



**Deerfield Beach Community Redevelopment Agency
MEETING MINUTES**

Tuesday, May 29, 2012, 6:30 P.M.
City Commission Chambers, Deerfield Beach City Hall

The meeting was called to order by Chair Noland at 6:30 p.m. on the above date in the City Commission Chambers, City Hall.

ROLL CALL:

Present: Mr. Joseph Miller
Mr. Ben Preston
Vice Chair Bill Ganz
Chair Peggy Noland

Also Present: Burgess Hanson, City Manager
Andrew Maurodis, City Attorney
Ada Graham-Johnson, MMC, City Clerk

Absent: Mr. Martin Popelsky

APPROVAL OF MINUTES

DIGITAL TIME STAMP: 06:30:49

April 24, 2012

MOTION was made by Vice Chair Ganz and seconded by Mr. Miller to approve the April 24, 2012 minutes as submitted.

Voice Vote: YEAS: Mr. Miller, Mr. Preston, Vice Chair Ganz, and Chair Noland. NAYS: None.

APPROVAL OF THE AGENDA

DIGITAL TIME STAMP: 06:30:57

May 29, 2012

MOTION was made by Mr. Miller and seconded by Mr. Preston to approve the May 29, 2012 agenda as submitted.

Voice Vote: YEAS: Mr. Miller, Mr. Preston, Vice Chair Ganz, and Chair Noland. NAYS: None.

GENERAL ITEMS**ITEM 1****DIGITAL TIME STAMP: 6:31:07**

Update on Pier Entrance Facility Construction

Keven Klopp, CRA Director, stated that the project is on schedule and within budget. Mr. Klopp outlined the success of the project, but explained that the Wyndham has requested a start time of 8:00 a.m., although the City's Ordinance provides the ability to start at 7:00 a.m. Therefore, Stiles Construction has tried to limit any noise being generated from the site to 8:00 a.m.; but their subs are allowed to start at 7:00 a.m. He advised that they will try to limit the noise. Mr. Klopp said that besides construction, a restaurateur has to be selected, as well as create an overall management plan for this facility; this facility will be substantially different than the prior facility. The restaurant operator is just one part of the overall management plan that the City will work on as it is not a CRA function. The CRA is not operating the facility, only building it and turning it over to the City.

Thereafter, Mr. Klopp presented a slide show of the renderings of the restaurant and pier under construction, explaining the different views of the facilities.

Chair Noland thanked Stiles Construction for stopping construction during the Memorial Day event.

Mr. Miller said that if they yield to starting construction at 7:00 a.m. it will delay the project; therefore, the construction must start at 7:00 a.m. He further stated that the hotel would be the first to complain that it is taking longer to open as originally proposed.

Mr. Klopp agreed. He said that due to the rain, they did not want to lose time and were debating on making up the time or holding off the contractors; therefore, they decided to stay on track and use every hour possible.

ITEM 2**DIGITAL TIME STAMP: 6:44:45**

Update on Deerfield Beach Pier Restaurant Request for Proposals

Keven Klopp, CRA Director, said that included in the Commission's packet is a summary of items that Staff is seeking consensus on. He said that the RFP is finished with these things being the final inputs; which are policy related type choices that need to be determined. He further stated that there is more detail in the RFP, which he listed. He offered to meet with the board members individually to discuss; but did not feel it was the right thing to do to put this out publicly before the RFP is released. Thereafter, he listed the items for discussion; the restaurant theme in general, the hours of operation, the lease term and renewal options, if alcoholic beverage sales will be allowed, if catering will be allowed, if the tenant will have the right to assign or sub-lease

GENERAL ITEMS - CONTINUED

the facility, who the evaluation committee will consist of, and cost recovery for negotiations.

Description of anticipated theme generally - Mr. Klopp said that this was previously discussed and there was consensus from the very beginning; a family friendly beach fair, concession type operation, providing convenient breakfast and lunch; to go or sit down, but not fancy in anyway. The selective operator would build out the dining area, by putting in their theme with chairs and tables, etc., but the use of the kitchen provided. He asked that the Board advise if there are any expectations more than that.

