

10. DISCUSSION: MASTER DEVELOPER AND CIVIC NEIGHBORHOOD
DUE DILIGENCE TRIP



Florida's Dynamic
Waterfront Community

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY

MEMORANDUM

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

FROM: Tony T. Brown
Executive Director, CRA

A handwritten signature in black ink that reads "Tony T. Brown" with a stylized flourish at the end.

Handwritten initials "BB" in black ink, with a small "2/11" written below them.

Billie E. Brooks, Chair
CRA Commission

DATE: August 1, 2012

SUBJECT: Briefing Report: Master Developer and Civic Neighborhood Due Diligence Trip

Background & Purpose:

The Riviera Beach Community Redevelopment Agency organized a trip around ideas from Live Work Learn Plan to develop a Civic Neighborhood as a sub-district at the Municipal Marina. A delegation with representatives from the CRA, its Clean & Safe Program, and the CRA Arts Advisory Committee¹ was led by CRA Chair Billie Brooks from July 10 to July 13. The delegation visited several programs focused on public markets, community safety, and arts and culture in Philadelphia, PA, Washington, DC, and Northern Virginia. The purpose of the trip was to give relevance to programmatic plans for Newcomb Hall, the Public Market and whether arts, as an anchor in a development, can be sustained. We sought information on governance, budget, operations and the fiscal and economic impact these programs possess.

Members of CRA staff and volunteers attended for program ideas and for a feasibility reality check. The following representatives participated: Annetta Jenkins, CRA Staff; Neimah Spence, RBPD/Clean & Safe; Shawn Henderson, Arts Committee; and Charlie LaVoy, Arts Committee.

Actions for the Board's Consideration:

The development of the Civic Neighborhood would include a number of features that need to be programmed, financed and budget. The resources available to the City and CRA are limited and the decision to develop these public assets must be considered based on their long term sustainability.

¹ The Arts Advisory Committee was convened by ED Brown to bring a local artist perspective for ideas on whether Spanish Courts could be developed as an Arts anchored development. On November 15, 2011, the Board approved Work Order #1 with C3TS to assess options for developing Spanish Courts. Three scenarios were directed to be explored – Public Market, Arts Anchored Development and an option at Viking's sole determination. The due diligence trip was part of the feasibility assessment for the Public Market and an Arts theme.

Newcomb Hall:

The development of this public asset is a high priority. We are exploring financing of Newcomb Hall using New Markets Tax Credits (NMTCs). We are able to save \$1 million if NMTCs can be secured for Newcomb Hall. The ownership structure of this facility needs to be determined to present an application for financing. The CRA is recommending that the improvements of Newcomb Hall be owned by a not-for-profit entity and that the asset be managed by an independent Board of Directors. This Board should decide on the ideal programming for Newcomb Hall including its final size, uses and layout. The Board would manage the asset and establish operating goals. The CRA staff would manage the asset for at least seven years subject to an agreement with the City. Ownership would be restricted to the newly formed organization and would revert to the City for any reason or no reason at all under terms to be established in the organization documents. The CRA Board should discuss the merits of this concept and determine the appropriate next steps.

Public Market:

In 2008, the Board decided to develop a Public Market in partnership with the City, Palm Beach County and the Treasure Coast Regional Planning Council. The feasibility report was completed in January 2012 and requires an investment of \$15 million to construct based on the TCRPC commissioned report. The Board must decide if development of the Public Market is consistent with the redevelopment of the Marina; and, if the costs of development can be sustained.

During our Feasibility Trip, we learned that the Public Market can have a significant economic impact and induce additional benefits for the surrounding projects. We recommend that the feasibility due diligence for the Public Market continues under the noticed elements issued to Viking. In the interim, the CRA has designed a financing plan using NMTCs and has made the Market the anchor element of its application. The Board should defer action pending the outcome of these actions.

Spanish Courts:

Spanish Courts is the single largest parcel of real estate owned by the CRA. We recommend that the highest and best use analysis for Spanish Courts continue under the options established in November 2011. We are working with Viking in developing the Revised Marina District Master Development Plan to explore and produce scenarios for the redevelopment of Spanish Courts. The final decision on developing Spanish Courts may be influenced by the overall Marina District vision; the Broadway Corridor master planning effort; and/or the need to barter the parcel to resolve site control issues to move the redevelopment effort forward. The staff's recommendation for the development of this property will be presented in the Revised Marina District Master Development Plan.

