

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
December 4, 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

Chairman Rollins welcomed Mr. Michael Kalvort the new City of Boca Raton Parks & Recreation Director.

PUBLIC REQUESTS:

Tom Thayer, 4821 N. Dixie Highway, Boca Raton

Mr. Thayer invited everyone to attend the Annual Holiday Street Parade on December 6, 2017 at 7:30 p.m. and the Boca Raton Federation of Homeowner's Association meeting on December 5, 2017 at 8:30 a.m. Topics of discussion will include the Boca Bowl on December 19th, 2017 and a farewell to Mr. Mickey Gomez, former Boca Raton Recreation Services Director. All are welcomed to attend.

Robert Dukate, 5351 NW 3rd Terrace, Boca Raton

Mr. Dukate supports the District financing the entire \$24,000,000 for the Ocean Breeze golf course and the hotel land parcel. He feels that the area could use a community center that is open to the entire public and that the District does a great job operating its community facilities. In reference to the discussion on pickleball at the Board meeting held on November 27, 2017, Mr. Dukate suggested Sand Pine Park for a possible location for new pickleball courts.

Doug Collier, 5701 NW 2nd Avenue, Boca Raton

Mr. Collier is supportive of the District purchasing Ocean Breeze. He felt that the community would be more comfortable with the District owning the hotel parcel of land at Ocean Breeze as opposed to a private proprietor. He inquired if the financing would be completed in time for the closing or if there would be an extension on the closing date.

Harold Chaffee, 6200 NW 2nd Avenue, Boca Raton

Mr. Chaffee requested that the District consider including public input when designing the Ocean Breeze Golf Course.

Jason Reid, 3841 NW 5th Terrace, Boca Raton

On behalf of the Boca Braves Organization, Mr. Reid inquired when the artificial turf at Patch Reef Park would be completed. Chairman Rollins stated that the project is scheduled to begin when the lacrosse season ends and that the District would accommodate the players, if any, who would be displaced. Calvin Giordano and Associates, Architects for the project, are in the planning process and the District will have more information on this topic in January.

APPROVAL OF MINUTES OF PREVIOUS BOARD MEETINGS:

MOTION was made by Commissioner Wright and seconded by Commissioner Engel to amend the minutes of the regular meeting of November 27, 2017 to include a motion to approve the addition of Briann Harms and JoAnn Miller as signatories to the Bank of America small business credit card.

MOTION UNANIMOUSLY APPROVED

MOTION was made by Commissioner Vogelgesang and seconded by Commissioner Wright to approve the amended minutes of the regular meeting of November 27, 2017.

MOTION UNANIMOUSLY APPROVED

REGULAR BUSINESS:

1. *Ocean Breeze Contract Extension*

Mr. Koski requested approval of the third extension on the Ocean Breeze contract closing with Lennar Homes, LLC.

MOTION was made by Commissioner Vogelgesang and seconded by Commissioner Ehrnst to approve the third extension to the Ocean Breeze Contract extending the closing date with Lennar Homes from December 27, 2017 to January 26, 2018.

MOTION UNANIMOUSLY APPROVED

2. *Ocean Breeze- Discussion of Finance*

Mr. Koski advised that the Boca Raton City Council is scheduled to meet once in the month of December. He advised that the financing of the Ocean Breeze Golf Course purchase will require two City ordinances: one to approve the Interlocal Agreement between the District and the City, and the other to approve the borrowing by the City from a particular lender. Each event requires two readings of an ordinance. The City Council is scheduled to meet on January 9 and 23, 2018. January 23rd will be the latest date that the City Council will approve both the Interlocal Agreement and the financing.

Mr. Koski addressed the following two issues:

Issue No. 1 - The District is currently involved in discussions with the City to determine whether the City of Boca Raton should issue, without delay, an RFP to engage an appropriate lender. If an RFP is issued now, there will be sufficient time for the City Council, at its January 23rd meeting, to authorize the execution of the loan documents and potentially have the funds available by the end of January. The City is currently investigating this process. Even if financing is approved and the loan documents have been executed, it is unlikely that a closing could occur on January 26th. Consequently, Mr. Koski has commenced negotiations with Lennar and Wells Fargo to have an amendment to the Purchase and Sale Agreement to extend the closing date to mid to late March.