Chair Noland clarified that they cannot use any paper products other than napkins; no paper plates because it is green.

Mr. Klopp said that it will be a little more upscale than before. He said that the throw away baskets and so forth will probably not be the atmosphere now; there might be trays and dishes. However, this is not intended to be very strict in its approach, but opened to their theme and style, but we do not want to write in there that they have to be a more upscale restaurant.

Mr. Ganz asked if the term reasonably priced is too vague; or is it intentionally that way to not implement too many restrictions.

Mr. Klopp replied yes. He said that to put in price points for the operator was a suggestion, as they are more the experts than we are. He advised that a restaurant expert is on the panel, who has recommended that the CRA see what they are proposing and what research they have done on competition and surrounding price points and so forth to see if they know what they are doing and react thereto; rather than tell them what we expect and have it not be financially feasible.

Chair Noland indicated that Jack Kane, Director of the Culinary Education, Fort Lauderdale Art Institute, is serving on the evaluation committee to provide his expertise.

Hours of Operation - Mr. Klopp stated that the recommended hours of operations should be no earlier than 6:00 a.m. and no later than 5:00 p.m. However, hours beyond that timeframe maybe requested by the selected operator and granted by resolution of the City Commission. The restaurant will be required to be open for business a minimum of 42 hours per week. He further commented that Mr. Popelsky indicated that if the operator asked to remain open longer than the recommended hours, that the City seeks input from the surrounding restaurants before the Commission made a decision, because he does not believe the hours should be additional as it would create competition for the restaurants. Mr. Klopp said that he has spoken with many of the restaurants in the area and they did not believe that competition would be an issue for them.

Chair Noland asked that it be indicated that the restaurant must be opened 365 days a year; holidays etc.

GENERAL ITEMS - CONTINUED

Mr. Klopp clarified that the proposed language does not indicate the restaurant be open 365 days; it indicates that they must be open no less than 42 hours per week, but will revise if that is the consensus of the Board.

There was a brief discussion regarding the hours of operation.

Terms and Renewals - Mr. Klopp stated that Staff is suggesting 10 years with a 5 year renewal at the City's discretion. An option maybe to give the first five (5) year renewal at the restaurateurs request if they meet all performance measures in that first ten (10) years. He asked for input regarding 10 or 15 years.

Chair Noland said that we will get better establishments to submit bids because the investment will be for a longer period of time; due to the decor they will put in. She said she has no issues with the terms.

Vice Chair Ganz said that he initially had a problem with the ten (10) years because he thought it was too long; but with the explanation that was given, it does make sense; however, we must be more careful in our selection process.

Chair Noland said that it must be well written; whereby, if there are any problems with the establishment, we have the right to evict them.

In response to Vice Chair Ganz's question regarding terminating a lease; Andrew Maurodis, CRA Attorney, replied that if you would like the ability to terminate the lease short of 10 years, a very definitive standard is needed as it is very tough and you are almost guaranteeing litigation. Thereafter, he briefly outlined what could be enforced and what could be considered a breach in the agreement. He explained that you will need a definitive standard.

Discussion pursued regarding the instances in which a lease can be terminated. It was stated that the language must be clear to terminate a lease if needed.

Mr. Maurodis said that a 10 year lease may not be considered a long term restaurant lease. Also, with the option to renew being at the City's discretion, that is very powerful. For a restaurateur, this is very attractive as the location is on the Atlantic Ocean; and with the funds they are putting in, they will generally want to be there more than 10 years. Normally, standard commercial leases are drafted that the options are at the tenants' desire; and they can exercise unless they are in breach of the agreement. However, the City is turning this around, and we do not want to give the hope that if they are not measuring up and we are receiving complaints, than in two (2) years the lease is terminated. That will be very difficult.

