

**MINUTES  
CITY OF LAKE WORTH  
CITY COMMISSION  
WORK SESSION  
JULY 30, 2015 – 6:00 PM**

The meeting was called to order by Mayor Triolo on the above date at 6:01 PM in the City Commission Chamber, located at 7 North Dixie Highway, Lake Worth, Florida.

**1. ROLL CALL:**

Present were Mayor Pam Triolo; Vice Mayor Scott Maxwell; and Commissioners Christopher McVoy, Andy Amoroso, and Ryan Maier. Also present were City Manager Michael Bornstein, Assistant City Attorney Christy Goddeau, and City Clerk Pamela Lopez.

**2. PLEDGE OF ALLEGIANCE:**

The pledge of allegiance was led by Vice Mayor Scott Maxwell.

**3. UPDATES/FUTURE ACTION/DIRECTION:**

**A. Lake Worth Beach Complex, Casino Building Vacant Space and Municipal Pool Invitation to Negotiate (ITN)**

Mayor Triolo announced that the purpose of this work session was to hear presentations from the Invitation to Negotiate (ITN) responders. She said the public would have an opportunity to ask specific questions both in verbal and written format to the presenters. She asked that questions to the presenters be directed towards her.

Comments/requests summaries:

1. Commissioner McVoy requested the public be allowed to offer their comments in addition to questions.
2. City Manager Bornstein commented that the purpose of this meeting was to hear from the proposers. There would be opportunities for the public to comment during the lengthy process. The intent of the Commission was to hear directly from the presenters in a public forum and ask questions to each proposers. This intent was expanded to allow questions from the public.
3. Vice Mayor Maxwell commented that he liked the idea of hearing questions from the public.

4. Commissioner Maier supported allowing the residents two minutes to make a comment. He said the Commission was here to hear the publics' statements.

City Manager Bornstein explained that there were staff vacancies, the Leisure Services Department was running the Casino Ballroom on a shoe string, and there were shortfalls in the Beach Fund. Administration did too good of a job making the Casino Ballroom operations look easy, but administration was obligated to balance the budget. The Beach Fund was balanced with inadequate staffing. He said the Casino Ballroom was operating with one person; there was no adequate storage or staff office; the maintenance crew was doing the best they could day to day; and staff had made it work, which gave the impression that it was running good. There were certain issues not being taken care of. He said he came up with the suggestion to use the Invitation to Negotiate (ITN) process; explained that the City received many proposals for the beach casino/pool/ballroom areas, and the ITN process was allowed by the State in order to receive creative ideas and provide for a negotiation process. He commented that the ITN Selection Committee members were tough and the process allowed for the comparison of apples to oranges. The ITN allowed for a flexible process and was intended to bring the best proposals forward. He said this process began in October 2014, and staff was looking for direction from the Commission.

Assistant City Attorney Goddeau said the ITN Selection Committee made the following three recommendations to the Commission:

1. The City Commission direct staff to develop a Request for Qualifications (RFQ) for a qualified firm to prepare a traffic/development impact study with related evaluations in order to discern viable levels of development and intensity of uses at the beach;
2. During the budget process, the Commission hold a separate workshop on the Beach Fund in order to address policy decisions that must be made for the Fiscal Year 2016 Beach Fund budget; and
3. The City Commission continue negotiations with Anderson & Carr (on behalf of Oceanside Bar and Grill) for the lease of the upstairs vacant space at the Casino Building and management/lease of the ballroom.

She said the Commission could either accept, reject, or recommend something different.

Comments/requests summaries:

5. Commissioner McVoy commented that the process was flawed from the beginning instead of going out to the community and asking them what they wanted. He said he would strenuously object to anything that was presented without holding public charrettes.
6. Vice Mayor Maxwell recommended the Commission choose their words carefully and not refer to the ITN as the beach. The issue was the building and not the beach. He said the issue about using the ITN process was voted on and approved by the Commission during a public meeting.