Conclusion:

The Civic Neighborhood is an important public access feature for the Municipal Marina. These projects are capital intensive and an operating plan that produced breakeven results would be a financial achievement. These projects, if properly programmed, can be a huge attraction for residents and visitors and induce economic benefits by attracting patrons for restaurants and other businesses potentially located at the Marina.

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Attachment: Due Diligence Report

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Travel Itinerary & Attendees:

Date	Location	Purpose	Attendees
July 9, 2012- July 10, 2012	Montreal	Visit with Live Work Learn Play: Address Strategic Assessment Report; Tour projects developed and Public Markets	Billie Brooks, CRA Chair Tony Brown, CRA Exec. Director Mary McKinney, City of Riviera Beach Scott Evans, Riviera Beach CRA
July 11, 2012	Philadelphia – New Jersey	Visit with Viking Developers – principal owners; tour boat building facility; and assess commitment to serve as master developer	Billie Brooks, CRA Chair Tony Brown, CRA Exec. Director Ruth Jones, City Manager
July 11, 2012	Philadelphia	Tour Public Markets and visit with University City District officials on Clean & Safe (Ambassador) Program	Annetta Jenkins, CRA Comm. Dev. Off. Neimah Spence, RBPD/Clean & Safe Off. Shawn Henderson, Arts Advisory Comm. Charlie LaVoy, Arts Advisory Comm.
July 12, 2012- July 13, 2012	Washington, DC/ Northern VA/ Arlington, VA	Tour Public Market and arts centers; visit with EDs and Senior Staff in program briefings.	Billie Brooks, CRA Chair Tony Brown, CRA Exec Director Annetta Jenkins, CRA Comm. Dev. Off. Neimah Spence, RBPD/Clean & Safe Off. Shawn Henderson, Arts Advisory Comm. Charlie LaVoy, Arts Advisory Comm. Dana Nottingham, LWLP

Purpose

The focus of this Due Diligence trip was to observe Best Practice Projects in operation, meet and discuss challenges and opportunities with leadership, develop a network of successful practitioners, document community benefits, hear about necessary financing and programming, and experience the programs first hand.

Observations

We believe we met the purpose of the trip. We made an effort to observe programs with diverse elements to provide the widest set of examples for study and replication. We were able to meet with executive directors and senior management from all of the programs except the Italian Market. We are better informed and aware of best practices and challenges. All of the sites visited offered key observations and the staffs were frank in sharing lessons learned. The key takeaways include:

Finance & Governance:

- Project financing in most cases was provided by the local government
- The civic facilities were governed by a citizen's appointed board with technical expertise and the ability to raise the money.

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- The projects are capital intensive and if operations breakeven then that is a financial achievement

Public Market:

- Fresh and local foods, offered by local vendors are very attractive and draw a crowd.
- Having a diversity of foods and food-related products draws in customers.
- A clean and safe environment is a must.
- Adjacent parking is required.
- A marketing budget and special events help to attract a diversity of visitors

Arts as a Destination:

- Art in public places is a draw but may not be sustainable unless it includes other uses – not the sole anchor, provides an educational component, attractive workshop and studio space
- Incorporates a process to select and jury artists

Civic Neighborhood Committee

The Agency is grateful for the area citizens who have volunteered their time and expertise to program ideas for public facilities. The CRA Executive Director is recommending that the CRA Board create a citizens oversight committee to provide guidance for the development and programming of Newcomb Hall and the Public Market.

The Executive Director is working with Viking to assess the highest and best use for Spanish Courts. A mixed-use development that features housing at Spanish Courts with several cottages renovated as an amenity to the housing development will be explored, as well as other ideas. An Arts Committee was convened by the Executive Director over a year ago which presented ideas for the adaptive re-use of these cottages. The ideas developed by the Committee will be presented to and explored by the urban planner/architect hired by Viking to craft a Revised Marina District Master Development Plan.

