



Florida's Dynamic
Waterfront Community

Riviera Beach Community
Redevelopment Agency
August 8, 2012 Regular CRA
Board of Commissioner Meeting

Additions, Deletions, Substitutions, & Revisions

Regular Business

ITEM NO. 9 DISCUSSION: STATUS REPORT ON NOTICE TO VIKING TO DEVELOP
PROJECT ELEMENTS

(Memo is Attached)

TB/dh

(August 8, 2012) Add/Delete/Substitutions & Revisions Sheet



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RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY

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MEMORANDUM

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

FROM: *Ta* Tony T. Brown
Executive Director, CRA

DATE: August 1, 2012

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

SUBJECT: Update on Notice Provided to Viking Developers, LLC to Commence Negotiations
for the Development of Certain Project Elements.

Status Report:

Pursuant to the Master Development Agreement, the CRA Board passed a resolution on June 18, 2012 with notice received by Viking on June 27, 2012, that the City & CRA intended to proceed with the negotiation of the development of the following elements ("Noticed Elements"):

- Newcomb Hall
- The Tiki Bar Restaurant and attendant waterfront promenade
- Public Market
- Parking Garage
- Bicentennial Park

The Agency, in working collaboratively with the City, is pleased to report that we have made great progress towards negotiated terms to proceed with an agreement for the development of the Noticed Elements. We have negotiated a "Memorandum of Understanding" or MOU that sets the process for agreement on developing the Noticed Elements. If we are unable to agree on the Revised Marina District Master Development Plan or the resolution of site control issues, the City and CRA shall be free to proceed with the Noticed Elements on land controlled by us.

The draft of the MOU will be sent under separate cover. We continue to make changes that require coordination by a number of key players. I have structured this memo to give you a status report on key elements of the MOU. We are seeking the Board's consensus so that the key principles of these terms can be formalized and presented for your approval on September 19, 2012, if not sooner.

Request for Board Action:

Pending a consensus of key business terms and conditions, the Agency requests that you direct the CRA's Interim General Counsel Mr. Michael Haygood, in consultation with the City's Attorney and City Manager, to draft an agreement codifying the business principles outlined in the MOU.

About the MOU and Key Business Terms:

The MOU is outlined in seven parts with six appendices. The appendices show the responsibilities of all parties involved and include a schedule of key events. The most important date now is the new time for when construction of the Noticed Elements is likely to start: Spring 2014. We know you are concerned about the timeline for improvements on the upland portion of the Marina. We lost time resolving the site plan issues in which our new process, discussed below, should clearly resolve. Schedule B of the MOU delineates the magnitude of due diligence and planning required to get us to the date of construction. The key items of the MOU are highlighted as follows:

1.0 Background:

This section includes a basic summary purpose of the document which includes a recap of the Noticed Elements. If the parties, operating in good faith, are unable to agree on the Revised Marina District Master Development Plan or the resolution of site control issues, as articulated in the MOU, the City and CRA will be free to proceed with the Noticed Elements on land controlled by us.

2.0 Role of the Strategic Assessment Report:

We propose to use the Strategic Assessment Report that Viking commissioned through Live Work Learn Play (LWLP) as a guide to developing a master plan for the Marine Districts (North & South). Though no formal actions were taken by the Board, we deemed the report consistent with the Amended CRA Plan and believe it highlights our vision for developing an active working waterfront and destination entertainment district for the Municipal Marina.

3.0 Work Process to Produce the Revised Marina District Master Plan:

In this first step, we are requiring Viking to submit a revised Marina District Master Plan, at their expense. We have agreed that the CRA's public sector planning efforts will evolve in parallel with Viking and allow the CRA to begin investing in the first phase of public improvements before the start of private development. Viking through LWLP will produce a phased design, leasing and construction plan for the private elements to coincide with their Revised Marina District Master Plan. We believe the Revised Marina District Master Plan can be completed by December 2012 and it will require official City Council and CRA Board actions. This action will move us from a conceptual document to an approved site plan application. More importantly, the successful outcome of these actions will produce a phased development schedule for both the Public and Private Elements.