In response to Mr. Miller's question regarding reasonable price, Mr. Maurodis replied that in the final lease, they will include business points for cost recovery so that we can

GENERAL ITEMS - CONTINUED

retain a commercial lawyer who specializes in restaurant leases to provide flexibility on being able to enforce these types of issues.

Mr. Miller said that mostly kids and fishermen will go to this restaurant; and commented on an affordable price. He asked that staff consider language to this affect to let the restaurant owner know that they are not in competition with the nearby restaurants, Ocean's 234 or JB's.

Mr. Hanson left the meeting temporarily, 7:05 p.m.

Mr. Preston said that there should be some association to reasonable prices, it is so subjective in nature that the price can consistently escalate; therefore, there should be something to indicate what reasonable price is. He further commented on the lease term. He asked if we grant the 10 year lease and in five (5) years, the City evaluates the company and if satisfactory, then grant the additional five (5) years.

Mr. Maurodis clarified that Mr. Preston is requesting a five (5) year lease with five (5) renewable.

Chair Noland expressed concerns regarding the expense of someone coming in and investing the money and knowing that it is for only five (5) years. She commented that they have to furnish the restaurant and not being able to remain in the lease for 10 years is a concern.

Mr. Preston provided instances whereby the City may not be pleased with the restaurant owner and therefore, will be stuck with them for an additional five (5) years. He reemphasized that he would like to have a formal review of the performance of the owners prior to granting them an additional five (5) years; 10 years.

Mr. Hanson returned to the meeting.

Mr. Klopp said that we anticipate annual performance reviews. He said that in the RFP as it is currently written that the reviews are based on patron feedback, surveys, consumer reviews, food and lodging inspection results, conforming to the restaurateur's requirements in the lease and RFP, and others. He further commented on the concerns mentioned when it was Kelly's. In reviewing what was going on then, there was a contract with a lot of future contingencies about what could be. Thus, the existing operator had no stake in the existing facility, but was focused on the bigger facility that was promised for the future. This caused them to not make a good effort with the existing facility; this will be completely different. The new owner will want to succeed in the beginning and will appreciate the City's feedback as to what is not going well and what needs to be improved. He said that a five (5) year lease will not get us the proposals; but instead someone with a bare bones operation. He reiterated that the lease will be 10 years, with an annual evaluation.

GENERAL ITEMS - CONTINUED

Mr. Miller commented on the upkeep of the restaurant in the back area, and emphasized having a sanitary place; it needs to be excellent and not have issues with rodents, etc. He asked how the City can ensure that the facility meets top standards and sanitation.

Mr. Klopp said that there is an area where we can rely on John Kane on health and safety.

Mr. Miller said that the health and safety, and sanitary is all in one.

Chair Noland asked when the bait house and restrooms are complete, and the City sprays the property, is that included in the restaurant or are they responsible for their own.

Mr. Klopp said that it is their responsibility.

Vice Chair Ganz said that he thought the lease of 10 years is too long, but after Mr. Klopp explained it, he agreed that we do not want to handicap ourselves and not get the best applicant. He asked that Mr. Klopp provide the parameters for the annual review that he previously referenced to the Board.

Mr. Klopp explained why the Board was not provided the information that he referenced; having the full document, 20 pages, would not be productive as there are many components that would be viewed differently by each member.

Mr. Maurodis said that the intent was to arrive at a set of major business points to allow a fair comparison; notwithstanding, attaching the lease was considered. He said that performance evaluations are great, but that will be a cooperative measure.

Vice Chair Ganz said that it is his understanding that they did not want the Board to nitpick through the fine print, but to provide general direction; which he did not agree with. He said that we would not have asked certain questions if that information was provided.

Chair Noland asked if Mr. Klopp intended to provide the Board with the referenced information prior to them making the final decision.

Mr. Klopp replied yes. He said that they did not intend to finalize it. He said that there are a lot of interested restaurateurs and was not sure if the Board wanted this publicly distributed before it is available to everyone.

A brief discussion was held regarding the document being a public document.

