

**CITY OF RIVIERA BEACH
PALM BEACH COUNTY, FLORIDA
SPECIAL CITY COUNCIL MEETING MINUTES
WEDNESDAY, FEBRUARY 25, 2015 AT 5:30 P.M.**

(The following may contain inaudible or misunderstood words due to the recording quality.)

ANY PERSON WHO WOULD LIKE TO SPEAK ON AN AGENDA ITEM; PLEASE FILL OUT A PINK PUBLIC COMMENT CARD LOCATED IN THE BACK OF THE COUNCIL CHAMBERS AND GIVE IT TO THE STAFF PRIOR TO THE ITEM BEING TAKEN UP BY CITY COUNCIL FOR DISCUSSION. MEMBERS OF THE PUBLIC SHALL BE GIVEN A TOTAL OF THREE (3) MINUTES TO SPEAK ON ALL ITEMS LISTED ON THE CONSENT AGENDA. MEMBERS OF THE PUBLIC WILL BE GIVEN THREE (3) MINUTES TO SPEAK ON EACH REGULAR AGENDA ITEM. IN NO EVENT WILL ANYONE BE ALLOWED TO SUBMIT A COMMENT CARD AND SPEAK ON AN AGENDA ITEM AFTER THE RESOLUTION IS READ OR ITEM CONSIDERED.

CALL TO ORDER

CHAIRPERSON DAVIS: Good evening, ladies and gentlemen. Welcome to the City's Special Council Meeting. Please turn your cell phones to the off or vibrate position. Okay. Let's all -- Madam Clerk, please call the roll.

Roll Call

INTERIM CITY CLERK ANTHONY: Mayor Thomas Masters? Chairperson Judy Davis?

CHAIRPERSON DAVIS: Here.

INTERIM CITY CLERK ANTHONY: Chair Pro Tem Dawn Pardo?

CHAIR PRO TEM PARDO: Present.

INTERIM CITY CLERK ANTHONY: Councilperson Bruce Guyton? Councilperson Cedrick Thomas?

COUNCILPERSON THOMAS: Here.

INTERIM CITY CLERK ANTHONY: Councilperson Terence Davis? City Manager Ruth Jones?

CITY MANAGER JONES: Present.

INTERIM CITY CLERK ANTHONY: Interim City Clerk Claudene Anthony is present. City Attorney Pamala Ryan.

CITY ATTORNEY RYAN: Present.

CHAIRPERSON DAVIS: Okay. Let's all stand for a moment of silence and the pledge.

Invocation

Pledge of Allegiance

(Everyone stood for a Moment of Silence with the Pledge of Allegiance).

AGENDA Approval: Additions, Deletions, Substitutions

CHAIRPERSON DAVIS: Okay. Mrs. Jones, do we have any additions, deletions or substitutions?

CITY MANAGER JONES: Yes, Madam Chair. We do have two additions.

CHAIRPERSON DAVIS: Okay. Could we please keep it down? We're trying to run a meeting.

CITY MANAGER JONES: I would like to add an item to the consent agenda. And it is a routine item that we have had before us before and that is a resolution of the City Council of the City of Riviera Beach to approve the Fourth Annual Councilman Cedrick Thomas Fifth Grade Fun Day at John F. Kennedy Middle School. And that's located on F Avenue and providing for an effective date. This event is scheduled to take place in May. The other item that we would like to have added under Community Benefit is a Community Benefits award to the Youth Empowerment Program, to their digital media department from Councilman Terence Davis in the amount of \$300.

CHAIRPERSON DAVIS: And where is that going to go?

CITY MANAGER JONES: That would be on regular.

CHAIRPERSON DAVIS: Number 3?

CITY MANAGER JONES: Yes.

CHAIRPERSON DAVIS: Okay. Let the record reflect that Mr. Guyton is here, also, and Mr. Davis. And I thought there was another Community Benefit but his is the only one? Okay. All right. Is that it?

CITY MANAGER JONES: Yes, Madam Chair.

CHAIRPERSON DAVIS: Okay. Is there a motion to adopt the -- are there any disclosures by council? Is there a motion to adopt the agenda?

Disclosures by Council

Adoption of Agenda

CHAIR PRO TEM PARDO: So moved.

COUNCILPERSON THOMAS: Second.

COUNCILPERSON DAVIS: Second.

CHAIRPERSON DAVIS: Okay. Madam Clerk?

INTERIM CITY CLERK ANTHONY: Councilperson Guyton?

COUNCILPERSON GUYTON: Yes.

INTERIM CITY CLERK ANTHONY: Councilperson T. Davis?

COUNCILPERSON DAVIS: Yes.

CHAIRPERSON DAVIS: Councilperson Thomas?

COUNCILPERSON THOMAS: Yes.

CHAIRPERSON DAVIS: Pro Tem Pardo?

CHAIR PRO TEM PARDO: Yes.

INTERIM CITY CLERK ANTHONY: Chair Davis?

CHAIRPERSON DAVIS: Yes.

INTERIM CITY CLERK ANTHONY: Unanimous vote.

CHAIRPERSON DAVIS: Okay. We're now down to our consent agenda.

Comments From the Public on Consent Agenda (Three Minute Limitation)

CHAIRPERSON DAVIS: I don't have any consent agenda speakers. Okay. Is there a motion to approve the consent agenda?

CHAIR PRO TEM PARDO: So moved.

COUNCILPERSON THOMAS: Second.

CHAIRPERSON DAVIS: Okay. Madam Clerk?

INTERIM CITY CLERK ANTHONY: Councilperson Thomas?

COUNCILPERSON THOMAS: Yes.

INTERIM CITY CLERK ANTHONY: Councilperson T. Davis?

COUNCILPERSON DAVIS: Yes.

INTERIM CITY CLERK ANTHONY: Councilperson Guyton?

COUNCILPERSON GUYTON: Yes.

INTERIM CITY CLERK ANTHONY: Pro Tem Pardo?

CHAIR PRO TEM PARDO: Yes.

INTERIM CITY CLERK ANTHONY: Chair Davis?

CHAIRPERSON DAVIS: Yes.

INTERIM CITY CLERK ANTHONY: Unanimous vote.

CHAIRPERSON DAVIS: Okay. Now we're down to regular, City Attorney's Contract.

CONSENT AGENDA

COMMENTS FROM THE PUBLIC -7:00 PM Non-Agenda or Consent Item Speakers

(Three Minute Limitation)

Public Comment should be restricted to issues, matters, or topics pertinent to the City of Riviera Beach. Please be reminded that the City Council has adopted "Rules of Decorum Governing Public Conduct during Official Meetings", which has been posted at the entrance of the Council Chambers. In an effort to preserve order, if any of the rules are not adhered to, the Council Chair may have any disruptive speaker or attendee removed from the podium, from the meeting and/or the building, if necessary. Please govern yourselves accordingly. Public Comments shall begin at 7:00 PM unless there is no further business of the City Council, which in that event, it shall begin sooner. In addition; if an item is being considered at 7:00 PM, then comments from the public shall begin immediately after the item has been concluded.

REGULAR

1. CITY ATTORNEY'S CONTRACT

CHAIRPERSON DAVIS: Okay. So --

CHAIR PRO TEM PARDO: Madam Chair?

CHAIRPERSON DAVIS: -- Miss Pardo?

CHAIR PRO TEM PARDO: Okay. So I'd like to make a recommendation that we appoint someone -- and it should be the chairperson. That's what we have done historically, to negotiate a new contract with Miss Ryan.

COUNCILPERSON THOMAS: Is that a motion?

COUNCILPERSON GUYTON: So moved.

CHAIR PRO TEM PARDO: Yes, it is.

COUNCILPERSON THOMAS: Okay. Well, second.

CHAIRPERSON DAVIS: Okay.

COUNCILPERSON THOMAS: I'm seconding whoever made the motion. If it's Dawn or if it's Bruce, I'm seconding it.

CHAIR PRO TEM PARDO: Yes. That was my motion.

CHAIRPERSON DAVIS: I think it was Miss Pardo and second by Mr. Thomas.

COUNCILPERSON THOMAS: Okay.

CHAIRPERSON DAVIS: I think one of the first things I think we need to determine is whether we're going to retain Miss Ryan, if everybody is in agreement. And then we can go ahead and do the motion for negotiation.

COUNCILPERSON GUYTON: Madam Chair?

COUNCILPERSON THOMAS: If we're doing a new contract --

CHAIR PRO TEM PARDO: (Inaudible).

COUNCILPERSON THOMAS: -- I think that would --

CHAIR PRO TEM PARDO: Exactly.

CHAIRPERSON DAVIS: No, I'm just putting it on the record.

COUNCILPERSON THOMAS: Okay.

CHAIRPERSON DAVIS: You know, so --

COUNCILPERSON THOMAS: I would like to retain Miss Ryan.

CHAIRPERSON DAVIS: Okay.

COUNCILPERSON GUYTON: Madam Chair?

CHAIRPERSON DAVIS: Mr. Guyton?

COUNCILPERSON GUYTON: I think the motion speaks for itself if we're going and --

CHAIR PRO TEM PARDO: Exactly.

CHAIRPERSON DAVIS: I heard you. Okay.

COUNCILPERSON GUYTON: -- if we're going to negotiate with the --

CHAIRPERSON DAVIS: Okay. So is everyone all right with --

COUNCILPERSON DAVIS: Madam Chair?

CHAIRPERSON DAVIS: Mr. Davis?

COUNCILPERSON DAVIS: I have one concern with moving forward, negotiating contracts and then bringing it to the board. I would like to see us move in a different direction. But potentially doing negotiations with a public negotiation so we can discuss this, putting everything on the table, getting everything done in one meeting versus one person doing the negotiating, bringing it back to the board. I think it's best that the people in the community see how transparent we are and what we're actually asking for on the table versus what's coming back to us. People need to know what's going on right up front.

COUNCILPERSON THOMAS: Madam Chair?

CHAIRPERSON DAVIS: Okay. Yes, Mr. Thomas?

COUNCILPERSON THOMAS: I just want to make sure that I'm understanding what Mr. Davis is asking for. Are you saying instead of the Chair or whoever our appointee is -- I think it should be the chair, but whoever goes back and negotiates and then bring it back to us? Are you

saying bring it back and -- without it being negotiated by the chair and we just negotiate it in public like this?

COUNCILPERSON DAVIS: Well, the reason being, I watched Royal Palm Beach about a year ago. They did the same thing with their city manager and their city attorney. And what it prevented was at that time prior to that, they had a chair that was in negotiation. And you had people on the board fighting, saying because that's not what they asked for and it became kind of finicky. I would like to do something, me personally, see trying doing something different. If it doesn't work, then we can go back to that. But I noticed the last time we had this discussion about negotiations, it never came back to this board. And I would like to be a part of the negotiation process, as well. And I think we each -- everybody should be talking about this. It should be just a meeting on negotiations on the city attorney or on the city manager on what we want, what we want to take out, what we want to leave in, and we should have a discussion on just that.

COUNCILPERSON GUYTON: Madam Chair?

CHAIRPERSON DAVIS: Mr. Guyton?

COUNCILPERSON GUYTON: It is my understanding that we will get a chance to do that but we've traditionally allowed the chair to bring us back a basis from which to start the rest of our negotiations.

CHAIR PRO TEM PARDO: Right.

COUNCILPERSON GUYTON: This is what they're bringing back. And if it's something in there that a councilperson doesn't like, they bring it to the rest of us and we talk about it. If we agree with it, then we'll move on. So I think it still would give that same level of transparency but give us a base from which to start where both sides have come to some level of agreement.

COUNCILPERSON DAVIS: Madam Chair?

CHAIRPERSON DAVIS: Mr. Davis?

COUNCILPERSON DAVIS: While I do understand Councilperson Guyton, where you're coming from, but the last time we was at this position, no one actually brought that back to negotiate. And I was operating in good faith waiting to have the input on this contract and it never did happen. But if this board don't want to do that then I respect and understand what y'all position --

COUNCILPERSON THOMAS: Madam Chair?

CHAIR PRO TEM PARDO: Madam Chair?

CHAIRPERSON DAVIS: Mr. Thomas and then Miss Pardo.

COUNCILPERSON THOMAS: I just want to make sure I'm understanding Mr. Davis. Are you saying that the prior time that we've done a contract, that it wasn't brought back to the board?

COUNCILPERSON DAVIS: For negotiations, no.

CITY ATTORNEY RYAN: It rolled over.

COUNCILPERSON THOMAS: Oh, okay.

COUNCILPERSON DAVIS: Rolled over. It rolled over.

COUNCILPERSON THOMAS: 'Cause it rolled -- yeah.

COUNCILPERSON DAVIS: Yeah.

COUNCILPERSON THOMAS: Well, yeah, but that doesn't happen anymore because a few years ago we put in a clause to make sure that she reminds us every meeting almost to the redundant part of this that it has to come back. So I mean, it -- does that make you comfortable enough to know that it's definitely gotta come back for us to decide on at this point?

COUNCILPERSON DAVIS: As long as it come back and we discuss it, I'm fine. But --

COUNCILPERSON THOMAS: Well, it's definitely coming back.

COUNCILPERSON DAVIS: Okay.

CHAIRPERSON DAVIS: Okay? Let me go ahead and take a public --

CHAIR PRO TEM PARDO: Wait, I had -- I had a comment.

CHAIRPERSON DAVIS: Oh, go ahead.

CHAIR PRO TEM PARDO: Okay. So I'm glad that Mr. Davis is okay with it because I was basically going to say the same as Mr. Thomas. You know, over the seven years while I've been here, we negotiated several contracts with our executives. And the chair traditionally negotiates a contract, brings it back to the council and then at our public council meeting, each person, each councilperson has a say in what they would like to see, what they would like to take out, and the public also has input. So, you know, I don't think -- no, these contracts really aren't done in the dark and everyone has the opportunity to participate in they wish.

CHAIRPERSON DAVIS: Okay. I have one public comment card. Bessie Brown?

BESSIE BROWN: Good evening. Bessie Brown.

CHAIRPERSON DAVIS: Good evening.

BESSIE BROWN: Basically -- basically there was nothing -- there was nothing. The -- the contract rolled over last year -- well, whenever, last time it was -- and it's not -- it's -- and it's not even on the website. The public don't even have access to that. So basically what Mr. Davis was saying is totally true and correct, because the last copy of -- of the one I have was for 2011. And I'd like to know how -- how can we get the -- a copy of her -- Mrs. Ryan's current contract? And you'll -- 'cause -- 'cause I don't have anything. And I need -- and I'd like to know where -- what do you have in place at the date that it really rolled over 'cause there's nothing -- nothing to be found. I'd like to pick up a copy. And if I could pick up a copy, who do I pick it up from?

CITY ATTORNEY RYAN: Madam Chair?

CHAIRPERSON DAVIS: Miss Ryan?

CITY ATTORNEY RYAN: The 2011 employment agreement that you have is the last contract. There is no other one after that. That one just rolled over and I continued to work under that contract. But if you want another copy I'm happy to make sure that my -- that we give one to you.