**Hudson Holdings**

Steven Michael, Hudson Holdings, said they specialized in urban development. In September Hudson Holdings responded to an ITN for the Lake Worth Beach Complex, Casino Building Vacant Space and Municipal Pool. He proposed a restaurant, use of the Casino Ballroom, and modernization of the municipal pool. He commented that his proposal would improve the site and increase parking at no additional cost to the taxpayers. He said his current proposal was 22,000 square feet.

John Szerdi, Hudson Holdings, explained in detail that their ITN objective was for:

- 13,000 sq. ft. of first floor mix retail and restaurant area;
- 7,000 sq. ft. of second floor ballroom space;
- Public covered outdoor cabana area seating;
- New public pool with pool deck;
- Dedicated swim lanes, exercise area, and separate kiddie pool;
- Plus or minus a 147 space two-level parking garage (25 for Lake Worth decals);
- Covered valet drop off area and additional surface parking;
- Regular operating hours (56 hours a week); and
- Free public programs (swim lessons, yoga classes, book clubs, etc.).

He said the bottom line would:

- Save residents money and provide longer operating hours;
- Provide a more efficient pool with State of the Art equipment;
- Offer more functional and weather tolerant event space; and
- Improve traffic flow and resident parking.

He explained that the second floor northern area was never a part of the

original project, but was then later added without increasing the additional costs. The Casino Building was originally suppose to be a remodeling job; however, it was almost a complete demolition. He suggested fixing the Casino Building.

Mr. Michaels said sustainability was important, and Hudson Holdings paid for an independent impact economic study. He said that, based on the independent study, there was a current annual loss of \$300,000. By supporting his proposal, it would be a support for sustainability. For Lake Worth residents that would mean 25% less in pool fees, 50% more resident decal parking, and 100% more open pool hours at no cost to the taxpayers and no cost to the City.

### **Oceanside Bar and Grill**

Paul Snitkin, Anderson & Carr, explained that Oceanside Bar and Grill's proposal was to use the Casino Building as it was intended. Their proposal included a high end Mediterranean restaurant and reasonably priced Coney Island style deli on the second floor. He said they also wanted to build up the value of the Casino Ballroom to be one of the premier banquet facilities in the County. He provided information on the principals and cited their successes in similar ventures. He explained how the proposed venture was likely to succeed for the City, showed proposed photographs and renderings of the space, and value to the City. He said issues the City needed to address were:

- Valet parking;
- Lighting on the west side of the building;
- Signage;
- Timetable for execution; and
- The need to know what was happening.

Mayor Triolo announced that this was the time for the public to ask questions.

- Carolyn Deli asked why the proposal only included a lap and aerobic-oriented pool and why the City did not sue the construction company or force the company to fix the Casino Building.

City Manager Bornstein replied that the City was in arbitration discussions with the construction company about leaks, condition of the balcony, and the Casino Ballroom floor.

- Jo-Ann Golden commented that the City entered into the Florida Climate Action goals and asked if those goals would be implemented into any of the proposals. She said there was a need to protect turtles the beach. She asked that the proposers be more involved in the beach and the

property. As owners of the Gulfstream Hotel, Hudson Holdings had done nothing. She said she supported public charrettes and asking the people what they wanted. She asked what the proposers were going to do for sea level rising and turtles.

Mr. Snitkin replied that Ocean Bar and Grill would abide by all of the rules to protect the sea turtles on the east side of the building. He said the owners of the Ocean Bar and Grill had an issue with lighting on the west side of the building.

Mr. Szerdi replied that the Casino Building was proposed to be reconstructed on pilings, but was not. He said Hudson Holdings would comply with the lighting requirements.

