

9. A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY (THE AGENCY) APPROVING A CONTRACT WITH NOVOGRADAC & COMPANY (CONSULTANT) TO PROVIDE THE AGENCY PROFESSIONAL SERVICES IN COMPLETING AN APPLICATION FOR A MINIMUM OF 50 MILLION IN NEW MARKET TAX CREDIT AUTHORITY; PROVIDING AN EFFECTIVE DATE.
(ATTACHMENT - #9)



Florida's Dynamic Waterfront Community

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY

2001 BROADWAY, SUITE 300
RIVIERA BEACH, FL 33404
PHONE: 561-844-3408
FAX: 561-881-8043
Website: www.rbcra.com

MEMORANDUM

TO: Honorable Chair and Members, CRA Board of Commissioners
City of Riviera Beach, Florida

FROM: Tony T. Brown
Executive Director, CRA

DATE: May 2, 2012

CC: J. Michael Haygood, Interim General Counsel
Mike Clark, Viking Developers

SUBJECT: Application for New Markets Tax Credits

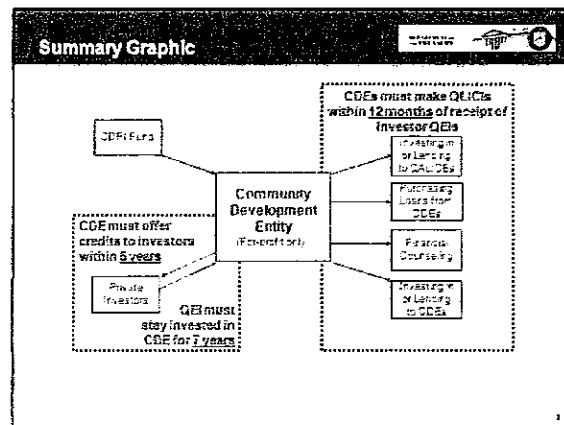
Request

Approval is requested to spend up to \$40,000.00 for professional services with Catalyst Consulting (\$25,000.00) and Novogradac & Company (\$15,000.00) to provide the Agency with professional services in completing an application for a minimum of \$50 million in New Markets Tax Credit Authority.

Background

The New Markets Tax Credit Program (NMTC Program) was established by Congress in 2000 to spur new or increased investments into operating businesses and real estate projects located in low-income communities. The NMTC Program attracts investment capital to low-income communities by permitting individual and corporate investors to receive a tax credit against their Federal income tax return in exchange for making equity investments in specialized financial institutions called Community Development Entities (CDEs). Last year, the Agency formed the Riviera Beach CDE and applied for \$75 million in NMTC authority. Fifth Third Bank (\$50 million) and BB&T Bank (\$40 million) pledged both equity and debt capital that allowed us to achieve our capitalization goals. Both financial institutions have indicated their intent to support our application again.

Although we were unsuccessful, the application received "Good" scores but ranked below more highly qualified applicants. Our application was endorsed by Senator Bill Nelson-D-FL and both members of Congress representing Riviera Beach: Representative Alcee Hastings-D-FL23 and



RBCDE Debriefing Results	
Section	Score
Business Strategy	Good
Community Impact	Good
Management Capacity	Good
Capitalization Strategy	Good
Total Base Score	Low Good

Last year, Viking sponsored half the budget (\$55,000.00) for the costs to apply. This year, the Agency proposes to cover the entire balance as we recognize that Viking's ongoing collaboration is shown by the study they commissioned with Live Work Learn Play (LWLP) that resulted in the Marina District Redevelopment Strategic Assessment. We believe components of the Strategic Assessment and the ongoing work of LWLP should enhance our Business Strategy and Community Impact scores.

Application Highlights:

The NMTC application will highlight the capital required to demolish and rebuild the Municipal Marina. The development is a cooperative venture between the city of Riviera Beach, RBCRA and Viking:

1. Over 60,000 sf featuring restaurants, retail and a Marina office.
2. A rebuilt community banquet and conference center (Newcomb Hall)
3. A Public Market to offer fresh and health foods

RBCRA believes that working capital loans on average of \$50,000 will provide 100 businesses access to the capital they need to commence operations in the Public Market and Marina. We will craft a Riviera Beach Venture fund to provide capital access to these businesses.

Professional Services Consultants:

About Catalyst Consulting:

Catalyst Consulting is an Ohio-based firm that specializes in project management, grant writing and application services for the New Markets Tax Credit program. Its principal, Keena Smith, is known to Executive Director Tony Brown who has witnessed her services in completing over \$350 million in NMTC application services. The company assisted RBCRA in completing last year's application. Dr. William Stronge, Ph.D. Economics and former professor in the Economics Department at Florida Atlantic University, will serve as a sub-contractor to Catalyst.

About Novogradac & Company:

Novogradac is a national certified public accounting and consulting firm with 13 offices nationwide. The Agency approved a professional services contract with Novogradac under a competitive solicitation process to serve as a financial advisor for federal tax credit programs. John Sciarretti is a partner in the Dover, Ohio office where he specializes in real estate finance and community development, including the low-income housing tax credit, the historic rehabilitation credit, the new markets tax credit and renewable energy credits.

