
**** 13. A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY (THE AGENCY) APPROVING WORK ORDER NUMBER ONE WITH THE PALM BEACH CONSULTING GROUP, LLC TO ASSIST THE CITY OF RIVIERA BEACH AND THE AGENCY TO COMPLETE A FEASIBILITY AND BUSINESS PLAN FOR THE MARINA OPERATIONS FOR AN AMOUNT NOT TO EXCEED EIGHTY THOUSAND DOLLARS (\$80,000.00) FOR SERVICES AND TWENTY FIVE HUNDRED DOLLARS (\$2,500.00) FOR TRAVEL EXPENSES; SERVICES WILL BE PROVIDED IN ACCORDANCE WITH HOURLY RATES ESTABLISHED IN THE CONTINUING SERVICES CONTRACT WITH THE PALM BEACH CONSULTING GROUP, LLC; PROVIDING FOR AN EFFECTIVE DATE.**

RESOLUTION NO. 2013-

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY (THE AGENCY) APPROVING WORK ORDER NUMBER ONE WITH THE PALM BEACH CONSULTING GROUP, LLC TO ASSIST THE CITY OF RIVIERA BEACH AND THE AGENCY TO COMPLETE A FEASIBILITY AND BUSINESS PLAN FOR THE MARINA OPERATIONS FOR AN AMOUNT NOT TO EXCEED EIGHTY THOUSAND DOLLARS (\$80,000.00) FOR SERVICES AND TWENTY FIVE HUNDRED DOLLARS (\$2,500.00) FOR TRAVEL EXPENSES; SERVICES WILL BE PROVIDED IN ACCORDANCE WITH HOURLY RATES ESTABLISHED IN THE CONTINUING SERVICES CONTRACT WITH THE PALM BEACH CONSULTING GROUP, LLC; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, on January 9, 2013, the Board of Commissioners of the Agency approved a continuing services contract with The Palm Beach Consulting Group, LLC; and

WHEREAS, the Agency requires services of The Palm Beach Consulting Group, LLC to provide Civic District Business Planner services to assist in the development of the Concept Master Development Plan for the Marine District South Redevelopment Project.

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

SECTION 1. The Community Redevelopment Agency hereby approves the attached Work Order Number One, in accordance with the adopted continuing services agreement with The Palm Beach Consulting Group, LLC.

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

[Signatures on following page]

PASSED AND ADOPTED this 9th day of January, 2013.

RIVIERA BEACH COMMUNITY
REDEVELOPMENT AGENCY

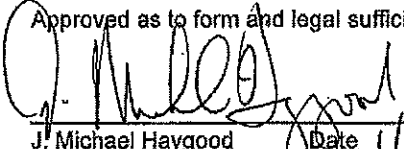
ATTEST:

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 1/9/13
Haygood & Harris LLC
General Counsel to CRA



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RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY

2001 BROADWAY, SUITE 300
RIVIERA BEACH, FL 33404
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FAX: 561-881-8043
Website: www.rbkra.com

MEMORANDUM

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

FROM: Tony T. Brown, Executive Director, Riviera Beach CRA
Ruth Jones, City Manager, City of Riviera Beach

DATE: January 2, 2013

CC: Michael Haygood, Interim CRA Attorney
Pamala Ryan, City Attorney

SUBJECT: Resolution Approving Work Order #1 under a Continuing Services Contract with The Palm Beach Consulting Group, LLC, for the Marina District South Redevelopment Project.

Request for Board Action

The Agency is requesting the Board of Commissioners to approve Work Order 1 with The Palm Beach Consulting Group, LLC, for the provision of Civic District Business Planner Consultant Services to assist the Agency and the City of Riviera Beach to complete an agreed-upon procedures review of the Marina's internal controls and an organizational and operational review and analysis of the Marina; and, develop a proposed operating structure for the Municipal Marina. The amount of the work order will not exceed \$80,000. The Contract establishes that all work will be authorized and completed under individual work orders that will be required to be approved by the CRA Board of Commissioners. The work order term is ninety (90) days.

The oversight of the Consultant's work will be managed by the CRA under an "Administrative Memorandum of Understanding" between the City Manager and the CRA Executive Director. The Consultant's work will allow the City Manager and the CRA Executive Director to propose to City Council members and the CRA Board Commissioners a consensus management model for the operations of the Municipal Marina. The Management Model will compare and contrast three possible structures (including financial projections for each):

1. Continued operation under the current City structure – present model.
2. Third-party qualified management agreement with supervision by the City as determined by the City Manager.