- Laurie Witkin commented that there was no need for another building. With as much open space as possible, the beach area was a nice area and the City would lose its current tenants if there was construction. She said there was no need for more retail. She asked the City to do something like rent out the Casino Building. She said the pool was gorgeous and asked why the City could not increase the hours of operation.
- Laurence McNamara said that for 30 years, the Commission could not reach a consensus about the Casino Building. The people wanted what was currently built, its current maximum size capacity, and that the Casino Ballroom not be included in a lease.
- Doris Chafin asked who would pay for repairs when everything becomes damaged due to the next hurricane, for a larger site plan rendering because the plan included in the Lake Worth Herald was difficult to see, and what would happen near Benny's On The Beach Restaurant at the pier.

City Manager Bornstein replied that there was no legal document yet for either proposal on how to handle damage caused by Acts of God; however, the other tenants were responsible for the interior of the building. He commented that the site plan rendering could be uploaded to the City's website.

- Richard Stowe commented that successors of the Hudson Holding proposal would be the residents living in the Town of Palm Beach. The traffic impact from the bridge west to the downtown area would be severe. He said there was too much parking and too little beach. He asked if it was in the City's best interest to reject the Hudson Holdings expansion and in the City's best interest to moderate development around the Dixie Highway and Florida East Coast Railway corridors.

- Mayor Triolo read the comments written by James Finnegan. Mr. Finnegan wrote that he was against the Hudson Holdings Plan, supported fixing the Casino water problems, approved [the] Oceanside Bar and Grill proposal, [and was] totally against any further development from Hudson Holdings' Plan.
- Peter Timm said he was proud of a sign on his property that read "Hands Off My Beach." He said he heard twice that Hudson Holdings would redo the Gulfstream Hotel, but they had not submitted any plans. He said he did not support private development and the beach was not losing \$300,000 annually. He asked how much money the City needed to keep the beach operating; about Hudson Holdings making an \$18 million revenue profit with the reduction in their proposal from 65,000 sq. ft. to 22,000 sq. ft.; the need for better answers and questions; and the number of restaurants that could survive at the beach.

Mr. Michaels replied that Hudson Holdings was not proposing a private club and he was quoting the beach's net revenue.

- Mayor Triolo read the comments written by Susan Cioci. Ms. Cioci wrote that Hudson Holdings had no track record [and asked] what had they done. The wall upstairs should be changed to clear instead of solid [which would be] better for a restaurant.
- Mayor Triolo read the comments written by Beth Scragg. Ms. Scragg wrote [asking the public] if they thought the economic development that Hudson Holdings was willing to do would combat the real issue of excessive sober/halfway home facilities popping up in your neighborhoods.
- Loretta Sharpe asked that, instead of panicking, turn the Hudson Holdings proposal into something that the public wanted. She said it would take some serious thought and a rational business. She asked how much both proposers were willing to pay for the Casino Building and if they were willing to work with the residents.

Mr. Michaels responded that Hudson Holdings wanted to work with the residents, this was a partnership and investment in the Gulfstream Hotel and community, and was a long term commitment.

Mr. Snitkin responded that the issue of payment would come in the negotiation phase. He said Oceanside Bar and Grill was willing to pay an average rent based on their initial investment. He said he would love to get to the negotiation phase.

- Katie McGiveron said the ITN process was a slap in the face of the residents. The people who participated in the ITN needed the process

to be done in secret. She asked Hudson Holdings if they were still proposing a private membership club and why they fired their security guard at the Gulfstream Hotel.

Mayor Triolo responded that the ITN was discussed at a public meeting and unanimously voted on by the Commission to proceed with the ITN process. It was already explained by the City Manager, and the Commission voted to allow the process to happen. Only afterwards was there discontent from one of the Commissioners.

Mr. Szerdi replied that Hudson Holdings had never proposed a private club. There were a lot of lies going around. The pool and bathroom improvements were left out of the original construction, and the proposals and ITN audios were made available to the public as soon as they could be legally released.

Mr. Michaels replied that the Gulfstream Hotel was being done slowing to make it the best it could be. He said none of his projects were rushed during the design phase.