RESOLUTION NO. 2012-___

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY (THE AGENCY) APPROVING A CONTRACT WITH NOVOGRADAC & COMPANY ("CONSULTANT") TO PROVIDE THE AGENCY PROFESSIONAL SERVICES IN COMPLETING AN APPLICATION FOR A MINIMUM OF \$50 MILLION IN NEW MARKET TAX CREDIT AUTHORITY; PROVIDING AN EFFECTIVE DATE.

* * * * *

WHEREAS, the Agency desires the Consultant to provide the Agency professional consultation services in completing a 2012 New Market Tax Credit application for a minimum of \$50 million in new market tax credit authority pursuant to the scope of work detailed in Exhibit "A" to the attached agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY THAT:

SECTION 1. The Agency hereby approves the agreement with Novogradac & Company attached hereto as Exhibit "A".

SECTION 2. This resolution shall be effective immediately upon its adoption.

[Signatures on following page]

PASSED AND ADOPTED this 9th day of May, 2012.

RIVIERA BEACH COMMUNITY
REDEVELOPMENT AGENCY

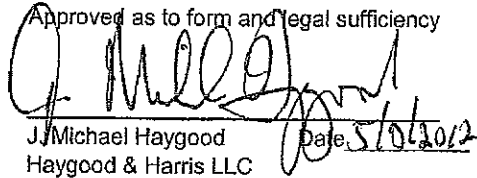
ATTEST:

By: _____
Name: BILLIE E. BROOKS
Title: Chairperson

Executive Director

MOTION BY: _____
SECONDED BY: _____

- B. BROOKS _____
- D. PARDO _____
- C. THOMAS _____
- S. LOWE _____
- J. DAVIS _____

Approved as to form and legal sufficiency


J. Michael Haygood Date: 5/10/2012
Haygood & Harris LLC
General Counsel to CRA

May 3, 2012

Mr. Tony Brown
Riviera Beach Community Redevelopment Agency
2001 Broadway, Suite 300
Riviera Beach, Florida 33404

Dear Mr. Brown:

We are pleased to submit our engagement letter to provide professional services to Riviera Beach Community Redevelopment Agency (the "Company") regarding your 2012 New Markets Tax Credit ("NMTC") Allocation Application.

Services we will provide:

New Markets Tax Credit Allocation Application Review

1. Novogradac will conduct a thorough review of the Company's 2012 NMTC Allocation Application and make written recommendations intended to improve your application to maximize your score when the application is being reviewed.

Many of the questions and attachments that are required in the applications are subject to varying interpretation. We will do our best to provide you with in depth feedback on your answers and how they compare to the factors that will be considered by the scorers and also how they compare to the CDFI Fund's suggestions on how an applicant can score well. We will also provide suggestions, based upon our experience with successful applicants; on ways that we believe the Company can strengthen its NMTC Allocation Application. The CDFI Fund may not agree that these suggestions strengthen your application. You have represented to us that you are aware and accept these limitations of our engagement.

Terms of Engagement and Fees:

Our fees for these services are based on our hourly rates set forth below. We estimate our fees to range from \$4,000 to \$6,000 and will not exceed \$10,000.

Our hourly rates are as follows:

Partner	\$290
Manager	\$150-200
Various staff	\$70-\$125

We bill for travel and other out-of-pocket costs, if any, that might be incurred by us. The fee estimates are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered.

Mr. Tony Brown
May 3, 2012
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Please read the following carefully. It affects your rights and obligations. You should seek counsel if you do not understand any of the following:

Any unresolved claims or disputes arising out of this agreement and/or this engagement shall be decided by one arbitrator in San Francisco in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Arbitration of any such unresolved claim or dispute shall be barred unless demand for such arbitration is filed in writing with the American Arbitration Association no later than one year after the date on which we performed the service(s) giving rise to such claim or dispute. The award by the arbitrator shall be final and judgment may be entered upon it in accordance with applicable rules in any court having jurisdiction. The arbitrator shall have no authority to award attorneys' fees and costs. Each party to the arbitration shall pay for its own costs and attorneys' fees. So that we may work with you in an attempt to resolve your claim, you agree not to file any demand for arbitration for at least sixty days after you have given us notice in writing of your dispute with us. You also agree that if you do not comply with the dispute resolution mechanism set forth in this paragraph, the maximum amount of damages that you may be awarded is limited to \$500.


The maximum amount of damages you may receive as a result of any determination that some or all of the services we performed under this agreement or were required to but did not perform under this agreement were insufficient or deficient, or for breach of contract, nonfeasance or negligence shall be the fees paid to us for the disputed services. You and we agree that because of the difficulty of determining and/or quantifying damages for breach of this agreement or for our negligence, you and we agree that said amount shall constitute liquidated damages for any claims you may assert arising from or related to this agreement.

Any facsimile, Internet or other e-mail communication is tentative and preliminary and not final until received in signed, physical documentation form. As such, you agree not to act upon any information received in a facsimile, Internet or other e-mail communication until, and unless, you receive such information in signed, written documentation form.

Conclusion:

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the terms of our engagement. If you agree with the terms of our engagement as described in this letter, please sign this letter and return it to our office. If you have any questions, please call me at (330) 365-5403.

Very truly yours,
NOVOGRADAC & COMPANY LLP

by: 
John S. Sciarretti

Mr. Tony Brown
May 3, 2012
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Acknowledged and agreed to by:

Riviera Beach Community Redevelopment Agency

By: _____
Tony Brown