Background on the Spanish Courts Arts Committee

The Arts Committee is comprised of the following members:

1. Shawn Henderson, Co-Chair (Bak Middle School of the Arts-Artist)
2. Charlie LaVoy, Co-Chair (Sculptor)
3. Lianne LaVoy (Bak Middle School of the Arts, Retired-Artist)
4. Maria Cole (Retired Dentist/Arts Patron)
5. Stephanie Chesler, (Bak Middle School of the Arts- Graphic Designer, Photographer)
6. Lee Glaze (Bak Middle School of the Arts – Artist)
7. Lea Jefferson (Arts Patron)

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PROJECT DESCRIPTION	LESSON/OBSERVATION	THEME	INSPIRATION/IDEAS
<u>Reading Market</u> 12 th & Arch Street Philadelphia, PA Market Manager: Paul Steinke Tour Guide: Gail Kennedy, Taste of Philly Tours	Profitable In house security Quality offerings Mission-focused 7 days a week Transportation/Access Variety of collateral material In house security; close to police substation; accessible to various branches of law enforcement Mixed uses/programming – festivals Diversity of foods, people, and culture Adequate parking Ambassadors for city Day vendors---weakest link Management has complete control Accepts EBT cards—semi-annual outreach program for food vouchers for seniors Public/community/demonstration space Extremely low vacancy rate Nonprofit board-lease with local government Prepared foods, fresh foods, sundry purveyors, day vendors	Public Market embracing culture and history	Connect Community gardens to public markets Graffiti Abatement – Mural Program
<u>Italian Market</u> 9 th Street between Wharton Street and Fitzwater Street Self guided tour.	Culture was not always preeminent Neighborhood feel Dirty; not so appealing Several businesses of note with excellent patronage—Gino’s and Sal’s—excellent business model Beautiful murals on buildings along the way	Street Market	Graffiti Abatement – Mural Program
<u>University City District/The Front Porch</u> 3940-42	Program arose out of tragedy— from blight to revitalization Clean space employees World Class Ambassador	Best practice Ambassadors Program Sustainable	Connect Community gardens to public markets Graffiti Abatement –

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PROJECT DESCRIPTION	LESSON/OBSERVATION	THEME	INSPIRATION/IDEAS
<p>Chestnut Street Executive Director: Matt Bergheiser Director of Community and Business Services: Steve Walsh Operations Manager: Alan Garry Tour thru the District and Demonstration at The Front Porch Project</p>	<p>Program Encourages creativity and innovation—employee idea fund Community has bought into the program Biking, walking, cars, buses Major relationship with law enforcement 800 Community building events/year Public/private partnerships Piano Project a highlight The Front Porch-Public Spaces Innovation Funding from three universities and grants Paid staff</p>	<p>community development Clean, Safe and Green Vibrant neighborhood</p>	<p>Mural Program Dirt Factory-portable composting for city landscape efforts Seed bombs for empty lots Assistance for problem properties Public Spaces Campaign Piano paint/community connections Sustainable Saturdays Dollar Days Dining Event</p>
<p><u>Eastern Market</u> 225- 7th Street, SE, Washington, DC</p>	<p>Destination market Summer youth program Staffing by District employees; management not a 501 (c)(3) No full time security or cameras Large spaces for vendors— 10,000 SF for 13 vendors Outdoor space-30,000 sf Closed on Monday Linear layout Meeting/event/community space Negative cash flow Visual appeal limited Sensitive to politics</p>	<p>Neighborhood Market</p>	
<p><u>Lorton/The Workhouse Arts Center</u> 9601 Ox Road Lorton, VA Executive Director: John Mason Development Director: Julie Booth</p>	<p>Scaled too large Refocusing to take multiple approached—scope, scale, intent Challenging location Successful repurposing of former prison Undertaking a new feasibility analysis Vision must be shown in qualitative and quantitative terms Adjudication process for artists</p>	<p>Arts Center Program</p>	<p>Transparency-what all parties expect</p>

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PROJECT DESCRIPTION	LESSON/OBSERVATION	THEME	INSPIRATION/IDEAS
Marketing Director: Camela Speer	is required for lease; lease payment= rent + commission Public/private partnership Shifted to gain new, seasoned management Exploring partnership with nearby university Saddled with huge debt Set up as nonprofit 501 (c)(3) Space for special events		
<u>The Torpedo Factory</u> 106 N. Union St. Alexandria, VA Executive Director: Harry E. Mahon	Successful repurposing of buildings Focal point of working waterfront Major economic impact annually for city--\$17 million Gift shop provides \$100K/year Break even annually—Income of \$1 million Merchant association Once an artist is adjudicated, in for life No commission sharing Low rent Space for special events	Arts Center Program	Transparency-what all parties expect

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