- Lynn Anderson asked why, after spending \$13 million for the beach project, the City would do something else. She asked why the City would consider a long term lease, which ended up in three lawsuits. The residents did not want the City to screw around with the beach property. She asked the City to take care of what it owned, hire people who could do the job, and rent the Casino Building upstairs space.

Mayor Triolo replied that the City was trying to fix what was there at the Casino Building. She said there were a lot of "whys". She cited many "whys" including why the pool and bathrooms were not included in the original reconstruction. The City had real issues and the project needed to sustain itself.

Commissioner McVoy responded that it had been stated repeatedly that the Commission was trying to solve a problem at the beach complex, there was a financial problem, and the City was losing money. If the City was having a problem, then staff needed to address the problem. There was a need to find out if there really was a problem. The Commission sat in on a presentation by Burton & Associates regarding the Beach Fund and they saw the financial predictions. By making two small adjustments to parking and the debt payback period, there was no problem with the Beach Fund. He said he did not want to hear any more about trying to fix a beach problem.

Mayor Triolo left the meeting at 7:34 PM and gave the gavel to Vice Mayor Maxwell.

Comments/requests summaries:

7. Vice Mayor Maxwell asked why the Casino Building was constructed with the proposed budget. He commented that it was pointed out time and again that the building could not be constructed for \$6 million.

City Manager Bornstein responded that the Casino Complex had financial issues and there were questions about the pool. The pool was an amenity, and the City could not take care of and maintain the Casino Building. Staff could try to rent the upstairs space and raise parking fees, which was why staff did the ITN process. Staff had no control over what the proposers presented. No one asked the "what could be there" question. This process had divided the City. Every time a process was presented it caused a division because there was no trust in the community. He said staff was "scratching their heads" and in the end, the problem was still there. It was unacceptable not to ask the question because the City would never move forward. The City did not have the staff to maintain the building and empty trash cans. Staff raised the question about what to do, but no one wanted to ask this question because the community did not trust each other. He said the people genuinely liked the City.

8. Commissioner Maier commented that the City's annual audit showed the Beach Fund was profiting \$900,000 and was not losing money.
9. Commissioner Amoroso commented that the City borrowed money from the Water Fund to construct the Beach Complex and was supposed to annually pay \$500,000 back to the City. He said the City's debt had not been paid back as originally planned. In three years, the City paid only \$250,000 twice. The Beach Fund was losing money if the debt and flawed business plan was added back in. Had the City gotten a bank loan for the Beach Complex construction, it could not decide each year how much to pay on it.
10. Commissioner McVoy commented that he would rather listen to the people who planned the City and Utility Fund budgets. They had enough expertise to project forward for the long term. He said he asked Burton & Associates if it was okay to stretch out the length of time to pay back the loan to the Water Fund, and they responded that it would not cause any problem for the City. He said some of the Commissioners strongly felt that the debt should be paid within a specific period of time. He said there was no financial problem at the beach.
11. Vice Mayor Maxwell said the entire Casino Complex project was sold to the public as they would no longer be subsidizing the tenants.

There was also a promise that the debt would be paid back within a specific period of time. All of the signs said that it was not a sustainable project, the money was borrowed from the City. If the Commission had any credibility, they needed to keep their promises.

- Michael Chase Fox asked why this meeting was not held in a larger forum.

Vice Mayor Maxwell replied that it was unfortunate that the City did not have the technology to provide both live stream video to the public who could not attend this meeting or to upload the video to the City's website the next day if the public meeting was moved to a larger forum away from City Hall.

Mayor Triolo returned to the meeting at 7:48 PM.

- Drew Martin commented that the beach could have been a passive park and would have cost less. The beach offered many benefits. People moved to Lake Worth because it had a beach. The beach brought a lot of benefits. It may be making a lot of profits, but he said he was concerned about using Hudson Holdings' proposal because they had not done anything at the Gulfstream Hotel. He asked the proposers not to use plastic take out containers, plastic straws, and Styrofoam cups.

