

GREATER BOCA RATON BEACH & PARK DISTRICT
MINUTES OF A REGULAR MEETING OF THE BOARD OF COMMISSIONERS
SUGAR SAND PARK - 300 SOUTH MILITARY TRAIL, BOCA RATON
May 22, 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:

Robert DuKate - 5351 NW 3rd Terrace, Boca Raton

Mr. DuKate commented on the excellent Ocean Breeze presentation given by Mr. Koski at the joint City/District meeting on May 8. He thanked him for the opportunity to allow residents to have input in the project

Tom Thayer - 4821 N. Dixie Highway, Boca Raton

Mr. Thayer made several suggestions for Board consideration: 1) Board meetings should be held in an open public forum format; 2) the Board should pattern its new offices similar to those of the Lake Worth Drainage District building in Delray Beach; and 3) the District should hire a "tech guru" to keep its website current. Referencing the May 8th joint City/District meeting, he felt that the appraisals were not disclosed to the public. In his opinion, the District should deal directly with Wells Fargo, otherwise it appears that Lennar is making a \$7 million profit from the sale.

Chairman Rollins advised that Ocean Breeze appraisals have been discussed at District Board meetings over the past several months; it is not a secret. There is complete transparency and disclosure on the part of the District. The price has been established by the seller, Lennar, on a "take it or leave basis".

Harold Chaffee - 6200 NW 2nd Avenue, Boca Raton

Mr. Chaffee commended the Board for all of the great things they do in the community; the credit usually goes to the City. He stated that Lennar has control over the Ocean Breeze property and Wells Fargo will not negotiate; they have a non-disclosure. Lennar could easily purchase the property and do nothing with it for a long period time, or they could buy 50% of the resident vote which would allow them to develop the property. Although one thousand Boca Teeca residents voted not to lift the deed restrictions, there are still approximately 600-800 residents who did not sign anything. If not for the deed restriction, the property would be worth over \$100 million.

APPROVAL OF MINUTES OF PREVIOUS BOARD MEETINGS:

MOTION was made by Commissioner Engel and seconded by Commissioner Vogelgesang to approve the minutes of the regular meeting held on May 1, 2017, and the joint City/District meeting held on May 8, 2017.

MOTION UNANIMOUSLY APPROVED

REGULAR BUSINESS:

1. Ocean Breeze

(a) Contract Execution

Mr. Arthur C. Koski, District Executive Director furnished an Agreement for the Purchase and Sale of the Ocean Breeze Property. He proceeded to explain the entirety of the agreement. The property will be sold to the District by Redus (a subsidiary of Wells Fargo). Redus will issue the deed to the District. Further negotiations with Lennar gives the District an option for three, thirty day extensions from October 27, 2017 to close [conceivably the closing could be extended to January 27, 2018]. The District is not obligated to close on the transaction unless the following conditions precedent are satisfied:

1. The District must receive written consent from the City to purchase the property.
2. There is an executed interlocal agreement between the City and the District whereby the City will provide closing funds to the District with a method of repayment by the District over a period of time. The interlocal agreement will be subject to the mutual agreement and consent of each party.
3. The agreement requires the District to make a deposit of \$2,400,000 to be held in escrow by the title company. If the District does not receive the funding from the City, the deposit being held in escrow will be returned in full to the District.

Mr. Koski assured the Board that the District is fully protected in case an agreement cannot be reached with the City of Boca Raton. He advised that the District has forty days from the execution of the agreement by the seller to review the title to determine if it is acceptable. Within the first two months, the District is required to perform due diligence on the condition of the property. Conversations focused on financing and legal issues:

Revenue Bonds: At the present time, the Boca Raton City Manager is contemplating a revenue bond issue. If the hotel site is determined to be a private activity, the bonds may become taxable. The District may have the ability to overcome that issue by acquiring the hotel site outright for cash, and just use the bond proceeds for the acquisition of the golf course which is a public activity.

Property Renovations: At the present time, funding for property renovations is not intended to be included in the bond issue. Mr. Koski stated that in discussions with the City Manager, it was made known, that as a partner, the City would make additional funds available should they be needed for the restoration of the golf course.

Millage Rate: The District's millage rate will remain the same [0.9147]. Mr. Koski informed that the Palm Beach County Property Appraiser indicates that there will be a 5% to 7% increase in overall property valuation. Mr. Timberlake used a 5% valuation in his analysis to project next year's budget [the same percentage the City is using for their upcoming budget]. By utilizing the projected increase in valuation and the millage rate remaining the same, the District will have the reserves to satisfy all of the debt on the Ocean Breeze property.

Litigation: At the May 8th joint meeting an individual spoke about a lawsuit with regard to the condition of the Ocean Breeze golf course. Mr. Koski stated that it is a difficult type of litigation and would become a title issue. The District would have the option to either be in for the duration of the lawsuit, or be out.

Deed Restriction: Further research would be required to determine if the deed restriction would be lifted if a public entity purchased the golf course. It is a debatable issue as to whether the deed restriction is lifted through an eminent domain proceeding or an outright purchase.

Commissioner Vogelgesang questioned whether the individuals objecting to the purchase truly have the interest of the City at heart. Although the price is high, she supports moving forward with the purchase as she believes it is the best thing that the District can do for the community.

Commissioner Rollins remarked that the valuation of the Ocean Breeze property cannot be appraised to what it is worth to the community and our legacy. "If we pass this opportunity up, it will never come up again".

MOTION was made by Commissioner Vogelgesang and seconded by Commissioner Engel to execute the contract for the acquisition of the Ocean Breeze property as presented in the Agreement for the Purchase and Sale of Real Property.

