

**GREATER BOCA RATON BEACH & PARK DISTRICT**  
**MINUTES OF A SPECIAL MEETING OF THE BOARD OF COMMISSIONERS**  
**SUGAR SAND PARK - 300 SOUTH MILITARY TRAIL, BOCA RATON**  
**February 13, 2017**

The MEETING was called to order by CHAIRMAN Robert K. Rollins, Jr. at approximately 5:15 p.m.

**COMMISSIONERS PRESENT:** Craig F. Ehrnst  
Steven M. Engel  
Robert K. Rollins, Jr.  
Susan Vogelgesang  
Erin A. Wright

**CHANGES TO AGENDA:** - None

**PUBLIC REQUESTS:**

Mr. John Dalton

6200 NW 2<sup>nd</sup> Avenue, Boca Raton

Mr. Dalton, a Boca Teeca resident since 1995, gave a brief history of the various owners of the Ocean Breeze Golf Course. He looks forward once again to playing on the 27-hole course, commenting that "I won't have to keep my golf clubs in the trunk of my car; I'll just walk down the street."

Mr. Don Huber

360 NW 67<sup>th</sup> Street, Boca Raton

Mr. Huber is a long-time Boca Raton resident residing in San DeVance which is located at the northern end of the Ocean Breeze Golf Course property. He represents the Ocean Breeze Golf & Tennis Club Neighborhood Association (the "Association") consisting of 1,700 residential property owners in the Boca Teeca area. The mission of the Association is to enforce the existing Restrictive Deed Covenant which states that the golf course property is to remain a golf course in perpetuity. A lawsuit is in the process of being drafted and filed against Wells Fargo and Reduc LLC for violating the restrictive deed covenants; a lien will be placed on the property. Damages that have accrued will be assessed and adjudicated. The Association is not opposed to the District's plan to consider owning the property. He expressed concern over the purchase price being considered by the District.

Mr. Harold Chaffee

6200 NW 2<sup>nd</sup> Avenue, Boca Raton

Mr. Chaffee, President of Keep Golf in Boca, thanked the Board and the City for all of their efforts regarding the acquisition of the Ocean Breeze Golf Course; he hopes that the process is near completion. He commented that "this golf course will be the legacy we leave for our children and for generations to come".

*No further Public Commentary was received*

**PURPOSE:**

The purpose of the meeting is to discuss the acquisition of the Ocean Breeze Golf Course property.

Mr. Arthur C. Koski, Executive Director responded to the five questions posed by Deputy City Manager George Brown in an e-mail dated December 1, 2016. He noted that the District obtained outside counsel to assist with issues relative to eminent domain proceedings to acquire the Ocean Breeze property.

**Question #1** - *Will the District consider/undertake eminent domain proceedings in order to acquire the Ocean Breeze Golf Course (assuming the City Council's concurrence or referendum approval, as required by the District's Enabling Legislation)?*

**Response:**

The District has a power of eminent domain; however, the power is limited to the acquisition by eminent domain of recreational property. Outside counsel has concluded and advised that the District would not have eminent domain authority to acquire the hotel site, or the property that is appurtenant to the hotel. Since the acquisition of the hotel property is instrumental to the overall success of the 27-hole golf facility, Mr. Koski concluded that the District should pursue a Purchase and Sale Agreement to acquire the property directly from Lennar Homes without any conditions attached whatsoever.

Discussion focused on the issue of the value of the property. During the exchange process, a variety of appraisals were performed on the Ocean Breeze property that ranged from \$7 million to a high end appraisal of \$33 Million. Based upon the information that the District received from outside counsel, and given the variation of the prices of the appraisal valuations and the fact that the ultimate decision on the actual price to be paid under an eminent domain would be one that would be determined by a jury, it became quite apparent that if the District went the eminent domain route, the cost could exceed \$20 million without the hotel portion and appurtenant property. The District is not eligible to acquire this property through a "quick taking". The conclusion reached is that eminent domain is not the most prudent approach for the acquisition of the property.

**Question #2** - *If the District proceeds with the acquisition, would the District also seek to acquire the Inn/Social Center parcel (That parcel is not presently included in Lennar's proposal for purchase of the City's golf course in exchange for Ocean Breeze)?*

**Response:** Yes, the District would seek to acquire the Inn/Social Center parcels. It is an essential part of making this project a success.

**Question #3** - *If the District proceeds with acquisition (either directly or through the City), is the District able to acquire and operate the Ocean Breeze Golf Course within its existing budget and millage?*

**Response:** Yes, based upon a financial analysis performed by the District's Financial Advisor, Mr. Merv Timberlake.

**Question #4** – Will existing budgeted programs be maintained or will it be necessary to reallocate District funds in order to acquire/operate the Ocean Breeze Golf Course?

**Response:** No, it will not be necessary for the District to reallocate District funds for other projects. In fact, the District would like to receive consent from the City Council to develop construction drawings for DeHoernle Park Phase II.

**Question #5** – Does the District have financial projections for the potential Greg Norman Golf Academy operation discussed in your letter of November 16, 2016?

No, currently negotiations are continuing with Greg Norman.

It was determined that the Ocean Breeze Golf Course would fit into a program that had an affiliation with Greg Norman. It is extremely difficult at this time to financially quantify the relationship, although the result will be positive.

