents that we're paying Viking for
11 the Yachtsman site, especially in the event that this
12 negotiation takes through the end of the year. But we're happy
13 to hear that.

14 We're prepared to tell you that to please direct us that
15 the first order of business is to resolve the site control
16 issues. In my experiences with Viking it's the details that are
17 important; so we will present to you, we will present to you an
18 amended swap agreement at the January 27th meeting; and that the
19 other thing that we would hope in that resolution that it will
20 require Viking to close by February 12th.

21 We have experience with Viking that when we think we have
22 agreement, documents do not close, documents do not execute; and
23 thus it is important that you send a clear message of what we
24 are going to agree to swap, and that you expect things to close.
25 Again, if not, it indicates that he plans -- otherwise it

1 appears that they plan to resign.

2 The Yachtsman parcel, I have a series of slides to talk
3 about the importance. I don't know how important it is to you.
4 But I do want to sum up what that might mean in the way of value
5 and impact.

6 The -- my comments that Mr. Healey referenced in the paper
7 was that I don't know the commitment to get to vertical. If
8 Viking is committed to construction, it is my recommendation to
9 this Board that they focus on Marine Way. We agreed to a term
10 sheet, not four or five bullets, a term sheet that we bring to
11 you by January 27th. If in agreement, give the lawyers 60 days
12 to convert it into a legal document.

13 I also would recommend to you as a sign of good faith as
14 we're working on that allow Viking to have a formal option
15 agreement so that they could do an adequate feasibility study on
16 Spanish Courts.

17 But, again, if we can't reach agreement then either they
18 will resign or you terminate the master development agreement.

19 They have responsibilities for parcel A. To this date
20 we've seen one signed letter of intent nearly eight months ago
21 but we've seen no lease; and so there are performance measures
22 in that lease and if they are not achieved then the ground lease
23 does cancel.

24 You saw this in your briefing package, your decision tree
25 is that the Public Market swaps was beneficial to each other, we

1 shouldn't play games, we shouldn't be held hostage, either we
2 have a deal or no deal. The Public Market is their concept.
3 The location of the Public Market is their concept. This -- you
4 don't see the green. This is how the Public Market wraps their
5 land.

6 I talked about their actions if we didn't. And this is the
7 concept that you approved. This is, this is a project that the
8 county is well invested in. The Public Market was a Palm Beach
9 County initiative. They went through a competitive selection
10 and they selected our marina. And not only in their selection,
11 to date they have provided over \$350,000 in grants. The reason
12 why I'm so adamant about the Public Market is that we have to
13 return -- we have to re-pay this money if we haven't produced
14 construction documents by a particular date.

15 So my point is we've got more to do together than to be
16 held hostage or to feel that there's a retaliation; either we
17 have a deal or no deal.

18 In the earlier proposal Viking proposed using the Yachtsman
19 parcel sort of as currency. And some of you had asked well what
20 do I mean by currency. That, you know, we set the value and
21 used that to compensate the City or CRA for the development
22 rights. It allows Viking to receive a credit or an abatement in
23 lieu of paying rents. And so the slide that you see here gives
24 you some indication of where the Yachtsman is. This is Avenue
25 C. The Yachtsman is east of Avenue C. So if you consider the

1 upland marina as being everything east of Avenue C, the
2 Yachtsman sits almost central in this corner; and it is part of
3 a parking lot; a portion of it would affect the linear park, and
4 then it allows additional buildings.

5 So the site control issues I just wanted to outline for you
6 is the important issue. I guess the direction that your staff
7 and consultants need is what value do we negotiate? Viking's
8 asking value is at six dollars a square foot, it's 4.8 million.
9 The records show that they paid 4.5 million. They're asking
10 what they paid for it. We had it appraised; the appraised value
11 is at 1.9. And it's appraised at 1.9 if it's part of the
12 development. If it was a single parcel in and unto Viking
13 itself, the appraised value is \$650,000. We currently lease the
14 site at a little under \$112,000. And so if you take the current
15 lease value and you put the CAP rate that Viking says is their
16 targeted rate of return then the value, purchase value would be
17 2.2 million. So if you are open to Viking's offer, I guess the
18 deal, if you will, is between 2.2 million and 4.8.

19 If you're open to Viking's earlier proposal that we use the
20 Yachtsman parcel as currency then what does the value of
21 Yachtsman give Viking in the way of free rent? So a 4.8 million
22 dollar value equates to, if Marine Way is valued at \$6.00 a
23 square foot it basically means they get 12 years free rent and
24 it assumes no escalation rate or any discount rate. It's
25 straight \$6.00 a square foot during the term of the lease.

1 Viking asked that you consider Restaurant Row too. If you
2 add Restaurant Row, not at \$6.00 a square foot or not even at
3 our asking price at \$22.50 a square foot, if we took the
4 difference between the two of us at \$14.25 a square foot it
5 basically means we would give Viking eight years of free rent to
6 develop Marine Way, to put private development on our lands.
7 And again this assumes no rate of inflation, no other annual
8 escalation rate during that eight-year term.

9 If you basically said let's do it at our appraised value,
10 then the biggest change is that it only means four years of free
11 rent if you allow Marine Way, Market Court, and Restaurant Row.

12 So you can buy it at some terms that Viking has offered or
13 you could build around it. We have asked Song to come up with
14 scenarios in which it allows you to build around the Yachtsman
15 property.

16 You could acquire it. And because we need it for parking
17 you could authorize not the CRA staff, you could authorize the
18 City staff to consider eminent domain if the terms to purchase
19 was not satisfactory to you.

20 The question that comes up, well, what if we get rid of
21 Viking? What if Viking resigns or is terminated? What would we
22 do? Would we start over? What you see here now is the
23 rendering; this is what we would get without Viking. We would
24 still get Restaurant Row. Parcel A is still -- Viking still has
25 site control. The Event Center is under construction. The

1 issue becomes if they agree to do the Public Market swaps, you
2 get the Public Market swaps, you get Restaurant Row, you've got
3 two restaurants in the Event Center. You have five more
4 restaurants than we had when it was just the Tiki. Plus you
5 have the Public Market.

6 If you said start over, I would recommend that the Public
7 Market move to Spanish Courts. We could build a parking garage
8 of at least a thousand spaces. Song did a massing study, we
9 could get 156,000 square feet of private development in whatever
10 mix. And this plan is consistent with our current zoning.

11 We would then recommend that we build the garage. We would
12 go out with an RFP, and we would determine is there a developer
13 who would want to build around our parking garage at Spanish
14 Courts. And I think we should still consider a land use
15 regulation change to determine whether eight stories is the
16 highest and best use because of the significant views to get,
17 because of the cost of parking.

18 The blue represents the development opportunities within
19 our marina and along the Broadway corridor between 19th -- 18th
20 Street and 20th Street.

21 In consultation with the City Manager, she indicated that
22 she would concur that we would go forward with an RFQ if you
23 decided to start over that would include the properties in the
24 marina and the lands that the City owns along the Broadway
25 corridor. Because, again, the public investments at the marina

1 wasn't about the private development on city-owned land, it was
2 about sparking a revitalization of the Broadway corridor.
3 That's what this is about.

4 We value Viking as a corporate citizen. They have been
5 wonderful. They, as I understand, build some of the best boats
6 in the world. The family has been fantastic to the City of
7 Riviera Beach. This is about whether or not Viking can build
8 neighborhoods. This is about whether or not Viking can change
9 the fortunes of our city. This is about us helping Viking
10 redevelop Viking's land. We do not need Viking to develop the
11 marina properties.

12 That's my presentation.

13 CHAIR PARDO: Okay. We're going to go to public comment.
14 Jim Mustakas, and then Fane Lozman.

15 MR. ALTEN: Excuse me. What are the (inaudible)?

16 CHAIR PARDO: Let's do public comment. All right? And
17 then before the council starts deliberation we'll let you have
18 time. So Jim Mustakas, and then Fane Lozman.

19 MR. MUSTAKAS: Thank you. How you doing today?

20 CHAIR PARDO: How are you doing?

21 MR. MUSTAKAS: My name is Jim Mustakas. I'm with Majestic
22 Princess Cruises.

23 And, you know, I just want to take my three minutes to talk
24 about how this is all affecting me, a business in your
25 community. All right? Eight years we've been at the marina,

1 and with the promise and the horizon that showed this great
2 marina that was going to be built, going to be changed, and
3 everything was going to be super. Well, delay after delay, and
4 it continued, and now we saw something happening 20 months ago.

5 I've lost three million dollars in eight years. Why do you
6 do that? What an idiot. Well, I've got to recoup that. So now
7 I have to stay in the game. Okay? I can't pull out now.

8 So I'm sitting there with a marina that's been taken down
9 to the ground level; and people think it's even closed.
10 Yesterday I had a party of 20 -- I mean this is, this is my
11 problem -- a party of 20 called back and said, I'm sorry, I
12 don't want to go on your boat because we're scared to go in that
13 community, we hear it's unsafe.

14 Well, we all know that it's safe; there's lights, there's
15 security. But this is the attitude of people.

16 So now I believed in the project, I believed in the marina,
17 and I still do, so I'm riding it out.

18 And then I got so interested I want to put a restaurant in.
19 And I've been a ping pong ball on that, from pad A to pad D, who
20 owns it, who doesn't own it. I have an LOI. I'm waiting to
21 sign an agreement.

22 Somebody said that there was an agreement to be signed.
23 I'm confused because I heard -- and I don't know what the truth
24 is. I want to find out -- that the agreement still has some
25 issues between, and that's why I can't get one to sign off on.

1 I'll sign it tomorrow. I have the LOI. I have the plans.
2 Mr. Brown has seen them. I mean it's going to be a great
3 restaurant, it's going to be great for the community, a lot of
4 jobs. I'm -- I'll be successful.

5 But where everybody is saying there is a lease, some people
6 are saying I don't have a lease. I just need a lease to sign.
7 So I'm struggling out here. And I appreciate your time. But we
8 just -- it's got to move forward, it's just got to move forward.

9 And I realize you all have your responsibilities, and
10 you're elected officials and you're supposed to protect Riviera
11 Beach. Okay? And the private sector is obviously in it to make
12 some money. That's how the world works. But the bottom line
13 is, it's not working, okay, for whatever reason.

14 I've been at meetings -- I was at one meeting here and it
15 was like 30 minutes -- 20 minutes to find out if we closed the
16 meeting properly the time before. And we just gotta get past
17 that and work together and see if -- because people are
18 struggling, people are struggling at the -- on the ground level
19 at the marina. Because my sales are down 50% with the -- with
20 everybody not knowing what's going on.

21 Thank you.

22 CHAIR PARDO: Thank you, sir.

23 Fane Lozman, and then Ken Doner.

24 MR. LOZMAN: Fane Lozman. Singer Island. Even though I'm
25 Singer Island's largest land owner I still don't have an address

1 for any of my five properties.

2 I'd like to congratulate you, Mr. Brown, because you said
3 one of the smartest things I've ever heard in this chambers, we
4 do not need Viking to redevelop the marina properties; and I've
5 been saying that since 2006.

6 In 2008 an RFP went out where Viking was selected the
7 winner of 25 prospective bidders. And the deal was they were
8 supposed to sign a DDA in 60 days. They came back to this
9 council and said we don't have the money, there's a recession,
10 give us an extension. They gave them a couple extensions.

11 And then in 2009 Floyd Johnson, who used to be the CRA
12 executive director, said to disqualify Viking. An hour later
13 Dawn Pardo, Cedrick Thomas, and the other Board members fired
14 Floyd Johnson.

15 2010, the 2008 private redevelopment plan morphed into a
16 boat yard between Viking and Rybovich, and it never went out for
17 bid. When you have a material change in an RFP you have to have
18 a new RFP, you have to have a new bid. That never happened.
19 That's why the publisher of the Palm Beach Sun had a recall to
20 remove Pardo, Thomas, and the other Board members for not
21 putting that out for bid.

22 2012, you come up with yet a third plan that still never
23 went out for bid. So as far as I'm concerned Viking should have
24 nothing to do with any redevelopment because they did not
25 perform on the 2008 plan. And that's not only me saying that,

1 that was Floyd Johnson saying that. So this whole thing should
2 never have gotten this far.

3 As far as eminent domain, absolutely, we don't need to be
4 held hostage to the Yachtsman; we'll give you a taste of what
5 you were trying to do in 2006 when you wanted to eminent domain
6 everybody's property in that original redevelopment plan, the
7 one that Governor Bush and I killed.

8 Land on Broadway goes for 300,000 an acre. The cornerstone
9 45 million dollar project just sold for 300 grand an acre, nine
10 and a half acres. We can eminent domain that property for 1.9
11 million and say goodbye and good luck.

12 Now as far as lands A and B, if the City is going to
13 dispose of A and B I want to bid for those. I want to buy them.
14 I'm sure a lot of other people want to buy them. So just to
15 think you're going to swap city property without putting that
16 out for bid, I have a major issue with that.

17 The bottom line is that you have not performed on the 2008
18 RFP. There have been multiple material changes and that whole
19 project should go out for bid. Yes, the public has the docks
20 going on, but you have just dragged yourself, you have not been
21 a good master developer, and you had relationships along the way
22 with elected officials who you've curried favor, whether it's
23 bundled campaign contributions, whether it's Cedrick Thomas and
24 his bus contract for the maritime school. I want to get rid of
25 you. A lot of people around this community want to get rid of

1 you. And I thank Mr. Brown for having the guts to point out
2 that you should be gotten rid of also.

3 CHAIR PARDO: Okay. Thank you. Ken Doner, and then Bonnie
4 Larson.

5 MR. DONER: Happy holidays.

6 CHAIR PARDO: Good evening.

7 MR. DONER: He said, she said --

8 CHAIR PARDO: All right. Please state your name for the
9 record.

10 MR. DONER: I'm Ken Doner. We own 2001 Australian, 1701
11 Australian, 2000 Avenue P, 1301 to 1311 West 15th Street. We've
12 been involved in these properties since 2000.

13 I support the project. I support Viking. I support them
14 because nothing's happened since 2000 of any impact in this
15 community. And I think when you get an opportunity for somebody
16 to take the bull by the horns, to put together a project, it, it
17 just makes sense to go along with it. I like the project. I
18 like the fact that both sides are talking about being flexible.
19 And it benefits everybody. It just benefits everybody. Thank
20 you.

21 CHAIR PARDO: Thank you, sir.

22 Bonnie Larson, and then Richard Wester.

23 MS. LARSON: Bonnie Larson.

24 We've been playing with Viking for many, many years now,
25 and we have nothing yet. Nothing.

1 First of all, they were supposed to do the restaurants, the
2 shops, whatever, then they didn't perform so Riviera Beach says
3 never mind, we'll do it. All of a sudden Viking is going to do
4 it again. And then the City took it back. Now Viking says
5 tonight they want to do it again. They're like the boy who
6 cried wolf. Every time we don't give them everything that they
7 want -- and they've taken a lot from Riviera Beach. Every time
8 that we don't give it to them they cry wolf; you didn't give us
9 what we want, we're packing our toys and we're going home.

10 We gave them 21st Street, they closed off 21st Street.
11 They own most of 13th Street. They want to close it east and
12 west of Broadway. That's the street going to the marina for
13 goodness sakes.

14 Now they're talking about easements, they don't even want
15 to comply with our easements. We have easements -- we all have
16 easements.