Discussion:

Commissioner Rollins asked for cost comparisons between Sugar Sand Park and Ocean Breeze.

Mr. Koski responded accordingly: Sugar Sand Park [132 acres} purchased in 1988 at \$18 million; Ocean Breeze [214 acres] priced at \$24 million; approximately \$100,000 per acre.

MOTION UNANIMOUSLY APPROVED

(b) Request for RFP for Golf Course Architect

Mr. Koski sought permission from the Board to craft an RFP for the engagement of a golf course architect for the Ocean Breeze site.

MOTION was made by Commissioner Wright and seconded by Commissioner Vogelgesang to authorize Mr. Koski to prepare an RFP for the engagement of a golf course architect for the Ocean Breeze site.

MOTION UNANIMOUSLY APPROVED

2. Status of Patch Reef Park Athletic Fields

Mr. Koski advised that Calvin Giordano (the architect of records) has done a survey of the property. Timeframe: a period of four months is envisioned to complete the design; project ready to bid in January 2018; commence construction by April 1, 2018. Mr. Gomez, City of Boca Raton Recreation Services Director approves of the timetable as it will result in a minimal impact to the users of the facilities.

3. Status of Swim & Racquet Center Demolition & Construction Bid

Mr. Koski reported that he is awaiting the technical specifications from Mummaw & Associates. Upon receipt, he will conduct a final review. The front-end documents on the specifications and construction documents have been done. It has yet to be determined whether to do a separate demolition of the building under a separate contract, or to leave it as the first item on a general contractor's overall bid for the contract.

4. Science Playground Change Order

Mr. Mike Fichera, District Construction Consultant, stated that he has reviewed and verified all of the change orders, and has examined all of the back-up receipts. The amount due NuJak Construction in Pay Application No. 14 is \$503,667.23. He explained that half of the change order is for labor [\$250,000]. In the last three weeks of the project, the architect and the engineer directed the contractor to add a lot of structural enhancements [more than 600 bolts; extra bracing and screening]. A huge electrical service box was discovered and had to be relocated. A special inspector, engaged by the District, had the authority to make the structural and safety enhancements. In addition, to meet the advertised opening date (March 25, 2017), the contractor incurred substantial overtime costs.

Assistant Director Briann Harms advised that the first month the playground was open, it had 54,256 visitors.

Mr. Koski commented that the playground originally was a community built project and was not permitted; hence, the unforeseen conditions and safety issues.

Commissioner Ehrnst requested a copy of all of the back-up information to support the change order. He noted that the total cost of the project is \$3.2 million. He would like the three project principles [Contractor, Architect and Special Inspector] to attend the next meeting to explain the change order in greater detail. In addition, he wants to make sure that there is no conflict of interest between either one of the parties.

The invoice for NuJak Construction in the amount of \$503,667.23 was deferred.

5. Sugar Sand Park Phase II Lighting Improvements Proposal

Assistant Director Briann Harms provided a proposal from Grainger to have LightSource Unlimited purchase and install light fixtures at the subject park in the amount of \$210,909.07. The project is anticipated to be completed in August 2017.

MOTION was made by Commissioner Vogelgesang and seconded by Commissioner Engel to approve the contract with Grainger in the amount of \$210,909.07 for lighting improvements at Sugar Sand Park.

Discussion:

Ms. Harms answered Board inquiries regarding the installation of additional lighting to address safety concerns at DeHoernle Park. She asked Mr. Gomez about using Grainger to do lighting enhancements at DeHoernle, but was advised that the property is owned by the City and that they will manage the project themselves. Further, at the present time, the City is inundated with projects; however, Municipal Services will address the project at a later date. The Board requested Ms. Harms to furnish a project timeline from the City. Mr. Koski and Ms. Harms will discuss this matter with Mr. Woika at their next scheduled meeting.

MOTION UNANIMOUSLY APPROVED

APPROVAL OF INVOICES:

MOTION was made by Commissioner Vogelgesang and seconded by Commissioner Engel to approve the invoices as presented totaling \$53,936.02.

MOTION UNANIMOUSLY APPROVED

REPORTS AND DISCUSSION ITEMS:

Executive Director- None

District Counsel-None

Commissioners

Change in Meeting Date

At the request of Commissioner Ehrnst, it was the consensus of the Board to reschedule the June 5, 2017 Board meeting to May 30, at 5:30 p.m.

Sugar Sand Park Science Playground

Commissioner Vogelgesang inquired about the status of installing a gate and shade canopies at the playground. Ms. Harms advised that the tasks will be undertaken once NuJak completes its work. She also advised that another Chickee Hut was donated, and will be installed at the playground.

City Website

Commissioner Ehrnst noted that the City recently renovated its website. He suggested that the District be included in the City's website. Ms. Harms advised that the District has six different websites and is looking to use the same service as the City.

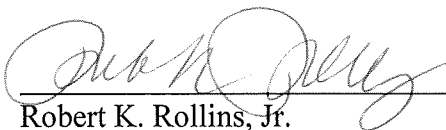
FUTURE AGENDA ITEM -

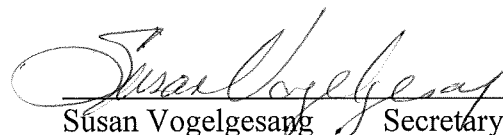
May 30, 2017 – The Board will meet at 5:30 p.m. on May 30th.
- Sugar Sand Park Science Playground NuJak Pay Application No. 14

ADJOURNMENT:

MOTION was made by Commissioner Engel and seconded by Commissioner Vogelgesang to adjourn the meeting at 7:30 p.m.

MOTION UNANIMOUSLY APPROVED


Robert K. Rollins, Jr. Chairman


Susan Vogelgesang Secretary-Treasurer