Mr. Ganz expressed concerns with someone from outside the City being on the Board that might not have to follow the rules and regulations and may or may not have

GENERAL ITEMS - CONTINUED

connections or affiliations with someone who may be coming in to bid. He asked if that is a legal concern.

Mr. Maurodis said that it was not a concern for him.

Vice Chair Ganz said that it is not about Mr. Kane, but about bringing in someone who is established in the restaurant industry, which may or may not have connections, who may be an authority, but does not have the legal obligation.

Chair Noland asked if Mr. Kane can sign something that says he has disclosed his relationships.

Vice Chair Ganz said that he has already been a part of the process and has provided feedback and input which is a concern. He said that this is not a reflection on Mr. Kane, it is in generality; it could be anyone on there.

Mr. Klopp explained how Mr. Kane became involved. We had considered hiring a consultant and explained that he put out a request to restaurant associations, universities, culinary schools, etc. and received a reply from two (2) entities; Broward College who offered students to work on it and Mr. Kane who offered, as he is fairly new to the area, and wanted to help. He also asked that he be able to use the experience as a case study for his students.

Mr. Preston commented on people having access to information that the Board does not. He said that this Board is at somewhat of a disadvantage in this instance; he said that he is challenged with that.

Mr. Miller commented on an attorney being hired in this area.

Mr. Klopp replied yes, for cost recovery.

Burgess Hanson, City Manager, stated that he will speak with Mr. Klopp and set up a special meeting with the full lease for the Board's review.

Mr. Maurodis said that we can reverse the order, retain the commercial lawyer, someone with expertise in the restaurant area. They can still work with the Board, but there will not be any conflict issues because they are Bar Members. We will flush out the points, address cost recovery, and whatever the lawyer is paid, charge to the successful bidder.

Mr. Hanson agreed with using Mr. Kane or someone like him to avoid any pitfalls. He said that Mr. Kane has been an asset to this situation and does not think there are any issues with withholding or not providing the details. He said this was to avoid any advantage local restaurants may get; nonetheless, we understand the Board's input as the decision maker.

GENERAL ITEMS - CONTINUED

Mr. Maurodis briefly outlined the direction in which Staff was headed but will change at the desire of the Board.

Vice Chair Ganz suggested that Mr. Kane sign a confidentiality agreement to protect the City. He further commented on the judgment call that excluded the Board from the fine points and the inclusion of Mr. Kane. He said that the Board should have been explained that the information was prepared but was not for public.

Mr. Klopp said that it was not intended that way, the report that was distributed reads; "has been prepared and is ready to be sent out". He said that in talking to the Board individually, he thought he explained that there were a few final points that Staff wanted input on.

Vice Chair Ganz said that when he met with him, it was about a general business direction and that they were ready to get going, but would have a say on the fine points; and not that the fine points would not be discussed until they got into it. He reiterated his concerns with how this was handled.

Chair Noland concurred with Vice Chair Ganz. She said that she thought we were just getting started and was not aware that the RFP was already done and these were just fine points. She said that the City has gotten disappointed too many times from RFPs. She suggested that we go over what is here tonight and review the finished product.

Mr. Klopp said that the RFP is extremely detailed and if there is a disagreement with one detail, it can delay it for going out. He asked if there will be a vote or discussion only.

Chair Noland said for discussion.

Mr. Maurodis said that the Board will discuss it and then approve the RFP to go out in a particular form; this may require discussion of several business points. If not, it will be presented, comments will be made, and Staff will have to determine which. Mr. Maurodis suggested providing a lease that highlights all the business points. He said the best way to approach this is to present the full document, obtain Board approval to send it out.

Chair Noland asked if the Board should individually meet with Staff to comment on the RFP.

Mr. Ganz said that he is not trying to micromanage, but he is responsible for making the decision. He asked that it be explained why the decision was made, as he is not an expert in this area.

Mr. Miller said that it is not unreasonable for the Board to see the final product, then discuss it before it goes out.