17 Even tonight they changed their spot on the agenda, they
18 got changed, they got put up to the front. What about those
19 people who were going to come later tonight and talk about it?
20 They can't, because Viking wanted to go first so they could go
21 home; they don't want to hear about Riviera Beach issues, they
22 want to go home, so their issue got moved to the very front
23 tonight.

24 They never meet a deadline. They never met a deadline.
25 50-year lease they want. They want to put a 20-story rental

1 unit on Spanish Courts. They only ones who benefit from
2 privately owned rental units are the person who owns the
3 building. That's not Riviera Beach, that's not the CRA.

4 The middle school. Let's not talk about the middle school.
5 The Marine Institute has nothing to do with this. Two totally
6 separate issues. It's not even located in the marina area.

7 14 million dollar garage, Mr. Brown, you said tonight. I
8 thought I read in the backup it said 40 million dollar garage.
9 So if you can correct that.

10 \$6.00 a square foot. Absolutely ridiculous. Absolutely
11 ridiculous.

12 I gave an article to some of the council people about what
13 they're selling or renting for over there at the Marina Grande.
14 \$6.00? Waterfront property? I've never heard of such a thing.
15 It's a joke.

16 Financials. Have we ever seen their financials ever, ever?
17 Do we know they can even do anything?

18 They said they're big land owners. Yes, they bought a lot
19 of little old homes in west Riviera Beach. You know what
20 they're going to do with those homes? We got kicked out.
21 They're going to sell us those homes. So that's an investment
22 on their part. So I don't care that they own all those little
23 bitty homes over there.

24 They -- tonight, oh, there's just so much.

25 The Yachtsman. We're holding the Yachtsman hostage.

1 That's our fault. Our fault. That should have been the first
2 property we ever swapped. Look what they're charging us for
3 rent. Now they want to do away with the agreement. Now they
4 want to sell it back to us, maybe, if we make all kinds of other
5 concessions. There's always concessions with these people.

6 I'm sure the council has read the article in the paper
7 today. If people at home have not, it's in the local and
8 business section. And Viking -- he's telling you the truth here
9 because he says, Healey said he is concerned that with more than
10 25 projects, such as condominiums and hotels in the pipeline
11 from West Palm Beach to Palm Beach Gardens, it could become
12 difficult to secure financing. He's telling you, no financing.

13 We have borrowed over 30 million dollars and we're paying
14 interest on that, citizens of Riviera Beach.

15 COMMISSIONER GUYTON: Madam Chair.

16 CHAIR PARDO: Hold on one second. Hold on.

17 MR. WESTER: Good evening.

18 CHAIR PARDO: Richard Wester, and then Henry Taylor.

19 MR. WESTER: Good evening.

20 CHAIR PARDO: Just one second, Chief.

21 MR. WESTER: Oh, go ahead and talk.

22 CHAIR PARDO: Go ahead.

23 COMMISSIONER GUYTON: I just want to make one correction --

24 MR. WESTER: Stop the clock.

25 COMMISSIONER GUYTON: -- that the speaker said that -- the

1 clock will start over, Chief.

2 To my knowledge Viking wasn't the one that requested to
3 move up to number one. I requested that because I can't sit
4 through the whole meeting tonight. So, but anyway, I didn't
5 want Viking to be accused of trying to manipulate the agenda.

6 CHAIR PARDO: All right. Thank you. Good evening, sir.

7 MR. WESTER: Good evening. Richard Wester. Born and
8 raised in this city. 70 years I've been here.

9 I've been sending out e-mails all the time, for the last
10 couple of years or so, saying that Viking don't have no respect
11 for these black people sitting up there. Tonight the chairman
12 of the board said it, how you people doing. I know what you
13 people mean when he's talking to me. Did anybody else hear
14 besides me? You people. I don't want to waste all that time on
15 you people.

16 I was in a meeting here one night and chairman of the board
17 said his brother want him to come home. If he ain't got no
18 money, you all buy him a bus ticket, send him home.

19 We got a man here -- I've been here 70 years. I've seen
20 about seven, eight different CRA directors that took a lot of
21 money from here. I ain't never seen nothing come out of the
22 ground.

23 Tony came out of the ground with something. It's down
24 there.

25 I haven't seen nothing -- I ain't seen nothing -- Viking

1 hasn't nailed a nail in a board. I haven't seen it. The only
2 thing he got around here is stuff for himself, his buildings and
3 all of that.

4 MR. ALTEN: Public comments (inaudible).

5 CHAIR PARDO: Sir, you need to stop --

6 MR. WESTER: Don't get into my time. I didn't get into
7 yours.

8 CHAIR PARDO: All right.

9 MR. WESTER: 15 million dollars he wanted for the property.
10 Then he changed to 4 million. 1.9 it's worth. Well, we'll drop
11 it from 15 million and give it back to you regular price, 4
12 million dollars. What kind of foolishness is that?

13 I heard him say that tonight, you people need to do
14 something. Ms. Pardo, if you weren't up there being -- I see
15 you people up there. All of us up there are black. That's what
16 I assume he's talking about, you people.

17 I didn't say it. He said that. I'm just repeating what he
18 said. Right, Mr. Healey?

19 Okay. Like I said, I've been here 70 years. Trying to
20 think about what Mr. Guyton said, from the cradle to the grave.

21 If his brother wants him home -- Mr. Tony works for us. If
22 his brother wants him home, get him a bus ticket. Everybody
23 saying they ain't got no money to do nothing. Buy him a ticket.

24 We got people here, work for the city council people, they
25 said hey you don't have no job, we going to get you a job over

1 at our center over here. Couple of them up there don't have no
2 jobs. So maybe that's right, maybe he is going to give them a
3 job. That's the talk around the town, about giving them a job.

4 So you people up there, do what you people need to do.

5 Okay, you people?

6 CHAIR PARDO: Henry Taylor, and then Seth Behn.

7 MR. TAYLOR: Good afternoon. Henry Taylor.

8 CHAIR PARDO: Good evening.

9 MR. TAYLOR: Like Mr. Chief -- I call him Chief -- just
10 like the Chief, I don't think that there's anybody in this room
11 that's been in Riviera Beach longer than I have; nobody sitting
12 in this room has been in Riviera Beach as long as I have. I've
13 been here more than 70 years. I was born and reared here.

14 MR. WESTER: I played with you.

15 MR. TAYLOR: And from looking at the situation that we have
16 here, and in negotiations that have been going on from time to
17 time between the City and Viking, and now that it seems like you
18 might be able to get something done, this is the time to go
19 ahead and get it done. Looking at the situation I think that
20 this could be a very viable project. The City and Viking need
21 to sit down again, go over the changes that they have made and
22 want to put together. I think it would be a great thing for the
23 Board and Viking to sit down and go over all of the
24 recommendations that have been recommended, come to some type of
25 agreement, and move on with this project, so that we can get

1 things done in Riviera Beach.

2 The project is going to give us jobs for the people in
3 Riviera Beach; it's going to add to the economy of Riviera
4 Beach; and it is going to make it a much better city.

5 We are right on the mainland, we have the water
6 regulations, and we have the water to look forward to here. The
7 marina and all of these developments is going to make it much
8 better for us here in Riviera Beach, raise our economy, and put
9 some more people to work with new jobs. I think it's a good,
10 very good proposal, and I think that we should go ahead and work
11 together and get it on the way. Thank you.

12 CHAIR PARDO: Thank you.

13 Seth Behn, and then Roger Amidon.

14 MR. BEHN: Good evening. Seth Behn, from Lewis,
15 Longman & Walker.

16 I rode out Hurricane Floyd in a sailboat in your marina,
17 and that was the first time I had the experience of finding out
18 what your waterfront was all about. And I survived that
19 hurricane and became enamored with your location. You know,
20 I've spent a lot of time on Peanut Island, traveling in and out
21 of your park.

22 I've now been an urban planner for a decade in Palm Beach
23 County and I have watched a series of plans come through for
24 this waterfront area. And every time as planners we get excited
25 about what the potential is for the site because it is

1 extraordinary. You now have shovels in the ground. You are
2 making an investment. That excitement is now. The economy is
3 on the upswing. There's been discussions today about starting
4 over, about work-arounds; and you see those, some of those
5 concepts have, you know, parking lots on the water instead of
6 restaurants, instead of development.

7 Viking is not here to grab land. Viking is here because
8 they have invested in the community. You know, the opportunity
9 for a property swap is the same thing they've done with
10 Rybovich, because they're looking for opportunities to move
11 forward with their property, looking forward to help you move
12 forward with your property. I think the time is now. I think
13 the issues need to be worked out. I support Viking and I
14 support Riviera Beach making something happen to the site. And
15 I think now is the time, Viking is the partner you can do it
16 with. And so I would encourage you to move forward. Thank you.

17 CHAIR PARDO: Great. Thank you.

18 Roger Amidon, and then Nora Mahoney.

19 MR. AMIDON: Good evening, Madam Chair --

20 CHAIR PARDO: Good evening.

21 MR. AMIDON: -- City Council members, Mr. Brown.

22 My name is Roger Amidon, and I'm the general manager of the
23 Palm Beach Marriott Singer Island Beach Resort and Spa. And I'm
24 here in support of the project. And I also want to read a
25 letter for the record, that has also been sent to the CRA and

1 the City in advance of this meeting.

2 But before I read that, I want to let you know today I had
3 the opportunity to spend the morning and afternoon with 60
4 wholesale operators from throughout the world. And they're
5 actually over at my resort right now experiencing Singer Island.
6 The only down side to that is they're here in the evening versus
7 during the day to see how beautiful the actual island is. But
8 I've talked up Singer Island tremendously today, and they are
9 looking forward to coming back to this area to take advantage of
10 our aquatic assets.

11 But the letter is from the owner of Urgo Hotels and
12 Resorts, Mr. Don Urgo.

13 "Urgo Hotels has been the owner and operator of Palm Beach
14 Marriott Singer Island Beach Resort and Spa since November 2009.

15 During the past six years we have gained extensive
16 experience in local and regional hotel and resort market and
17 insight into the fabric of the community and its tremendous
18 potential for economic growth.

19 In February of this year we began discussions with the
20 Viking Group in contemplation of joining them in their endeavor
21 to include hotel elements in their overall development plan for
22 the Riviera Beach waterfront. Consequently we have reviewed in
23 detail the Viking master plan for the redevelopment of the
24 Riviera Beach Marina Village and believe it to be a sound and
25 practical approach to create a vibrant and economically

1 successful comprehensive mixed use waterfront complex. If
2 realized, the project will dramatically increase tourism to the
3 area, provide jobs that will be combined with training for
4 career progression, and be sensitive to community concerns.

5 We sincerely believe that the Viking master plan provides
6 unique opportunity for the City of Riviera Beach to achieve
7 prominence among Florida's outstanding waterfront landmarks. We
8 urge you to favorably consider the Viking Group's proposal.

9 Thank you very much for your consideration of our request.

10 Very truly yours, Don Urgo."

11 Thank you.

12 CHAIR PARDO: Great. Thank you.

13 Nora Mahoney, and then Will Beck.

14 MS. MAHONEY: Yes, good evening. Nora Mahoney, 2120
15 Broadway and 2135 Broadway.

16 CHAIR PARDO: Good evening.

17 MS. MAHONEY: Well -- good evening. In 1999, since I start
18 coming to these meetings, there was a lot of changes.

19 Year 2000, I found a big project, taking 800 acres of land,
20 they were going to be taken by eminent domain.

21 2005 -- since 2000 Mr. Healey was the master developer for
22 the whole area. And 2005, we had to fight with him because of
23 the eminent domain, because they were going to take our
24 properties.

25 2006, '7, '8, '9, '10, he has an extension of the agreement

1 that he did not fulfill until now. There were all these changes
2 and all these papers that I read, there were 33 pages. People
3 in the City don't know what it's all about. They say it's
4 beautiful, everything is going to be nice.

5 But you give the whole agreement to him like it is, it's
6 not only the marina but more what he's expecting, closures of
7 allies, property -- condemning property, swapping lands with
8 him. The City will not have no backup or collateral to pay with
9 another developer because he would be the only one.

10 This project itself is too much. It's so massive. I
11 thought it was going to be the intention is for him is to
12 develop the marina and the surrounding areas, but it goes far to
13 20, 21st Street.

14 So I think the contract is broken and invalid because it
15 wasn't presented to the community or the City of Riviera Beach
16 neighborhoods and people who live here, taxpayers.

17 It's too big. It's too inconsistent, what it was presented
18 before.

19 And the other thing about the 50-year lease; the 20 years,
20 pay \$22.52 per square feet, the following 30 years paying only
21 \$10.15 per square feet; what he's trying to do? I don't think
22 so. Cost of living is going up.

23 He's taking from the project that he's showing on the 33
24 pages I've read, I think it's too much.

25 And Mr. Brown, for the first time, he's saying something

1 reasonable.

2 The other thing is that I'm coming back here and I thought
3 these microphones were fixed. We need to spend money on the
4 microphones so we can listen to them all the time. Thank you.

5 CHAIR PARDO: Thank you.

6 Will Beck, and then Michael Mahoney.

7 MR. BECK: Good evening. My name is Will Beck. I run the
8 Sea Tow operation over there at 23rd and Broadway in Riviera
9 Beach. We've been here for 30 years operating a business here
10 in your community. And for the last 30 years we've talked about
11 redeveloping this area right around the City marina.

12 I'm just here to urge you to perhaps bring in a mediator
13 and see if you can mediate your differences with Viking so that
14 we might be able to move ahead with a development or with a
15 project in a fairly expedient manner.

16 My concern is if you decide to walk away from Viking that
17 it's just the time lag between, you know, where you are today
18 with Viking as a potential developer to where, you know, when
19 are the pieces going to be picked up to allow the City to then
20 move forward with a substitute plan.

21 Thank you.

22 CHAIR PARDO: Thank you. Michael Mahoney.

23 MR. MAHONEY: Good evening, council.

24 CHAIR PARDO: Good evening, sir.

25 MR. MAHONEY: I heard a lot tonight, and I was going to

1 pull my comments. But I would like to go ahead with the
2 project. But I would like for Viking to sit down and see if the
3 they could revise this some, because I read this 30 something
4 page thing word for word and I'm blown away at all the ambiguous
5 things that he says in there, all the contingencies, all the
6 stipulations, all the swaps, all the money. This is an ungodly
7 amount of money here at stake. And I honestly have been coming
8 to the meetings since 2000, you know, up until a year or so ago,
9 every meeting. There's a lot of money to be made in the city.
10 And I've seen too many developers come and go. You know, people
11 coming in, making the money and then splitting.

12 And I'm thankful to God that we're developing the marina.
13 You know, kudos to Mr. Tony Brown. But I'd like to see this
14 thing go forward, but specifically the marina.

15 I don't know if we need Viking as the master developer of
16 the marina. I don't think we do. He does own a lot of
17 properties on the outside of the marina; but as it said in this
18 contract, it seems like a lot of them are piggybacking off of
19 this marina thing; you know, if the marina doesn't go, he's not
20 going to develop anything.

21 Those are the questions I want to know: Is he going to
22 stay here in the city if something happens, you guys don't agree
23 with this agreement? Is he going to split? Is he going to
24 develop his properties? Because he does own a lot of
25 properties.