Mr. Snitkin replied that the original Casino Complex leases mentioned using biodegradable material.

Mr. Michaels replied that he did a number of environmental projects. Hudson Holdings would be very conscience of the environment and work hard to do what was sensible.

- David Niemi asked Hudson Holdings if there would be any effect on the Gulfstream Hotel if they did not get the Casino Complex proposal.

Mr. Michaels responded that Hudson Holdings was in the design and annexed hotel phase. This proposal would not hinder their design and that they were moving forward with the Gulfstream Hotel.

- Vice Mayor Maxwell read the comments written by Nadine Burns. Ms. Burns wrote to please consider a plan or make your own plan to have a Lake Worth community pool. [She wrote asking to] move [the pool] to a local park area in neighborhoods where Lake Worth citizens had an easier access.
- Barbara Jean Weber said there was a heart and soul to the City and that she hoped the presenters knew that the public trusted its Commission. She asked the presenters if they would listen to the demands imposed

by the Commission, if they would honor and be flexible with the wishes of the Commission, could they pay a reasonable competitive fee, and if they would allow Lake Worth residents to have first call on the created jobs. She said there was an awareness in how much the public loved the community and neighborhoods on Lakeside Drive.

Mr. Snitkin responded that Oceanside Bar and Grill was open to negotiations, but the rate had to fit into their business plan. They would pay a rate that would work for everyone. He said they had to be an equal opportunity employer and would encourage everyone from Lake Worth to apply for a job.

Mr. Michaels responded that in every instance, Hudson Holdings had made changes to their proposals requested by the City. He said he wanted to continue to work with City staff. He commented that he was a local person and was a part of the community. He said he understood the fabric of the community.

- Ginny Powell said the City Manager commented about how divisive the community was and asked how one could back up or move forward. Everyone agreed that something was wrong at the beach. There were issues and said she was glad to hear that the City was pursuing the construction contractor. She said she supported selecting the proposal that had the lowest footprint to finish the Casino Building. She said she was concerned with traffic at the beach. Hudson Holdings said they would solve the parking problem. She asked Hudson Holdings if they did a traffic study and, if so, what were the results. She commented that citizens needed to be listened to. It did not make sense to do a large project. Expanding the footprint, as proposed by Hudson Holdings, would not make the residents happy.

City Manager Bornstein replied that a traffic study on the site was not based on trips, but the traffic configuration. He said a traffic study was not done.

Commissioner Amoroso replied that he was the Commission's ITN representative. As the Commission's representative, he reported that the ITN members looked at Hudson Holdings two-story parking garage. The City may need a garage now, which needed to be looked at. He said there was some conversation on what was needed because a traffic study was not done.

- Lynda Mahoney commented that conference centers did not belong at the beach. She asked if Hudson Holdings had asked the County or the Town of Lantana if they could build or lease on their public beach land. She asked how Hudson Holdings proposed to build within the City's Charter without a lease renewal. She asked if Oceanside Bar and Grill

was willing to have a lease for less than 20 years.

Mr. Michaels responded that Hudson Holdings was interested in building an amenity for Lake Worth residents. They did not look to invest money in another city. He said they were building an improvement and were reducing the current footprint at their cost. He said he was not asking for public money or financing. They were only asking to be allowed to invest in the City.

Mr. Snitkin responded that Oceanside Bar and Grill was aware of the Charter's less than 20 year provision.

Comments/requests summaries:

12. Commissioner McVoy commented that there were public charrettes when the Casino Building project was being considered, and the Commission listened to what the people wanted. The people rejected a private/public partnership. He said he was personally sued by a private developer. He requested the community be asked first.
13. Mayor Triolo commented that the City asked the public to bring in their ideas.

Mr. Michaels responded that Hudson Holdings did other private/public partnerships, but had not imposed them on the City. Municipalities were not usually able to manage events or their facilities. He said Hudson Holdings was not pushing anything, but was present to provide answers.