BESSIE BROWN: Well -- well, I'll make -- I just want to make sure I have the right one.

CITY ATTORNEY RYAN: You have the only one, yes.

BESSIE BROWN: Well, could -- could you just make me a copy? I could pick it up.

CITY ATTORNEY RYAN: Absolutely. Absolutely.

BESSIE BROWN: And -- and, you know, basically -- and these items on the agenda, you know, you don't have any backup. I think it's -- it's really, you know, unnerving sometimes that we -- we don't have any backup.

CHAIRPERSON DAVIS: Okay. But you need to talk to the item.

BESSIE BROWN: This is -- this is --

CHAIRPERSON DAVIS: Okay?

BESSIE BROWN: -- this is an item. That's not -- doesn't have any backup.

CHAIRPERSON DAVIS: Okay.

BESSIE BROWN: Okay? So I know what I'm talking about. And so -- and basically -- and -- and that's the point. You need to -- we -- if you're gonna have a meeting and, you know -- you know, don't -- not gonna give a backup, how can we -- how can the -- how can the public participate if there's nothing, you know, to -- to look at? And you all have things. That's -- that's -- that's -- that's the other point that I wanted to make.

CHAIRPERSON DAVIS: Okay. Thank you, ma'am. All right. So anybody else want to -- have any comments? Okay. So it is agreed that we are going to retain her.

COUNCILPERSON THOMAS: When -- when would you be coming back with this?

CHAIRPERSON DAVIS: Ooh.

CHAIR PRO TEM PARDO: April?

COUNCILPERSON THOMAS: 18th?

CHAIRPERSON DAVIS: Well, I won't be the chair then but I'll bring it back on the 18th, yes. Okay?

COUNCILPERSON THOMAS: Okay.

CHAIRPERSON DAVIS: All right.

INTERIM CITY CLERK ANTHONY: Call for the vote?

CHAIRPERSON DAVIS: Call for -- are we going to vote on this? Absolutely. Okay. So, Madam Clerk?

INTERIM CITY CLERK ANTHONY: Pro Tem Pardo?

CHAIR PRO TEM PARDO: Yes.

INTERIM CITY CLERK ANTHONY: Councilperson Thomas?

COUNCILPERSON THOMAS: Yes.

INTERIM CITY CLERK ANTHONY: Councilperson T. Davis?

COUNCILPERSON DAVIS: Yes.

INTERIM CITY CLERK ANTHONY: Councilperson Guyton?

COUNCILPERSON GUYTON: Yes.

INTERIM CITY CLERK ANTHONY: Chair Davis?

CHAIRPERSON DAVIS: Yes.

INTERIM CITY CLERK ANTHONY: Unanimous vote.

CHAIRPERSON DAVIS: Okay.

CITY ATTORNEY RYAN: Thank you.

CHAIRPERSON DAVIS: Item 2. It's the Ocean Mall GSF and TJAC Proposed Lease Agreement.

2. OCEAN MALL: GSF AND TJAC PROPOSED LEASE AMENDMENT

CHAIRPERSON DAVIS: I have one public comment card. Miss Bessie Brown.

BESSIE BROWN: Bessie Brown. As -- as -- according to this item, there is no backup information. If you -- if the council has some backup information that they're going to be reading, I'd like to request that I have a copy of it now.

CHAIRPERSON DAVIS: Okay. We don't have anything?

CITY ATTORNEY RYAN: No, there is no backup. This is a discussion item.

CHAIRPERSON DAVIS: Okay. Miss Jones?

CITY ATTORNEY RYAN: Oh, let me -- can I --

CITY MANAGER JONES: Okay.

CITY ATTORNEY RYAN: Yeah, okay. And one of the -- thank you, Madam Chair. One of the reasons there's no backup is because this has been kind of a moving target the last couple of weeks. If you will recall at last Wednesday's council meeting, Miss Pardo and I discussed this matter and asked that it be added to this very quick meeting so that we could get further

direction from the council. Since then, I, along with our outside counsel, Richard Jarolem, who has been on the Ocean Mall litigation issue for a couple of years, have been discussing and negotiating with TJAC and GSF.

As all of you know -- and we've had discussions with each of you -- TJAC is closing on the -- the purchase of the lease of the Ocean Mall. That closing is set for March 11th, 2015, and they are asking the City for consideration of making some changes to the current lease agreement and the three amendments. And that would be -- which means that we would do a fourth amendment. I had a version that I wanted to pass out to you tonight but I'm not going to because as I said, things keep changing. I'm going to have Mr. Jarolem come up and talk about some issues that have occurred actually this afternoon.

So we have not had an opportunity to speak with you about this. But it kind of changes the entire analysis. I did send the council a memo that talked about why it is important for us to move Ocean Mall along. As you know, we've had an action plan. We've sent them a predefault letter because we want something to happen at the Ocean Mall. And one of the reasons this is on a fast track is that TJAC -- it is their wish to get in and start making some serious improvements to the Ocean Mall immediately. So I'm going to let Mr. Jarolem start. He's kind of going to start in the middle. And I'm -- and I think it's okay at this point because we're already at 5:40 p.m. and you have another meeting that's starting. And you all have all been made privy to the basic issues surrounding this deal. So I -- I'm going to ask him to come forward and talk about the changes and what we're trying to do here. .

CHAIRPERSON DAVIS: Good evening, sir.

RICK JAROLEM: Good evening. Rick Jarolem on behalf of the City. Thank you, Counsel. The -- I was asked originally when TJAC was coming back to the table to analyze some requests by TJAC with regard to the fourth lease amendment. One of the -- and perhaps the most critical issue that I had was TJAC seemed to be asking for a lot of concessions. You know, use of the hotel site for parking and -- and other things. And we had previously engaged in conversations with GSF regarding the proper consideration for that. The number that GSF, we had spoken to, was for use of the hotel site for parking only for the remainder of the lease.

GSF was willing to give us consideration of 30,000 a year, which, over the remaining term of the lease, amounts to over \$1.2 million to the City. In speaking with Mr. Loren, counsel for TJAC, TJAC has agreed to the same terms to get the -- to use the hotel parcel over the course of the lease for parking only. This does not in any way, shape or form affect the City's rights to meter the parking or receive all the revenue. This is additional revenue above and beyond the metering rights and rights to receive all the revenue. This is simply \$30,000 a year for use of the parcel for parking. TJAC is already -- or GSF has already obliged to upgrade that parking, update that parking once building B is completed. They're also obliged to continue to maintain, irrigate landscape and pave as needed over the course of their lease hold of the parking.

That's the -- that's the primary issue that's changed. And based upon that, my analysis also has to change accordingly, because what was zero consideration has now been moved to \$1.2 million over the course of the lease. I think that is an important difference from what was originally presented to what is being presented now and -- and obviously it's the council's choice as to whether or not that difference is determinative. But I felt like I needed to advise the council of this change. It is the single largest commitment of additional dollars to the City over the course of the lease since I've been involved in the negotiation. We previously topped out at 700,000. This one is 1.2 million.

COUNCILPERSON THOMAS: Madam Chair?

CHAIRPERSON DAVIS: Mr. Thomas?

COUNCILPERSON THOMAS: I got a couple questions just so I'm -- I'm up on this. From what I understood in the previous memos, if the -- these -- these defaults continue, then we would be able to get the total property back free and clear. So my issue was two things. First, even with this new amount, why is it fixed? Why is it not some type of increase over the next 25 or how many years it is? That's the first thing. Even with the new parking for the Ocean -- the -- the old hotel pad. That's first. Second, why are we negotiating with --

RICK JAROLEM: TJAC?

COUNCILPERSON THOMAS: -- TJAC and they're not the property -- they -- they don't have the -- the lease?

RICK JAROLEM: That's --

COUNCILPERSON THOMAS: Hold on. Third --

RICK JAROLEM: Oh, sorry. I -- I need to write this down.

COUNCILPERSON THOMAS: -- let me just give -- let me -- let me give -- yeah. Let me -- let me -- let me give you the other one so you can answer them all at -- at one time. And if we were going to do that, I think it should all be contingent upon this happening. I -- I -- you know, I think the -- the individual's a decent guy but he did walk away one time before. The -- the other thing is, once we've done this, can he now go and sell this lease or do whatever he wants after we've approved this?

Now, let me tell you why. We've bumped into this before a couple times. And if he's going to be able to do that, I don't want to give up the concessions that the City has in order to get more money. If we still want to do this, why not go ahead and start another lease and renegotiate all of our terms in the lease versus letting him assume those? And that -- that's just my immediate questions that I have over. Can you answer those, please?

RICK JAROLEM: I will -- I will try. The first answer is why -- the first question, if I have it correctly, is why no raises? Why is it -- why is it a flat 30,000 a year? The answer to that is it was what we were discussing with GSF. It makes the accounting very easy. It makes -- it makes it absorbable over -- over the term of the lease. There's no contingents to it. The part that we didn't like from -- from our standpoint was the current lease that we have is based on a contingency such as the occupancy rate of the Ocean Mall. Once you have a contingency, the City can't bank upon anything. And it was the general idea that we get a number that we can set, we know, we can budget, we can account for.

COUNCILPERSON THOMAS: But you're saying over 25 years?

RICK JAROLEM: Over the remainder of the year -- of the lease, yes.

COUNCILPERSON THOMAS: Okay. So how many years is that?

RICK JAROLEM: I believe right now it's somewhere in the neighborhood of 41.

COUNCILPERSON THOMAS: Okay. So that's even worse.

CITY ATTORNEY RYAN: What's that?

RICK JAROLEM: The remainder of the lease.

CITY ATTORNEY RYAN: Forty-one years.

COUNCILPERSON THOMAS: So -- okay. So over 41 years. So what I'm saying is, year five is \$30,000. Year 20 is \$30,000. Year 30 is -- is \$30,000. So what I'm trying to say is, you don't have to make that contingent upon whatever the occupancy rate is. You can just say, Hey, in five years it's this and in five years it's that. Why would we still be charging some 41 years later that we did 41 years earlier?

RICK JAROLEM: Okay.

COUNCILPERSON THOMAS: So to me, that's the -- you know, that's the -- that's the issue with that on that part. Can you answer the other?

RICK JAROLEM: Yeah. Yes. And -- and I -- and I -- and I've heard you. I'm certain the council has heard you. The second one, why are we dealing with TJAC and not GSF? In fact, we are dealing with them both. On this we asked this exact question. We sent correspondence to GSF saying, You are our tenant. Why are we, you know -- do we have permission -- do you -- do you acknowledge or ratify what's going on? And essentially GSF responded back to us that TJAC is the contract purchaser. We have -- we have permission from them to discuss it. Obviously if GSF is the leaseholder at the time these are agreed upon, GSF must sign off on it or it's not an amendment. But it is done in concert. TJAC and GSF are doing this in concert together.

COUNCILPERSON THOMAS: Okay. See, I didn't understand that. From what I read I --

RICK JAROLEM: Yeah. (Inaudible) and I'm sorry.

COUNCILPERSON THOMAS: -- I --

RICK JAROLEM: I'm --

COUNCILPERSON THOMAS: -- no, I -- I thought that TJAC got this as a settlement from a --

CITY ATTORNEY RYAN: No. No.

RICK JAROLEM: (Inaudible).

COUNCILPERSON THOMAS: -- so hold on.

RICK JAROLEM: I'm sorry.

COUNCILPERSON THOMAS: I want to hear. And I -- I really want to know why I don't know the same thing everybody else is -- everybody else know. So I need to make sure that if that's -- if that's not what happened, that's what I remember this far, that it was a settlement and TJAC got the lease back because of this settlement. If that's not the case, then we're going to need to hear -- we can't start from the middle. We're going to have to start from the beginning.

RICK JAROLEM: Then let me try and answer that question directly. TJAC was the contract purchaser a year ago. There was a dispute that they got into with GSF. My understanding is they mediated their dispute on or about February 1st and re-entered the contract for TJAC to

assume to role as tenant with the City. That contract was provided to us by Bruce Loren and that contract said that they are taking it as is where is with the closing scheduled for March -- for March 11th, 2015. If TJAC does not close on that for whatever reason, they -- they lose any rights they have in -- as a prospective tenant. They lose any rights they had to any deposit monies which they were fighting over with GSF. They are simply done and our tenant continues on as GSF.

COUNCILPERSON THOMAS: Okay. But whereas -- as is should mean that they're getting it with the same conditions that we have with GSF, which I feel like we're in a much powerful position.

RICK JAROLEM: They are -- they are taking it to the same position as GSF. There -- there's no question. Right now who we're dealing with on this is a combination of both TJAC and GSF. Both would want this kind of concession and both will have to sign off on it.

COUNCILPERSON THOMAS: As is, where is, is -- that's not the same as, Okay. I'm taking it as, where is, but I want this, this, this and that. That's -- that's -- that's not the same to me. That's not the same as as is, where is.

RICK JAROLEM: I understand your point. The -- my best explanation for that is the as is, where is, is really between the -- the City and the leaseholder. And -- and they're saying, We're not -- GSF is not representing to TJAC, We're gonna be able to get any -- any change in the deal. We're not going to get any additional money. We're not going to commit to any additional money. If you can do that on your own, great, well and good. But our contract, GSF and TJAC, we're not making those representations. We're -- we're not promising you anything other than what we already have. If you -- and that's all we're promising.

COUNCILPERSON THOMAS: Okay. I understand that. So where is our documents that say all what we're doing is legal and we can do it? Who -- who says that we can be negotiating with somebody who does not have the lease or have not closed on the lease? Where is all of that and why are we jumping the gun before he closes with this? Why are we -- why are we doing this prior to closing?

RICK JAROLEM: The -- the documentation that we have on this is really a series of e-mails which -- which are intended for the City to rely upon, because we brought this exact question up. I didn't bring it because quite -- quite frankly, it didn't occur to me that this --

CITY ATTORNEY RYAN: Right. And let me --

RICK JAROLEM: I'm sorry.

CITY ATTORNEY RYAN: -- just jump in a little bit. The fourth amendment to the lease that I've prepared is between the City and GSF. Although we've been talking with TJAC with the permission of GSF -- they have given their permission, our -- everything that's going on is between the City and -- and GSF. And our -- when we enter into this agreement, you will not see TJAC's name on the -- on the fourth amendment to the lease. It is GSF who has to agree to everything.

COUNCILPERSON THOMAS: Okay. Finally, why would you -- why would we -- if we're in position to get this thing back for nothing and we can release it or redo one, why would we jump the gun and do it like this? Why do we hurry up and say, Okay. Let's get out of this great position that we built ourself, that we put ourself in over the past couple of years, to get out of this bad deal? Why would we do that? Why would we? Why would we do it? Why not just

wait, let them default and get our Ocean Mall back for nothing? Why -- why would we hurry and do this?

RICK JAROLEM: The -- the simple reason for that is there is no certainties. If -- if, even on the predefault. If we default them, that's a nonmonetary issue. It's maintenance, essentially painting, things like that. They would have an opportunity to cure under lease. The City wouldn't get the lease back. Furthermore, they -- you really -- if monies are paid even under the current lease, the 41,666 beginning in June -- it does afford the tenant the opportunity to complete under the lease. It's a -- it's the building -- the building B which is the 7-Eleven building.