Mr. Koski stated that the one thing Greg Norman felt was lacking at his facility in South Carolina was an on-site hotel. It has been represented to the District that a hotel chain may be willing to construct “at their expense” a hotel on the Ocean Breeze site.

**Acquisition:**

Mr. Koski stated that he a received a Purchase and Sale Agreement from Lennar Homes for the purchase of the entire Ocean Breeze property. It is an unconditional agreement, and not in any way conditioned upon the outcome of the sale of the City Municipal Golf Course [if Lennar is not the top bidder, the District can still purchase the Ocean Breeze property from Lennar]. The purchase price is \$24 million. The contract will have due diligence provisions and customary title insurance, presentations and warranties. Some edits are necessary relating to timing. Under its Enabling Legislation, the District does need the concurrence of the Boca Raton City Council to acquire the property.

The District will operate the property as a golf course and pro formas will be prepared to justify its operation. City staff concurs that the course can be profitable and that the Greg Norman affiliation will add to the success and revenue stream.

**Valuation:**

Mr. Koski stated that the 132 acre Sugar Sand Park property was acquired in 1988 for \$18 million. It would be difficult to put an accurate price on the worth of Sugar Sand Park today; but to the community the land and improvements are immeasurable. The same thought process applies to the 200 acres at Ocean Breeze.

Mr. Koski explained that the City of Boca Raton and this District are two separate entities, separated by law. No one should think that simply giving Lennar \$24 million gives them the opportunity to increase their bid for the Municipal Golf Course - that is not the case. A great deal of the money that is going to Lennar under the Purchase and Sale Agreement has to go to Wells

Fargo. Wells Fargo is on record in a letter to the City stating that the \$10 million that was part of the exchange is less than the amount of money that Lennar has to pay to Wells Fargo.

Mr. Koski stated that consideration should be given to what the property is worth to the community [200+ acres of open space/golf course, in addition to other amenities that could be put on the property]. In his opinion, he does not feel that the District is overpaying for the property as the property could be developed as a feature that will gain reputation throughout the country as one of the finest public golf facilities and recreational amenities in the U.S.

Mr. Koski recommends and requested that the Board consider the following **MOTION**:

**MOTION** was made by Commissioner Vogelgesang and seconded by Commissioner Engel to direct the Chairman to reply to the e-mail from Deputy Director George Brown dated December 1, 2016 that the District has evaluated the issues presented in the City's e-mail and requests the City's concurrence and support for the District to purchase the Ocean Breeze property for \$24 million.

*Discussion:*

Commissioner Vogelgesang inquired about securing financing for the acquisition.

Mr. Koski responded that he has been advised by Boca Raton City Manager, Leif Ahnell that the standard customary method that the District uses for obtaining funds for acquisitions of this type will be through an interlocal agreement. A draft of the interlocal agreement for the acquisition will be available for presentation at the joint City/District meeting scheduled for February 28<sup>th</sup>.

Commissioner Engel asked if the District looked into the cost to renovate the Ocean Breeze property.

Mr. Koski, who is also a professional civil engineer in the State of Florida since 1971, stated that he contacted the National Association of Golf Course Builders in Nebraska and obtained various necessary information. He reviewed the information with the Greg Norman Group after they visited the property, and everyone concurred that there is no need to "move dirt" or "reshape" the golf course; the layout of the 27 holes can remain "as is". The cost to renovate the course is estimated to be between \$8 to \$12 million which will include: a total re-do of all the "T" boxes and fairways; redoing all of the greens and sand traps; providing new cart paths and new landscaping. The planning process is estimated to take 15-18 months. The existing inn/social center, maintenance buildings, restroom areas and Pro Shop will all be demolished and rebuilt.

Commissioner Wright stated that one of her main concerns is parking and the morning and evening rush hour traffic on NW 2<sup>nd</sup> Avenue.

Mr. Koski offered that a tunnel underneath NW 2<sup>nd</sup> Avenue from the north side to the east side is a consideration as it would eliminate a great deal of the traffic and safety concerns.

Commissioner Vogelgesang asked about maintenance costs and if Greg Norman would be paying the District a flat fee.

Mr. Koski responded that negotiations are currently on-going with the Greg Norman Group, but most likely it would be a licensing agreement with Mr. Norman. Maintenance costs would be similar to those at the Municipal golf Course.

Commissioner Ehrnst asked if the community at Boca Teeca is ready to step up and help with any deed restrictions that may be needed to facilitate the vision outlined.

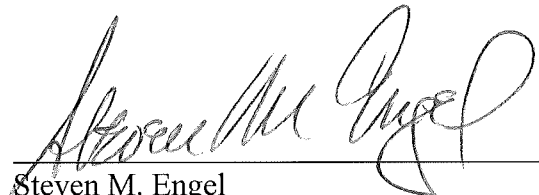
Mr. Koski advised that the Declaration of Restrictions of the Boca Teeca Country Club that were filed in September 1974, speaks to the land being utilized as a golf course facility. As long as the District intends to create this as a golf course facility, there will not be any objections from the Boca Teeca residents. In addition, the hotel site is a separate site which has the approved designation of a hotel.

**MOTION UNANIMOUSLY APPROVED**

**ADJOURNMENT:**

The meeting adjourned at 6:15 p.m.

  
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Susan Vogelgesang Secretary-Treasurer

  
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Steven M. Engel