Vice Mayor Maxwell responded that the City went out and asked for ideas, then proposers came in and were slapped. The proposals could be rejected, but first there was a need to hear them.

Commissioner Amoroso left the meeting at 8:17 PM.

- Todd Townsend asked Hudson Holdings if there was a traffic study done because of all the traffic at the beach. He commented that the City should not continue with the project because no one knew about the traffic. He asked if Hudson Holdings would do a traffic study.

Mr. Michaels responded that he was asked, during the ITN process, if Hudson Holdings would provide and pay for a traffic study. He said they currently had a contract for a traffic study.

Commissioner Amoroso returned to the meeting at 8:22 PM.

- Yolanda Sanchez asked for a commitment from both proposers that Lake Worth residents would get the jobs first.

Mr. Snitkin responded that it would be a priority to hire local but, being an equal opportunity employer, Oceanside Bar and Grill could not make a commitment.

Mr. Michaels responded that Hudson Holdings would commit to hiring local.

- Janet Serrano said she was reassured by Commissioners McVoy and Maier's comments about the beach's financial information, and that the City may not have to look at large scale projects. She asked about both proposers revenues/liabilities financial statements and the amount to be charged for a club membership.

Assistant City Attorney Goddeau replied that the City would require financial information from the proposer before going into negotiations.

Mayor Triolo resumed the gavel.

Mr. Michaels responded that Hudson Holdings did not yet submit their financial information, but in moving forward it would be submitted. He said the only people who would be charged a membership fee were non Lake Worth residents.

- Mayor Triolo read the comments written by Martha Gabriel. Ms. Gabriel wrote [asking for] hands off the beach area. Development was detrimental to the shoreline and must be curtailed. A project like this was bad business. Find another area away from the ocean to create jobs and revenue.
- Mayor Triolo read the comments written by Jim Norman. Mr. Norman wrote [that he was] not sure [and that he was] interested to know how many jobs each option would bring to Lake Worth residents.
- Mayor Triolo read the comments written by Jane DeCoursey. Ms. DeCoursey wrote [to] sign a lease for the second story and be done with it. Any pool shorter than 50 meters would not attract teams.
- Mayor Triolo read the comments written by Mathew Botts. Mr. Botts wrote [asking] how would they provide space for current City employees, for example Ocean Rescue and Casino/Beach maintenance, and what would happen to the current City pool staff.

City Manager Bornstein replied that one of the dilemmas was that City staff occupied some of the space that was currently being discussed

during the Commission's Budget Work Sessions. If the pool operation changed, he said he would encourage a proposer to give time for a transition.

- Mayor Triolo read the comments written by Marie Johnson. Ms. Johnson wrote [to] go home to Chicago. [The residents] live in a Garden of Eden and you were from the current cesspool of Americans in Chicago.
- Mayor Triolo read the comments written by Kathryn Yingling. Ms. Yingling wrote [that she] watched [the] destruction of all county beaches, development, retired government employees, taxpayers of Palm Beach County for a lifetime. [She asked to] stop this!!
- Laurel Decker said that Burton & Associate's model confirmed that the Beach Fund was not losing money, but if extra lifeguards were added, then there would be a deficit. None of the other beaches had lifeguards on duty after 5 PM. She reminded everyone that there was an urgency to have the beach project done because of the City's risk of losing the County's \$5 million bond money. She asked Hudson Holdings if they would release their economic study.

Mr. Michaels replied that Hudson Holdings economic study was provided with their original economic analysis proposal. The study was done at a 65,000 sq. ft. proposal. He said his presentation tonight was based on the reduced 22,000 sq. ft. proposal.

Commissioner Amoroso left the meeting at 8:41 PM and returned at 8:42 PM.