COUNCILPERSON THOMAS: Uh-huh.

RICK JAROLEM: Yeah. They would have over a year to do that. And if -- if both of those things occur, number -- what you wind up with is you wind up with a short-term gain and nothing for the parking necessarily. You don't get the property back. It's certainly in your purview. But as far as I'm --

COUNCILPERSON THOMAS: Well, we got 41,000 every month versus 30,000 every year.

RICK JAROLEM: Well, you get 41,000 every month until CO. And that's -- that's the deal. So if they are able to get CO in one month, it's \$40,000 versus the 1.2 million that's coming in. What's been talked about thus far is a request to -- to push back the 41,000 a month to January 1st. That's a total of, give or take, 250,000 on what's been proposed right now. The net to the City would be a million above that.

COUNCILPERSON THOMAS: Over 41 years?

RICK JAROLEM: Correct.

COUNCILPERSON THOMAS: So why would I give up 250,000 now for 40 -- I mean, for a million-two over 41 years?

RICK JAROLEM: That -- that is obviously -- that -- I'm counsel. I can't tell you why you should.

COUNCILPERSON THOMAS: Okay.

RICK JAROLEM: All I can tell you is the net dollars on this versus what's on my memo have changed to the -- to the positive from zero to a million dollars with -- while retaining the parking right -- rights to meter, the part -- the revenue. And the obligation to maintain, up -- upgrade and continue to perform that.

COUNCILPERSON THOMAS: Okay. I'll let somebody else get in.

CHAIR PRO TEM PARDO: Madam Chair?

CHAIRPERSON DAVIS: Miss Pardo?

CHAIR PRO TEM PARDO: Okay. I'd like to put this whole thing into perspective. The first thing is, if -- all right. We have a serious parking issue right now at the Ocean Mall. And even if -- if TJAC walked away and GSF stayed at the table, if they built that building, there's still no parking there. Okay? The City gave Dan Catalfumo a CO without going out and walking and

counting parking spaces. All right? So at -- you know, so first of all, the City needs to, you know, take the blame for that. Okay? We found out about it when TJAC's bankers went out and started doing their due diligence.

And they said, "Wait a second. We're not going to give you money to build this building when there's lack of parking. There's not enough parking for that building." So really, the Ocean Mall is a nonconforming use, according to our code. Right? There's not enough parking. So I believe the first thing we need to do is really discuss the parking. We need to get the parking off the table first. We have the hotel site which we know, you'll never get a hotel on that side because a hotel company will never get financing. You can't get financing for a 50-year lease on a hotel. All right? Everyone knows that. You need 99-year lease. Okay? Our charter clearly state it's 50 years. So what else are we going to do with it? If we don't move forward with allowing parking on the hotel site, nothing is going to happen at that Ocean Mall. Because there's a lack of parking.

The other thing about the default, I have serious concerns about that because if you were over at the Ocean Mall last week, you got to see all of the workers that are out there that GSF and their group, Urban -- what are they called? The Urban Group? They've been out there. Urban Design. They've been out there trying to remedy the nine pages of concerns that the -- that the City had. I was over there before I came over to the meeting today. They have five painters out there. They're -- they're repainting the building. So they're doing everything that we outlined for them to do. And I think we're going to be hard-pressed to get that -- to default on the property.

And I think we need to remember we're dealing with very sophisticated investors. You know, this is a hedge fund. This is what they do all day long. The other thing is, if we are to default and if the City wanted to move forward with it, which is something that, you know, at this point I would never support 'cause it doesn't make sense, where are we going to get the money to fix up the mall to bring it to a first-class facility? And then where are we going to find the money to run it every year until we're able to find another investor? Right? So I think we need to really think about that. The other thing is, if you go through the original lease -- and I've gone through it many times. And remember, I'm here because of the Ocean Mall.

I fought the City over the Ocean Mall many years ago over that bad deal. The City would probably get 20 to \$25,000 a year in this 50-year lease, which is absolutely nothing. We were able -- you, Mr. Jarolem, and Miss Ryan, you were able to negotiate with GSF all of the, you know, new terms where now we get all of the parking revenue. And I've brought this up to council a couple of times and some of the council have heard it from elected officials in Lake Worth. You know, Lake Worth is -- and it's mind-blowing but Lake Worth is making a million dollars a year on their beach parking. And now here we are, the City of Riviera Beach, we can do the same thing. TJAC and GSF, neither are saying, We want that back. And if we allow GSF -- if we say to GSF, Okay, fine. We're going to move forward with this.

You pay us the \$1.2 million over the -- you know, the term of the lease, the 41 years, that's great. That's more money coming back to the City in addition to the revenue that we can make at that Ocean Mall. And the parking is going to be substantial. But for whatever reason, we're not focusing on that. And we need to focus on it. If we go back, if we are able to -- to get this property back in default, which I truly believe we're not going to be able to, but if we are and if you want to try to bring someone in to, you know -- with better terms and, you know, flip the lease to them, they're not going to move forward with allowing the City to keep up -- to keep all of that parking revenue. So I think right now, this deal is something that I know I can support. I

know my constituents over on Singer Island, when I go to the condo meetings every week, this is the first thing and really the only thing they want to hear.

Everything is about the Ocean Mall. When are we going to upgrade the Ocean Mall? Who's taking care of the Ocean Mall? Who's doing this? Who's doing that? And the Ocean Mall right now is making the City look bad because we don't have -- because we just have an investor and we don't have a real property manager, property owner. You know, you know what I mean? At the mall. And I think with TJAC, you know, when he came to the City a year ago, we were excited. We had the meeting over at the Ocean -- over at the Hilton Hotel. Residents showed up. We showed the plans. Everyone was excited. We had the kickoff at the Ocean Mall. We had hundreds of residents. There were people there who are against everything and they came out and they were excited about it. And then when we found out that TJAC walked away because of the parking situation, you know, it was just -- it wasn't -- it was terrible for all of us.

So anyway, I am happy that they came back now saying, Okay. We'll give you the \$1.2 million or whatever it is for the hotel site and you can continue keeping the parking revenue and then let us fix it up, let us put in, you know, viable tenants and turn that property into something that it deserves to be. It deserves to be a first-class operation. And the gentleman trying to come in right now, you know, he does this all around the world. And he has all these first-class strip centers, mall-type buildings all around the world. And I am excited as a resident of Singer Island. But as a taxpayer of -- of Riviera Beach, I'm excited because now we're finally seeing some real revenue being generated over at the Ocean Mall with our parking. So, you know, I would ask the council, let's get this whole parking thing, you know, off the table. Let's figure out, Are we going to support giving up that hotel site, which you'll never get a hotel on --

BESSIE BROWN: You don't know that.

CHAIR PRO TEM PARDO: I know that. It's just --

BESSIE BROWN: You don't know (inaudible) .

CHAIRPERSON DAVIS: Okay.

CHAIR PRO TEM PARDO: Okay. All right. I'm sorry. Right. I forgot. All right. I forgot I don't have a career in finance.

COUNCILPERSON GUYTON: Madam Chair?

UNIDENTIFIED SPEAKER: Madam Chair?

BESSIE BROWN: (Inaudible).

CHAIR PRO TEM PARDO: So anyway, that's what --

CHAIRPERSON DAVIS: Okay. Let's stop it. Okay?

CHAIR PRO TEM PARDO: -- so anyway, that is -- that's my feeling about the whole thing.

CHAIRPERSON DAVIS: Okay. All right. Mr. Guyton and then Mr. Thomas.

COUNCILPERSON GUYTON: Okay.

COUNCILPERSON THOMAS: No, it wasn't me.

CHAIRPERSON DAVIS: Oh, it wasn't you? Was that --

COUNCILPERSON THOMAS: No.

CHAIRPERSON DAVIS: -- who was it?

INTERIM CITY CLERK ANTHONY: (Inaudible).

CHAIRPERSON DAVIS: Okay. Mr. Guyton, go ahead.

CITY ATTORNEY RYAN: Okay. Okay. And also for the record, I wanted to make it clear. Both GSF and TJAC have representatives in the audience.

COUNCILPERSON GUYTON: Okay. And I'm glad to know that 'cause I wanted to talk to them directly. But let me first put this situation in better perspective, shall I say. When the Ocean Mall deal was originally proposed, the financial component of that deal that was going to generate the most revenue for the City was the hotel. That is where we were going to get our community benefits from. That's where we were going to get all of the -- not all but most of the revenue that would have benefited us. Without passing judgment on what was done, that referendum that limited the height of the hotel -- and I'm not saying it's right or it's wrong, but the impact of that, it completely stripped the revenue portion out of that project. It killed the project, in my opinion. There is no economic engine, no anchor now. That referendum killed that project. What we have now are things that were never meant to be revenue-generating. Those things that we have now was just the asides. You know, this was going to be complementing what that anchor was supposed to be. When that referendum killed that project --

CHAIR PRO TEM PARDO: Madam Chair?

COUNCILPERSON GUYTON: -- we had --

CHAIRPERSON DAVIS: Hold on.

COUNCILPERSON GUYTON: -- no real revenue coming from it. This is my assessment. Now, we find ourselves here trying to make filet mignon from noodle soup. We -- we don't have an economic anchor there. That killed the project. So steps in GSF. GSF came in knowing that they had no intention to actually build physically the project. They're investors. They were going to flip it, sell it to somebody like TJAC. TJAC come in and build it and they get their little cut and walk away. I'm going to tell you why I'm really against giving any concessions, any. I'm -- let me make this clear.

They would get absolutely nothing from me. No concessions. Tell you why. GSF and TJAC had -- has made me as a council -- they have embarrassed me. As Miss Pardo indicated, for months, close to years. Everywhere we go, What are y'all going to do with the Ocean Mall? What's happening with the Ocean Mall? They almost cost us the marina project. Do you know what they were saying? They were saying to me, "How can y'all manage a marina project when you can't even get your tenant to maintain the Ocean Mall?" So I'm on staff, which I don't always tell you publicly what I do privately. I'm ripping staff from one end to the other. They got to the point where I got an e-mail from a resident and I was like, "I'm just done with GSF." I said, "Madam Manager, this is what I want. I want an action plan of how we, the City, going to maintain that property until we can work this out." I told --

CHAIRPERSON DAVIS: Excuse me. What is that I hear? Is it a radio or --

INTERIM CITY CLERK ANTHONY: I think it's a radio.

COUNCILPERSON GUYTON: Okay.

CHAIRPERSON DAVIS: Okay. Please turn it off.

INTERIM CITY CLERK ANTHONY: (Inaudible).

CHAIRPERSON DAVIS: Oh, okay.

INTERIM CITY CLERK ANTHONY: (Inaudible).

COUNCILPERSON GUYTON: Miss -- Miss Ryan was in that meeting. I have my weekly meetings, city manager, city attorney, executive director of the CRA, the deputy city manager, the utility director, the assistant to the city manager and anybody else that I may feel that I need to rip that week. So I'm -- I'm -- I'm telling -- I'm telling the -- the legal counsel and I'm telling the city manager. On the City side I wanted a maintenance action plan. And I said, "I'm to the point that I'm so frustrated, I'm ready to go to the city council to ask them to allocate funds so that we can pay for it and then go back at GSF to get it back because they wasn't doing anything." Is that true, Madam Chair?

CHAIRPERSON DAVIS: No.

CITY ATTORNEY RYAN: You mean --

CHAIRPERSON DAVIS: You mean the city manager?

COUNCILPERSON GUYTON: I mean city manager.

CITY MANAGER JONES: Yes, sir.

COUNCILPERSON GUYTON: I told our legal attorney I wanted a legal action plan. Did I tell you that, Miss Ryan?

CITY ATTORNEY RYAN: Yes.

COUNCILPERSON GUYTON: And that precipitated much of this because that legal action plan, you know what it did? It sent a predefault letter to them. Then mysteriously TJAC mysteriously appeared now. I told -- now let me say this. Let me back up. That wasn't -- I was not the only council feeling that way. We all felt that way. We had the same concerns. And I don't want to sit here to act like that I -- I'm taking all the credit. But I'm just telling you what my discussions was with staff and why I'm not supporting it. When that predefault started to circulate, TJAC surfaced again. Now, one thing that I noticed about TJAC agreement with GSF, GSF essentially said, I'm not giving you anything. They said, You get it as is with fault. And it's going to be unconditional. It's not based on whether you can work something out with the City. Am -- am I correct in that assessment, Mr. Attorney?

RICK JAROLEM: That -- that is what the document says. It says as is, where is, with all faults.

COUNCILPERSON GUYTON: Oh, okay. So whatever problems that this project has, those are your problems now. The only thing that GSF asked them to do was bring them a check for

5.8 million. And this become your problem. GSF decided that I go to the City and I would ask the City to remove the predefault letter, to remove the stipulation that you have to pay \$41,000 a month if you didn't complete that building, and they wanted some other concessions that were pretty minor. And Miss Attorney, if I'm saying something that's not accurate, please step in and correct me.

CITY ATTORNEY RYAN: Well, you said GSF. It's actually TJAC who made this request.

COUNCILPERSON GUYTON: TJAC. Okay.

CITY ATTORNEY RYAN: Yeah.

COUNCILPERSON GUYTON: So now I'm saying to myself they make a deal with GSF and GSF tell them, I'm not giving you anything. This is the deal and I think that they may have reduced the cost by 500,000. But beyond that they said, You get all the problems. Take it or leave it; this is our deal. That's how I understood this contract here. So they come to the City. TJAC was at the table -- and I'd like to confirm this -- when the deal was cut to pay \$41,000 a month if that building was not built. Is that accurate?

RICK JAROLEM: That what you're talking about is third lease amendment?

COUNCILPERSON GUYTON: Yes.

RICK JAROLEM: TJAC was part of the conversations in the third lease amendment. It was discussed and -- and the --

COUNCILPERSON GUYTON: And that \$41,000 was part of that discussion?

RICK JAROLEM: Yes.

COUNCILPERSON GUYTON: Okay. So now, TJAC decides that because of parking, they're going to step away from the deal. They already knew what they had agreed to. They knew what the penalty was. And when that bank went out and counted the spots, they said, Oh, well, you don't have enough. The same way that TJAC came to us right now to ask us for relief and to not enforce the predefault and to not charge them \$41,000 starting June 1, the same way they could have come to us and said, We have a problem with parking. Parking is a local jurisdictional issue. We could have handled that. It's my opinion, only mine, that that was a calculated move. I'm going to step away. That property go in disarray. I'm going to step back in and I'm going to say, I'm going to save the world for you. And my position is, I wouldn't have cared if they didn't come back. 'Cause you know why? The contract says that whether it's GSF or TJAC, if that building is not built, the City starts to get \$41,000 a month starting June. Is that is correct, Mr. Attorney?

RICK JAROLEM: That's correct.