3. Third-party qualified management agreement with supervision by the CRA as determined by the CRA Executive Director.

Background/Summary

The Agency anticipates investing more than \$20 million over the next three years in the Public improvements at the Marina. We require business consulting services to assist us in evaluation, feasibility analyses, and scenario testing as we move forward in our redevelopment efforts at the Marina.

The Palm Beach Consulting Group, LLC is a consulting firm that provides management and financial advisory services to private, public and nonprofit sector organizations and operating entities. The firm is a Florida limited liability company based in Lake Worth, FL. The firm has provided services to clients in diverse fields such as real estate and development; law; hospitals and health care; religious institutions; public accounting; banking and financial institutions; non-profit organizations; local, county, and state government; public transportation; tourism; community and economic development; manpower training and placement; housing; advertising and public relations; and investment banking.

PBCG assembled a multi-disciplinary team that included TCBA Watson Rice (Ronald Thompkins), a CPA firm to provide finance and accounting services, including systems and procedure analysis; Anderson & Carr (Robert Banting) to provide market study and leasing services; Marina Resource (Walter “Tim” Timpson) to consult on marina operations, feasibility and business plan services; and, Paul Skyers to assist with business finance and planning services.

Fiscal Impact

The budget impact for Work Order #1 is neutral as the CRA Board budgeted \$605,000 in Professional Services for consulting services related to the Marina’s Operations. This work order will not exceed \$80,000.

Staff Recommendation

The City Manager and the CRA Executive Director jointly recommend approval of Work Order #1 as presented.

Marina District South

January 2
2013

The Palm Beach Consulting Group, LLC Civic District Business Planner

Introduction and Purpose

The City of Riviera Beach Community Redevelopment Agency (“CRA or Agency”) is undertaking a process to implement its 2011 CRA Plan for the redevelopment of the Marina District South (“MDS” hereafter). The City-owned Marina (Site) is the centerpiece for redevelopment initiatives in the Marina District area. The vision behind the redevelopment of the Site is to expand public access to the waterfront and create jobs. The Redeveloped site will feature restaurants, retail, office, as well as public plazas, parks and open space.

The Agency has proposed to manage the City’s Marina Enterprise and first seeks to complete a feasibility study and business plan in cooperation with the City to formulate the financial terms mutually beneficial to the parties. The Palm Beach Consulting Group (PBCG) will help to inform the Agency on how to best structure its operations to integrate the Marina and achieve profitable results.

The Agency is slated to make a \$20 million investment in the City’s Marina to create a unique entertainment destination, providing new jobs, local business opportunities, and providing needed economic development for the City. The investment is intended to spark catalytic development along the Broadway corridor to make the City’s working waterfront and central business district attractive, providing new development and employment opportunities for area residents. The CRA proposes to assume operational responsibility of the city-owned marina through a qualified management agreement of the marina (wet slips) and Bicentennial Park; and a master lease agreement of the upland properties.



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Work Order #1: Marina Operations Business Plan

Fiscal Impact

The budget impact is neutral as the CRA Board budgeted \$605,000 in Professional Services for consulting services related to the Marina's Operations.

Scope of Services

Work Order #1 is divided into three separate tasks (A - C) which are explained as follows.

Task A:

A. Conduct an agreed-upon procedures review of the Marina's internal controls and an examination of significant account balances related to revenues and inventory cost controls. Evaluate the adequacy of the Marina's financial accounting and management reporting systems to formulate recommendations for the scope of work in Task C below.

1. Tasks to be accomplished.
 - a. Internal Controls Review
 - (1) Identify internal control areas to be considered in review.
 - (2) Obtain and review Marina internal controls for the collection and reporting of revenues; and internal or dual controls for inventory and collection of receivables.
 - (3) Test internal controls and make recommendations.
 - b. Examination of Significant Account Balances based on Agreed-upon Procedures
 - (1) Identify areas to be included in the examination.
 - (2) Conduct examination and report findings and recommendations.
 - c. Conduct an examination and review of the financial and management reporting systems to determine their adequacy (and active use) in accounting for and reporting on Marina operations at a variety of oversight levels (Customer, Management and Board reports). Critical areas to address in the study include, but are not limited to: services, rates and charges, management reporting, inventory controls, financial accounting and reporting, billing and collections, slip inventory and dock checks, and related areas.
2. Deliverable

A Management Letter from TBCA Watson Rice LLP reporting the findings and recommendations.