- Mayor Triolo read the comments written by Erika Bell. Ms. Bell wrote that Lake Worth did not farm out the responsibility for the Casino just because it seemed hard to care for. These few square feet were the crown jewel of our City - - past and future. There were people out here with vision and energy for that room. Let them be heard. [She wrote asking] for charrettes.

Commissioner Amoroso left the meeting at 8:47 PM and returned at 8:48 PM.

- Lee Lipton said he was hearing about the proposals for the first time. There was not enough parking now and now more restaurants were being proposed. He said that, if his restaurant (Benny's On The Beach) loses, he would be out of business. He asked, if the new restaurants failed, would there be a personal or corporate loss.

Mr. Snitkin responded that he spoke to the County about leasing space

at Kreuzler Park for parking, and they said they would consider allowing parking after hours.

Commissioner Amoroso left the meeting at 8:50 PM.

- Betty Resch said she was disappointed in both presentations. There was a need for real questions and more information to flow better. Both presentations were different. She asked if Hudson Holdings would provide backup material, asked if the Commission had a position on constructing a parking garage, and how the Beach Fund could show a profit if the Casino Complex was indebted.

Commissioner Amoroso returned to the meeting at 8:53 PM.

Commissioner Maier responded that the most important part of the area was the beach with the Casino Complex and businesses being secondary. He said he was concerned that a parking garage would prevent access to the beach.

- Mayor Triolo read the comments written by Charlotte Downing. Ms. Downing wrote [asking if] Oceanside Bar and Grill proposed to do anything about parking and how long [would] Hudson Holdings' [build out take].

Mr. Michaels responded that Hudson Holdings build out would take about 14 months.

- Mary Watson said there was anger because the ITN's discussions were outside of the Sunshine Law and about the ITN meeting audios. She asked the Commission how many of them had listened to the ITN audios and if a traffic study was done.

Commissioner Amoroso responded that it was the ITN members' recommendation, but it was not a directive to have a traffic study done.

- Edward Grimm said the County was absent during this type of negotiation; however, they contributed \$5 million for the public area. He said the bond agreement stated that the City was required to notify the County. He asked why the County was not present and how the proposals would affect the use and intent of the County's \$5 million bond.

City Manager Bornstein replied that there were a certain number of parking spaces required for regional usage as part of the County's \$5 million bond. As long as those spaces were maintained, then the County was okay with what the City was doing.

Comment/request summary:

14. Commissioner McVoy requested the City Attorney look at the bond agreement and provide an opinion on whether the County should be invited into the process.
- Mayor Triolo read the comments written by Kristine Orson. Ms. Orson wrote [asking] what was the next step. Would we [the City] consider other proposals. Could [the City] leave everything as it was except for the build out of the second floor.
  - Mayor Triolo read the comments written by Joan Finnegan. Ms. Finnegan wrote [asking] when would the [Gulfstream] Hotel be opened.
  - Mayor Triolo read the comments written by a gentleman named Sheldon. Sheldon wrote [that] it was time to move Lake Worth from small mindedness thinking to what if systems were crying out for - - to be profitable and 21<sup>st</sup> Century.
  - Richard Guercio asked what was the blend rate needed, was Oceanside Bar and Grill willing to increase their fee based on the blended rate, how many parking spaces were on the upper tier and give them to residents, were the proposal fees based on revenue sharing or a straight lease fee, and if the number of jobs created would be reduced because the square footage was reduced.

Mr. Michaels responded that completion of the Gulfstream Hotel would not be effected by the beach proposal, the number of parking spaces would increase, revenue sharing was proposed in Hudson Holdings original proposal, and said he was not opposed to revenue sharing.

Commissioner Amoroso responded that staff was still looking at the blended rate and cited the current tenants' rates per square foot.

Commissioner McVoy left the meeting at 9:11 PM.

- Ricardo Rojas asked why the second floor was not rented and why the beach and Gulfstream Hotel projects were linked together.

Commissioner McVoy returned to the meeting at 9:15 PM.