COUNCILPERSON GUYTON: Okay. So it's not that we're going to lose anything by TJAC stepping away. And I wouldn't care if they stepped away again, quite frankly, because I don't like being insulted while wherever they are, I'm dealing with my constituents, getting the e-mails, getting the phone calls. Every time we go out, it's somebody talking about the fricking Ocean Mall. I'm on staff and staff's just tired of me. They're just pulling their hair. And so staff starts showing me e-mails where -- where they've been e-mailing on GSF. And so -- so now all of a sudden when the predefault and everything starts and -- and, you know, things are getting ready to move and they're getting ready to have to pay \$41,000 a month, now they're back at

the table. Let's talk now. We went to them to try to renegotiate the contract. They're business people. You know what GSF said? No. You know, that's the deal you made essentially. They -- we went to TJAC, Could we renegotiate the deal? Did we -- did we go to GSF and TJAC to ask them to try to renegotiate the deal before this?

RICK JAROLEM: Yes. During -- during our conversations --

COUNCILPERSON GUYTON: Yes.

RICK JAROLEM: -- the City definitely --

COUNCILPERSON GUYTON: That's a yes or no?

RICK JAROLEM: Yes.

COUNCILPERSON GUYTON: Yes. They said what?

RICK JAROLEM: They did not wish to engage in that negotiation.

COUNCILPERSON GUYTON: Okay. Do you know what I'm going to say to them when they come back to me asking them not to have them to pay starting June? I do not wish to engage in that discussion. And -- and my point is, what's good for the goose is good for the gander. You know, don't come to us -- we came to you. We said that this is not a pretty good deal for us. Let's renegotiate. They're business people. They said no. We got to respect that. Now they're coming back to us like they're fixing to save the world.

And my position is, no. Come June 1st, I can -- I hope I can get support -- I want to see a check for \$41,666 every month until that building is built. I'm going to tell you why. That is the only leverage that we as the City have. And what they're asking us now, give our leverage up. Here. Just give -- don't work -- You can take our word for it. We took your word and you walked away from the table. Based on parking. When you could have come to this council and asked us to deal with that issue. Calculated. That was a business move, I think. This is my assessment. So now that they're back at the table, I'm -- I'm -- I'm going to tell you the truth. I wouldn't care if they and GSF walked away. There are provisions in the contract to deal with that. And once they think that we are desperate and now we're going to go for anything, that's exactly what they're going to offer us. So today is when this deal came down.

Guess what? We're going to give y'all \$30,000 for your parking spots now. They heard, I know, that Bruce was going to be adamant against it. "Well, what if we give y'all 30,000 for the parking?" I said, "Absolutely not." I wasn't talking to them but somebody came to me on staff and suggested that. I said, "Absolutely not. They gave us no consideration when we wanted to renegotiate. I'm giving them no consideration when they want to negotiate." But this is for a reason. Not to penalize them. This is our leverage, people. This is our leverage. Either they're going to get that building done or they're going to pay \$41,666 if that's what the council decide to do.

And I'm with Mr. Thomas. They're talking about one point -- 1.2 million over 41 years. I'm going to say this and I'm going to be done. If they invest 7 or \$8 million in that property, they have already determined that they're going to make millions back. They're going to get their money back and they're also going to make some money. And I have no problem with that. But don't leave us with a measly \$20,000 a year and then ask us not to pay 41,000 a month, which are crumbs to the millions. They don't want to pay that. So my position is don't insult my limited intelligence. Don't bring this deal to me. I'm not very bright.

But I can see that the City's getting completely screwed. 'Cause they think that we are anxious to have somebody in. Let's do something. You let the property sit derelict for over a year or two. I mean, and all you had to do was come and maintain the property and we wouldn't even be here discussing this. It wouldn't be a predefault letter. Bruce Guyton wouldn't be all -- how I am right now, feeling some kind of way. But you're not going to embarrass me in front of my constituents and then come in and ask me for a favor. And to GSF and to TJAC, I have felt completely embarrassed of how that Ocean Mall was kept and how the staff kept trying to come to you. Just almost begging. And then you put up things over the -- the windows, little cheap paper and it falls down in a week and then I get the calls and I'm like, Jesus Christ. So anyway, it's my position that either two things need to happen. Either they need to sit down and renegotiate the contract, or we enforce the current contract that exists that required them to pay \$41,666 starting June 1st. And that's my position. Thank you.

CHAIR PRO TEM PARDO: Madam Chair?

CHAIRPERSON DAVIS: Miss Pardo?

CHAIR PRO TEM PARDO: Okay. I just wanted to make a comment about the hotel. Okay. What was happening on the hotel site, all right, the hotel was going to be three stories and then you were going to have 25 stories of residential. And it went to referendum. And I know, Mr. Guyton, you didn't sign the referendum but --

COUNCILPERSON GUYTON: No. I didn't. I remember you asked.

CHAIR PRO TEM PARDO: I know. I remember going to your house.

COUNCILPERSON GUYTON: Yeah.

CHAIR PRO TEM PARDO: And you refused to sign it.

COUNCILPERSON GUYTON: That's right.

CHAIR PRO TEM PARDO: Twenty-eight.

CITY ATTORNEY RYAN: Oh.

CHAIR PRO TEM PARDO: Right. It was a total of 28 stories. It was a condominium and a hotel. 62 percent of the voters in Riviera Beach voted against that condo/hotel on the Ocean Mall and they voted against it because they felt that in time, if residential was allowed on that public property, in time the people spending 1, 2, 3, \$4 million for a hotel -- for an apartment there, they wouldn't be permitted to walk through public property. So that's what happened with that. The referendum then went through. And, you know, that was basically taken off the table. And it was because the people didn't want it. You still had a handful of people that wanted it, but the majority of the people did not because they knew in time they would lose access to the public beach and to the -- their public property. So I just wanted to put that out there. And I'm -- I totally respect what Mr. Guyton is saying and his opinion. But you heard what I said. I feel totally different. I keep thinking about all of that parking revenue that we're going to get that was never part of this original contract. Put that into perspective. And --

COUNCILPERSON THOMAS: Madam Chair. Oh.

CHAIR PRO TEM PARDO: -- I would like -- I -- I would like to see something happen there instead of, you know, going by there every day and -- and not seeing anything, not being able

to, you know, go to any stores in my city. You know? Having just two restaurants over there and nothing else. So anyway, thank you, Madam --

COUNCILPERSON THOMAS: Madam Chair?

CHAIRPERSON DAVIS: Okay. Mr. Thomas?

COUNCILPERSON THOMAS: I don't know if I quite got the -- the answer to my last question earlier. And before we go to that, I basically said what Mr. Guyton was saying. He actually articulated it much better, more in-depth. But my -- my feelings are -- are -- are -- are mutual. But why are we doing this before they actually close? Why are we even entertaining them before they actually close? What is the reason for that?

RICK JAROLEM: It's my understanding -- and -- and keep in mind, we're getting this from them -- we were asked by both TJAC and GSF. It's my understanding -- and TJAC and GSF are here tonight -- that the reason is that there is bank financing or investors involved in the financing for TJAC and that they are essentially requiring these issues to be dealt with, to put them in a position to lend money.

CHAIRPERSON DAVIS: Okay. Mr. -- Mr. Jarolem?

RICK JAROLEM: Yeah.

CHAIRPERSON DAVIS: Allow Mr. Loren to come up and -- and explain his --

RICK JAROLEM: Gladly.

CHAIRPERSON DAVIS: Okay.

BRUCE LOREN: Really? You don't want to help? Good after -- well, actually, good evening.

CHAIRPERSON DAVIS: Good evening.

BRUCE LOREN: My name is Bruce Loren and I represent TJAC Singer Island, LLC. In order to address the councilman's comments, I need to give you a little bit of history because there's been a couple of comments here tonight that TJAC backed out of the deal or Mr. Guyton says that they had mysteriously reappeared or they should have come to us to talk about this parking. And -- and I don't want to get into it. This is not a debate. But I really do need to clarify some of those facts 'cause I believe they're wrong. First of all, we were under contract to purchase it last March. We were ready, willing and able to do it. Approximately two weeks before the closing was scheduled by -- bank financing was in place, everybody was ready to go, and then at that point, three parties, both G -- GSF, TJAC and the City, discovered for the first time together that there was actually not 400 parking spaces there is that everyone believed there would be -- that there was because a survey that had been prepared seven years before said 400 and no one actually counted it and everyone assumed that to be correct.

So it was no one did anything intentionally wrong. It was just a mistake that all three parties, I believe, relied upon this survey that was wrong. So what that did is it put TJAC in the position of saying, Right now we know that this lease is not in compliance, because we do not have the required 400 spaces. In other words, the City can hold us in default or that we can lose this lease after we buy it. We said that is not something that we can go forward on. So what we did is we had a meeting with the city attorney. I believe Mr. Jarolem was there. Certainly the city manager was there. And Mary McKinney was there and GSF was there. And we had this

discussion of how can we resolve it. So directly to Mr. Guyton's point, did you come to us and try to work it out, the answer to that is absolutely, yes. We were there --

COUNCILPERSON GUYTON: Can I (inaudible)?

COUNCILPERSON THOMAS: No, no. Can he -- can he answer my question, though, 'cause -
-

CHAIRPERSON DAVIS: Let him finish.

COUNCILPERSON THOMAS: -- that was my question. I --

BRUCE LOREN: Okay. I --

COUNCILPERSON THOMAS: -- I get you want to deal with that but --

BRUCE LOREN: -- I -- I -- I -- I really -- let me answer your question directly and then I'm going to go back.

COUNCILPERSON THOMAS: Please.

BRUCE LOREN: The reason that the City is being asked to deal with this now is be -- and through TJAC who is not the current tenant, is simply this: that there are certain requirements that we need to acquire if we're going to deal with this. And we will not close on March 11th if we cannot get the assurance that we will have a parking resolution on this issue for the life of the lease.

COUNCILPERSON THOMAS: Okay.

BRUCE LOREN: That is why we, as you say, backed out.

COUNCILPERSON THOMAS: Okay. Hold on. So -- so you're asking us now to do what you could have asked us to do a year ago.

COUNCILPERSON GUYTON: Exactly. Come to the city council.

BRUCE LOREN: That's not true.

CHAIRPERSON DAVIS: Hold on, Mr. Guyton. Please.

COUNCILPERSON THOMAS: Yeah. So, okay. Fine, I -- I get that. So let me get this straight. You represent TJAC.

BRUCE LOREN: Correct.

COUNCILPERSON THOMAS: Okay. And TJAC, who is not the leaseholder, is saying, City, although I'm paying for where is or whereas, as is or how -- I don't know how -- can you give me that terminology?

BRUCE LOREN: I -- I -- I -- I -- I -- it's as is, whereas with all faults.

COUNCILPERSON THOMAS: Right. They're paying for that. Okay. They're -- they're paying for that. And they're saying, Okay, City. We're going to buy this, where is, as is, with the parking issue, but we're going to buy it if the City will fix the parking issue in some type of way.

This is my issue: They could have done this same thing a year ago. Now, I'm not going to ask you why you didn't do that because your responsibility is to protect your client and our attorney's responsibility is to protect us. But let me ask you this. And be as honest as you can be, please, sir.

BRUCE LOREN: A hundred percent.

COUNCILPERSON THOMAS: Is -- is -- is G -- no, I'm sorry, is -- is TJAC going to lose any money if they don't close on this?

BRUCE LOREN: Zero.

COUNCILPERSON THOMAS: They will zero money?

BRUCE LOREN: That is what I'm trying to explain to this council.

COUNCILPERSON THOMAS: Okay. Let -- let me -- let me just ask you the questions for now.

BRUCE LOREN: Absolutely.

COUNCILPERSON THOMAS: And then you answer it so I can be fine. And you'll only have one of us up here that's dealing with you. They're not going to lose any money if they don't close?

BRUCE LOREN: Correct.

COUNCILPERSON THOMAS: Okay. So what is the -- what is the significance of pushing us in two weeks to close?

BRUCE LOREN: Okay.

COUNCILPERSON THOMAS: Why do they need to do that?

BRUCE LOREN: Well, under the agreement that we currently have with GSF -- and by the way, that is completely new agreement. The first agreement was terminated. Scheduling -- closing is scheduled for March 11th. GSF has said that they will not give any extension to that. If we don't close, we're in no worse a position today than we will be on March 12th. We have not -- we have no money at stake. And yes, we said to GSF, We'll buy it from you with all the faults that it has. We're not asking you to do anything. But -- and then if we can get what we need to make us safe and secure with this lease for the balance of the lease term, then we will buy it. If we cannot do that, then we simply will not.

COUNCILPERSON THOMAS: Then you will not buy it. Got it. So now that I understand that, I'm glad to understand that because that may change my thought process a little bit. Why is it that you're asking for us not to collect the \$41,000 a month until, what is it, January?

BRUCE LOREN: We're asking for -- instead of it starting in July 1, we're asking it to start --

COUNCILPERSON THOMAS: Is it June or July?

BRUCE LOREN: It's actually July 1, 2015 where it would start.

COUNCILPERSON THOMAS: Uh-huh.

BRUCE LOREN: And we're asking that it be extended to January 1.

COUNCILPERSON THOMAS: Okay. So let -- let me ask you this question. Why are you asking for that?

BRUCE LOREN: Well, this goes also to Mr. Guyton's questions. Like, they were here. They negotiated. At the time we negotiated that, we had plenty of time to build this building B. And we were ready to go forward. We have control of it and we could have done it. Right now we're -- can only get control over the property by March 11th. There's no way that we can complete it by June 30th.

COUNCILPERSON THOMAS: But you're taking a contract as is, where is. So what I'm asking you is why would you want the City to not be compensated for all the time that -- between you and GSF --

BRUCE LOREN: Uh-huh.

COUNCILPERSON THOMAS: -- you left our property, I won't say derelict but it wasn't in the best of shape. Why -- why should we just say, You know what? Never mind. Never mind on that. Why -- why should we now?

BRUCE LOREN: Well, first, to be clear, TJAC didn't do anything wrong. We didn't leave the --

COUNCILPERSON THOMAS: Except for walk away.

BRUCE LOREN: -- property. See, that was the -- that was the explanation --

COUNCILPERSON THOMAS: (Inaudible).

BRUCE LOREN: -- I wanted to give you but you didn't want -- you didn't want me to continue.

COUNCILPERSON THOMAS: Okay. Okay. Okay.

BRUCE LOREN: But we didn't have any control over the property. We had no interest in buying the property during the case -- during this period of the year. We didn't do anything. In fact, when TJAC was under contract before, it was TJAC who demolished the old 7-Eleven building and was ready to move forward, was putting in amended site plans and spent over \$600,000 to retain land planners and surveys and did not --

COUNCILPERSON THOMAS: TJAC demolished the building without having a lease?

BRUCE LOREN: That's -- well, we did it under contract.

COUNCILPERSON THOMAS: No, let me ask the question, now.

BRUCE LOREN: Yes. Yes.

COUNCILPERSON THOMAS: You all demolished something on somebody else property and didn't have any ownership in the lease or the --

BRUCE LOREN: Correct, with GSF's permission.

COUNCILPERSON THOMAS: So you and GSF have been working this for a while, obviously.