1 And we've complained about several of his properties on
2 Broadway just sitting there vacant, you know. And I think a few
3 of them are torn down. But my point being is, you know, we have
4 two properties on Broadway; I keep my properties up. And I
5 don't have much money to go ahead and say, hey, we can do this,
6 we can do that. So I'm just thinking that you need to revise
7 this.

8 This thing is just too massive. It's way too much money.
9 And I don't know how you guys are going to keep track of the
10 money and the way it's spent. You know, I would rather see the
11 City hire another firm or something to go along with this; if
12 it's possible, you know, in-house; and not be locked into a
13 50-year lease, and 10% of this; and conditions, if he develops
14 this, he gets money. It's very confusing. And I think that's
15 the issue here.

16 But I do want to go forward, because I've been here a long
17 time, since 1960. So whatever we can do, you know, appreciate
18 it.

19 CHAIR PARDO: Thank you, sir.

20 So, Mr. Healey, did you want to make your final comments?
21 And then we're going to start deliberations.

22 MR. HEALEY: We stand by our original position. We're
23 ready to go forward. And we're ready to do the things we say
24 we're going to do.

25 Mr. Brown wants to not go forward, we'll be glad to

1 withdraw as master developer; because we put a lot of time,
2 money and energy in here, and we've gotten nowhere.

3 And I remember a meeting about a year ago with a former
4 chairman of the Palm Beach, Palm Beach City Commission. She
5 retired some years ago. She wanted to meet me. She said, are
6 you the master developer in Riviera Beach? I said yes. She
7 said to me, well, I wish you a lot of luck because we have in
8 this County have been trying to get the development of the
9 marina area in Riviera Beach for 25 years, unsuccessfully.

10 And I think where we are is we're not going to be
11 successful either. And unless -- we'll withdraw as master
12 developer. Let Mr. Brown go forward. We're in a capacity
13 cycle, everything is slowing down out there. He can go forward.
14 If he wants to take a swap and he wants to get the Yachtsman,
15 we'll do that. So we won't hinder your progress.

16 We want to try to be good citizens. We'll bow out. We'll
17 do the swap. We'll give him the Yachtsman. And we've got 7
18 million dollars in the Yachtsman. We'll do it for 4.89,
19 whatever; and he can go forward. Thank you.

20 CHAIR PARDO: Thank you, sir.

21 MR. ALTEN: If I can just leave you with this one slide if
22 you don't mind.

23 I would also respectfully ask the board if there is public
24 slander about especially a large corporate citizen such as
25 Mr. Healey, that the Board steps up and says something next

1 time. Thank you.

2 CHAIR PARDO: Well, public --

3 MR. ALTEN: And I understand public comments, but that's
4 inappropriate.

5 And so our option to move forward, as Mr. Healey stated, is
6 very simple. We address site control as Mr. Brown, the
7 executive director, would like to address. Here is our
8 proposal. Thank you.

9 CHAIR PARDO: Great. Thank you.

10 COMMISSIONER THOMAS: Madam Chair.

11 CHAIR PARDO: Yes, sir.

12 COMMISSIONER THOMAS: Is this the time that we can ask
13 questions?

14 CHAIR PARDO: Absolutely.

15 COMMISSIONER THOMAS: I want to ask you something, Tyler,
16 if you don't mind. Did you all pay 4.89 for the Yachtsman?

17 MR. ALTEN: We paid 4.5 for the Yachtsman. And then we, I
18 believe, had site improvements that exceeded another \$300,000 on
19 the property. And also we've been carrying that, of course,
20 taxes and insurance, so forth, for a number of years.

21 COMMISSIONER THOMAS: I understand.

22 Just on this point, because before we get dealing with the
23 rest of it I just want to kind of drill down on this for a
24 second. Is it your opinion that we should pay you exactly what
25 you paid for it, with no loss due to the decrease in values?

1 MR. ALTEN: Yes, our opinion is that the value of the
2 Yachtsman for the project is based upon the future use; and as
3 in the master plan it's a retail village, multiple stories, so,
4 yeah, that is correct, we believe the Yachtsman is
5 conservatively offered here at approximately 4.8 million dollars
6 and it resolves the issues of site control and to let the whole
7 project move forward.

8 COMMISSIONER THOMAS: No, no, I understand that. I'm just
9 trying to wrap my mind around, you know, the -- I mean it's no
10 secret that I've always had an issue with the valuation of the
11 Yachtsman property in terms of the amount. I'm trying to make
12 sure I can get closer, so just bear with me a little bit.

13 MR. ALTEN: Of course.

14 COMMISSIONER THOMAS: So with your carrying costs, with
15 what you paid -- and you've had it for five years? How long
16 have you owned it?

17 MR. HEALEY: We have just over 7 million dollars in
18 carrying costs and expenses on the Yachtsman. And what we did
19 was we leased it to the City for \$2.50 a square foot, as an
20 accommodation to try to be a good partner.

21 COMMISSIONER THOMAS: Okay. I don't want you to get too
22 far ahead of me, Mr. Healey, because there's so many parts to
23 this, I don't want to --

24 MR. ALTEN: I just got the answer to that. Ten years.
25 We've owned the Yachtsman for 10 years.

1 MR. HEALEY: And one more thing. Another problem is that
2 they have not paid the taxes for two years. We bill them and
3 they don't pay them.

4 COMMISSIONER THOMAS: I understand right now it's strained.
5 I just want to make sure that I can wrap my mind around this a
6 little bit. The -- when you've held this for this amount of
7 time -- and we've been leasing it for how long?

8 MR. ALTEN: I think about a year.

9 MR. HEALEY: Two years.

10 MR. ALTEN: Two years.

11 COMMISSIONER THOMAS: And that's a couple hundred thousand?

12 MR. ALTEN: A little under 112,000 annually.

13 EXECUTIVE DIRECTOR BROWN: We had a 12-month abatement. So
14 we've been paying rent for about the past five or six months.

15 COMMISSIONER THOMAS: Okay. Okay. And we inherited the
16 cost of the actual demolition of the building?

17 EXECUTIVE DIRECTOR BROWN: Yes.

18 COMMISSIONER THOMAS: Okay. So this is my concern with
19 this: We have an appraisal -- and if you have an appraisal, I
20 would love to see it.

21 MR. HEALEY: You have two appraisals. The first one is for
22 \$650,000. The second one is for one million nine. I haven't
23 seen either appraisal. And I'd like to see them because I
24 doubt -- they're off the wall.

25 COMMISSIONER THOMAS: Mr. Healey, I get it. But I get

1 accused of being a bully. I don't want to be a bully, so I'm
2 trying to ask nicely. Would you just let me get it out so I
3 can --

4 MR. HEALEY: I'll be glad to get you an appraisal on it.

5 COMMISSIONER THOMAS: Yes, sir. I'm not trying to be a
6 bully here. I'm just trying to get the question answered.

7 If we have an appraisal too that says that the property is
8 worth 1.9 million if it's part of the development, if it's part
9 of the development -- and I don't know why you have not been
10 privy to the appraisal. I'm sure it's -- it's a lot of public
11 records requests going around here, so I'm sure you could have
12 gotten that by now. But -- and it's only worth 650,000, how is
13 it that you really want us to -- 650,000 if it's not a part of
14 the development, how is it that you want us to pay the 4.849
15 million? That's the part that I'm really stuck on.

16 MR. HEALEY: We believe that we're going to submit a
17 program to the Planning and Zoning Board for that, in
18 conjunction with our property on -- from -- we have owned the
19 property from Broadway and 13th and 12th Street going east, and
20 this connects with it, with C Street in between, we have a whole
21 project. We have planned if --

22 COMMISSIONER THOMAS: I get it. I understand that. So
23 what you're saying is if you connected the property that you own
24 that is west of C, you're saying that you will connect them both
25 and you think that that would allow you the value. And that

1 may. I'm not sure if it will. But we still own C Avenue. So I
2 mean it would have to be some type of abandonment or something
3 for you to connect with that.

4 Where I want to drill down --

5 MR. HEALEY: C Street would stay there; the street will be
6 in between but we connect the whole development.

7 MR. ALTEN: We bridge it.

8 MR. HEALEY: We connect it in the sense that C, between the
9 whole long properties, would be one concept.

10 COMMISSIONER THOMAS: Okay. So the majority of this plan
11 I'm willing to discuss and, you know, deal with my colleagues in
12 a more understanding way than I had a few weeks ago. My only
13 problem is I just can't swallow this concept about the
14 Yachtsman. The Yachtsman, I just think, if you can show us an
15 appraisal that's with that, and even if it has some type of
16 small premium, I would get it. But to just say that we're going
17 to pay two and a half times what it's valued at, if it's a part
18 of the project, that's where I can't get. Can you help me get
19 there?

20 MR. HEALEY: We'll produce you an appraisal.

21 COMMISSIONER THOMAS: Okay. Stay right there for a second,
22 please.

23 Mr. Brown, let me ask you a question. Where did we get
24 these appraisals from?

25 EXECUTIVE DIRECTOR BROWN: We have an appraisal dated June

1 8, 2015, by Callaway & Price.

2 COMMISSIONER THOMAS: Are these appraisals -- are these
3 companies the industry leaders or standards? I mean is this a
4 reputable --

5 EXECUTIVE DIRECTOR BROWN: Yes.

6 COMMISSIONER THOMAS: So if Mr. Healey's company wanted to
7 do an appraisal, they would have to get maybe the same type of
8 company to do the appraisal?

9 EXECUTIVE DIRECTOR BROWN: Typically what we would ask if
10 whoever they ask as an appraiser is on some major banks approved
11 appraisers list.

12 COMMISSIONER THOMAS: All right. So Mr. Healey said that
13 you -- Mr. Healey. I'll wait. I don't want you to miss
14 anything.

15 You were saying that if by some chance that this did not
16 work out you're willing to still sell the Yachtsman and still do
17 the swaps of the property, which I think is very honorable.

18 I actually would like to hear the answer to the question
19 that Mr. Mahoney asked. Will you -- if that doesn't work, would
20 you still be here to do something with the properties that you
21 actually own and control?

22 MR. HEALEY: Absolutely. We have a whole plan we've been
23 working on for C Street and Broadway, including the Yachtsman.

24 What we would prefer to do is we prefer to let Mr. Brown go
25 forward, he doesn't need the Yachtsman, and we'll extend the

1 lease for a year, and on the condition where we can get an
2 approval of our plan; and we'll develop it. And that will solve
3 his problem. It will be developed. And he -- the Yachtsman
4 does not play a big factor in his program.

5 COMMISSIONER THOMAS: Okay. And I just want to let you
6 know that I've received numerous letters and numerous calls in
7 support of a plan. This is my concern -- I've also received
8 some calls against the plan. But this is my concern: It's hard
9 for me to articulate other than as long as I've known the Viking
10 company they've always did what they said they would do. I have
11 a very high respect. However, I can't -- there's no deadlines,
12 there's no dates to say, okay, we're going to do this by this
13 date. Or when I'm asked the question, what has Viking done in
14 terms of building -- as far as community involvement, I don't
15 think anybody has any qualms or questions about that. But the
16 question that I have yet to be able to answer is what exactly
17 has Viking built in terms of their own property, since they've
18 been the master developer.

19 MR. HEALEY: Well, one thing is we're expanding the yacht
20 company. We did a big swap so Rybovich could expand theirs. So
21 we've done that.

22 Now one of our problems is we've been waiting for this
23 whole thing to come together; it hasn't come together; and what
24 we plan to do is develop our own properties, all our properties
25 along Broadway. We have the Yachtsman and our property from --

1 the Yachtsman is bordered by the old 12th and 13th Street. We
2 just bring that right up to Broadway. And I think that would be
3 helpful to Mr. Brown.

4 COMMISSIONER THOMAS: And I get it. And I understand that
5 that's a conceptual idea. What does -- and, Mr. Brown, this may
6 be a question to you. What does Viking's staying mean? What
7 does support of the plan mean? What does that actually mean in
8 terms of what we will do immediately? Not any more
9 negotiations, not any more -- what does that mean? What does
10 supporting the plan that Viking has, what does that mean?

11 EXECUTIVE DIRECTOR BROWN: As I recommended, I would say it
12 would mean let's focus on developing Marine Way. That is the
13 one private development concept that has more meat than anything
14 that they've presented to date. You've approved the concept
15 five oh. Yes, we need parking. The project takes advantage of
16 marine operations. You heard from Roger Amidon, a major hotel
17 developer is interested in the boutique hotel.

18 COMMISSIONER THOMAS: So I'm saying the project that
19 Viking -- if they were to remain, the project that we would say
20 that is the project that they will remain to do would be Marine
21 Way?

22 EXECUTIVE DIRECTOR BROWN: I would give them a draft term
23 sheet tomorrow. Our team has had it drafted. It's only been
24 delayed because of this process.

25 If the majority of you says let's see what happens in the

1 next six weeks, per my recommendation, Viking tomorrow will get
2 our proposed term sheet and loan requests, because we have to
3 take out the garage; they will have a document that is detailed,
4 it's been reviewed by our attorneys, been reviewed by our real
5 estate consultants; and I think that with some intense
6 negotiations on that term sheet we could be back before you in
7 January.

8 COMMISSIONER THOMAS: So, Mr. Healey, hear what Mr. Brown
9 just said --

10 MR. HEALEY: I understand.

11 COMMISSIONER THOMAS: Let me just ask the question so I'm
12 clear.

13 MR. HEALEY: Okay. Go ahead.

14 COMMISSIONER THOMAS: And we've got other members that are
15 going to get to their points.

16 But hearing what Mr. Brown has said, that is a plan with
17 you remaining here to do that. Is that something that you are
18 not willing to do?

19 MR. HEALEY: We are willing to do the following: We are
20 willing to do the swap. Now Mr. Brown thinks that we're even up
21 on swap. We're not. We have eight public utility easements,
22 transfer stations, above the ground on our properties. We'll
23 absorb that. At the same time we will then, because he needs
24 the -- he needs those public utilities to provide service to the
25 waterfront. We will do that. Okay?

1 He needs to swap for the Public Market. If he doesn't want
2 to put the Public Market there, we will give him a plan for the
3 Yachtsman and we'll develop the Yachtsman. He's going to put --
4 and we'll go in there and we'll develop a Marine Way building.
5 But one thing we're going to have to do is we'll develop
6 Restaurant Row. We'll give you two leases in 60 days of a
7 signed agreement on Restaurant Row.

8 COMMISSIONER THOMAS: So if I'm understanding you
9 correctly, you're saying that you don't want to just do Marine
10 Way, you want to do more development or you don't want to do
11 anything at all?

12 MR. HEALEY: That's right. Look, unless I can get a
13 concrete agreement, we've been five years trying to get an
14 agreement --

15 COMMISSIONER THOMAS: I understand. I'm trying to make
16 sure that I understand this totally.

17 MR. HEALEY: If we can get a signed agreement on these
18 things we'll move quickly. And as far as the Marine Way
19 building, one of the conditions is we're going to build a garage
20 for the CRA, he has to give us the financial take out on the
21 garage aspect of it; that is, he has to have a bank say they
22 will pay out our construction costs of 7% on the garage. We're
23 happy to do that.

24 COMMISSIONER THOMAS: Okay. That's all for me now, Madam
25 Chair.

1 CHAIR PARDO: Okay. Mr. Guyton.

2 COMMISSIONER GUYTON: Thank you, Madam Chair.

3 You all can have a seat now. I don't have any immediate
4 questions for you.

5 Mr. Wester made a comment that I always use about my
6 hometown, from the cradle to the grave, because I love my home,
7 I was born here, I'm probably going to die here, I have no plans
8 of going anywhere else.