Issue No. 2 – Financing - whether a private business activity on the Ocean Breeze property would be a violation of Internal Revenue Service regulations or the City’s debt service policy. The District’s Bond Counsel has been contacted and has advised that as long as the District owns the property, a food service operation in a clubhouse/community center would be permissible provided that the facility is located at the existing hotel property site. If the decision is made not to have a hotel at Ocean Breeze, the District could ask the City to finance the entire purchase price of \$24 million and request the abandonment of Jeffrey Street from NW 2nd Avenue going east to the edge of the golf course.

It is the recommendation of Mr. Koski that the Board make a decision to either consider a hotel on the existing hotel site, or to keep the property in the public domain. If kept in the public domain, a food service operation would be permitted on the property if it was developed as a clubhouse/community center or whatever a golf course designer would recommend for the property.

Commissioner Vogelgesang supports keeping the hotel property in the public domain. It would benefit the whole community and provide a venue for events.

Commissioner Engel is in agreement to keep the property in the public domain – it works to the District’s benefit in the long run.

Commissioner Ehrnst expressed concern about the possibility of some unknown event happening in January which could put the District in a difficult situation. He suggested that the District fund the \$24 million outright in January, with the understanding that the financing may take a little longer.

Mr. Koski strongly recommends against utilizing \$24 million in District Reserves to fund the purchase as Capital Reserves in the current budget are only \$8 million. If something were to happen where the District did not get the financing, the District would be in a very difficult position to pay its bills. He noted that the financing amendment will most likely be negotiated by the end of this year. However, as a Plan “B” option, he is engaged in discussions with private financing.

Commissioner Ehrnst pointed out that by keeping the property in the public domain, the District will be locked into IRS regulations and the City’s debt policy which will potentially restrict activities. He also asked if any input was received regarding an ideal scenario for the hotel site.

Mr. Koski stated that in order to maintain the tax-exempt status, the District will be required to submit an annual report to the IRS indicating what activities are on site. It is the opinion of both Mr. Koski and the District’s Bond Counsel that there are things the District can do that will qualify under “safe harbor” protection under the IRS code.

Mr. Koski advised that the District has received a lot of input from various individuals indicating initially, that if a major learning academy was developed, a hotel would be a draw. However, there are other hotels in the immediate area that can put together packages to utilize the Leaning Center and the Golf Course. The Golf Course itself will be a draw for patrons; the Leaning Center will be a plus factor.

Proposals for golf course architects are due on December 20th.

Commissioner Rollins felt that it would be difficult for a “boutique” hotel to sustain itself and generate the revenue required with the type of activity envisioned. He is reluctant to give up control of the management of the property.

Commissioner Wright supports keeping the property in the public domain due to the residential feel of the area. She anxiously awaits the recommendations of the golf course architect.

Mr. Koski will inform the City what the District is contemplating and to prepare for a \$24 million financing.

3. *Five Year Budget Projection*

Mr. Koski furnished the District’s Five-Year Budget Projection dated October 1, 2017 prepared by the District’s Financial Advisor Mr. Merv Timberlake. The projection contemplates maintaining the same millage rate for the next five years. The projection also indicates the fact that the tax increment payment to the Community Redevelopment Agency will cease after FY 2019. Capital Projects: Plans for the artificial turf at Patch Reef Park are expected to be completed in January. No new Capital Projects are envisioned for years 2019 through 2023.

Commissioner Engel stated that the projection indicates that in years 2019, 2020 and 2021 Capital Reserves are running at a negative. He questioned how that negativity would impact District projects.

Mr. Koski responded that Mr. Timberlake has incorporated the golf course debt service in those years [beginning in the year 2020] and the District is capitalizing the payments for the first two years of operation with the debt. The District will have \$1.7 million available for payment.

4. *Boca Raton Championship*

Mr. Koski advised that the District is now a co-sponsor along with the City of Boca Raton for the “Boca Raton Classic”. The event will be run by the PGA Tour, the City of Boca Raton, and the Greater Boca Raton Beach & Park District. Palm Beach County will make a small contribution through its sports commission. Mr. Koski received a draft of the contract and is requesting that four changes be made. Once the changes have been incorporated, he will circulate the document to the Board for review. The contract requires the District to make its initial contribution 30 days before the event and then a 50% contribution within 30 days after the completion of the event. The Board will need to execute the contract. The event will run from Feb. 5th through Feb. 11th, 2018.