BRUCE LOREN: When you say "working it," it has this connotation that there's something bad.

COUNCILPERSON THOMAS: Well -- well, I'm --

BRUCE LOREN: Basically -- let me -- if you -- basically, we had every intention of closing on the deal. They had every intention of selling it to us. We knew that demolishing that old 7-Eleven building was important to the City. We said, Let's not stand on ceremony and wait till we actually own it. Let's make the investment and we made --

COUNCILPERSON THOMAS: Okay. Got it. So let's say we take that as just good faith and you were planning on doing it. What I have not -- what you have not cleared up to me is --

BRUCE LOREN: Uh-huh.

COUNCILPERSON THOMAS: -- the same thing that you're asking to do right now, why could you not have done that a year ago? Please help me understand that part. And you might get -- you might get some grace from me, at least.

BRUCE LOREN: I -- I -- I -- I am -- I am happy to and that's where I was going. When we sat in this meeting -- and it was actually roughly about a week before or a couple of days before we were supposed to close. This is a year ago. We sat with all these parties trying to work out a resolution of this parking problem that we all learned about within two weeks of closing. It was a problem. And we all sat -- the only resolution that could come up in that meeting with all the people involved was that the City would give at that time the -- the tenant a six-year easement to use the hotel site for no additional charge.

COUNCILPERSON THOMAS: Okay. Who -- who -- wait a minute. Let me -- 'cause I need to know. When you say the City, I don't ever remember -- and I've been here eight years -- that coming before this board in a meeting saying, Can we get some type of -- of -- of forgiveness? Can you -- can we have a special exception? Can we do anything like that? I don't remember that.

BRUCE LOREN: And -- and I -- and -- and with all due respect, the third amendment to this lease, what ultimately happened with the third amendment to the lease is that the City granted the tenant a six-year easement over the hotel site for no money so that it could bring the property into compliance with the parking.

COUNCILPERSON THOMAS: Okay. So why -- if that was the case, so why didn't it close?

BRUCE LOREN: And I -- thank you for asking that. Easy question. When you're -- when you're the owner of the property and you're being asked -- I'm sorry. When you're the owner -- when you're the tenant and you're being asked to invest \$2 million to now construct building B, we want to make sure -- we had to make sure that we had a long-term solution to the parking. No one -- a year ago. No -- I was there. I was there. Miss Ryan was there. No one could give us a long-term solution to the parking so, therefore, we did not want to close. We were -- certainly did not want to invest \$2 million.

COUNCILPERSON THOMAS: Okay. Got it. You -- you -- you answered that question. So what is the long-term -- what is the long-term solution that you have right now that you're willing to close on?

BRUCE LOREN: Exactly what we've said in the proposed fourth amendment, that the City gives us a lease on the hotel site for use of parking only.

COUNCILPERSON THOMAS: Uh-huh.

BRUCE LOREN: Not simply for six years, but for the term -- the full term of the lease. And in exchange for that, we pay \$30,000 a year.

COUNCILPERSON THOMAS: And with all of these attorneys and executives, we couldn't have done that a year ago?

BRUCE LOREN: You know, Mr. Thomas?

COUNCILPERSON THOMAS: Yes?

BRUCE LOREN: It -- we tried hard. It -- it -- there was a lot of tension. We were under a lot of pressure.

COUNCILPERSON THOMAS: Did you bring that issue up a year ago? 'Cause if it's on our staff we'll deal with that.

BRUCE LOREN: It --

COUNCILPERSON THOMAS: Did you bring that up a year ago? To say that we'll do the same thing for a year?

BRUCE LOREN: Did we say we'll do it for the full term of the lease?

COUNCILPERSON THOMAS: Yes.

BRUCE LOREN: That was never raised. There was --

COUNCILPERSON THOMAS: So you didn't bring it up and our staff didn't bring it up, is what you're saying?

BRUCE LOREN: Nor did GSF, nor did the CRA.

COUNCILPERSON THOMAS: Got it. So my -- to -- to -- my point would be why do you want us to not get the 41,000? To me that's the cost of doing business. Had you done this a year ago, you wouldn't be paying the 41,000. The City has to get something. Or -- or if you want me -- me to agree to -- to not have to do that, then I want to open it back up and renegotiate. If you want to renegotiate it, then, fine. Let's renegotiate. But you can't say, City --

BRUCE LOREN: Uh-huh.

COUNCILPERSON THOMAS: -- you get nothing out of this, and we're not going to give you the 41,000 and your -- your -- your project is -- is -- and -- and I -- and I hear that. I'm gonna ask that question next. Your project is pretty much -- because you didn't build the hotel for whatever reason, the -- the residents say that they didn't want the hotel; they didn't want it so the residents did it? Okay. So it's a bad deal. It's our job to make it better. And we did that. We brought on Mr. Jarolem, and with Mr. Jarolem and Pam, we've gotten money out of the deal. We've turned it around and it's there. So why would I give up the leverage to say, Let's make sure. At least if you had closed on it, we know that you -- what's going to stop you from walking away again? We agree to all of this and you all get in the room and say, hey, listen, you may or may not be able to make the money you're thinking. Let's not do that again. Why would we give up the leverage? As is, where is is the leverage. Okay. With that being said, I

know you don't really have an answer to that so you don't have to. I want to know have staff really looked at this parking? I hear Miss Pardo saying Lake Worth made a million dollars on parking. Is it -- is it -- is this a viable thing? Could we make a million dollars off of parking? I need a serious -- wait a minute. I just need to make sure because -- hold on. Let me -- let me - - let me -- let me make sure. Let me make sure. I want to make sure that they -- Lake Worth is -- is annually making a --

BRUCE LOREN: (Inaudible).

COUNCILPERSON THOMAS: -- hold on. Hold on. Hold on. Hold on. Just -- just take it easy. Lake Worth -- is Lake Worth annually making a million dollars off of parking? Is annually making a million dollars off of parking. And if so, have anyone done the projections that which will be able to make that? Now, if that's the case, you already said you didn't close based on the level of parking spaces. I mean, how all of a sudden now you want to give us 30,000 for the extra spaces -- which, I don't understand how that fixes the problem again when we're going to let you use that and you could have come back again. I want to know, have we done an analysis to see if we can really make that? Because if we can make a million dollars off the parking spaces, then this total deal is a little different. I still want my 41,000 a month until that building is built -- built, but the deal is a total different thing. You're going to say, Okay. Now instead of us getting 20,000, we're going to get a million dollars annually a year? I need to know. I need to hear that. I need to hear that from somebody. Did we do an analysis?

CHAIR PRO TEM PARDO: Can I make a comment? I believe Mr. Brown in the CRA did an analysis.

COUNCILPERSON THOMAS: Oh, okay.

CHAIR PRO TEM PARDO: I see Mr. Brown in the back. Maybe he can --

CITY MANAGER JONES: Yeah. And while he's coming, they did a study but the study did not get to that level as to how much money you could make.

CHAIR PRO TEM PARDO: Uh-huh.

CITY MANAGER JONES: It dealt with the kinds of machines that you could get, what hours would be good hours, how you might flex your rates for residents versus visitors.

CHAIR PRO TEM PARDO: Uh-huh.

CITY MANAGER JONES: But it did not give -- if you've got 400 parking spaces and if you had them, this would be the amount of revenue.

COUNCILPERSON THOMAS: So we really don't know?

CITY MANAGER JONES: We don't know that you can get that much money. But we feel as though if we continue to look at this -- I don't know how much Lake Worth gets.

COUNCILPERSON THOMAS: Okay.

CITY MANAGER JONES: We can verify that. But the study that CRA did did not go all the way out --

COUNCILPERSON THOMAS: Got it. So my question would be is why would we give up the leverage not knowing if we can do that or not? Because we're doing this so quickly, I don't -- I see it's not time to -- you don't have time to actually do the particular study or not to see it. I don't want to give it up unless -- unless we know for a fact. Now, if we know for a fact that we're going to get several hundred thousand or a million dollars, you know, a year, that's different to me. I'm ready to -- I'm ready to say, Hey, I'm -- I'm willing to -- to do that. The other thing is, are you willing to increase the amount of revenue for the parking over the next 41 years?

BRUCE LOREN: Well, you know that I just came with a certain amount of authority today. If I -
- if Mr. Schwarzman was available --

COUNCILPERSON THOMAS: Right.

BRUCE LOREN: -- he would be right here.

COUNCILPERSON THOMAS: Yeah. But we'll give you time to go out and use your cell phone and call him. I mean, it's --

BRUCE LOREN: He's actually -- probably just landing in Miami now, coming from out of the country so that -- that's the only reason I'm here.

COUNCILPERSON THOMAS: Okay. So we'll give you --

BRUCE LOREN: And Zvi is not.

COUNCILPERSON THOMAS: Okay. No problem. I understand that you're saying here -- he's back here.

BRUCE LOREN: He's --

COUNCILPERSON THOMAS: We're going to delegate the authority here, and we're going to need to have some answers to these because we're the one that is has to answer these questions. You know, we -- we're the one --

CHAIRPERSON DAVIS: Okay. But --

COUNCILPERSON THOMAS: -- has to answer these questions.

CHAIRPERSON DAVIS: -- Mr. Thomas?

COUNCILPERSON THOMAS: Yes, ma'am?

CHAIRPERSON DAVIS: Okay. If what you're saying is based on getting some information back, then, you know, I'm -- I'm not comfortable making a decision today. You know, because I don't have anything in front of me. I'm just listening to this -- this now.

COUNCILPERSON THOMAS: Okay. I mean, I -- I understand that. I can go (inaudible) with that.

CHAIRPERSON DAVIS: So maybe you can tell him to ask and bring it back, you know?

COUNCILPERSON THOMAS: Well, if it's -- if it's nonstarter we need to know. Somebody figure that information out today so they talk to somebody about it. All I'm saying is, come on,

man. You already know. Somebody can go outside and say, Hey, listen. Are you willing to -- to budge off of this or not? If you're not, then you need to know. We don't have another meeting before you all are scheduled to close. And then you say that you can't close unless you have this information together or we -- we agree to something.

CHAIRPERSON DAVIS: Can you get an extension? Can you get an extension?

COUNCILPERSON THOMAS: He said no.

CHAIRPERSON DAVIS: We -- we asked somebody else before to do that.

CHAIR PRO TEM PARDO: Or a special meeting.

BRUCE LOREN: But the extension's not a -- the extension is not up to us.

CHAIRPERSON DAVIS: No. I'm talking about for --

BRUCE LOREN: G -- GSF -- and Mr. Richard just left. And he spoke to his client. They are adamant they will never give us more than March 11th.

COUNCILPERSON THOMAS: Okay.

BRUCE LOREN: That's the only thing I can tell you.

COUNCILPERSON THOMAS: So if they don't give you more than March 11, then you -- then GSF -- wait a minute. Maybe this is Jarolem's question. So if they don't close, if they don't close on March 11, then G -- GSF is back in the -- in the saddle and have to give us our 41,000 until the -- until the building is built, correct?

RICK JAROLEM: That's correct.

COUNCILPERSON THOMAS: Okay. So our only benefit to -- to do -- hold on. Let Mr. Jarolem stay there just for a minute. Our only benefit to giving these concessions is the \$30,000 a year?

RICK JAROLEM: Over the -- over the life of the lease. That's --

COUNCILPERSON THOMAS: I get it. But I'm saying right now, our only concession for giving -- our only benefit to giving them this concession is we don't get the 41,000 a month until they build that building. We're only going to get \$30,000 a year. Is that the only -- is that the only benefit that we're going to get for giving these concessions to TKG or TKJ.

COUNCILPERSON GUYTON: TJAC.

COUNCILPERSON THOMAS: I'm sorry. I'm sorry. TJAC. TJAC. I'm sorry. Is that -- is that -- yeah. Let him answer first, please, the one that we pay. Yes. Is -- is that it?

RICK JAROLEM: On -- on the monetary side I don't believe there is any other monetary components to -- to it. I believe that was --

COUNCILPERSON THOMAS: You just professionally said yes, is what you just did. That would be the only benefit that we get.

RICK JAROLEM: Well, the only monetary benefit, there are -- there are other benefits which are not necessarily monetary. I don't know how to quantify those, such as a developer that's representing that they want to complete, that they're pledging to complete, that they're -- that they're putting their, for lack of a better term -- their money where their mouth is, that there is other issues that they're bringing to the table. It's not quantified by money, but to say -- this may be lawyer talk and I'll grant you --

COUNCILPERSON THOMAS: Uh-huh.

RICK JAROLEM: -- but as far as non -- as far as benefit, the monetary side is that the nonmonetary is up to you to determine the value of the words of the people saying it and whether they're going to be true to their deeds or not to get your project completed.

COUNCILPERSON THOMAS: One more question just so this doesn't totally die here. Who came up and how did you come up with \$30,000 a year?

RICK JAROLEM: Originally --

COUNCILPERSON THOMAS: Which is what, less than 2,500 a month or something like that?

RICK JAROLEM: It's 20 -- it is 2,500 a month.

COUNCILPERSON THOMAS: 2,500 a month, yeah. Pretty good, huh?

CITY ATTORNEY RYAN: Yeah, that's good.

COUNCILPERSON THOMAS: Yeah.

RICK JAROLEM: Essentially -- yeah. Essentially what happened was GSF came to us with the -- with the idea of, Can we secure the parking for the remainder of the lease term? This was before TJAC was back in the picture. I want to say this is around October and November. And I believe there was some involvement with -- with staff and numbers were -- were bandied about. It was -- and it -- and it never got to the point where we were coming to the council board because it was at the staff level. It was at inquiry. We were going back and forth and then some conversations took place which kind of stopped it where it was about GSF's interest in potentially selling its leasehold to the City. When we started to discuss that, what happened was GSF and TJAC, they're -- they went into court-ordered mediation on their case.

COUNCILPERSON THOMAS: No, got that. I'm saying the actual number of \$30,000 a year.

RICK JAROLEM: Yeah. It was -- it was essentially -- started as just a negotiation for -- from nothing to infinity and that's where it was materializing.

COUNCILPERSON THOMAS: Okay. Let me get -- let me -- let me ask you this question. What is the average rent for one of those restaurants or any of those places? What is the average that they pay a month?

RICK JAROLEM: I don't know off -- offhand.

COUNCILPERSON THOMAS: Some -- somebody got to know what this is.

COUNCILPERSON GUYTON: I can tell you that.

COUNCILPERSON THOMAS: Well, I would like to hear the average of what somebody -- what one of those facilities pay a month.

CHAIR PRO TEM PARDO: They're not paying as far as I know.

CITY ATTORNEY RYAN: I don't know. Do -- is Mr. Sherman here?

COUNCILPERSON THOMAS: We're supposed to be able to inspect their records and know. Don't we supposed to be able to get something off of that? Don't -- is that not part of our agreement that we should go --

EXECUTIVE DIRECTOR BROWN: Assume \$25 a square foot plus CAM.

COUNCILPERSON THOMAS: Okay. Somebody give me what that is of the average. Give me the actual number. How many square feet? Somebody do the math.