9 And many of my colleagues who went to school, they went off
10 and they did what they did and now they're living other places.
11 I came back home because I love my home. Not that they don't.
12 But I love my home.

13 And one of the things that I'm reminded of is the Brock
14 deal that we did on the Ocean Mall years ago, 99-year lease,
15 oceanfront property, City got pennies on the dollar, almost
16 nothing. We have oceanfront property at that marina and Ocean
17 Mall. I'm not going through that Brock scenario again where the
18 developers, they get their profit margin; and the residents,
19 they get pennies. I'm not going through that anymore.

20 My responsibility is to the people. I understand business,
21 when you come in, you make an investment, you want your
22 investment back and a return. I'm just not willing to
23 compromise the City's and the residents' return for somebody to
24 reach a profit margin where the people get little to no return
25 back on it. That's not going to happen with me.

1 What has been done, that I see, a lot of people see the
2 concepts, they love it, we need to do the deal, let's go make it
3 work. The devil is in the details. Those concepts look good.
4 But if the people are not getting a reasonable return, it's not
5 flying with me.

6 And it's my opinion that we're not getting a reasonable
7 return right now. I've told the Healeys that. I've told the
8 business people that. I've told the residents that.

9 I'm pro business. I would never gouge a business person
10 and try to get all of the return. But on the same token, the
11 residents are going to get a fair return on their property
12 that's on the water.

13 One thing about life, with people and with business, you
14 need to know your value. That oceanfront property, because of
15 its location, would draw a lot of people there -- with the right
16 product being built -- to spend a lot of money. We need as
17 residents to know our value. Don't rush and give it away to
18 developers because we're getting pressured or we have to do
19 something, we have to do something. No. This is going to be a
20 50-year deal. When we sign it, we stuck like Chuck. And I for
21 one want to see my city prosper.

22 We all can be happy. But when people have in their minds
23 this is the bottom line that I want to get, and no matter what
24 it takes I'm going to keep coming back; I'm going to come this
25 way; if you don't give it to me that way, I'm going to come the

1 other way; and then we never get anywhere. That's why.

2 And let me say this, I have a lot of respect for the
3 Healeys; tremendous boat builders. I've been one of their
4 strongest supporters from the concepts; but when we start
5 talking details, they lost me then.

6 One of the things that lost me was when they said --
7 Mr. Banting, will you come to that mic? I have a question for
8 you.

9 We're negotiating Restaurant Row. We have our consultant,
10 we have Mr. Brown who is an ex-banker. Our consultant is
11 advising us. Their people advise them. Their people give them
12 advice, then our people give us advice. We are essentially told
13 that our people don't know what they're talking about. And that
14 kind of offended me. But one of the things that was said was
15 that I said now if you build restaurants on city property that's
16 owned by the people they have this philosophy that we should
17 only get or we should only expect property taxes and jobs. I
18 said no; if we own the property, it is customary to get a
19 portion of the sales.

20 And, Mr. Banting, how long have you been in this business?

21 MR. BANTING: 42 years.

22 COMMISSIONER GUYTON: And you have been involved in similar
23 deals such as this, or advised in deals like this?

24 MR. BANTING: Yes, I have.

25 COMMISSIONER GUYTON: Is it customary for the property

1 owner to get a portion of the sales?

2 MR. BANTING: Particularly in the restaurant line of
3 business it's customary; and the majority of the leases do
4 provide that for restaurants that they pay a base rent, and
5 usually that base rent is applied against a certain percentage
6 of their gross sales.

7 So if the restaurants do well, like we hope they do in this
8 case, then you're not really looking at the base rent, you're
9 looking at a percent of their sales. And the good thing about
10 that in this particular case is that, you know, over 50 years
11 and if we're successful in developing this and it becomes a
12 viable mixed use development project, the growth potential for
13 sales is tremendous. And so the percentage of sales clause is
14 something we fought very hard to try and incorporate into the
15 negotiating terms and the deals because I really think that
16 that's your best protection to have the income the CRA receives
17 go up over time.

18 COMMISSIONER GUYTON: Thank you, Mr. Banting. That's all I
19 need now.

20 And what's good about that, the restaurateurs only pay a
21 portion of what they make. If they're not making much, the City
22 doesn't get much. If you make more, we get more. That's only
23 fair.

24 And both of these deals that I received from Viking,
25 nowhere in it does it give us a portion of the revenue sales.

1 The devil is in the details, people.

2 You can run to the bank and tell us let's hurry up and do
3 this deal. I'm not doing it unless it's fair to the residents.

4 And with the percentages, we're not going in and gouging
5 the restaurateur; we're just saying if you make money, we make
6 money. If you make little money, we don't get much on your
7 sales. That's fair. I would never support a deal that does not
8 include that.

9 Neither of these deals -- and, Mr. Brown, tell me if I'm
10 wrong, do they include any revenue sales, these master plan
11 deals?

12 EXECUTIVE DIRECTOR BROWN: Not my interpretation of what
13 they presented.

14 COMMISSIONER GUYTON: Okay. And I didn't find it either.

15 So everybody that's running up here pushing us to do the
16 deal, let's understand where I as an elected official that needs
17 to protect the people's interest is coming from. I'm not going
18 to be unreasonable.

19 The other thing that really concerned me was that that
20 Yachtsman, on their first master plan proposal we did an
21 appraisal and it was worth 1.9 million. You know over time what
22 they expected to get from the people? 15 million. That's
23 absurd. And everybody running up here, do the deal, do the
24 deal, do the deal, I'm pointing out factual things, not
25 emotions, that concerns me. This is not about whether I like

1 Viking or not like Viking. This is about business. And I'm not
2 faulting them. You know, hey, if they put something out there
3 and the City is crazy enough to go for it, they run to the bank
4 with it. They go and gather up the community and tell them they
5 got the best plan in the world and the City rejecting it, but
6 don't tell you about all of these other details where we would
7 be screwed. That's my opinion. We need a portion of the sales.
8 That Yachtsman that's appraised at 1.9 million, 5 million, they
9 said that's the deal? Really?

10 MR. HEALEY: Two and a half percent of gross sales over 3
11 million dollars was turned down.

12 COMMISSIONER GUYTON: 5 million is unreasonable to me.

13 I am going to close, Madam Chair.

14 My position now is that I have worked with Viking for
15 years, I have come to the conclusion that Viking is not a good
16 fit for the City of Riviera Beach on this municipal marina deal.
17 They're not a good fit because of what they are expecting in
18 return from the people.

19 Somebody came up and said that they were a planner. My
20 graduate degree is in urban and regional planning. One thing --
21 my undergraduate is in business administration with a minor in
22 accounting.

23 One thing that I noticed is, that really disturbed me,
24 there is no real effort to develop their property; their entire
25 focus has been on how much can they make on public property, the

1 people's property.

2 To generate and stimulate an economy, we need a private
3 developer that comes to us with a comprehensive plan that says
4 this is what you're doing on public property, this is what I'm
5 going to do on private property, and together both will
6 flourish.

7 I don't want to deal with people that tells me until I get
8 exactly what I want you're not going to get the title to the
9 Yachtsman and you're not going to get the property that we
10 agreed to swap. Really? That is not a way to get my attention.
11 You don't force me into submission. No. I was insulted, quite
12 frankly.

13 I'm keeping an open mind, trying to be fair, looking at my
14 data, documents and evidence, not putting emotions in it. I'm
15 looking at all of these deal points that are not favorable to
16 the people. And they said that they going to hold until they
17 get a CO. That means a certificate of occupancy. What if our
18 builders go out there and determine that the building is not
19 structurally sound? What -- I mean what are we supposed to do?
20 Give them a CO anyway? Rush it through? Those type of
21 conditions to me are not done in good spirit. They may not
22 trust the City to move it forward. That may be the case. But
23 when you start putting these conditions, like you're going to
24 hold us hostage until you get exactly what you want, these are
25 not the type of people that I think the City should be in bed

1 with for 50 years. Gross sales, over price in property, holding
2 us hostage until they get exactly what they want, that is
3 absurd.

4 I'm pro development. I'm pro business. And I for one, as
5 a planner, know that we can do this without Viking. Nothing
6 personal with Viking. They're business people, they're trying
7 to do what they do. But I'm not compromising and sacrificing
8 the people's property so that we can hurry up and do a deal.
9 It's not favorable to us. It's not fair to the residents when
10 we do that.

11 And if those of you who are pushing this, and you don't
12 know all the details, I would suggest that you pick the phone up
13 and say I've heard Viking's side, Mr. Guyton, or Mr. Thomas or
14 somebody, Mr. Brown, what are your concerns. Nobody has really
15 called me and asked me.

16 I mean I've gotten the call saying that, you know, Viking
17 is calling everybody to meet and showing them the concepts, and
18 the City is charging twenty-two fifty and that's unreasonable;
19 never telling them about we're not going to give them any
20 portion of the gross sales either.

21 That property that's valued at 1.9 million, they asked 15
22 million for it. But yesterday they sent something saying, okay,
23 5 million for a 1.2 million property.

24 There are a list of other things that concern me, but my
25 other colleagues need to have a chance to comment.

1 So my experience and my involvement for years in trying to
2 spur development in the town that I love tells me that it's time
3 for us to part ways. I'm not willing to give them what they
4 think they need to reach their bottom line. I'm not sacrificing
5 the people's valuable property so that a bottom line can be
6 reached for a developer. And if the numbers don't work out for
7 them, you know, we just part ways.

8 But they're saying -- last thing. We told them we was
9 gonna develop the last three parcels; you go and develop your
10 parcel, pad A, we have the other three. We get a master plan,
11 they have unilaterally decided that, you know what, we're going
12 to develop those too. Didn't we just tell you we were going to
13 do that? I mean where is -- we had a meeting scheduled but the
14 holidays came up, they had a deadline to submit some
15 information. Since the holiday was then, we get an e-mail
16 saying that we're going to take the liberty to extend your
17 deadline. Really? No communication saying since you all are
18 not going to meet would you mind if, you know, we have our
19 deadline extended? Another thing that insulted me. If we've
20 got a deadline, that's our deadline. If you want an extension,
21 respect us and say, well, you're not going to meet so could we
22 have a little more time.

23 It's clear to me that we have a train going and it can keep
24 going whether Viking is on it or not. We allowed Viking to get
25 on the train, the City, the people, the conductors, now they

1 want to be the conductor. You just on the train for this ride.
2 We are driving this train, the people. We know what we want in
3 our community. So, no, they're not going to be the conductor,
4 they're not going to drive this train; we the people in this
5 community, we're going to drive this train; we're going to get
6 this project done, and we can do it without Viking. And it's my
7 opinion that we are now just spinning our wheels and spinning
8 our wheels.

9 I've been here two years, and before then I was out in the
10 community working with them on this. We have gotten absolutely
11 nowhere. Because Viking got in their mind what they want, and
12 they seem to think that somehow they're going to get it. Either
13 they can convince the community or they'll convince some of my
14 colleagues up here that even though a screwed up deal is screwed
15 up, they're going to convince them that it's good for you.

16 So, Madam Chair, I am done. I am done with supporting
17 Viking as our master development. It does not matter -- you go
18 to mediation, pediation, I don't care, I'm not supporting Viking
19 as our master developer.

20 We have to move on at some point. At some point you get
21 into relationships where, you know, you just have to realize
22 that it's not about who's right or wrong, that you're to the
23 point where that relationship is just not working. It's just
24 not working. And you want it to work bad but you keep trying
25 and then it's just not working. So I am, I am ready now to just

1 cut the cords with Viking and move on, because this relationship
2 is not working.

3 CHAIR PARDO: Okay. Mayor, did I hear you?

4 MAYOR MASTERS: Well, I can speak whenever you call me.

5 CHAIR PARDO: Go right ahead. I heard you.

6 MAYOR MASTERS: Thank you, Madam Chair.

7 You know, first of all, let me just say this. This really
8 must be close to the holiday seasons, and particularly
9 Christmas, peace on earth and good will towards men. This is an
10 historic night. The first time Mr. Guyton and Mr. Lozman ever
11 agreed on anything since I've been here.

12 COMMISSIONER GUYTON: Don't you ever repeat that.

13 MAYOR MASTERS: Just a little joke.

14 What kind of -- you know, I've been in this thing through
15 it all and I've heard a couple of the big supporters now saying
16 that they oppose. You know, Mr. Guyton said that he had been
17 one of their supporters all down through the years, but he sees
18 it differently. The CRA director, you know, down through the
19 years, and he sees it differently. I heard Commissioner Thomas,
20 who said he had great respect for our master developer but he
21 had some serious concerns and some serious questions.

22 So where are we tonight? What it appears to me, that there
23 seems to be a lack of or a break somewhere of trust and respect.
24 I kind of looked at the tone and the tenor and back and forth;
25 and if there is a problem with trust, and there's a problem of

1 respect one to the other, then there's going to be some serious
2 problems of getting along and trying to make it work.

3 There's a couple things that bother me. One is Mr. Brown
4 is our CRA director. He works for this commission. A few
5 months ago people came out in droves and said that he was doing
6 a great job; and they said this is the man for the job, this is
7 the man that we need, this, that, and the other. If he is the
8 man that we need -- and this is what the people said then. I
9 haven't heard anything differently. But my problem is this,
10 it's a philosophical problem, where does this stop? He's the
11 man that represents us and gives direction; and then the master
12 developer says he's not the man, we don't want him to give
13 direction, and he needs to go. I mean who are we to listen to?
14 We're supposed to be listening to our man. And if we don't
15 trust our man, or if we feel that our man is not the best man
16 for the city, then he needs to go; and then the master developer
17 needs to become the CRA director, or both. So, you know, it's
18 confusing, you know, we can't have it both ways. It's a
19 philosophical situation for me. If he's our man, then that's
20 who I must listen to and that's who I must get guidance from. I
21 have to trust him. I have to believe in him, that he is sane
22 and doing what is in the best interests of the city. If I don't
23 have that kind of trust in him as mayor then it's a problem.

24 Because what's going to happen, let's just say this time,
25 you say one thing, he says another, and you win, he loses, then

1 what's going to happen the next time? You come back. You know,
2 so I'm not interested in going back and forth, on taking this
3 ball from one court to the other, because it will be a domino
4 effect. He has to have the authority. He has to have the
5 respect that he deserves as our CRA director. We cannot allow
6 anybody to come in and say something opposite. If we did it
7 this time, then what's going to happen the next time, and what's
8 going to happen the next time, which means that his authority
9 becomes void. So what's his purpose? Why are we here?

10 The next thing is someone said earlier that they met with
11 community leaders of Riviera Beach. Well, my problem with that
12 is who defines community leaders? Who were the community
13 leaders? Who defines that? Then I heard he met with pastors.
14 Well, I happen to be a pastor. And not one pastor has picked up
15 the phone and called me. So who are these pastors?

16 So, you know, I hope and pray -- and I really do, I have a
17 great respect for Mr. Healey, and for Mr. Brown. And let me
18 just give a disclaimer: I have never received any kind of
19 contribution from Healey or Mr. Brown. So I don't really have a
20 dog in the fight. I just want us to try to get along, to get
21 together if we can, and move the city forward. But we can't go
22 back and forth. This has to be resolved one way or the other.
23 He happens to be our man. And so what do we do.