5. *Board Meeting of December 18, 2017*

Mr. Koski advised that he will not be present at the December 18th Board meeting. In his absence, if there is a Board meeting, he will make available the Boca Classic contract in its final form for approval.

APPROVAL OF INVOICES: Secretary-Treasurer Vogelgesang provided a revised invoice disbursement list and recommended approval.

MOTION was made by Commissioner Vogelgesang and seconded by Commissioner Engel to approve the revised invoices as presented totaling \$1,374,682.59

MOTION UNANIMOUSLY APPROVED

REPORTS AND DISCUSSION ITEMS:

Executive Director -

Addison Mizner School Relocation

Mr. Koski provided correspondence from Bonnie Miskel, Esq. of Dunay, Miskel Backman LLC dated December 4, 2017 advising that she represents the Royal Oak Landing Home Owners Association. The Association strongly opposes any consideration by the District of the conveyance of land to the School Board for the construction of a school.

Pickleball

A Pickleball court participation summary sheet was provided indicating that outdoor facilities are being underutilized.

Balloon Ordinance

Ms. Melissa Dawson, District Facilities Manager, furnished a copy of the Palm Beach County policy prohibiting the release of balloons in County-managed natural areas. This information was provided for possible enactment at Red Reef Park.

Commissioner Ehrnst felt that the City should coordinate with the County on its balloon release ordinance so that the policy will be uniform along the coastline.

The Board supports the County's balloon release ordinance, and directed Mr. Koski to advise the City of the District's interest in extending the policy along its coastline.

Employee Pension Plan

Commissioner Ehrnst supports the pension plan structure for the District's employees; however, he expressed concern about some of the "immediate" vesting sections in the document. To encourage employees to stay with the District, he favors one-year of eligible service before being vested. To expedite the approval process, Commissioner Ehrst recommended several changes to the plan.

MOTION was made by Commissioner Ehrnst and seconded by Commissioner Engel to move forward with the Florida Municipal Pension Trust Fund for District employees incorporating the recommended changes.

MOTION UNANIMOUSLY APPROVED

District Counsel - None

Commissioners:

GBRB&PD Minutes: December 4, 2017

Gumbo Limbo Nature Center

On December 1st, Commissioner Vogelgesang and Ms. Melissa Dawson attended one of the City’s presentations regarding a component of its waterfront plan; specifically, Gumbo Limbo. Commissioner Vogelgesang was incensed to find out that the City wanted to destroy the salt water tanks. She felt that the Board should have been included in the initial discussions; the District needs to be informed. It was pointed out that the tanks do have some flaws which need to be addressed.

Recreation Services Director Michael Kalvort recommended that the architect EDSA attend a Board meeting to inform the Commissioners on what is being considered.

Commissioner Rollins commented that the tanks were funded by the District and he does not want to see them destroyed. The Board needs to have input in the planning process.

Commissioner Ehrnst noted that the District funds 100% of Gumbo Limbo. Three entities are involved in the operation and maintenance of the center: the District, the City and The Friends of Gumbo Limbo. He took issue with the fact that the Observation Tower was taken down and to-date the City has not rebuilt the structure. The Friends supports the rebuilding of the Tower as it is a unique structure and important to the residents.

Commissioner Engel stated that the District is considered a non-entity by the City when it comes to things the City wants to accomplish. Although the City does not need to ask the Board’s permission, it should keep the Board aware of what is going on and, when necessary, ask for its input.

Director Kalvort stated that the overall EDSA contract is being administered by the City’s Municipal Services Department and that he will make sure that they keep the District informed.

FUTURE AGENDA ITEM -

December 18 – Approval of Boca Classic Contract

ADJOURNMENT:

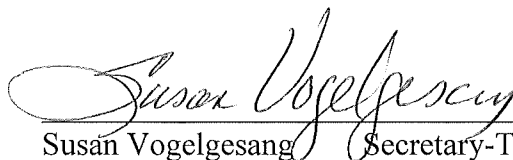
MOTION was made by Commissioner Engel and seconded by Commissioner Vogelgesang to adjourn the meeting at 6:25 p.m.

MOTION UNANIMOUSLY APPROVED



Robert K. Rollins, Jr.

Chairman



Susan Vogelgesang Secretary-Treasurer