GENERAL ITEMS - CONTINUED

Mr. Hanson suggested meeting individually with the Board members, as it is comprehensive.

There was a brief discussion regarding reviewing the information and finalizing it publicly.

It was the Board's consensus to finalize everything publicly.

Vice Chair Ganz said that meeting individually is not about trying to conceal what is going on or avoiding transparency, but to have fairness in the process.

Sale of Beer and Wine - Mr. Klopp suggested that the RFP allow the sale of beer and wine, but that consumption is limited to the seating area only.

A brief discussion pursued regarding the patrons leaving the establishment with an open container.

Chair Noland explained that any beverages will be provided in a glass or cup, not a can.

Catering - Mr. Klopp said that catering is a possibility. He said that Mr. Kane suggested that it be included in the RFP as it is a way to generate revenue. Mr. Klopp asked if the Board objected to catering being in the RFP; if not, it may be opened to a challenge in the future as someone may say that the business is going to that restaurant and someone who did not get the contract can say that they did not know there was going to be catering. Some of the ideas are that catering of special or reserved events will only be allowed during times that the restaurant is not opened to the public. The upper deck is not anticipated to be open later in the evening which may be the time available for reservations. He asked if it should be included in this RFP.

Chair Noland said that she has no objection to the owner being able to cater.

Mr. Miller said he has no objection.

Vice Chair Ganz asked if we are talking about meetings, weddings, etc., could it be anything.

Mr. Klopp replied yes; similar to what we are doing now.

Vice Chair Ganz asked if we would have restrictions on time and occupancy. He outlined the issues that could cause a problem if catering is allowed; and listed the pros and cons. He said that the area is somewhat small and commented on having multiple events. He asked if this will create a problem.

Mr. Miller said that if someone in the industry recognized it as an opportunity; nevertheless, there may be constraints. He also commented on use of the restrooms.

GENERAL ITEMS - CONTINUED

Chair Noland clarified that they are only referencing the public deck and not the restaurant.

Mr. Miller asked if the public would be allowed to go on the deck anytime.

Mr. Klopp replied no, not 24/7. Mr. Klopp asked that the Board advise if they would like to allow catering or not so that it can be included in the RFP.

Vice Chair Ganz recommended that catering is decided prior to issuing the RFP and if not, to consider it at a later date and discuss right of first refusal to the restaurant.

A brief discussion pursued regarding catering and whether if it should be included in the RFP.

Chair Noland said that the restaurant will not allow someone else to come in and use their equipment to cater. She explained how the restaurateur will take care of the restaurant knowing it is solely used by them. She suggested that it be given to the restaurant if allowed.

Mr. Miller agreed with Chair Noland.

Mr. Preston suggested that we determine what problems we can have with catering and eliminate it in the RFP. He said that he does not object to catering but desires to eliminate the potential problems and to provide guidelines.

Chair Noland suggested have it written up as to if rented; she also asked if they will be allowed to bring in their own food, but not be allowed to use the kitchen. She said that we have other restaurants in the surrounding areas that may want to use the area/deck for catering.

Vice Chair Ganz said that the general thought is that catering will be allowed, which he supports; as long as the pitfalls are determined.

Mr. Klopp said that the RFP should state that catering on the upper deck is a possibility, but there is no guarantee or exclusivity.

Mr. Maurodis said that it basically reserves the City's right to contract; it will be carved out that the City will continue to operate the catering.

Assignment and subletting - Mr. Klopp said that there will be no assignment of the lease or subletting; whoever gets the lease has to run it.

Evaluation Committee - Mr. Klopp clarified that the confidentiality agreement for Mr. Kane would only last until a release was signed and then he could use it for his class.

GENERAL ITEMS - CONTINUED

Thereafter, he listed others that will serve on the Evaluation Committee; Dave Santucci, Purchasing Manager, is an ad hoc member, but is not a voting member.

Mr. Ganz commented on local vendors' preference that was requested by the CRA Board. He asked if this was a caveat here.