24 Thank you, Madam Chair.

25 CHAIR PARDO: Thank you. Ms. Miller-Anderson?

1 COMMISSIONER MILLER-ANDERSON: Being one of the newer
2 counsel persons to the dais, I have not experienced as much time
3 dealing with Mr. Healey as many of you have, but one of the
4 things that I have recognized is over the years if you've been
5 here for close to ten years or over ten years and we have not
6 seen much progress, what is going to happen so differently in
7 the next year or two.

8 I'm just the proponent of you keep doing the same thing
9 over and over, you can't expect different results.

10 I really would like to have an answer. I don't know if
11 Tyler can answer this or someone on the dais could answer. Why
12 haven't we seen any progress in all of this time? What
13 prevented that?

14 MR. ALTEN: I think the simple answer is failure to come to
15 deal terms with the executive director.

16 COMMISSIONER MILLER-ANDERSON: I didn't hear you, I'm
17 sorry.

18 MR. ALTEN: Failure to come to deal terms with the
19 executive director.

20 MS. MILLER-ANDERSON: Being Mr. Brown or one of his
21 predecessors?

22 MR. ALTEN: Failure to come to deal terms on any
23 specific -- or, excuse me, not on any specific, on all the
24 elements. And, you know, we're not in a position to piecemeal
25 this. As a developer we don't think that's the way to do it.

1 So we tried to present a cohesive plan but we have failed on
2 both accounts to -- many accounts to come to deal terms.

3 COMMISSIONER MILLER-ANDERSON: When you say deal terms,
4 you're talking about this one in particular or in like -- I'm
5 talking maybe eight years ago?

6 MR. ALTEN: Yeah, I think deal terms pretty much every
7 time, throughout the years, every time we present them we have
8 failed to come together on any.

9 COMMISSIONER MILLER-ANDERSON: So clearly continuing to
10 mediate doesn't sound like it's something that we need to do.
11 We've tried it, we've gone back; every time we've met we say go
12 back, see what you all can do; come back, we're in the same
13 position; go back, see what you can do; and it doesn't seem like
14 we're getting anywhere.

15 I do have a question regarding the Restaurant Row. I think
16 Tyler was the one that brought it up, regarding having to raise
17 the pads. Is that something that we did not recognize during
18 construction or --

19 EXECUTIVE DIRECTOR BROWN: I think we've addressed that.
20 They had a restaurant consultant who came to the site when the
21 site was at rough grade. And if they go there now, you have a
22 better indication of what the grade will be once we're complete.
23 There is a representative here from Gilbane if they want to give
24 more of a technical answer, but we don't think that that's a
25 problem. And if it is, you know, the fix is the restaurant can

1 raise their pad another foot.

2 COMMISSIONER MILLER-ANDERSON: All right. Thanks. Before
3 Mr. Healey left, it sounded to me as if he was pretty much okay
4 with removing himself from the deal as the master developer.
5 And, you know, we could sit here and fight for it; but if you've
6 made up in your mind that we can't do anything better than what
7 we have done, then there's no point in continuing to fight for
8 this if we're not going to get any further than where we already
9 are.

10 I have great respect for Mr. Healey and his staff, Tyler,
11 and the company, for being here as long as they've been here. I
12 appreciate the Maritime Academy that we have here. And you know
13 my position, I would love to see a lot more Riviera Beach
14 students participate. But I'm grateful for you all being here
15 as long as you've been here with the program. And I know part
16 of the proposal included having the job training, talked a lot
17 about the school. But I did miss where we had set deadlines and
18 timelines identifying in concrete terms what would have taken
19 place to move forward.

20 To be quite honest, when I read the proposal I really
21 expected a lot more from the proposal than I did. And I don't
22 know if it was -- I didn't know whether to take it as, you know,
23 well, it wasn't a big deal, or it wasn't -- or maybe we were not
24 competent enough to realize that that really was not a concrete
25 proposal. I'm not quite sure what it was. But it did not

1 really overly impress me when I read it, knowing how big of a
2 project it was, knowing how large of a deal this has been for
3 many years. So I was a little disappointed in the proposal.

4 You know, it doesn't happen very often where Mr. Guyton and
5 I agree, or even think on the same terms but, you know, he
6 actually said some things that made a lot of sense and I kind of
7 agree with tonight. I don't -- you know, I spoke to Mr. Brown
8 and, you know, my thing is, if we do not move forward with
9 Mr. Healey and Viking, I do not want it to appear that this was
10 already in the works, this was what we had planned from the
11 beginning and there was somebody already in the wings. I think
12 I asked this a couple months back, did we have someone in mind
13 of who would take over; and, of course, the answer is no,
14 because you don't really want to operate in bad faith. But I
15 really -- I'm all about doing what is right for the people, and
16 I've been that way from the beginning until now. If it is going
17 to stall us continuously, not to see any more things coming out
18 of the ground than we already do, if we can do this on our own
19 and not put ourselves in more of a quagmire than we already have
20 been on the CRA's side, I'm okay with, you know, terminating the
21 master developer at this time.

22 But what I do not want to happen is for us to be on the
23 hook for money and trying to scramble and find things that we do
24 not have. Because we've been down that road before and, you
25 know, I've already told you I'm not happy about my Avenue E, and

1 I'm going to keep saying that; and also with the FP&L SNAFU. So
2 I really, really, really hope that if what I'm being told is --
3 we can do what we need to do with what we have; and if we can do
4 that, I'm fine with that. But if that is not the case, I need
5 to know it now before I decide to make a vote to do that.

6 Again, I respect Viking very much so, but I just have not
7 seen a whole lot taking place, considering how long you've been
8 here. You know, I mean truthfully we should see a lot more
9 development around at this time. And that's all I have to say.

10 EXECUTIVE DIRECTOR BROWN: And just in direct answer to
11 Ms. Miller-Anderson's question. Our obligation, whether Viking
12 stays or goes, the most critical aspect of this development is
13 the building of a parking garage. And even if Viking stayed, as
14 you heard in their proposal and in our discussion, is we've
15 agreed to fund the first public garage. So that obligation
16 remains. And other than that, we need private development.

17 CHAIR PARDO: All right. Mr. Davis.

18 VICE CHAIR DAVIS: Thank you.

19 Well spoken, Councilwoman Miller-Anderson.

20 This is one of the situations where both sides -- you say
21 you're not always right but you're never wrong. What I mean by
22 that, when you think about a master development agreement,
23 working with the public/private sector, usually what happens is
24 a city or a CRA would provide some land, a developer come in and
25 they bring their money, they create a project, create some

1 phases, put some things in place; and their job is required,
2 build something, bring jobs, and bring TIF.

3 And usually the public side doesn't receive anything; but
4 the people usually receive those jobs, those trainings, et
5 cetera.

6 But in this situation it's a little different because we
7 invested some money of our own into the infrastructure. You
8 don't see that much, in no CRA across the state of Florida. And
9 I've had some concerns about that.

10 So once we start putting our skin in the game, that's where
11 you have Viking saying, hey, you know, we should be able to
12 control how much revenue that we get. But in this situation
13 it's different because we invested millions of dollars into the
14 land.

15 If we was going to have a mindset of doing what Viking
16 wants to do today, which I would have supported, then we should
17 never have invested none of our money, which is the taxpayers'
18 dollars, in the infrastructure. But this is where we are.

19 I have a lot of respect for Viking, what they were trying
20 to do. They have said it time and time again how they love this
21 city, how they want to be here; but sometimes -- at this moment
22 I heard people kept saying, we'll leave if we need to.

23 Sometimes when things get a little tough you might need to
24 separate for a little while, or you might need to separate
25 forever and take a step back to figure out what's the best fit

1 for both parties. Not saying that you're not the fit for the
2 future of Riviera Beach, because we want to keep you here in
3 Riviera Beach.

4 My colleagues right now are stating on the record that they
5 are tired of going back and forth. I've been pushing for
6 cohesiveness with this Board and this community. I haven't
7 always agreed with things that have been done, and I have never
8 been afraid to state that position. But at this time we do need
9 to take a step back and we might need to separate for a little
10 while and figure out what we're going to do later. And at this
11 time I will support that.

12 But I have one question from staff. With the Yachtsman,
13 Mr. Brown, and the properties that we have, that we're looking
14 to land swap, what is the total value of all those properties?

15 EXECUTIVE DIRECTOR BROWN: Mr. Evans, do you have the
16 report? When we originally agreed on --

17 MR. EVANS: I can just comment that the original swap, we
18 had all the properties appraised and the values were equal.

19 VICE CHAIR DAVIS: So could you give me like a total of the
20 swaps that we're talking about here, along with the Yachtsman,
21 you think about four million, five million?

22 EXECUTIVE DIRECTOR BROWN: Well, the point of clarification
23 is that since we agreed on the Public Market swap, they have
24 added additional parcels to that original agreement. So it is
25 not now equal. It's favorable to Viking.

1 VICE CHAIR DAVIS: What is the difference?

2 EXECUTIVE DIRECTOR BROWN: We'd have to appraise it. But
3 prior to that it was nearly equal dollars.

4 VICE CHAIR DAVIS: Can you bring that back at the next
5 meeting so we can discuss that?

6 EXECUTIVE DIRECTOR BROWN: Or I can send it to you, if
7 that's --

8 VICE CHAIR DAVIS: I'd like to see that so we can figure
9 out how do we move forward, and try to have a professional
10 situation as we move forward.

11 That will be all.

12 CHAIR PARDO: Thank you. Let me just make my comments.
13 I'll be quick.

14 I know a lot of the history of what's been going on here
15 because I was involved with a lot of the residents in the early
16 2000s over the whole eminent domain issue. And I fought with
17 the residents; and I believed then and I believe now that
18 eminent domain should never be for private development, ever.

19 And Daniel Webster, ex-State Senator Daniel Webster, agreed
20 with us, the governor agreed with us, and you can no longer use
21 eminent domain in the State of Florida for private use. Okay.

22 And after that I got on board with Viking. In late 2007,
23 when I decided to run for city council, I met with Mr. Healey,
24 with Mr. Clark, I met with Mr. Healey's brother Bill; Bill and
25 his son owned a home down the street from me; and Bill would

1 come by my house on his bicycle every now and then, and we spoke
2 about Riviera Beach and how we were going to move this city
3 forward. I was so psyched to move this city forward.

4 Viking came to council in late 2007 with a plan; they said
5 we're no longer moving forward with their original 2.9 billion
6 dollar plan because eminent domain was no longer -- they could
7 no longer use that. And they came back and they said, okay, so
8 we have this new plan; and it went to the council and then it
9 went to the people; the people were a little hesitant; and then
10 Treasure Coast came in; and a lot of the residents in here, you
11 know, there's a lot of familiar faces in here but, you know, a
12 lot of you weren't at the -- the businesses weren't at the
13 charrette. But the residents got together and they decided,
14 okay, this is what we would like to see in the redevelopment
15 area. And it was adopted by the council in 2008. And Viking
16 was okay with it. And that plan had the development of
17 condominiums along the Broadway corridor topped at six stories.
18 Okay? Viking was fine with it at the time.

19 So I said to Viking, okay, so, you know, the people are
20 buying into this plan. What are you going to do? And then the
21 excuse was, well, Floyd Johnson -- who was the former CRA
22 director -- Floyd is dragging his feet, he doesn't believe in
23 the plan, blah, blah, blah. We brought it to council; and we
24 relieved Floyd Johnson of his position as executive director of
25 the CRA.

1 And then the next thing was, okay, Viking, what are you
2 going to do now? What are you going to do now? Well, we need
3 to get the businesses along the Broadway corridor and the
4 waterfront, the big businesses to buy in. Okay. And what I
5 did, I reached out to Lockheed Martin, to the Port of Palm
6 Beach, to Rybovich, to Cracker Boy, to Bill Marz, okay, and we
7 all got together in a room up at the CRA office; and we said if
8 we're going to move forward, we need to do this together; and we
9 formed a plan. And we all flew together up to Tallahassee and
10 we met with the governor, we met with state senators, state
11 representatives, and said this is our plan, you need to help us;
12 look, we have all of the stakeholders, let's move forward.

13 We went to Washington -- some of us went to Washington and
14 did the same thing. And I'll never forget my first time in
15 Washington as an elected official, going to Senator Nelson's
16 office and saying, look, Senator, we have this plan, it's going
17 to be great; and he laughed at me and said, you know how many
18 plans I've seen, how many Riviera Beach plans I've seen? Good
19 luck. Let's take a photograph. And I can show you the
20 photograph. I was completely stunned. Stunned.

21 But, I thought, I'm not giving up, and the stakeholders,
22 we're not giving up, and let's move forward.

23 And then we brought Mr. Brown in. And Viking then had
24 said, we need -- well, prior to Mr. Brown, we need, you know, we
25 need other like big investors to help us over at the marina. I

1 went to Rybovich, to Wayne Huizenga, Jr., and I sat down with
2 him; and we attempted to work out a deal which I will go to my
3 grave saying it would have been one of the best deals the City
4 had the opportunity to get into, all right, 10-year deal; we
5 would have been four years into it already. And, you know, we
6 all know what happened with that. And we had committed that the
7 money from that Rybovich deal was going to be invested into the
8 marina, into the infrastructure. All right? Instead of going
9 into the City's pockets and something happening to it, it was
10 going to be invested into the infrastructure. But for whatever
11 reason that whole deal blew up.

12 And then we came back with another deal; and it's, come on,
13 guys, let's go. Now remember the Board keeps changing. But
14 there's still momentum, the Council is still behind it, let's
15 go, we need to get moving; and we're still out there selling the
16 plan. I bring the governor down, and show him. And there's
17 Governor Scott right behind us. I brought state senators down,
18 congress people from Washington, everyone down, showing them,
19 this is what we're going to do. Yes, you know, go, do it.
20 Right? Everyone is as excited and enthusiastic as I am.

21 We go out, John Sprague and I, we traveled around the state
22 every month to get in front of the Florida Inland Navigation
23 District, okay, so we can get money for the marina. Every
24 month. They probably thought at one point, here's this crazy
25 woman that will only talk about her waterfront and nothing else.

1 Okay? Because I so believed in it. And we were successful in
2 getting all of that money for the marina.

3 And, you know, Warren Newell was here earlier. Thank God
4 for Warren Newell, because he was the one that pushed in 2007 to
5 make sure that Riviera Beach got that 5 million dollars from the
6 County that we were able to leverage into 17 million dollars.
7 Okay? We did it, the City of Riviera Beach, and no one else.

8 Then, you know, a new plan comes along. And the next thing
9 from Viking is, well, you guys need to invest in the
10 infrastructure, even though in 2007 and, you know, I have
11 quotes, there was a quote in the newspaper from Viking saying
12 we're going to invest 30 million dollars in the infrastructure
13 at the marina. Okay? Well, that didn't happen. But we did --
14 all the taxpayers, we went out and we borrowed 27 million
15 dollars to put the public improvements at the marina. All
16 right? Everything that Viking said that they needed to move
17 forward. We went out, we borrowed the money. The City invested
18 several million dollars, the utility district. Okay?