CHAIRPERSON DAVIS: (Inaudible) so we don't --

CITY MANAGER JONES: (Inaudible) it was occupied.

COUNCILPERSON THOMAS: Yeah. I -- I don't --

CITY ATTORNEY RYAN: That's the average -- Mr. Brown?

EXECUTIVE DIRECTOR BROWN: Between the -- they're charging probably closer to \$28 a square feet for a restaurant plus CAM.

COUNCILPERSON THOMAS: Okay. So give me in dollar figure what that would be.

EXECUTIVE DIRECTOR BROWN: So if a restaurant size is 10,000 square feet, right, they're paying \$28,000 a year divided by 12.

CITY ATTORNEY RYAN: You mean a month.

COUNCILPERSON THOMAS: They're paying 28,000 a month or a year?

EXECUTIVE DIRECTOR BROWN: No. No, if 10,000 square feet times \$28 a square foot times 12. That's correct.

CHAIRPERSON DAVIS: Okay.

COUNCILPERSON THOMAS: They're paying 28,000 a month?

EXECUTIVE DIRECTOR BROWN: Yes.

COUNCILPERSON THOMAS: Okay. Let me ask you. Now, hold -- hold -- whoa. Hey, ho. Let me ask you why, if they're getting \$28,000 a month in rent for most of these buildings, the average building, why would we accept \$2,500 -- \$2,500 a month in perpetuity for 41 years? That should be a nonstarter. Now, if the money is not the same, you gotta give me something more than just say, Okay. We're just going to let you have this, City. We're gonna -- we -- give me something more. Give me something more to go on. I want something done. Mr. Brown, do you know -- while you're still here, can we get a million dollar as year off the parking?

CHAIR PRO TEM PARDO: Can I say something first? I just -- I have --

CHAIRPERSON DAVIS: Hold on. Hold on. (Inaudible).

CHAIR PRO TEM PARDO: -- I'll give you the full number for Lake Worth.

EXECUTIVE DIRECTOR BROWN: 280,000.

CHAIRPERSON DAVIS: Hold on one second.

EXECUTIVE DIRECTOR BROWN: 280,000. \$28 a square feet, 10,000 is 280,000 a year.

COUNCILPERSON THOMAS: Okay.

EXECUTIVE DIRECTOR BROWN: Divided by 12.

COUNCILPERSON THOMAS: So they're making over --

EXECUTIVE DIRECTOR BROWN: You asked the question -- intuitively on the parking, I think that we would gross in excess of 250,000 easily.

COUNCILPERSON THOMAS: A year?

EXECUTIVE DIRECTOR BROWN: A year.

COUNCILPERSON THOMAS: That's a lot different than a million a year.

EXECUTIVE DIRECTOR BROWN: I said -- you -- I answered the question intuitively. Intuitively at minimum, I think --

CITY ATTORNEY RYAN: I think intuitively it's more than that.

EXECUTIVE DIRECTOR BROWN: -- I think you could gross in excess of 250,000 a year. We were doing the parking study in two steps. The first step was addressing the issue of parking management. So -- and to give us a recommendation on -- on -- on how we could control the issues of people parking that shouldn't be there and still provide the right system to which to manage. So we have a recommendation from Walker Parking that they recommended that we put meters along the beach park. And they recommended an hourly rate to charge. Then they've also recommended that you put a controlled gate parking in the surface lot. And that in the -- in the -- and then in the far west lot they have recommended it to be free parking. So the next things, if -- if we -- and then they've also recommended the type of systems and how to manage it. So the next step for us to consider is to give them some assumptions. What do we charge for all-day parking? Do we play employees for monthly parking?

COUNCILPERSON THOMAS: Yeah. But I'm -- I'm -- I'm past that part.

CHAIRPERSON DAVIS: Okay. Yeah.

COUNCILPERSON THOMAS: I'm -- I'm trying to figure out -- we got a number. Is it reasonable to do -- that we would be able to get a million dollars a year?

EXECUTIVE DIRECTOR BROWN: I think it's reasonable.

CHAIRPERSON DAVIS: You have the Lake Worth --

CHAIR PRO TEM PARDO: I do.

CHAIRPERSON DAVIS: Okay. But you have Lake Worth numbers?

COUNCILPERSON DAVIS: No. Madam Chair?

CHAIR PRO TEM PARDO: Yeah, I do.

CHAIRPERSON DAVIS: Hold on one second, please.

CHAIR PRO TEM PARDO: Okay. So in 2011, 20 -- fiscal 2011/2012, they made 562,697. Fiscal 2012/'13, 866,512. Fiscal 2014/'15, 1,314.

CITY ATTORNEY RYAN: No. No, one million.

CHAIRPERSON DAVIS: You mean a million.

CHAIR PRO TEM PARDO: I'm sorry. 1,314,000.

CHAIRPERSON DAVIS: Okay.

COUNCILPERSON THOMAS: And we -- but we don't still know if they're having programming, if they're doing something else there that made those numbers --

CHAIR PRO TEM PARDO: Okay.

COUNCILPERSON THOMAS: I know they redid their -- their casino or whatever down there.

CHAIR PRO TEM PARDO: Absolutely. And that's why it jumped from that 562 to 1.3. And then they also have permit and decal parking. And from 2011/'12 it went from 25,000 to 56,730.

COUNCILPERSON THOMAS: Okay. So can we get some actual numbers --

CHAIR PRO TEM PARDO: They are.

COUNCILPERSON THOMAS: -- before we decide that we just -- I -- I'm -- I'm hard-pressed to say that we need to give up anything without getting something for it. That's -- that's the first thing. I'm hard-pressed. And if your client is not willing to at least increase the base that he's going to give us over the next 41 years, to me that's -- that's a nonstarter. I mean, I'll be, you know, 82 but --

CHAIRPERSON DAVIS: Yeah. Let me --

COUNCILPERSON THOMAS: -- by the time that's -- could be redone.

CHAIRPERSON DAVIS: Wrap it up 'cause somebody else (inaudible).

COUNCILPERSON THOMAS: Well, I -- I will. I will. I'm -- I'm just saying that's a nonstarter and I need to make sure that I'm hearing you right. That's the only thing that you're willing to give? 'Cause you were nodding your head.

BRUCE LOREN: Sir, I didn't -- what I said is when I spoke to them this morning and it was only a partner as Zvi, all I had authority was -- I -- I had heard the 30,000 number and my guys said, "Sure, we'll do 30." We have never discussed anything greater than \$30,000.

CHAIRPERSON DAVIS: So he can take it back to him.

COUNCILPERSON THOMAS: So we gave you the 30?

CHAIRPERSON DAVIS: No.

BRUCE LOREN: It -- no, no.

CHAIRPERSON DAVIS: Coming to us asking but he can take that -- take your --

BRUCE LOREN: This -- but --

CHAIRPERSON DAVIS: -- question back.

COUNCILPERSON THOMAS: Okay.

CHAIRPERSON DAVIS: And it could be brought back later. Okay. Mr. Davis?

COUNCILPERSON DAVIS: Thank you. Really quick, do you have any intentions on selling this lease agreement any time soon, this property?

BRUCE LOREN: No. No. And we would -- and to your concern, is we would -- we would be willing to enter into, as part of the lease, that we have to hold on to the property for a certain amount of time.

COUNCILPERSON DAVIS: Uh-huh.

BRUCE LOREN: And the best example that I can give you and -- and the council members, we brought another property in Boca Raton. It was a shopping center that had a 40 -- it was called Fountain Center. It had a 47 --

COUNCILPERSON DAVIS: I've seen it.

BRUCE LOREN: -- 47 percent occupancy. Right now it has a 90 percent occupancy. And it's not just that we were giving away leases. We invested millions of dollars in infrastructure improvements. So when you say why should -- what does it matter if we have TJAC or we have GSF? And I think that's the crux of the issue. GSF is an investor. They have no -- they want to spent the absolute minimum amount to maintain the property and they don't want to spend any extra money. And they're going to fight every step of the way. TJAC is a completely different perspective because they understand that if they put the money in the infrastructure, they will lease out more space. They will increase the occupancy. They can higher leasing revenue.

COUNCILPERSON DAVIS: Uh-huh.

BRUCE LOREN: And they have been in -- all you gotta do is look what that property in Boca started with and what it is today.

COUNCILPERSON DAVIS: Let me ask you a question. When -- when you first came to the City, and I'm aware of what the CRA was proposing to do, and one of the things they were proposing was a parking garage on the southwest end as we do our development. So I just want to make sure that, you know, we all have been discussing some parking issues being addressed a year ago. My concern is I don't know if y'all -- I don't know is he even considering

even selling it to this property once this is done. Would you be willing to put in a clause that the City will get 15 percent if you sell this property within the next 10 years?

BRUCE LOREN: Again, that's something I'd have to ask my client.

COUNCILPERSON DAVIS: I think, well, I would -- I would like for you to do that since you --

BRUCE LOREN: I -- I -- I will do that.

COUNCILPERSON DAVIS: Yes.

BRUCE LOREN: My -- my observation is I don't think the City is investing 15 percent in the \$2 million it's going to construct building B.

COUNCILPERSON DAVIS: No. But the issue --

BRUCE LOREN: Nor -- nor is the City investing part of our \$6 million that we're (inaudible).

COUNCILPERSON DAVIS: That's -- my issue is, we sat over there and had this big old ceremony.

BRUCE LOREN: Right.

COUNCILPERSON DAVIS: There was barbecue chicken and all this stuff was going on. We was holding these beautiful gold shovels. Even Councilperson Thomas jumped in the tractor. He was ready to tear down the building itself. And nothing happened after that. Now, there's a lot of -- a lot of reasons why being said today why nothing happened. All I know is the proof is when are you going to start doing something on this project? Right now there's no trust with this situation. I want to trust you and I -- I think we need to put some things in place to make sure that we're moving forward and better to this relationship. I'm just stating that I would like for you to go back and have a talk with Zvi and say, Hey, listen. Me and -- so you can use my name. Please do. Say, Listen, they're concerned that you may be willing to be potentially flipping this property. And if that's not a concern, would you be willing to give the City, if you sell that property within the next 10 years, 15 percent of that sale? Because I don't want to see this property being shopped around. Because, you know, in this market, this real estate market, that property's worth a lot of, lot of money and no one can tell me that nobody's not ringing up phone calls to try to get their hands on oceanfront property. That's all.

CHAIRPERSON DAVIS: Okay. Any other --

COUNCILPERSON GUYTON: I guess just one --

CHAIRPERSON DAVIS: -- Mr. Guyton.

COUNCILPERSON GUYTON: -- one -- one last comment. When this proposal was brought to us, I had one condition. That what we had initiated in our action plan continue on. Containing in that action plan was a list of deficiencies on the Ocean Mall property. I had staff -- and I get updates -- the latest update was a week ago. Originally, staff found 47 issues with that property. As of last week, there were 37 still unsolved. That's a problem with me and my constituents. And -- and we didn't get any movement until we initiated this action plan. The other thing that was part of that action plan was the default letters. I didn't say I was backing off of that and I'm not going to back off of that. But I do have strong concerns that I as a councilperson am still being embarrassed, whether it's you or GSF, and you're not maintaining

the property until somebody want to do something with it. And now everybody is Johnny on the spot and you ride by now and everybody's working. I'm not impressed. Because there's, in my opinion, an ulterior motive. That's fine. I have to live here, wherever you live; you may be here but I have to see these people sometimes on a daily basis. And I have to try to explain why we, as a council -- not staff -- we as a council not making GSF or TJAC maintain the property until they want something. That's a problem with me.

In closing, I'd just like to say if you haven't gotten this list, it is my hope that this council -- because this is the only leverage that we have -- continue with the current agreement and give no concessions. And the sooner you get done, the sooner you can start paying that 41,666. And I am not concerned about a March 11th deadline. I won't be attending any special meetings. Let me say that. Because my schedule is busy. So -- but the rest of the council people can do that. But it's not until they want something that they want us to start jumping through hoops. I kept trying to reach out to GSF. We went to New York. Our chair, and I think our vice chair met with somebody from GSF. Everything was going to be all right.

It wasn't all right. So the -- telling me that, you know, we're here to do all of this, I'm -- I'm really not impressed. My position is not going to change. I won't be attending the special meeting. But should you come aboard and the council agree, whatever conditions the council agree on, I'm going to support them. That's just my position as a councilperson. I'm going to make it work. But I'm going to let everybody know what my position is, is that I would hope that we would do it under two conditions. Either one, they sit down and renegotiate the contract; or two, we enforce the existing contract, because when we went to them to ask them to give us some consideration, the answer was no. You -- you all got a bad deal. You stay with it. That's essentially what they told us. And now they come to us wanting concessions. That's not fair in my estimation. So if you can give us any consideration, I'd just like to return the favor. Thank you, Madam Chair.

BRUCE LOREN: Well, just so -- just so we're clear, I don't represent GSF. And quite frankly, we don't like them, either. We were in litigation -- we were in a hard-fought litigation with them for a year. I -- I have no -- you know, there's no love between these people. And all I'm saying is, if, on March 12th, we're going to continue that list, which I do have, and I -- all we -- I mean, I understand that a lot of people have come before this board and made promises. All I can tell you is that before we even had the lease, we spent 75, \$80,000 to demolish a building simply because we were being told they hate the sight of this 7-Eleven in disrepair. We did that because we fully intended on doing it. We did not back out. We did not want to back out. We did not mysteriously reappear. We -- we can't -- you -- you told me you're not going to agree with me. And that's --

COUNCILPERSON GUYTON: Okay. Understood. Understood. I -- I -- understood.

BRUCE LOREN: -- but that's okay.

COUNCILPERSON GUYTON: But -- but just one last point. Let me tell you one of my major concerns, too. The current agreement -- and it's not an incentive to GSF. Maybe to you. We only get a portion of what is leased. Am I right, Miss Attorney?

CHAIRPERSON DAVIS: Occupancy.

CITY ATTORNEY RYAN: Correct.

COUNCILPERSON GUYTON: Okay. So occupancy. So it's really not an incentive to someone like GSF to really fill it up because that's less they have to pay. Now, what I'm told,

even at full occupancy -- and maybe some can correct me -- we still would only probably clear about 60, maybe \$70,000 a year. For oceanfront property.

COUNCILPERSON THOMAS: Is that true? I'm sorry to interrupt.

COUNCILPERSON GUYTON: That is an --

CHAIR PRO TEM PARDO: Right now.

COUNCILPERSON THOMAS: But is that true?

COUNCILPERSON GUYTON: -- insult.

COUNCILPERSON THOMAS: Is that true? Somebody tell me whether that's true or not. I'm sorry to interrupt but somebody tell me is that true.

CITY ATTORNEY RYAN: Okay. Madam Chair, there was a -- I don't have it in front of me but there was a calculation done a few years ago that said with the Ocean Mall lease standing alone, with the percentages if, you know -- looking at the maximum rents at the time when we have our appraisals, that the most we're going to --

COUNCILPERSON THOMAS: Miss Ryan, is that true? If the whole thing was rented --

CITY ATTORNEY RYAN: -- the most we --

COUNCILPERSON THOMAS: -- out, we will only get the max we're going to get is \$60,000?