Mr. Klopp said that local vendor preference does apply, but only to the points granted by the evaluation committee.

Cost Recovery/representation during lease negotiations - Mr. Klopp clarified that the Board agrees that outside expertise is necessary in negotiating the final lease.

ITEM 3**DIGITAL TIME STAMP: 7:49:00****Update on Cove Parking Lot Maintenance**

Kris Mory, CRA Coordinator, stated that after the previous discussion, Staff asked that the CRA Attorney confer with Heather Espinosa, Attorney, Nabors, Giblin, & Nickerson, who specializes in the creation of special assessment for this activity. Ms. Mory outlined the recommendations made by Ms. Espinosa. However, due to the uniqueness of this parking lot, additional study is required; the portion used by the public has to be maintained by the City continually. She further recommended a parking study be done and explained what the study will entail; which information will be used to determine what parking spaces are used for the businesses. Additionally, this can be clearly documented to be business related which will be the basis for the formula used to come up with the assessment. She further stated that staff is putting together a scope of services with Chen Moore and Associates to prepare the study; and must be paid by the City, since it will be turned over to the City for maintenance.

Chair Noland said that the Board just extended maintenance payments until June.

Ms. Mory explained that they anticipate running out of maintenance monies; but will report back to the Board in June or July to request a budget transfer from another source to carry on for the remaining fiscal year.

Burgess Hanson, City Manager, explained that he is also including funds from the General Fund Budget in the upcoming budget, from Parks & Recreation, until a final decision is made.

Mr. Miller commented on the public going over the bridge to the beach and every other beach parking has a meter and that it appears that we are maintaining free beach parking at the Cove mostly on the weekends. He asked if the fee will be divided between the City and tenants for the maintenance.

Ms. Mory replied that is correct. She also stated that the Urban Land Institute, Technical Advisory Panel, recommended that we provide a parking study to understand what we have and what is being used.

GENERAL ITEMS - CONTINUED

Chair Noland clarified that the study will be done first and then come back with other recommendations, such as the CAM.

ITEM 4**DIGITAL TIME STAMP:****Presentation of Green Market Summary Report**

Kris Mory, CRA Coordinator, provided a brief update of the 2011/2012 Green Market. She said that the Cultural Committee is to be commended for the amount of time they put into the market. The CRA approved up to \$10,000 to be paid to the Cultural Committee.

Ms. Mory referenced the financial summary for the market, which outlined a net loss of \$6,748.09. Since the Cultural Committee is an extension of the City and is not allowed to profit from CRA funds, transfer funds from the CRA to the Cultural Committee's account, which clears the CRA's obligation to pay for the Cultural Committee. Additionally, she commented on the soft costs; the Parks & Recreation Staff spent time supporting the Cultural Committee, administratively, processing payments, set up, etc. She outlined direct costs for the CRA; towing vehicles out of the area.

Vice Chair Ganz said that it is imperative to keep track of the soft cost. He also requested the economic impact in the area, in the future. He said that he hopes that we will be able to do comparisons, once there is historical data, to measure the hard and soft costs which will provide a better decision making process.

Chair Noland commented on the hours of operation and having the market on the first and third Sunday so that it is consistent, with times being from 9 AM - 2 PM. She further commented that she received direct feedback from the vendors and they agreed to come back next year.

Mr. Miller said that this was driven by the Cultural Committee with the help of the City. He said that he believes there was a misunderstanding about the revenues; as the Cultural Committee thought that if they generated revenue, those funds could be used for scholarships. He said that he was told they could not; nevertheless, there may be hurt feelings about this. He asked for clarification.

Ms. Mory said she advised those members that she heard speak about using the funds for scholarships that this is not an allowable expenditure for these funds. CRA funds have to be spent geographically in the CRA for Board approved items. Additionally, Ms. Mory said that when funds were originally approved for the Cultural Committee, it was the hope that the market would become self sustaining. If the Cultural Committee had indicated that they wanted to operate it again next year, the funds could have been rolled into the Green Market for next year. Apparently, they had a meeting and voted to not operate the market next year. The CRA cannot give them that balance just to have. However, the Cultural Committee can come back and ask the Board for event funds that are consistent with special event goals.