4.0 Pre-development Obligations of the Parties:

The duties and responsibilities of the parties are outlined in this section and reflect a major step towards agreeing to a process for development of the Notice Elements and in securing a plan for the private elements. In the duties outlined for Viking, you will note their responsibilities to deliver a revised plan, provide a development proposal for the Tiki Bar Restaurant, and present a business plan and financial analysis for the other private elements. They are also responsible for

presenting a phased implementation and construction plan. If Viking fails to commence construction on the Private Project Elements per terms of the MOU and other terms to be agreed to later, a modification of terms to the MDA shall allow us to terminate the Agreement.

The duties between the City and CRA are also outlined. As documented in Schedule C, the CRA will absorb the costs of securing approval of the site plan requirements. You should review this section in detail to better understand the magnitude of efforts involved to move these projects forward. You will see a variety of procurement actions over the next 120 days for the CRA to proceed as planned given the responsibilities assigned.

5.0 Cost Obligations of Each Party:

The financial responsibilities of the parties are outlined through the schematic design phase. This is the stage when the site plans are approved and construction documents are 10% - 25% complete. The CRA will be responsible for funding a significant portion of these costs and have budgeted over \$700,000 for this stage (see Schedule C for details). These costs are largely tied to infrastructure improvements and the construction of publicly-owned facilities.

6.0 Approval of the Revised Marina District Master Development Plan:

In November 2011, you gave Viking 90 days to review a site plan we prepared for construction of the Noticed Elements. Viking produced the Strategic Assessment Report referenced in Section 2 of the MOU in compliance to the time provided for review. In March 2012, Viking requested additional time to secure an urban planning/architectural firm to advise them of key elements of the plan and how it might activate a more vibrant Broadway corridor. We reached an impasse at the appropriate division of costs. To avoid further delays, we requested and you issued a notice to Viking of our desire to develop the Noticed Elements. The Notice provision triggered a 90-day window for the parties to agree to negotiate. The development of this MOU is the outcome of these negotiations.

Viking has agreed to incur the costs to update the Conceptual Marina District Master Development Plan. Upon approval, the CRA will then prepare the Site Plan application that was delayed in November 2011. The MOU addresses key principles for the location of Newcomb Hall and development scenarios for the Spanish Courts site. Viking will submit an investment and business plan informing us of the timetable and pre-conditions to commence construction of the private development elements.

7.0 Resolution of Site Control:

Both parties acknowledge that resolving site control issues is of paramount importance. We will make some preliminary assumptions in order to build our financial models. These assumptions may change based on the economic feasibilities. We acknowledge that resolution of properties owned between the parties can occur by swaps, land sales, long-term land leases or in joint ventures between the parties.

Schedule A – Roles & Responsibilities:

A list of the players and resources required to move redevelopment of the Marina forward is outlined in Schedule A. We are preparing RFPs/Qs for many of these items directly or under our inter-local agreement with Treasure Coast Regional Planning Council (TCRPC). It is necessary for us to mobilize these resources over the next 60 days in order to complete budgets and architectural plans for the Notice Elements.

Schedule B – Schedule and Critical Path Targets:

There are basically three key critical path items that must be completed before we can commence construction:

1. Procurement Issuance: Actions & Award Steps: We believe that the selection and awarding of contracts for the services outlined in Schedule A will take 3 months and conclude in November 2012.
2. Site Development Application Process: Once the Revised Marina District Master Development Plan is approved by you in concept, the CRA, under the guidance of Gilbane and TCRPC, will prepare a Site Plan Application. This step will overlap with Step 3 below and will include construction documents in order to comply with the City's process. A total of 6 months have been allocated for the completion of this phase.
3. Civil Engineering Construction Documents: This and the Step 2 process will overlap and take 6 months. The tasks outlined in Schedule A define the work of this task.

Schedule C – Budget Estimates and Recap of Shared Costs:

The expenditures anticipated to develop the Noticed Elements are divided between the Private Sector (Viking & LWL) and the Public Sector (CRA & City).

Schedules D & E – Maps:

The areas of focus (Marina District and Broadway Corridor) between Viking, the City & CRA's planning efforts are outlined in attached maps.

Schedule F – Revised Marina District Master Development Plan Requirements:

The minimum required conceptual site plan elements are outlined for Viking's benefit to ensure that their Urban Planner/Architect expert provide the requirements needed for the CRA to proceed with preparation of the Site Plan application.