19 So once again we kept our promise. All right, Viking, so
20 here it is, we put our building up, the park is getting ready to
21 go, we have the infrastructure in place. So what's going on
22 with your part? We had moved forward prior to the construction
23 of the Event Center with a lease for the pad A site, and it was
24 our hope that when the Event Center opened, that the first
25 restaurant would open simultaneously and that would be the draw

1 to get the people down to the marina.

2 So we as a council and staff, we have kept our promise all
3 along.

4 And I've heard things from, you know, things that I really
5 don't appreciate from businesses, you know, from business --
6 from real estate agents in Wellington, telling me what I should
7 do in my city, okay, people that don't know the facts, you know,
8 businesses outside the city calling me and sending me e-mails
9 the past couple of days telling me what I should be doing in my
10 city. People that don't know the facts, people that don't know
11 the history of what's going on.

12 You know, you can say Riviera Beach was dysfunctional ten
13 years ago, and I'll agree to that. But this city has changed,
14 the leadership in this city has changed. And if you have been
15 here, you can see how much we have changed.

16 So, you know, like I said, I have been the biggest
17 supporter. I have gotten ripped apart in the Palm Beach Post.
18 I've been accused of being Viking's lobbyist, Rybovich's
19 lobbyist. I've been accused of, you know, having affairs with
20 people at Viking. Okay? I have been -- and, you know, I read
21 this e-mail into the record a couple of months ago, the
22 nastiest, nastiest e-mail that I ever received from a man.
23 Okay? Telling Mr. Brown he needs to get me under control.
24 Okay? Because I was asking about time frames, when Viking was
25 moving forward with certain things. But, you know, a senior

1 person at Viking didn't appreciate, you know, the woman, you
2 know, questioning them, so they tell my employee to get me under
3 control. Okay? Over my dead body. Over my dead body.

4 I can no longer -- I have a fiduciary duty to the citizens
5 of this city. I went out and supported the loan, the 27 million
6 dollar loan. I supported the City taking taxpayer dollars to
7 put into the marina, and the utility district to put into the
8 marina. I have a fiduciary duty to the taxpayers of this city.
9 And I can no longer dance the dance. It's been too long.

10 And I truly believe it is time for us to move forward. And
11 please don't look at this as, oh my God, here's Riviera Beach
12 again, you know, they're going to be dysfunctional and nothing
13 is going to happen.

14 Look at what's been happening. And we're doing it. We are
15 doing it without any help from private developers.

16 So, you know, I agree with what all of my colleagues say,
17 and I really think it's just time for this city to move on.
18 We've missed too many economic cycles.

19 The Fed came out two weeks ago saying they are going to
20 start raising rates. Which means, you know, commercial loans
21 are always, what, 150 basis points higher than conventional
22 loans. You're going to see a stall in development.

23 And we've had every city around us has been developing in
24 the past ten years, except the City of Riviera Beach. Because
25 we've been dealing with one company.

1 Look what's going on on the island. The island is booming,
2 because you have developers coming in and doing what they need
3 to do.

4 You know, North Palm Beach, West Palm -- look what Lois
5 Frankel was able to do in West Palm Beach, okay? In Jupiter.
6 Jupiter took a big part of our plan and they moved forward; and
7 they are reaping the benefits, everyone is reaping the benefits.

8 And people, I am sorry, I wanted to support Viking, I've
9 supported them for so long, I've asked all of you to support
10 them, but there just comes a time when we just need to say, you
11 know, kiss and say goodbye.

12 And so at this point...

13 COMMISSIONER GUYTON: Madam Chair, I put a motion on the
14 floor that we terminate the master development agreement with
15 Viking and direct staff to come back with a plan moving forward.

16 CHAIR PARDO: Is there a second? Is there a second?

17 COMMISSIONER MILLER-ANDERSON: Second.

18 CHAIR PARDO: Okay. Properly moved and second. Any
19 comments?

20 COMMISSIONER THOMAS: Yes.

21 CHAIR PARDO: Go ahead, Mr. Thomas.

22 COMMISSIONER THOMAS: Okay. So if that's being done, what
23 are we going to in do in terms of the Yachtsman? Are we going
24 to pay them what they're asking for it? Or what are we going
25 to --

1 COMMISSIONER GUYTON: That's going to be part of the plan
2 that I'm requesting they bring back to us. We're going to let
3 staff work that out and give us a recommendation of what they
4 think. I wouldn't want to sit here now and try to make that
5 decision. I need to look at the pros and cons of what they're
6 asking, and what we can get, and then I'll be in a better
7 position to make an informed intelligent decision at that time.

8 COMMISSIONER THOMAS: Okay. And the rest of the Board is
9 okay with doing it that way?

10 CHAIR PARDO: I am.

11 MR. ALTEN: We are as well.

12 MS. RYAN: Hold on. Who said we are as well?

13 COMMISSIONER THOMAS: No, Viking said it. That's fine.

14 MS. RYAN: It would be good to have them say it on the
15 record.

16 COMMISSIONER THOMAS: Yeah, that was fine. That's what I'm
17 saying, he said it, so that's fine.

18 MS. RYAN: Let's just say it on the record.

19 CHAIR PARDO: Into the mic, please.

20 MS. RYAN: It's more of a mutual thing.

21 MR. ALTEN: We stand by our position as stated
22 approximately two and a half hours ago that we would like to
23 withdraw as master developer. Thank you.

24 CHAIR PARDO: Thank you.

25 VICE CHAIR DAVIS: He just stated that he's withdrawing.

1 COMMISSIONER GUYTON: I rescind my motion since they
2 voluntarily resigned as master developer. But we still need a
3 plan moving forward.

4 MS. RYAN: There should be a motion to accept their
5 withdrawal as master developer.

6 COMMISSIONER GUYTON: I move to accept Viking's withdrawal
7 as our master developer.

8 COMMISSIONER THOMAS: Second.

9 CHAIR PARDO: Okay. Properly moved and second. Anyone
10 else? Madam Clerk.

11 (Motion passed unanimously.)

12 CHAIR PARDO: Thank you. Item 10.

13 COMMISSIONER GUYTON: Madam Chair.

14 CHAIR PARDO: Yes.

15 COMMISSIONER GUYTON: Do we need a motion, Ms. Ryan, to --
16 for staff to come back with a plan moving forward?

17 CHAIR PARDO: I think it's direction.

18 We're going to take a five-minute recess.

19 (Recess taken.)

20 CHAIR PARDO: Okay. Would everyone please have a seat.
21 We're continuing.

22 So let's continue with item 10.

23 EXECUTIVE DIRECTOR BROWN: Item 10.

24 (Resolution read by Ms. Hatcher.)

25 COMMISSIONER THOMAS: So moved.

1 CHAIR PARDO: Is there a second? Is there a second? Going
2 once.

3 VICE CHAIR DAVIS: Second.

4 CHAIR PARDO: Okay. Properly moved and second.

5 We have one public comment card. Bonnie Larson.

6 MS. LARSON: Bonnie Larson. I was just on my way over to
7 look at the book to see what company we're talking about giving
8 this increase to because it doesn't say on the agenda. And I'm
9 wondering what is the purpose of having a guaranteed maximum
10 price if we're going to increase it today by 296,000 and
11 authorizing expenditure of 387,000 for change orders. I would
12 think guaranteed maximum price means guaranteed, no more
13 increases. Because if someone is bidding on this, now this
14 company, whoever this is -- I didn't get a chance to look it up
15 because it doesn't say here -- whoever this is is now increasing
16 their price drastically.

17 So those are my questions. What company is this? And why
18 is there ever an increase to the guaranteed maximum price.

19 Thank you.

20 CHAIR PARDO: Thank you. All right. Go ahead, Scott.

21 MR. EVANS: Yeah, I can respond to that.

22 The guaranteed maximum price is for the plans as permitted.
23 So the plans set that we gave to Weitz when they started
24 construction, they gave us a price for everything that was in
25 those plans, they would build for a guaranteed price.

1 And as you're going through construction there's a variety
2 of revisions that happen; and when a revision happens Gilbane,
3 our architect, reviews it to determine whether or not it's
4 Weitz's fault; if it's a change that the owner made; or a change
5 that is as a result of unforeseen conditions, then that would
6 allow Weitz to apply for a change order. But the maximum price
7 is for everything that was agreed to at the beginning of the
8 project. And so every time there's a request for a change we
9 scrutinize in great detail to make sure that it is in fact
10 something that we could pay justifiably.

11 This change order includes several things. It's an
12 extension of the general conditions of the CM at risk as a
13 result of a variety of project delays. They warned us as of
14 September that they had experienced a series of delays, and in
15 between September and now we have been negotiating and exploring
16 those.

17 The amendment includes subcontractor work for site
18 electrical, windows and framing revisions, and structural steel
19 changes. And the extended general conditions and project
20 completion is based on several conditions, including they
21 discovered an underground storage tank during the demolition of
22 Newcomb Hall that delayed the project; as well as arranging FPL
23 transformer installations, relocations; and extended conditions
24 based on Avenue C, which has also proposed several delays.

25 EXECUTIVE DIRECTOR BROWN: And all these potential delay

1 items are delineated in the Gilbane report when we've talked
2 about potential change orders and delays. So they are reported
3 as we know them and as Gilbane is negotiating. So these are not
4 items of surprise. These are the efforts that our owner's rep
5 has made to, basically to make sure that it's well justified and
6 so no surprises. And we're getting to the end of the project,
7 and so we're just cleaning up these last minute items.

8 CHAIR PARDO: Okay. Ms. Miller-Anderson will be recusing
9 herself from this item.

10 Does Council have any comments?

11 VICE CHAIR DAVIS: Madam Chair.

12 CHAIR PARDO: Go ahead, sir.

13 VICE CHAIR DAVIS: Mr. Brown, do you foresee any other
14 potential change orders coming before this board?

15 EXECUTIVE DIRECTOR BROWN: Yeah, there is one
16 significantly -- I think I copied the Board on the communication
17 to the City. We learned that there's a water main line that is
18 not -- that's really at the road surface. And the as-built
19 plans indicated that --

20 VICE CHAIR DAVIS: Is that Avenue C?

21 EXECUTIVE DIRECTOR BROWN: Yes. That's the only one that
22 we foresee.

23 VICE CHAIR DAVIS: How much?

24 CHAIR PARDO: Anyone else?

25 VICE CHAIR DAVIS: How much are you anticipating that

1 being?

2 EXECUTIVE DIRECTOR BROWN: The City asked that question.
3 We haven't gotten the magnitude yet. We offered a solution to
4 the Utility District. I understood that they rejected. And so
5 I guess there's an alternate solution; and as soon as they are
6 in agreement, we will pass that information on.

7 VICE CHAIR DAVIS: Did they state why they rejected it?

8 EXECUTIVE DIRECTOR BROWN: I think the concern was --

9 MR. EVANS: The potential solution was offered by Weitz in
10 the field when they had encountered it; and they felt like it
11 was -- they couldn't be certain that it would work so they
12 wanted the design engineer to redesign, come up with something
13 that was on the plans that could then be reviewed and permitted,
14 because they didn't feel comfortable, they felt like it was too
15 substantial to do just in the field. So our design engineers
16 designed it and they've now submitted it to the City, who has
17 reviewed it. So Weitz just has to put a new cost adjustment on
18 what that work-around would be.

19 VICE CHAIR DAVIS: So have we -- have staff identified
20 where that fund is going to come for that change order?

21 MR. EVANS: It would have to come out of one of the project
22 contingencies.

23 VICE CHAIR DAVIS: Okay. How much do we have left?

24 MR. EVANS: We have \$84,000 left in the owner's general
25 contingency, and the balance in unallocated contingency is --

1 EXECUTIVE DIRECTOR BROWN: While you're looking it up,
2 you're talking about where the money would come from for Avenue
3 C?

4 VICE CHAIR DAVIS: Yes.

5 EXECUTIVE DIRECTOR BROWN: We've asked the City to be that
6 backstop because, again, the roads and utilities were always to
7 be funded by the City and/or the Utility District. And so that
8 amount as we requested is under consideration.

9 VICE CHAIR DAVIS: So the Utility District, before they
10 make any commitments, they're waiting for you all to draw up the
11 engineering plans?

12 EXECUTIVE DIRECTOR BROWN: First they've got to agree on
13 the solution, and then the costs. Then once we hear the costs,
14 then we'll talk with the City about our remaining resources, as
15 well as theirs. Something has to be done because, you know, the
16 other thing is you can modify it and not do the road, but that's
17 not -- it has to be done and we have to decide it quickly,
18 otherwise it's going to slow the project.

19 VICE CHAIR DAVIS: Okay.

20 MR. EVANS: And we have approximately 240,000 in total
21 contingency left as of today.

22 VICE CHAIR DAVIS: That will be all.

23 CHAIR PARDO: Okay. Anyone else? Madam Clerk.

24 (Motion passed, with Commissioner Miller-Anderson abstaining and
25 Commissioner Guyton absent for the vote.)

1 CHAIR PARDO: Thank you. Item 11.

2 (Resolution read by Ms. Hatcher.)

3 COMMISSIONER THOMAS: So moved.

4 CHAIR PARDO: Is there a second?

5 VICE CHAIR DAVIS: Second.

6 CHAIR PARDO: All right. Scott -- or Tony? Who's doing
7 it?

8 MR. EVANS: This is related to the time extension. The
9 design team has been continuing to provide construction
10 administration. And since we've extended the period of time in
11 which they're working we need to extend their construction
12 administration services. We haven't extended across the board.
13 Primarily the engineers on the project who are the ones doing
14 most of the reworks, the redesign to deal with the unforeseen
15 conditions. So the bulk of this extension will go to Calvin,
16 Giordano and LDC, who are the engineers on the project.

17 CHAIR PARDO: We have one public comment card. Bonnie
18 Larson.

19 MS. LARSON: Bonnie Larson.

20 Thank you for that information, Scott.

21 All right. So this one is in the amount of \$73,400 and
22 that's due to the delays. What was the cause of the delays?
23 And if the delay was their fault, it would seem like they would
24 have to pick it up. Or was the delay our fault, that's why
25 we're paying? What caused the delay?

1 Thank you.

2 MR. EVANS: It was -- we've had a series of delays, small
3 delays each one, and they've all added up. And until now the
4 design team actually has been working without an extension. But
5 this last major delay that was just approved, which extends the
6 main date to February, required a lot of engineering work. So
7 the delays are primarily unforeseen conditions that happened
8 throughout the construction period, and that's the main cause.

9 CHAIR PARDO: Okay. Anyone else?

10 VICE CHAIR DAVIS: Madam Chair.

11 CHAIR PARDO: Yes, sir.

12 VICE CHAIR DAVIS: So this budget here, where is this
13 coming from, the 73,000?

14 MR. EVANS: This is coming from the BB&T funds. We had set
15 aside a line item called -- it was approved in the 2016 budget
16 for owner's general contingencies.

17 VICE CHAIR DAVIS: Is that from Key Bank?

18 MR. EVANS: No, this one is from BB&T; this is just in the
19 overall project budget.

20 VICE CHAIR DAVIS: So that reserve is okay?

21 MR. EVANS: Yes.

22 VICE CHAIR DAVIS: Okay. So even now with Viking pulling
23 out at this time, how much work would Song & Associates be doing
24 on this project now that the developer is not here? Would there
25 be any work for them to do? Or would they be in charge of the

1 engineers?

2 EXECUTIVE DIRECTOR BROWN: Well, Viking has no role or
3 responsibility in this. I wish they were funding this. But
4 they have no -- Scott.