GENERAL ITEMS - CONTINUED

Mr. Miller asked if we can bring it in-house.

Chair Noland said that there maybe some of the members that will be willing to help other volunteers that come in. She asked if they made a \$20,000 profit, would the Committee be able to keep the money.

Keven Klopp, CRA Director, said that they are, just as the CRA, is a City entity; therefore, the general fund would keep the money; not the CRA.

Mr. Miller said that we must consider that we may or may not have volunteers; if not, should it be a CRA function. Although, they would like to give others the opportunity to serve, they may not step up. He said that the market's future looks hazy.

Chair Noland said various groups are attempting to get together, i.e. Kiwanis, Rotary, Historical Society, and other civic associations working together as a whole.

Vice Chair Ganz said that with the groups working within the confines of the City; he suggested that the City make sure to manage expectations, misinformation, as well as to clarify the rules and what is or is not allowed early on.

Burgess Hanson, City Manager, concurred with Vice Chair Ganz. He said that there must be an upfront understanding of the City's involvement. The Cultural Committee worked hard; notwithstanding, City Staff also helped but we will be cutting back on staff next year, as other community events will need greater support.

ITEM 5**DIGITAL TIME STAMP: 8:06:28****Discussion regarding CRA Fiscal Year 2013 Budget**

Kris Mory, CRA Coordinator, briefly outlined the CRA Fiscal Year 2013 Budget presentation. She said that Staff was directed to begin researching the feasibility of financing future projects in order to expedite implementation. The CRA currently has \$5.2 million of outstanding debt for Hillsboro Boulevard and \$1.9 million for the Ocean Way Project; combined, they result in annual debt service of \$685,400. These funds can be restructured, Hillsboro project in July 2013, and Ocean Way December 2013. She further commented on the amortization period is becoming shorter and the maximum amortization is 15 years, because the CRA will sunset in 2029.

Continuing, Ms. Mory outlined two (2) options, bonding and a private bank loan; as well as outlined the pros and cons of bonding. She said because bonds take more time to consummate and are more expensive we are leaning toward a bank loan that can be secured with the promise of future tax increment revenue; this can be done fairly quickly. Also, given the current tax increment revenue, the CRA can finance approximately \$6 million in debt which will resolve approximately \$1 million in annual debt service which is safely supported with the current tax increment revenue. She further recommended hiring a financial adviser to research rates; strategize on the bank loan, and advising the CRA on how to put the deal together. The City is also looking at

GENERAL ITEMS - CONTINUED

bonding and it is likely that there can be economies of scale by hiring the same finance director to structure the deal for the CRA and the City. She suggested that the Board specify projects to be undertaken with the \$6 million loan; as well as recommended that the financial advisor be secured through a Request for Qualifications process. Ms. Mory said that this type of financing is quite small for a public issuance. Therefore, they anticipate the financial advisor's fee not exceeding \$25,000; which cost will be shared with the City and CRA.

Chair Noland said that during the last meeting, the Board agreed to have Staff to advise of the best avenue. She said she does not object if the City wishes to go this route.

Vice Chair Ganz clarified that the financial advisor will not receive the end work.

Ms. Mory said that their services are negotiated fees and outlined upfront.

Vice Chair Ganz said that in the past, people have been asked for recommendations and thought that they should get the work; and provided a past experience.

Ms. Mory said that the financial advisors will be recommended from organizations like the Florida League of Cities.

In response to Vice Chair Ganz's question, Ms. Mory replied that the financial advisor is paid through their commission (s/b fee), and does not profit from the end deal.

Vice Chair Ganz clarified that they are paid for the service provided, but not the work created for another outside entity.

Mr. Preston said that it is hard for him to understand why City Staff cannot perform some of these tasks and has to outsource.