CITY ATTORNEY RYAN: It's -- that's approximately correct.

COUNCILPERSON GUYTON: Okay. Can I finish?

COUNCILPERSON THOMAS: Okay. Yes.

CITY ATTORNEY RYAN: Because right now -- right now we are only getting 25, \$30,000.

COUNCILPERSON THOMAS: Well --

CHAIRPERSON DAVIS: Okay. Hold on, Mr. Thomas.

COUNCILPERSON THOMAS: Okay. Yes, ma'am.

CHAIRPERSON DAVIS: Mr. Guyton?

COUNCILPERSON GUYTON: Okay. So the point I am making is TJAC looks out -- and I -- I can appreciate that -- for the interests of their company. My responsibility is looked out for the interests of our citizens. We only getting about 20,000 a year now. That is an insult for the best beach in this part of the world. So we said, Let's -- let's sit down and let's talk about this again. Y'all said no. And so I want you to understand that's what I'm saying, no. I want you to pay that 41,000 every month. We're getting nothing out of the deal. Granted, the people voted not to have that hotel. So that was our problem. When you walked away and came back -- or - or you didn't go away or had some issues, and you surface again, that's your problem. That's not our problem. So don't ask us for any concessions. Come in, do your job. Get it done quickly and it's not much that you're going to have to pay.

CHAIRPERSON DAVIS: Okay.

COUNCILPERSON GUYTON: I'm done.

CHAIRPERSON DAVIS: Now -- okay. We -- we were supposed to start another meeting at 5:30. And in the interest of time, okay, we're going to go -- what -- what is the pleasure of the board on this item? I think -- I'm gonna just say what I think. I'm -- I'm uncomfortable making any decision right now. I don't have anything in front of me. So -- and -- and I -- I understand you've got a May -- March 11th -- I don't -- I don't know what to tell you.

COUNCILPERSON GUYTON: Let's GSF -- can GSF tell them if they will extend it? That's -- that's GSF representatives.

UNIDENTIFIED SPEAKER: Madam Chair?

CHAIRPERSON DAVIS: Hold on one second. So Mr. Thomas, what are your -- what are your feelings?

COUNCILPERSON THOMAS: My feelings are that I would love to have TJAC as a new tenant. And if they're willing to renegotiate so that we get more than \$60,000 a year, I'm willing to do whatever it takes. If you're willing to open up negotiations. If you're just saying that, no, you want us to give concessions with not renegotiating any of the deal, then that's going to have to be a no for me.

CHAIRPERSON DAVIS: Okay. Miss Pardo, I know where -- where you stand. Mr. Davis?

CHAIR PRO TEM PARDO: Well, I'll tell you exactly where I stand.

COUNCILPERSON DAVIS: No.

CHAIR PRO TEM PARDO: You know I'm in favor of this just so we can get something moving. And you know, we keep forgetting about the \$700,000 that we got already. And then --

CHAIRPERSON DAVIS: Okay. So you're in favor? /PA*TS yeah.

CHAIRPERSON DAVIS: Okay.

CHAIR PRO TEM PARDO: Right. But also, I'm in favor of having a special meeting. Just getting this off the table. Let's -- let's decide prior to March 11th.

CHAIRPERSON DAVIS: Okay. Next --

CHAIR PRO TEM PARDO: Because why have him close and then have him come back to the City and then, you know, hear all these comments again and say, "You know what? We're not going to work with you." So at least, you know, let's do what we really should do and have a special meeting to decide once and for all what we're going to do with them.

CHAIRPERSON DAVIS: Okay. Mr. Davis?

CHAIR PRO TEM PARDO: Prior to March 11th.

COUNCILPERSON DAVIS: The issue is many residents are complaining about how we're handling funds. We are not going to continue to let people come wag our tail when they want to. If Mr. Guyton, what he's saying is true, about \$60,000 a year, that's a crying shame. I think

at some point we need to let them go to the table, do what they need to do, come back and negotiate or just pay -- pay the fee. I'm not fixing to put ourselves in a -- out of a position -- well, we got leverage now. We're not fixing to hand it over just to get something done. I understand that we want to get part of this completed and I respect that. But just to get them completed and giving this -- this waterfront property away, which you fought to get back, I think is a crying shame even for us to even consider it as a board. We need to stand together as a united board to put our city in the best position possible to make as much money as possible through this process. And that's just a business decision that we need to make and stand together on.

CHAIRPERSON DAVIS: Okay. Mr. Guyton --

CHAIR PRO TEM PARDO: Madam Chair?

CHAIRPERSON DAVIS: Hold on, Miss Pardo.

CHAIR PRO TEM PARDO: Sorry.

CHAIRPERSON DAVIS: -- Mr. Guyton?

COUNCILPERSON GUYTON: Madam Chair, I've indicated my position so I won't reiterate that. But I'm not attending a special meeting to try to make this work. I wouldn't care if they made the deadline or not. It's our position that -- my position that we need to sit down and talk about some numbers. And the \$700,000, for the record, that they contributed, they didn't give it to us. That was a contribution because they didn't make a deadline. Nothing was given to us. So I'm just sick and tired of the City being taken for a ride and making us think like, we're doing you a favor just to be here. So I'm not attending a special meeting. I don't care if they make the closing. You know, we have a contract. If GS -- if they walk away, GSF's still gonna have to pay us \$41,000 every month starting July 1. So whatever you all do between now and the 18th, it'll be done without me.

CHAIRPERSON DAVIS: Okay. I think there's a consensus. So you need to go back and talk to your clients. Okay?

BRUCE LOREN: Appreciate it. Thank you for your time.

CHAIRPERSON DAVIS: Okay? All right. Now we're going to go to --

COUNCILPERSON GUYTON: We need to end this meeting.

CHAIR PRO TEM PARDO: No.

CHAIRPERSON DAVIS: Wait a minute. We -- we've got public comments.

COUNCILPERSON GUYTON: Oh, (inaudible).

CITY ATTORNEY RYAN: We've got another item.

CHAIRPERSON DAVIS: Bessie --

CITY MANAGER JONES: (Inaudible).

CITY ATTORNEY RYAN: This is a special meeting.

CITY MANAGER JONES: This is a special (inaudible).

CHAIRPERSON DAVIS: Oh, yeah, we got one more item. Number 2.

CITY ATTORNEY RYAN: Oh, you have regular items?

CHAIRPERSON DAVIS: Yeah. We got --

COUNCILPERSON DAVIS: Two (inaudible) two.

CHAIRPERSON DAVIS: -- I -- I -- I'm sorry, item number 3. That's a Community Benefit from Councilman Terence Davis in the amount of \$300 for the Park-to-Park Tour. Is there a motion?

COUNCILPERSON DAVIS: So moved.

CHAIRPERSON DAVIS: Is there a second?

COUNCILPERSON THOMAS: Second. Question.

CHAIRPERSON DAVIS: Yes?

COUNCILPERSON DAVIS: Yeah. Oh, Thomas.

COUNCILPERSON THOMAS: Is this a -- is this an event, Mr. Davis, that we're doing as a city? 'Cause I see the City's on the -- on the -- on the -- on the actual flier.

CHAIRPERSON DAVIS: Flier.

COUNCILPERSON DAVIS: Uh-huh.

COUNCILPERSON THOMAS: It says that the City is doing this. Is this something that the City is doing or how -- because most of the events that we do, well, at least for me, they make me put them on the agenda and get them approved.

COUNCILPERSON DAVIS: The reason I did that because I didn't want -- this is an event that I'm -- on from -- behalf of my office that I'm working, I'm hosting. But a lot of times we do events and put our faces on them. But I like for people in the community to see that the City is actually doing something. And it's just something about when you start branding things, we don't want to seem too separated when we're doing things in the City.

COUNCILPERSON THOMAS: Okay. That's fine. However I'm saying when we have to do something that's going to require the City's input --

COUNCILPERSON DAVIS: Uh-huh.

COUNCILPERSON THOMAS: -- we all, as a board, decide on it and then you go forth and do it. Is that one of the things that's happening here? Is that -- is that our part in your -- you -- you are hosting it. You have your name saying that --

COUNCILPERSON DAVIS: This -- this is like --

COUNCILPERSON THOMAS: -- or -- or is the City -- is this the City's doing? Is there going to be any resources used by the City?

COUNCILPERSON DAVIS: No, no.

COUNCILPERSON THOMAS: If they are, I'm fine with that. I'm okay.

COUNCILPERSON DAVIS: Uh-uh.

COUNCILPERSON THOMAS: I just want us to vote on that like we just did my Fifth Grade Fun Day, like we did for Dawn's book thing the other day.

COUNCILPERSON DAVIS: Uh-huh.

COUNCILPERSON THOMAS: I just want it there so it's clear that everybody knows that you have the authority to utilize whatever we're saying that you have to utilize. That's it. 'Cause I don't want anybody coming complaining that something wasn't done (inaudible).

COUNCILPERSON DAVIS: What -- what I'll do is I make sure I -- I take the City off and I'll put my name on it.

CHAIRPERSON DAVIS: Okay. But that's not solving the problem.

COUNCILPERSON THOMAS: Yeah. I just want to make sure that --

COUNCILPERSON DAVIS: I -- I didn't know it was a problem.

COUNCILPERSON THOMAS: Okay. Now, I -- I want to make sure that you --

UNIDENTIFIED SPEAKER: (Inaudible) a suggestion.

COUNCILPERSON DAVIS: Make --

COUNCILPERSON THOMAS: No. I want to make sure -- whatever.

CHAIRPERSON DAVIS: Mr. --

COUNCILPERSON THOMAS: I want to make sure that I'm --

CHAIRPERSON DAVIS: -- Thomas.

COUNCILPERSON THOMAS: -- that you're understanding what I'm saying.

COUNCILPERSON DAVIS: Go ahead.

COUNCILPERSON THOMAS: When we have events as council people --

COUNCILPERSON DAVIS: Okay.

COUNCILPERSON THOMAS: -- that's fine.

COUNCILPERSON DAVIS: Uh-huh.

COUNCILPERSON THOMAS: But when we're doing stuff that's going to require some usage of City employees --

COUNCILPERSON DAVIS: Uh-huh.

COUNCILPERSON THOMAS: -- City's whatever, then we bring it before the board and we say, Yes, you can do this, and you can do it. Now, I just said I'm in support of whatever event you --

COUNCILPERSON DAVIS: Uh-huh.

COUNCILPERSON THOMAS: -- want to do wherever you want to do it.

COUNCILPERSON DAVIS: Uh-huh.

COUNCILPERSON THOMAS: If it's going to require City resources, Parks & Rec. delivering tables, whatever needs to be done, and, it is, no problem. Let's just agree right now that it's okay.

COUNCILPERSON DAVIS: Uh-huh.

COUNCILPERSON THOMAS: And we're endorsing Councilman Davis to do what he's doing.

COUNCILPERSON DAVIS: Okay.

COUNCILPERSON THOMAS: That's all.

COUNCILPERSON DAVIS: The only -- only thing -- only thing will be done is we'll be accessing -- using the facility. This is 300 bucks to pay the Give to Youth Empowerment so those kids can be doing the music. Only thing we were going to be using is chairs from the City.

COUNCILPERSON THOMAS: Okay.

COUNCILPERSON DAVIS: Chairs and -- chairs and electricity.

COUNCILPERSON THOMAS: What I would suggest is --

COUNCILPERSON DAVIS: Uh-huh.

COUNCILPERSON THOMAS: -- that you ask is board --

COUNCILPERSON DAVIS: Uh-huh.

COUNCILPERSON THOMAS: -- to adopt this event, Councilman Davis's event, and that way you're clear.

COUNCILPERSON DAVIS: That's never been done before so I'm trying to find out --

COUNCILPERSON THOMAS: We just did it. We just did it.

COUNCILPERSON DAVIS: When we did it before?

COUNCILPERSON GUYTON: So moved.

CITY MANAGER JONES: (Inaudible).

COUNCILPERSON GUYTON: We're just endorsing that you can use some resources.

COUNCILPERSON DAVIS: Oh, okay. Okay.

COUNCILPERSON GUYTON: So moved.

CITY MANAGER JONES: (Inaudible).

COUNCILPERSON DAVIS: Okay. Second.

CHAIRPERSON DAVIS: Okay. Is there --

COUNCILPERSON DAVIS: Can -- well, I -- I can't second it if it's --

COUNCILPERSON THOMAS: Why can't you second it? It's your event.

CHAIRPERSON DAVIS: Why can't you?

COUNCILPERSON DAVIS: Okay. All right. Well, there's a motion --

COUNCILPERSON THOMAS: You should have.

COUNCILPERSON DAVIS: -- there was a motion on the floor. That's why I asked that.

COUNCILPERSON GUYTON: Yeah. Yeah.

COUNCILPERSON DAVIS: Okay. Second.

COUNCILPERSON GUYTON: I moved it.

COUNCILPERSON DAVIS: Okay.

CHAIRPERSON DAVIS: So we have a -- who -- who made the motion?

COUNCILPERSON GUYTON: I made the motion.

COUNCILPERSON THOMAS: Well, we already got an open motion on the floor.

CHAIRPERSON DAVIS: Okay. Wait a minute. Hold on. Hold on, Mr. Thomas, please.

COUNCILPERSON THOMAS: We have a motion from Mr. Guyton and a second from --

COUNCILPERSON GUYTON: Wait. That -- wait, that's an amended motion 'cause there was a motion on the --

COUNCILPERSON DAVIS: That's -- that's why I --

CHAIRPERSON DAVIS: Well, that's what I'm asking. Who made --

COUNCILPERSON DAVIS: -- that's why I said that.

COUNCILPERSON GUYTON: Yeah. Yeah.

CHAIRPERSON DAVIS: -- who made the original motion?

COUNCILPERSON GUYTON: I don't know.

UNIDENTIFIED SPEAKER: (Inaudible) Thomas.

CITY MANAGER JONES: The original motion (inaudible).

COUNCILPERSON DAVIS: It was by me.

INTERIM CITY CLERK ANTHONY: Mr. Davis.

CHAIRPERSON DAVIS: Okay.

INTERIM CITY CLERK ANTHONY: Mr. Davis made the original motion --

COUNCILPERSON DAVIS: Thomas.

INTERIM CITY CLERK ANTHONY: -- to approve the funds and it was seconded by Councilperson Thomas.

COUNCILPERSON DAVIS: Thomas.

CHAIRPERSON DAVIS: Okay. So -- and the amended motion was made by Mr. Thomas.

INTERIM CITY CLERK ANTHONY: Councilperson Guyton.

CHAIRPERSON DAVIS: Oh.

INTERIM CITY CLERK ANTHONY: No, Councilperson Guyton.

COUNCILPERSON GUYTON: Me.

INTERIM CITY CLERK ANTHONY: And seconded by Councilperson T.D. Davis.

CHAIRPERSON DAVIS: Okay. So we're going to vote on the amended motion to endorse your event.

COUNCILPERSON DAVIS: Thank you.