5 MR. EVANS: So Viking pulling out won't have any impact on
6 this existing work.

7 VICE CHAIR DAVIS: Okay.

8 COMMISSIONER MILLER-ANDERSON: Madam Chair.

9 CHAIR PARDO: Yes, ma'am.

10 MS. MILLER-ANDERSON: I just want to clarify something with
11 the attorney. I questioned earlier whether or not I needed to
12 abstain from this, and we did talk.

13 Ms. Ryan, looking at the scope of services -- and I just
14 want to be very careful on this -- on page 4, the fourth
15 amendment to professional services, that one, where it has the
16 resolution first and then it has the letter from Song, Roman
17 numeral II. I think it's page 4. Do you see it?

18 MS. RYAN: My iPad is not pulling it up quickly.

19 MS. MILLER-ANDERSON: Do you want me to pass it down?

20 It mentions Weitz. And I just want to -- if you'll read
21 that, I just want to be clear that it does not pose a problem
22 for me.

23 MS. RYAN: Okay. What am I looking at? The agenda item or
24 the amendment?

25 COMMISSIONER MILLER-ANDERSON: The letter from Song. Let

1 me see which attachment. I think it's the Song memo, maybe.

2 MS. RYAN: I apologize.

3 MS. MILLER-ANDERSON: Wait a minute.

4 EXECUTIVE DIRECTOR BROWN: Scott has it.

5 COMMISSIONER MILLER-ANDERSON: I think it's a resolution
6 and then there's a letter attached. Roman numeral I is project
7 understanding. Roman number II is scope of services. Do you
8 see that?

9 MS. RYAN: Yes, I'm reading it, mmhmm.

10 EXECUTIVE DIRECTOR BROWN: So what is Song's responsibility
11 is that with each pay application and the work that's done the
12 architect is responsible for signing off and to attesting that
13 the work was completed in accordance to the scope and the
14 construction documents. So when it says providing
15 administration and coordination of these services as a whole,
16 this includes leading and facilitating presentations at all
17 meetings, revising drawings, coordination and reviewing all
18 revisions with the CRA, the City staff and Gilbane, Viking team
19 and Weitz. So the architect is liable for if the building fell
20 down for instance, and it wasn't a construction defect but an
21 architectural defect, so they have to sign off that the work was
22 completed in accordance to the documents.

23 COMMISSIONER MILLER-ANDERSON: Okay.

24 MS. RYAN: I don't think it's a conflict. However, in an
25 abundance of caution I would say just don't vote on it. It's

1 not because they're listed but I'm not sure how deep they will
2 be working, how closely they will be working with them. This
3 letter doesn't give enough. So I think you're right in wanting
4 to abstain.

5 COMMISSIONER MILLER-ANDERSON: Okay. So I'm going to
6 abstain from number 11 in light of what we just discussed.

7 CHAIR PARDO: Okay. Anyone else?

8 (Motion passed, with Commissioner Miller-Anderson abstaining and
9 Commissioner Guyton absent for the vote.)

10 CHAIR PARDO: Thank you.

11 Item 12.

12 (Resolution read by Ms. Hatcher.)

13 CHAIR PARDO: Is there a motion?

14 COMMISSIONER THOMAS: So moved.

15 VICE CHAIR DAVIS: Second.

16 CHAIR PARDO: Okay. Moved and second. Scott.

17 MR. EVANS: This is directly related to the previous two
18 items. Since the completion of the project has been extended,
19 we need to extend the services of Gilbane. Their contract is
20 very specific, it's time related, so their contract expires on
21 December 30th and we need to keep them on the project. This
22 would extend them for January and February at the same rate that
23 they've been working at; and then it allows us to keep them
24 beyond that for an amount not to exceed \$70,000, to be
25 negotiated once we get to the end of February and determine

1 where we've arrived.

2 EXECUTIVE DIRECTOR BROWN: And members of the Board, just
3 for point of clarity, the reason why we negotiate or are
4 requesting your approval to have that option to extend and to
5 negotiate the rate is that I didn't anticipate having a meeting
6 in March, and as we got to the tail end we were negotiating with
7 Gilbane for an amount much less than their monthly fee. So what
8 this does, it allows me to look to see what work needs to be
9 done for the last 30 or 60 days and then to negotiate a rate.
10 And I was just concerned that I wouldn't have that authority
11 given the elections and other things, that if we didn't meet in
12 March I didn't want to be without owner's rep services. I
13 wanted to be prudent to make sure we had an amount that
14 reflected what we needed to finish the job.

15 CHAIR PARDO: Okay. Anyone else?

16 Okay. Madam Clerk. And Ms. Miller-Anderson will be
17 recusing herself.

18 (Motion passed, with Commissioner Miller-Anderson abstaining and
19 Commissioner Guyton absent for the vote.)

20 CHAIR PARDO: Thank you. Item 13.

21 EXECUTIVE DIRECTOR BROWN: Madam Chair, item 13, we can
22 postpone until the January meeting. As background we're ready
23 to enter into lease negotiations with the tenant in the Event
24 Center. But we can bring this back with the same request to
25 approve the lease.

1 CHAIR PARDO: Is everyone okay with that?

2 COMMISSIONER MILLER-ANDERSON: Yes.

3 CHAIR PARDO: Okay. Everyone's good? Okay. So we're
4 going to skip that.

5 Item 14.

6 MR. LOZMAN: Point of order (inaudible).

7 CHAIR PARDO: No, not at the CRA. It's at the end of the
8 agenda.

9 All right. Go ahead.

10 ADMINISTRATIVE DIRECTOR HATCHER: Permission to apply for
11 New Markets Tax Credits.

12 COMMISSIONER THOMAS: So moved.

13 VICE CHAIR DAVIS: Second.

14 CHAIR PARDO: All right. Mr. Brown.

15 EXECUTIVE DIRECTOR BROWN: You've seen this item before. I
16 promise you if we don't win this time this is probably the last
17 time we'll go for it; we'll just go for somebody that has an
18 allocation.

19 CHAIR PARDO: All right. Any questions? Anything?

20 All right. Madam Clerk.

21 MS. LARSON: I have a card.

22 CHAIR PARDO: No, you have 14. Go ahead.

23 COMMISSIONER MILLER-ANDERSON: This is 14.

24 CHAIR PARDO: Ms. Larson, I'm sorry. All right. Come on
25 up.

1 MS. LARSON: It's all right. I'm used to it.

2 Somebody asked me last week how come it's always your card
3 that's lost. Well, what can I say?

4 Anyway, New Markets Tax Credits, a couple questions. I'd
5 like an answer from Mr. Brown. If he doesn't answer, if you can
6 ask him, because I would like to know. We have applied for New
7 Markets Tax Credits previously. And I know Mr. Thomas asked one
8 time, did we get that money? And Mr. Brown said yes. And I was
9 waiting for that and how much but, Mr. Thomas, you didn't ask
10 him how much. So how much have we gotten in New Markets Tax
11 Credits before? And how much are we asking for now?

12 Now I read in the backup that this was for -- the one
13 you're going to ask for now, we don't know how much. I would
14 like to know that. And it was -- this request would be for the
15 market and also the plan that Viking had for the south end of
16 the marina, which is now up in the air, so we're not going to
17 need that much, whatever.

18 So my question is how much did we get previously? What did
19 we use that money for? How much are we asking for now? And the
20 backup also said that perhaps when we asked for it previously
21 you had applied under your company for New Markets Tax Credits,
22 and Riviera Beach had applied at the same time, and there was
23 some conflict there so the Board said, no, you can't apply two
24 different ways, same person can't apply two different ways, so
25 that was maybe why we didn't get it, it said in the backup.

1 Now, there was also mention of John Sprague. What is his
2 experience with New Markets Tax Credits? How did he get
3 involved in this? And what prior experience does he have with
4 New Markets Tax Credits? Because I know you're the guru of New
5 Markets Tax Credits. So what does John Sprague -- when has he
6 ever been involved before with New Markets Tax Credits? And
7 what is his involvement going to be now? So, again, how much
8 are we asking for now? What is it for, since now south end
9 project is out of the loop right now? All those questions.

10 Thank you.

11 EXECUTIVE DIRECTOR BROWN: Let me take the latter one
12 first. I'm not sure where you got John Sprague.

13 VICE CHAIR DAVIS: It says William Strong.

14 EXECUTIVE DIRECTOR BROWN: It says what?

15 VICE CHAIR DAVIS: It says William Strong.

16 CHAIR PARDO: It's the economist.

17 EXECUTIVE DIRECTOR BROWN: The economist. Yeah, it's not
18 John Sprague.

19 We have never received an allocation of New Markets Tax
20 Credits. The Event Center was financed with New Markets Tax
21 Credits from another allocatee. And presently the application
22 is drafted to apply for \$37,400,000. We have commitment letters
23 totalling over 70 million dollars from Fifth Third Bank, BB&T
24 Bank, and the County. In light of tonight's activity I may
25 modify the application to just focus on the Public Market and

1 the parking structure.

2 CHAIR PARDO: All right. Any other comments?

3 Madam Clerk.

4 VICE CHAIR DAVIS: Mr. Brown, the issue with -- which we
5 had submitted and talked about last year's application --

6 EXECUTIVE DIRECTOR BROWN: Thanks, Mr. Davis, for reminding
7 me of that, yes.

8 VICE CHAIR DAVIS: Just really quick. How do we avoid this
9 from happening in the future?

10 EXECUTIVE DIRECTOR BROWN: What I'm not doing is my
11 consulting practice, as you know -- and as Ms. Larson said, I've
12 been very active in the program; I implemented and supervised
13 the rule making. Last year I did apply under my consultant
14 group, based on my partnership, with other entities outside the
15 state of Florida. There was a rule change this year that
16 clarified what is considered to be a related party. Last year
17 they felt that because I was the authorized representative for
18 Riviera Beach as well as my own company that that meant that we
19 were a related company and it was not disclosed. We addressed
20 that legally. We won that battle, lost the war, because neither
21 application won an allocation. Riviera Beach was much stronger
22 in the review process. So what I've disclosed to this Board is
23 that I will not submit an application under my company.

24 VICE CHAIR DAVIS: Okay.

25 CHAIR PARDO: Anyone else? Madam Clerk.

1 (Motion passed, with Commissioner Guyton absent for the vote.)

2 CHAIR PARDO: Item 15.

3 (Resolution read by Ms. Hatcher.)

4 CHAIR PARDO: Thank you. So, Mr. Brown, you need to tell
5 us exactly why you want to do this and why the CRA can't handle
6 this.

7 EXECUTIVE DIRECTOR BROWN: It's going to be an operating
8 entity of the CRA so this body will still control the rule
9 making. What we're finding is that we use Quick Books as a
10 government agency and it is not set up for the type of
11 enterprise operations that we have. And so this is allowing me
12 to give you more detailed information on the financial
13 performance. We've sort of set it up, the books, as a
14 fictitious company in order to give you an income statement and
15 balance sheet because of our accounting system, it's become very
16 complicated.

17 CHAIR PARDO: Okay. But we have a great CPA, so he can't
18 recommend different software, something other than Quick Books,
19 that could get us there?

20 EXECUTIVE DIRECTOR BROWN: He has. And that's going to
21 require integration, and that will be coming to you probably
22 before the end of the year.

23 And aside from --

24 VICE CHAIR DAVIS: Excuse me. Point of order.

25 We didn't get a motion for this item.

1 CHAIR PARDO: I thought we had one. Is there a motion?

2 VICE CHAIR DAVIS: So moved.

3 CHAIR PARDO: Is there a second? Is there a second?

4 COMMISSIONER MILLER-ANDERSON: Second.

5 CHAIR PARDO: All right. Thank you. Go ahead.

6 EXECUTIVE DIRECTOR BROWN: So the organization being
7 created is twofold. It's allowing us to report the magnitude of
8 support that we provide for the marina upland operations and
9 allow us to give you a better level of reporting to show the
10 amount of cash that the Agency and/or the City is flowing into
11 the marina operations. There also had been some discussion as
12 to whether or not marine operations would be taxable. So we're
13 consulting with a tax accountant and other things, just in the
14 event that we have to pay property taxes or -- well, we don't
15 own property, but there's a lot of legal taxing issues and that
16 however they are resolved is going to allow us to be in a better
17 position to report how the cash has flowed from the CRA for this
18 operation. And by setting it up as a separate entity, it just
19 really allows us and you greater flexibility as to how we
20 report, how we might use it, and how we might benefit the type
21 of activities that the CRA does in order to further enterprise.

22 CHAIR PARDO: Okay. So you will be the person running this
23 new entity? And we will be the board in charge of the new
24 entity? Or are you bringing outside people on?

25 EXECUTIVE DIRECTOR BROWN: No, my discussion with

1 Mr. Haygood, and as the document says, it is a proposed
2 subsidiary of the CRA, which means that this body would be the
3 governing body.

4 CHAIR PARDO: Okay. And this is legal in the state of
5 Florida? He researched it?

6 EXECUTIVE DIRECTOR BROWN: It is. The only question is
7 whether or not it's formed as a for profit or not for profit; so
8 it is legal to form an entity clearly not for profit, it's a
9 clear legal structure.

10 The other thing that I've disclosed is that depending on
11 how Restaurant Row is developed, and how we might want to ensure
12 that those single asset entities revert back to the City, it
13 gives us another way to separate financial risk and to report
14 other assets as we look to develop Restaurant Row.

15 CHAIR PARDO: Okay. And every other reporting aspect of
16 this, you know, subsidiary, is the same as the CRA, right?
17 Everything else is the same? There's no little nuances in here,
18 you know?

19 EXECUTIVE DIRECTOR BROWN: This gives you a better way to
20 report the cash flow and the operations of how we maintain the
21 upland operations. Other than that, we'd have to take the CRA
22 books and give you a variety of classes to do it. I mean we
23 could tell you how much we lose -- as you see in the budget,
24 what I reported, we showed you that we're going to lose a
25 million four for marina operations. And we can record that.

1 But if you ask me what was the income and the outflow, we don't
2 have an efficient way of doing it other than setting it up as a
3 fictitious company, meaning we can operate the books as if it
4 was a company; and since we're doing that, we're just taking the
5 extra step of going ahead and getting it legally formed.

6 VICE CHAIR DAVIS: Madam Chair.

7 CHAIR PARDO: Hold on one second. It just -- you know,
8 because we can't find software, you know, that allows us to set
9 up a company? What about Peachtree or -- you know, there's no
10 other software out there?

11 I just have a problem with setting up these companies. You
12 know, we have the LLC for the marina; you know, for the Event
13 Center. You know, if it's just reporting, you know, let's go
14 out there and find something. Talk to the IT people here. We
15 have IT people, you know, IT consultants; see if they can give
16 us a recommendation on --

17 EXECUTIVE DIRECTOR BROWN: One of the advantages,
18 especially if it's a nonprofit, and the fact that we are funding
19 its losses, it provides another way to indicate matching funds
20 and other things to do in order to leverage. So in the end it
21 is structurally and tactically a way for us to, one, leverage --

22 CHAIR PARDO: Okay. So you didn't talk about the leverage
23 initially. All right. So there's more to this. Okay, fine.
24 Just, you know, tell us, give us the bottom line. What exactly
25 are you looking to do?