Ms. Mory said that this particular type of financing is very specialized. We are operating in very unstable economic times, where markets widely fluctuate. She said that they are hoping that this person has experience with municipal markets, private bank financing and watches the market; which is their area of expertise. Notwithstanding, the City's Finance Director is exceptional at what he does, but does not focus on this area; thus, having a knowledgeable advisor is worth the investment when considering the amount of money being borrowed.

Mr. Preston said that whatever the advisor is paid to do, he hopes that it is successful so that the City does not suffer later on.

Mr. Hanson said that Hugh Dunkley, Finance Director, suggested that we consider an outside expert in this area.

Mr. Miller questioned whether to go in debt or not. He said he understands the obvious reasons, but to go in debt just because money is cheap is not enough of a reason.

GENERAL ITEMS - CONTINUED

Andrew Maurodis, CRA Attorney, left the meeting temporarily.

Chair Noland referenced the last meeting and why we decided to go into debt; the counties/states are taking monies away, but if you are financed, they do not want it. Additionally, she said that there is no money left.

Vice Chair Ganz referenced the April Meeting Minutes regarding discussion on this issue; another entity with the County or State would not want to take over bond debt. It is a strategy to keep the CRA under City control by issuing debt, no other agency would want to take it over and if they did, they have to assume the debt.

Mr. Maurodis returned to the meeting.

Continuing, Vice Chair Ganz said that 1) this is a proactive measure to ensure that the CRA remains intact and 2) it gives the CRA a good bang for our buck and to get more at a cheaper rate. He said that he gets nervous about bonding out money that is coming, and suggested going this route.

Mr. Miller commented on good stewardship.

Chair Noland asked that Ms. Mory look into what other cities have gone into public/private partnerships to generate tax revenue.

Mr. Miller said that he is in favor of the advisor.

ITEM 6**DIGITAL TIME STAMP: 8:21:59**

Discussion regarding upcoming CRA Board Meeting Schedule

Keven Klopp, CRA Director, opened the floor for discussion regarding the scheduling of meetings for the months of June, July, and August.

It was the consensus of the Commission to meet on June 11, 2012 at 6:30 p.m., July 10th at 6:00 p.m. The August CRA meeting will be held on August 28th, cancelling August 14th.

BOARD/ADMINISTRATION COMMENTS

No Reports.

PUBLIC INPUT

Observation Deck - Rita Masi, 19th Avenue, Deerfield Beach, said that it was her understanding that at the pier, there would be a double-decker, open air pavilion and the public would be allowed to sit on the deck. However, based on tonight's comments, it would be the second floor of the restaurant.

PUBLIC INPUT - CONTINUED

Chair Noland said that it is open to the public. If you buy your food downstairs, you can take it upstairs.

Keven Klopp, CRA Director, provided a photograph and highlighted the decks that are opened to the public. The restaurant lease will only include the inside of the building and not the outdoor seating. He further explained how the catering area would be used; and when there is a catered event, it will not be open to the public.

Chair Noland explained that the upper deck will not be opened 24 hours.

Ms. Masi said that it should be open till at least 11:00 p.m.

Mr. Hanson explained the reason why the deck will have certain hours of operations; specifically safety reasons.

Chair Noland said that the lights cannot be on during turtle season.

Mr. Klopp explained that the entire area had to be turtle compliant year round; thus, there will not be substantial lighting.

Ms. Masi further commented on the restaurant closing at 5:00 p.m. She said that the lifeguards are opened until 7:00 p.m.; therefore, it should be opened for dinner.

Chair Noland agreed that the restaurant should be opened later.

Vice Chair Ganz said that he does not object to it being open later.

Ms. Masi said that she thought the previous agreement for restaurant hours was 7 - 11.

ADJOURNMENT

There being no further business, the meeting adjourned at 8:35 p.m.

PEGGY NOLAND, CRA CHAIR

ATTEST:

ADA GRAHAM-JOHNSON, MMC, CITY CLERK