CHAIRPERSON DAVIS: Okay.

INTERIM CITY CLERK ANTHONY: Councilperson Thomas?

COUNCILPERSON THOMAS: Yes.

INTERIM CITY CLERK ANTHONY: Councilperson Guyton?

COUNCILPERSON GUYTON: Yes.

INTERIM CITY CLERK ANTHONY: Councilperson T. Davis?

COUNCILPERSON DAVIS: Yes.

INTERIM CITY CLERK ANTHONY: Pro Tem Pardo?

CHAIR PRO TEM PARDO: (No audible response).

INTERIM CITY CLERK ANTHONY: Chair Davis?

CHAIRPERSON DAVIS: Yes.

INTERIM CITY CLERK ANTHONY: That motion is approved with Council -- with Chair Pro Tem Pardo out.

CHAIRPERSON DAVIS: And let me just -- and I think I know what may be a question on this flier, is the use of the City's seal by other organizations. And it has not come before council yet. Okay? So if you're going to use the City's seal, it has to be approved by the council. Okay? So I'm going to --

COUNCILPERSON GUYTON: We just did.

COUNCILPERSON DAVIS: We just did so why are we discussing it?

COUNCILPERSON GUYTON: No, no, no.

CHAIRPERSON DAVIS: Well, I was just letting you know the reason why.

COUNCILPERSON DAVIS: No. I'm just saying I -- I've seen stuff before come out and then come before with the seal on it.

CHAIRPERSON DAVIS: Okay. So we're going to go to --

COUNCILPERSON DAVIS: I got your point, though.

CHAIRPERSON DAVIS: -- we're going to go to public comments.

COUNCILPERSON THOMAS: Miss Ryan, can -- I mean, Miss -- Madam Chair?

CHAIRPERSON DAVIS: Yes, sir.

COUNCILPERSON THOMAS: Can we go ahead and approve his benefit? Am I --

CHAIRPERSON DAVIS: Oh, yes. Please call the question. Sorry.

COUNCILPERSON THOMAS: Yeah.

INTERIM CITY CLERK ANTHONY: Councilperson Guyton?

COUNCILPERSON GUYTON: Yes.

INTERIM CITY CLERK ANTHONY: Councilperson T. Davis?

COUNCILPERSON DAVIS: Yes.

INTERIM CITY CLERK ANTHONY: Councilperson Thomas?

COUNCILPERSON THOMAS: Yes.

INTERIM CITY CLERK ANTHONY: Pro Tem Pardo?

CHAIR PRO TEM PARDO: (No audible response).

INTERIM CITY CLERK ANTHONY: Chair Davis?

CHAIRPERSON DAVIS: Yes.

INTERIM CITY CLERK ANTHONY: That motion is approved with Councilperson Pardo out.

CHAIRPERSON DAVIS: Okay. We're going to go to public comments. Bessie Brown?

PUBLIC COMMENTS

CHAIRPERSON DAVIS: After Miss Brown is Jimmy Lee Pratt.

CITY ATTORNEY RYAN: This is outrageous. We don't do this for Special Meetings, you guys. You do not do this for special meetings. That's why you (inaudible).

BESSIE BROWN: Bessie Brown. Good evening. I'd just like to say I got signatures for the hotel. That's why I continued to ask about it. I would -- I got signatures for that referendum that Dawn Pardo did against the City. Now, and I -- and every time we ask about it, I -- I -- I wanted to know why is it of no concern that nobody wants the hotel? It was a 28-story hotel with timeshares. The -- that's the thing that the people voted against and not that they didn't want the hotel. It was timeshares in it. And it ended up -- and -- and -- and the -- and the referendum was written for only five stories. She said three stories. And if you're -- and -- and -- and if I have to --

CHAIRPERSON DAVIS: Three stories of parking.

BESSIE BROWN: No. It was five stories for the hotel.

CHAIRPERSON DAVIS: In the (inaudible). Excuse me.

BESSIE BROWN: With -- with a parking garage. Okay? So basically I -- I -- look, I (inaudible) that one. Okay? So I don't need that. Okay? I don't need that one. My thing is, is that you all are talking about a building, a building, a building, what building are you talking about with TJAC tonight? Because I surely would like to know, because I -- and -- and I -- and I don't think Miss Pardo should say that -- you know, speak for you all a lot and it's beginning to, you know, aggravate me. Because she said, "Nobody's going to do this and nobody's going to do that." I just want y'all to speak for yourself.

CHAIRPERSON DAVIS: Thank you, ma'am. Jimmy Lee Pratt? After Mr. Pratt is Michael Jordan. Wow.

JIMMY LEE PRATT: Yes. My name is Jimmy Lee Pratt. I live at 1591 on W. 14th Street. I'm here tonight --

CHAIRPERSON DAVIS: Evening, sir.

JIMMY LEE PRATT: -- on behalf of some concerned other citizens who are concerned about the upcoming election in regards to the last election that we had, the -- the last one wherein they're concerned about the vote, the process that wherein Mayor Masters came up with some absentee ballots at the last moment. And they was, like -- they are very disturbed about this. And they're saying that the mayor acted in bad faith and with unclean hands.

CHAIRPERSON DAVIS: Hmm.

JIMMY LEE PRATT: Now, I know of no election where a candidate comes in with the vote -- with the -- with the absentee ballots and say, This -- this is -- these are absentee ballots. You know, that doesn't -- that doesn't sit straight with these people. You know? So they are very disturbed by this and they want you all to pay attention to this and see that -- and find out if this is possible. I mean, is this -- is -- is this legal for the candidate to come in with the absentee ballots.

CHAIRPERSON DAVIS: Okay.

JIMMY LEE PRATT: And that -- and I want to say one more thing about the TJ -- TJAC thing. Miss Pardo, Miss Ryan, you're both attorneys. And I think in America in jurisprudence you have something called maxim of law. Under that term it's understood. They say that TJ -- Mr. Guyton, you said that TJ left the meeting. Under the term of maximum law, it's understood that he who leaves the battlefield first loses by default. TJAC -- TJAC got no argument. They lost. That's all I gotta say. Thank you.

CHAIRPERSON DAVIS: All right. Thank you so much. Michael Jordan?

MAYOR MASTERS: Madam Chair?

CHAIRPERSON DAVIS: Mayor Masters?

MAYOR MASTERS: Just for the record --

CHAIRPERSON DAVIS: Hold on one second, sir.

MICHAEL JORDAN: Okay, yes.

MAYOR MASTERS: -- just for the record, I'm not a candidate, number one. Number two, anyone who is an American -- and I don't even know whether you have to be an American citizen -- can take absentee ballots into the election office. It can be a German shepherd dog if necessary. You cannot pay -- be paid to take them in, one. Two, there's no number. You can take 500 or a thousand. But again, I'm not a candidate so thank you.

CHAIRPERSON DAVIS: Go ahead, sir.

MICHAEL JORDAN: My name is Michael Jordan. I live at 1687 W. 16th Street in Riviera Beach, Florida.

CHAIRPERSON DAVIS: Uh-huh.

MICHAEL JORDAN: My concern is that, you know, I'm working with some teens at my church and in the community. And they're, like, high school kids. And they want to come in and learn more about government because we've been pushing them to let them know that it's very important for them to be heard. So as they grow that they can come in and learn different things. And I'm not here to critique anybody or be disrespectful or judge anybody, but I think sometimes things are prolonged because we spend so much time defending what the public has to say. Truth will defend itself. If you know you're doing a great job, I think you're doing a great job, we need to spend less time on that and then sometimes amongst each other when the disagreements come along, it doesn't look good when you listen from it out there or if I'm sitting with the teens and we're looking at it on TV. So my thing is, is not to critique anybody, but maybe we could also move forward with kind of working on that to kind of keep our emotions under control. Because I do want to bring the youth in so that they can learn from you

all to know that it's important to get involved in government. I could take them to West Palm but I don't want to take them to West Palm. They all live in Riviera Beach so we need to come here. And that's the only thing. And my last comment was, 'cause I didn't have time last week - - my question was, I didn't recall anybody saying what was the time frame that the internal or the IG and them gave you all for the -- to submit your corrective action plan and how much time you have to submit that to them and begin to work on that process.

CHAIRPERSON DAVIS: Okay. Thank you so much.

MICHAEL JORDAN: You're welcome.

CHAIRPERSON DAVIS: Okay. Discussion by the City Manager. And you -- maybe you can answer those questions.

DISCUSSION BY CITY MANAGER

CITY MANAGER JONES: Yeah, I was going to say I only have one with Mr. Jordan's question. There has been discussion with the IG, and they have given us additional time. Generally they tell you within 30 days. And so within 30 days. I had not made the presentation to council yet on the action plan so now that that has been done, then that will be sent to them.

CHAIRPERSON DAVIS: Okay. City Attorney?

DISCUSSION BY CITY ATTORNEY

CITY ATTORNEY RYAN: Very quickly. I just want to thank all the council members for meeting with me regarding my evaluation before tonight. I got a lot of good feedback. I don't call it criticism. I call it feedback. And I will be taking some of those goals settings that some of you have given me and -- and working on them. So thank you for your support and I look forward to the -- to negotiating.

CHAIRPERSON DAVIS: Okay. Statements by the Mayor and Council. Mayor Masters, and let the record reflect that he is on the dais.

STATEMENTS BY THE MAYOR AND CITY COUNCIL

MAYOR MASTERS: Thank you, Madam Chair. For those of you that will be voting by absentee ballot and as a courtesy, if you would like for someone to pick your ballot up, you can mail it in. You can take it in. Or if you would like for it to be delivered, you can call me or someone else. But the number is 561-247-2713. And to Mr. Pruitt [sic], whoever those senior citizens may be, ask them to call me. Tell me who they are. I'd be very happy to talk to them, because it must be some misconception here. We have a very good rapport with our seniors. And I hope that's the way it will remain. I've gotten a lot of calls about why I am not supporting the Chair. But I just want to be real clear. I have supported the Chair several times in the past. But presently, I am not supporting the Chair. Not for any personal reasons. But be --

CHAIRPERSON DAVIS: That's not what you told me.

MAYOR MASTERS: -- but because of two words. And I looked one up. One was called A-W-O-L, AWOL, which means absent from one's post without intent to desert. The other one is missing in action. I read somewhere that -- someone quoted Dr. King on their literature. Well, that's interesting. To quote Dr. King, Madam Chair, "I've never seen you at any civil rights

marches. Never seen you at a meeting with the NAACP. You were missing in action when the black elected officials were sworn in."

CHAIRPERSON DAVIS: Mr. Mayor Masters.

MAYOR MASTERS: "You were missing --"

CHAIRPERSON DAVIS: You are so out of order.

CITY ATTORNEY RYAN: Let me do this. Let me do this.

MAYOR MASTERS: "You were missing in action --"

CHAIRPERSON DAVIS: That has absolutely nothing to do with anything.

MAYOR MASTERS: "-- during the Trayvon Martin march. You were missing in action when a man was killed at --"

CITY ATTORNEY RYAN: Mr. Mayor.

MAYOR MASTERS: "-- Walgreen." Yes?

CITY ATTORNEY RYAN: Mr. Mayor, I'm going to jump in on this. This council has two things. You've done two things. One, you have your own rules of decorum.

CHAIRPERSON DAVIS: Absolutely.

CITY ATTORNEY RYAN: And whether you think that your tone is okay, you are criticizing one of your --

MAYOR MASTERS: Can I do that? Can I do that?

CITY ATTORNEY RYAN: -- colleagues. And --

CHAIRPERSON DAVIS: No, absolutely not.

MAYOR MASTERS: Okay, fine.

CITY ATTORNEY RYAN: -- you all have rules of decorum.

MAYOR MASTERS: Okay.

CITY ATTORNEY RYAN: We're asking the public -- we're asking the public --

CHAIRPERSON DAVIS: Jesus.

MAYOR MASTERS: Okay. Well, let me move on.

CITY ATTORNEY RYAN: -- to follow the rules. And I'm begging this council to start following the rules.

MAYOR MASTERS: Let me move on. I won't call any names. "A man was killed at Walgreens. Somebody was missing in action. Five children --"

CHAIRPERSON DAVIS: Mayor Masters, I'm sorry. I'm -- I'm --

MAYOR MASTERS: Listen, I can talk.

CHAIRPERSON DAVIS: -- sorry. I'm -- I'm -- no, no.

MAYOR MASTERS: "One lived six blocks."

CHAIRPERSON DAVIS: No, no. That's crazy.

MAYOR MASTERS: "We raised over \$5,000. Somebody was missing in action. People were hurting in Stonybrook."

CHAIRPERSON DAVIS: Okay.

MAYOR MASTERS: "They were crying for help."

CHAIRPERSON DAVIS: You know what?

MAYOR MASTERS: "Rats and roaches."

CHAIRPERSON DAVIS: I don't expect anything else.

MAYOR MASTERS: "Somebody was missing in action."

CHAIRPERSON DAVIS: Anything more. 'Cause you're -- you're just --

MAYOR MASTERS: "Singer Island residents. A Singer Island man was killed. Somebody was missing in action. When the people of Singer Island wanted to walk --"

CHAIRPERSON DAVIS: We've just lost decorum so we're going to adjourn.

MAYOR MASTERS: "-- on the ocean, somebody was missing on action -- in action."

ADJOURNMENT

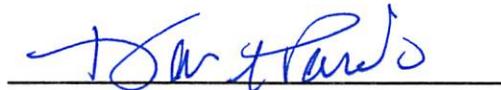
CHAIRPERSON DAVIS: Meeting adjourned.

(CONCLUSION OF MEETING)

APPROVED:



THOMAS A. MASTERS
MAYOR

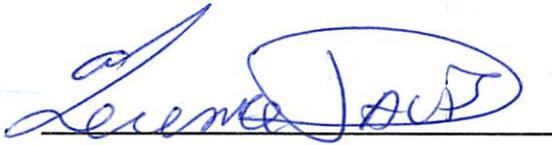


DAWN S. PARDO
CHAIRPERSON

ATTEST:



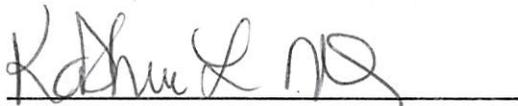
CLAUDENE L. ANTHONY
CERTIFIED MUNICIPAL CLERK
CITY CLERK



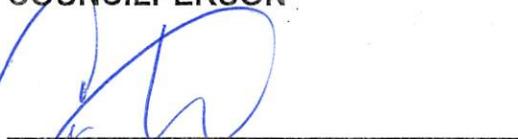
TERENCE D. DAVIS
CHAIR PRO TEM

ABSENT

BRUCE A. GUYTON
COUNCILPERSON



KASHAMBA L. MILLER
COUNCILPERSON



CEDRICK A. THOMAS
COUNCILPERSON

MOTIONED BY: C. THOMAS
SECONDED BY: T. DACIS

B. GUYTON ABSENT

K. MILLER NAY

C. THOMAS AYE

D. PARDO AYE

T. DAVIS AYE

DATE APPROVED: 04/15/15