1 COMMISSIONER THOMAS: I think there was a motion made.

2 COMMISSIONER MILLER-ANDERSON: To postpone this to January.

3 CHAIR PARDO: All right. Is there a second?

4 COMMISSIONER THOMAS: Second.

5 CHAIR PARDO: All right. Properly moved and second.

6 Madam Clerk.

7 (Motion passed, with Commissioner Guyton absent for the vote.)

8 CHAIR PARDO: Okay. At this point we're going to go to
9 public comment.

10 Fane Lozman, Richard Wester, and then Bonnie Larson.

11 MR. LOZMAN: Fane Lozman, Singer Island. Still don't have
12 an address. We'll talk about that in a moment.

13 You know, I think it's shameful, Ms. Pardo, that you're
14 holding public comment at the end of the meeting. I'll tell you
15 why. Richard Wester, the fire chief, he can't sit here all
16 night; you know, he has some health issues. Other members of
17 the audience have some health issues. People have to go to work
18 in the morning. People have children to take care of. When you
19 go to North Bay Village and you go to other municipalities, they
20 have public comment at the beginning of the meeting. So the
21 five of you are stifling public comment by having it at, you
22 know, ten minutes to nine, where disabled or elderly people
23 cannot participate in the meeting; and they want to participate.
24 And I just think it's shameful.

25 Over the years that I've been here it started at the

1 beginning of the meeting, and then it went to time certain at
2 7:30, Terence Davis changed it to 8:30, and now it's coming, you
3 know, at 8:50, that was on the City Council.

4 I mean it's just shameful that you are disenfranchising the
5 people that put you up there. You guys make 40 grand a year.
6 The people in the audience don't. They need to go -- excuse me.
7 KaShamba Miller doesn't make 40 grand, she makes 28,000. Thank
8 you. But the people in the audience don't; and they have to go
9 to work, take care of their kids, or they're disabled, they just
10 can't sit here all night. And Ms. Pardo's doing that
11 specifically because she doesn't like to be criticized. So
12 we're just going to, you know, get rid of all the people so she
13 doesn't have to hear what they have to say, I have a big problem
14 with that.

15 I also have a big problem with Ms. Ryan sitting up there,
16 because, Ms. Ryan, I didn't hear any motion by anybody being
17 made that you're going to be the temporary City attorney
18 tonight. You have a duty of loyalty to the City. And the CRA,
19 you always argue before Judge Hurley, is a separate legal
20 entity; but I guess not, because you're just wearing both hats,
21 even if it's temporary, as the City attorney.

22 But where was there a motion for you to sit up there in
23 exchange for the -- in lieu of the CRA attorney? There wasn't.
24 And I talked to one of my attorneys a few minutes ago and there
25 should have been. And you should know better, that you just

1 can't come wondering in and sit on the dais without any
2 permission, without having a vote to sit up there.

3 You know when Haygood became the City attorney they took a
4 vote to put him up there. So even if you're up there one night,
5 that was not done properly.

6 I think somebody ought to send a letter of apology to Floyd
7 Johnson because Ms. Pardo got her little timeline wrong. Floyd
8 Johnson said to disqualify Viking and put it out for bid again
9 because Viking refused to sign the DDA (sic) and he got fired
10 for that. Floyd Johnson saw into the future, he was right; and
11 I was right; and you were wrong, Ms. Pardo. You've wasted seven
12 years of this city's life with a master developer who you used
13 to be buddies with until you divorced him.

14 Finally there's something called the American rule. The
15 American rule is if I go file a lawsuit to get my address, if I
16 win I still gotta eat my own legal fees. It is ridiculous when
17 the property appraiser says that I'm entitled to an address,
18 when the former police chief says I'm entitled to an address,
19 I'm paying thousands of dollars in taxes, and you won't give me
20 an address. That's vindictive, and I'm not going to tolerate
21 it. I'm going to continue to fight it. And some of you guys
22 who are supporting it are going to be out of a job in March.

23 CHAIR PARDO: Thank you.

24 And for the public that's out there, Dawn Pardo, council
25 person, does not dictate what time public comment is. If you

1 look at our agenda, for years public comment was at the end of
2 the agenda; and it continues to be at the end of the agenda
3 after all business has been completed. So the public needs to
4 hear that.

5 And I did get a message from Chief Wester saying that he
6 came to speak about Viking.

7 Okay. Bonnie Larson.

8 MS. LARSON: Bonnie Larson.

9 Couple things. In the CRA area, which could make the CRA
10 area look a lot better without any cost to us, shopping carts.
11 That cart that I keep looking at on Broadway has been there,
12 it's going on three months now. We had a good plan to get rid
13 of the shopping carts. Do our Clean and Safe people -- I mean I
14 see it every day -- don't they communicate with Code? Code can
15 get rid of it like that, or give them a fine or something. But
16 the shopping carts need to be picked up. There's one there on
17 Broadway that's been there almost three months now; and also on
18 Blue Heron, I've been seeing them.

19 Could you tell us, Mr. Brown, some updates on -- there's
20 supposedly a cafe opening next to the CRA building, it's called
21 the Hub Cafe. I've seen the sign like for months and months and
22 months but nothing seems to be happening. Could you give us an
23 update on what's happening? Are they coming in? Are they not
24 coming in? What's happening with that possible cafe?

25 Also, 2800 Broadway, it was a former church, they gutted

1 it, they gutted most of it a couple weeks ago. What is that
2 going to become? It's just sitting there now. They have a lot
3 of their construction debris still sitting there. But what's
4 going to go in there, since they've gutted it and re-did it.

5 28th Street, there's a chickee hut which is falling down.
6 Either fix it or get rid of it.

7 All these things look bad. You know, these developers want
8 to invest in our city, they come through and they see things
9 falling down.

10 The fence on Silver Beach and Broadway, that's still
11 falling down. A couple years I've been talking about that.
12 Right there where it says Welcome to Riviera Beach.

13 The gentleman who was here from the cruise line, he said
14 that people going on the cruises are saying Riviera Beach is
15 dangerous. It is. We talked about that -- Ms. Pardo, you
16 mentioned we should be concerned about crime in Riviera Beach.
17 We should. We're on the news all the time. And that cruise
18 ship, I don't think they mention Riviera Beach in their ads.

19 And, Mr. Brown, you mentioned there was a particular date
20 that we need to refund that \$350,000 grant for the market if we
21 don't do it. What is that particular date?

22 People who come to the podium and complain, say go ahead
23 with the project, do this, do that, do they live in Riviera
24 Beach? No, they don't. Does Viking live in Riviera Beach? No.
25 Does anybody who has a big company actually live in the city?

1 And they said they met with the -- what did they call them?
2 The -- I can't think of the name now. They call them the -- I
3 don't know. The important people in Riviera Beach. Well, we're
4 the important people in Riviera Beach, we do live here, we do
5 have to face the crime and face other things; we do want
6 something good for this city. So, you know, why do they ask
7 people who don't even live here?

8 Oh, the underground utilities, I thought that was supposed
9 to be in this year. We were going to do the south end first. I
10 thought it was supposed to start this year and be finished by
11 this year. I thought it was supposed to start the beginning of
12 this year, and I haven't seen anything. You approved that and
13 you approved the north end. But of course the north end is
14 going to happen before the south end happens. And I haven't
15 seen anything with the south end. So what happened to that
16 project?

17 Thank you.

18 CHAIR PARDO: Thank you.

19 Okay. Mr. Brown.

20 EXECUTIVE DIRECTOR BROWN: I want to address all those
21 under my director's comments.

22 To Ms. Larson's comments, as it relates to Cafe Hub, I have
23 no idea, that's not a CRA project so we don't know.

24 And when -- like you, when we see code enforcement issues,
25 including our Ambassadors, they are reported to the City for

1 resolution.

2 The date for the Public Market grant is June 2016.

3 And utility burial, that project -- we'll give the Board an
4 update on all of our projects; I think it's planned for either
5 the January or February meeting.

6 Am I on director's comments?

7 CHAIR PARDO: Yes.

8 EXECUTIVE DIRECTOR BROWN: I just want to thank the Board
9 for the difficult decision you made regarding Viking. Contrary
10 to the comments, it's not any impasse with Tony Brown. The
11 impasse that occurred, and the issues that resulted, were
12 brought to your attention timely; the biggest of which was the
13 appropriate ground lease rents for Restaurant Row; and in that
14 regard Viking was relieved.

15 I want to continue to -- I want to offer another thank you
16 to Nat Nason, who has on a number of occasions attempted to
17 mediate. Ms. Miller-Anderson asked, you know, would it have
18 been possible to have had a mediator. Nat Nason stepped up on
19 several occasions.

20 And even most recently, just this week, just yesterday,
21 Warren Newell made extensive attempts to bring the parties
22 together. And I would say largely because of the efforts of our
23 business community is why you received an addendum.

24 And so a big thank you to our business leadership for
25 seeing the importance of this and knowing how difficult of a

1 decision you had to make in order to let Viking know that they
2 were about to present a deal that there was no way anyone up
3 here could support.

4 I want to also thank our consultants who have helped us
5 along the way. Bob Banting, as you know, who has been tireless
6 and timely in doing research was very helpful to us. And
7 Mr. Haygood, who is out for personal reasons, has worked
8 actively to ensure that we bring and made every attempt to bring
9 a plan that we felt reflected direction you gave us in terms of
10 making the parameters of a deal. So I just want to thank you
11 for that.

12 I want to pass around for your review -- we have a whole
13 page that was in Florida Weekly, if you didn't see it. We had
14 our Raise a Roof event, which was more or less an internal event
15 that allowed you to thank our contractors, and subcontractors,
16 and owner's rep, and architects, and others, who have brought
17 this project in still within budget. When I say within budget,
18 that the contingencies that we set aside were set aside for use
19 for possible change orders. And so that has occurred.

20 There have been no reportable incidents, so the
21 subcontractors have been able to work very healthily.

22 And many of you had a chance to sign your name in the
23 rafters of the roof. And, Mr. Thomas, that was the day you were
24 delivering turkeys and Mayor Masters signed your name.

25 COMMISSIONER THOMAS: Oh wow.

1 EXECUTIVE DIRECTOR BROWN: And I stood there to make sure
2 he spelled your name right.

3 So I'll just pass this down for your review. It's just a
4 nice great pictorial.

5 And that concludes my report.

6 CHAIR PARDO: Thank you. Ms. Ryan, do you have anything?

7 MS. RYAN: Thank you for having me this evening. As the
8 executive director stated, Mr. Haygood had a personal emergency
9 that he had to attend to, so I agreed to sit in his stead. I
10 just want to let you know that I've done this in the past,
11 before, and I don't know what legal issues there could be with
12 me sitting in. But I'm here, and I enjoyed it, even though
13 there's still work. I was very quiet.

14 That's it.

15 CHAIR PARDO: Okay. Thank you. All right. Board
16 discussion. I'll start.

17 First of all, I'm sure Viking is not watching us, but I
18 appreciate Viking. I appreciate Viking being in this community.
19 They are a large employer of Riviera Beach residents. You know,
20 they make one of the best yachts in the world. And we are, you
21 know -- at least I am -- very grateful that they chose Riviera
22 Beach to be their repair center.

23 And, you know, like I said, I've tried for years to, you
24 know, get something moving with them but, you know, I hope
25 Viking doesn't take it personally. And, you know, they're not

1 going anywhere, they still own a lot of land, so we will be
2 seeing them. And maybe down the road we'll be able to work
3 something out with them.

4 And I'd like to thank Mr. Brown, you know, I know this was
5 a very difficult decision for you, just like it was for everyone
6 on the council. So, you know, I appreciate you and, you know,
7 the late night calls and just -- I know you were torn over this
8 decision. But at the end of the day we were all torn; and I
9 think we did what was right for the residents of this city.
10 Your staff did a great job, and your consultants. So everyone,
11 be proud of yourselves, we're moving this city forward.

12 And the last thing, for the CRA, thank you for attending
13 the toy drive last Thursday night. I really appreciate you all
14 coming out and donating toys and supporting it.

15 And I know I'm going to see Scott. Scott's going to help
16 me, right, Scott?

17 MR. EVANS: Right.

18 CHAIR PARDO: Saturday morning we're going to start
19 bagging. So, again, you know, thank you to everyone.

20 And please continue to have faith in us. We have your best
21 interests at heart.

22 And tomorrow morning we will all continue working on a new
23 plan, our plan for the marina, and for financing the structures
24 that need to be built there.

25 All right. Mr. Davis.

1 VICE CHAIR DAVIS: Thank you.

2 I just want to reiterate -- focus on that we always have to
3 make the decisions that's in the best interests of our
4 residents, whether they're permanent or temporary. It's this
5 Board's responsibility to work together to do the right thing.
6 And keep that in mind.

7 I'm sure that staff will bring back a good recommendation
8 to figure out how we're going to get to where we're going to get
9 to.

10 I would like to give -- say something real briefly to the
11 Citizens' Task Force. You said it years and years ago, over and
12 over again, about the City redeveloping the marina ourselves.
13 And we've been put in that position over and over again. And
14 for your fights that you've done, that group and those who
15 support that group, I want to just let you know that that did
16 not go unnoticed tonight.

17 This Saturday I'll be having my second monthly family movie
18 night at 7:00 at the Ocean Mall. That's right here in Riviera
19 Beach, as you go over the Singer Island bridge, right in front
20 of Johnny Longboats and Two Drunken Goats. The movie that will
21 be hosted will be called Polar Express. It's at 7:00. We are
22 usually done about 8:45. There will be free popcorn, free
23 drinks for the kids, nice glow sticks.

24 Please don't drop your children off. Make sure that you
25 come with them.

1 It's a great family event. It's focused on family. Come
2 out, bring your chairs, bring your blankets, bring your towels,
3 and just have a nice time. That will be this Saturday at 7:00.

4 We'll have a series of these movies for the next two
5 months, just trying to let the people know that these resources
6 that we have, you need to start participating in them. Because
7 eventually somewhere as we create an anchor for the marina that
8 movie night would potentially be moved over to the marina so we
9 can have a series of events that will get our people engaged in
10 the development, in the process.

11 That will be all.

12 CHAIR PARDO: Mr. Thomas.

13 COMMISSIONER THOMAS: Yes. I just want to let Mr. Haygood
14 know that we are standing with you, pal, and understand that
15 you're going through a tough time and I just want to let you
16 know that you're in our prayers. That's all.

17 CHAIR PARDO: Thank you. Ms. Miller.

18 COMMISSIONER MILLER-ANDERSON: I just wanted to make
19 mention, I did recognize that we had a vacant hotel building on
20 15th Street, off of F Avenue, E Avenue, and it was demolished.
21 So I'm very pleased to hear that. And I'm sure the residents
22 will be very happy to hear that too. Thank you.

23 CHAIR PARDO: Okay. There is no more business. We are
24 adjourned. Thank you, everyone, for staying with us tonight.

25 (Proceedings concluded at 9:05 p.m.)

C E R T I F I C A T E

THE STATE OF FLORIDA)
COUNTY OF PALM BEACH)

I, Claudia Price Witters, Registered Professional Reporter, certify that I was authorized to and did report the foregoing proceedings at the time and place herein stated, and that the foregoing is a true and correct transcription of my stenotype notes taken during said proceedings.

IN WITNESS WHEREOF, I have hereunto set my hand this 22nd day of December, 2015.



CLAUDIA PRICE WITTERS
Registered Professional Reporter