Task B:

B. Conduct an organizational and operational review and analysis of the Municipal Marina.

1. Tasks to be accomplished.

- a. Conduct an organizational and operational review and analysis of the Municipal Marina giving special consideration to evaluating the Marina's staffing structure at projected revenue or service levels during the Construction Period (current date to September 2016). Critical areas to address in the study include, but are not limited to: services, personnel, organizational structure and risk management.
- b. Compare Riviera Beach Marina to other neighboring marinas (no fewer than 3 marinas) to evaluate the current staffing model/operating structure, Marina's rates, occupancy projections (wet slips) likely during the Baseline period projected following the Construction Period.
- c. Compare the City's marina operations and structure to area competitors as documentation to formulate the Task C actions below.
- d. Present findings to the Joint Legal-Finance Team co-chaired by the City Manager and CRA Executive Director.

2. Deliverable

An organizational and operational review and analysis report of the City's Marina management and operations, compared to competitors. The report to include an organization and staffing chart of the current Marina structure; including a staffing matrix denoting the tenure and salary of current staff – common sized for competitive analysis.

Task C:

C. Develop a proposed operating structure for the Marina under the CRA's stewardship; give additional consideration to an integrated staffing structure that may include other enterprises operated by the CRA such as Parking Operations, Public Market and common area responsibilities such as security, special events and marketing.

1. Tasks to be accomplished.

- a. Develop an operating structure for the Municipal Marina (including, but not limited to, a staffing plan, management model, and governance structure) during the Marina South District's two (2) major development phases: the "Construction Period" which is defined as the period from July 2013 to September 2016 and the "Operations Period" which is defined as the period from October 2016 to September 2026.

Present a proposed Management Model for discussion between the City Manager and the CRA Executive Director for their consensus collaboration on the best model to propose to City Council members and CRA Board Commissioners during the Construction and Operations Periods. The Management Model will compare and contrast three possible structures:

- (1) Continued operation under the City structure – present model.
- (2) Third-party qualified management agreement with supervision by the City as determined by the City Manager.
- (3) Third-party qualified management agreement with supervision by the CRA as determined by the CRA Executive Director.

- b. Develop and generate pro-forma operating statements during the Construction & Operations Periods for the Marina using the three proposed management models identified above. The City Manager and the CRA Executive Director shall agree upon key assumptions for the three Management Scenarios.
- c. Compare and contrast the three Management Models above - document the pros and cons of each operating structure. Present findings to the Joint Legal-Finance Team co-chaired by the City Manager and CRA Executive Director.
- d. At a joint workshop of City Council and CRA Board of Commissioners (date to be determined), explain third-party management models; report Task A and Task B findings and present the collaborative Management Model to be recommended by the City Manager and CRA Executive Director, if agreement is reached.

2. Deliverable

A written report (including an Executive Summary) documenting the results of Task C actions; including an approved Powerpoint presentation at the Joint Workshop.

Terms of Work Order

The work will be completed in 90 days and billed on an hourly basis on a progress billing basis. PBCG agrees to provide detailed monthly invoices for the time and effort spent on the project and agrees to provide the services and deliverables in Work Order #1 for a price not to exceed \$80,000 per the rates specified in the Agreement. The Payment schedule is based on the estimated percentage of work for each task and/or sub-task and shall be billed as follows:

Task	Jan.	Feb	March	April	Total
A: Procedures Review	\$ -	\$ 16,567	\$ 16,568	\$ -	\$ 33,135
B: Operations Review	\$ 6,716	\$ 6,716	\$ 6,716	\$ 6,717	\$ 26,865
C: Management Model	\$ -	\$ 5,000	\$ 10,000	\$ 5,000	\$ 20,000
Total	\$ 6,716	\$ 28,283	\$ 33,284	\$ 11,717	\$ 80,000

APPROVALS & AUTHORIZATION:

In witness whereof, the Riviera Beach Community Redevelopment Agency and The Palm Beach Consulting Group, LLC have agreed to the terms for Work Order #1, expressed herein and submit the scope of services for approval by the CRA Board of Commissioners.

The Palm Beach Consulting Group, LLC

BY: _____

NAME: _____

TITLE: _____

Riviera Beach Community Redevelopment Agency:

BY: _____

Billie E. Brooks, Chairman