Mr. Michaels responded that Hudson Holdings did a lot of demolition work in the rear of the Gulfstream Hotel and some interior work. He said there was a City process, which took time. The Gulfstream Hotel was being designed, and they had not stopped moving forward.

Mayor Triolo gave the gavel to Vice Mayor Maxwell and left the meeting at 9:17 PM.

- Tammy Pansa said she wanted to hear from the Commission. She asked when they would make a decision and asked about the Beach Fund deficit. She said she wanted a press release from Hudson Holdings on the status of the Gulfstream Hotel because it would show a lot of good faith. She asked Oceanside Bar and Grill if they would expand their plan to take over the pool and said she did not see them taking care of all of the area's problems.

Mr. Michaels responded that Hudson Holdings would not deliver a press release about the Gulfstream Hotel, but that they had active permits and were moving forward.

Mr. Snitkin responded that Oceanside Bar and Grill had originally put in an offer, then others came along. He said they would entertain doing something with the pool. He said Oceanside Bar and Grill was originally looking at the second floor and pool area.

Vice Mayor Maxwell responded that this was the first time he heard the proposals and needed time to absorb the information before he could provide a comment.

- Vice Mayor Maxwell read the comments written by Elizabeth Wells. Ms. Wells wrote [asking] what provisions for the existing businesses [were being proposed] during construction.
- Peggy Fisher said it would be good to have a line in the Beach Fund for each item to see how much and where the revenues were coming from. She asked why Anderson & Carr did not find a tenant for the second floor when they were retained, as brokers, by the City; why back then did Anderson & Carr state that the Common Area Maintenance (CAM) rates were okay, but now they were not; and how many years did the Gulfstream Hotel remain empty.

Mr. Michaels replied that the Gulfstream Hotel was vacant for about 10 years prior to Hudson Holdings purchasing it. He said they followed the State's guidelines because the hotel was a historic structure.

Mr. Snitkins replied that Anderson & Carr was under contract with the City and found tenants several times, but the Commission made the decision not to accept them. He explained that Oceanside Bar and Grill would not be two separate restaurants, but two different concepts. He said the CAM rates were reasonable back several years ago.

- Vice Mayor Maxwell read the comments written by Buttons Brokovich. Ms. Brokovich wrote [asking] how many new parking spaces would there be and how many would be needed for employees and staff.

Mr. Michaels responded that 147 new parking spaces would be created, but it would net 108 spaces. He said no spaces would be provided at the beach for the Gulfstream Hotel. He commented that the hotel would not use the beach parking garage.

Mayor Triolo returned to the meeting and resumed the gavel at 9:28 PM.

Commissioner Amoroso left the meeting at 9:28 PM.

Comments/requests summaries:

15. Commissioner Maier commented that people on both sides were losing faith in Hudson Holdings because of the Gulfstream Hotel and this proposal scared people. He said he was looking for a glimmer of hope from the hotel. He commented that he would like to see some attempt by them to show the City were they were and a timeframe to complete the project. He said it was not important how long the Gulfstream Hotel was vacant, but how long it had taken Hudson Holdings since it was purchased. He said he was concerned with beach accessibility if a two-story parking garage was constructed, and Hudson Holdings proposal mirrored other Lake Worth's neighbors. There was a need to protect what Lake Worth had. A majority of Lake Worth voters wanted to keep the space the way it was. John G's Restaurant left the Casino Building because they could not sustain their business during construction. He said there would be an impact on the current tenants' businesses, which needed to be considered. He said he liked Oceanside Bar and Grill's proposal, but Mr. Snitkin's comments about turtles did not garner well with the people he represented. He commented that the City was constantly in a battle and said he hoped Mr. Snitkin would have shown more reverence to what was important to the City. Mr. Snitkin would have garnered more public confidence if he was more sensitive to the importance of sea level rise. He said he did not think Hudson Holdings proposal would be a good fit and best for the City.

Commissioner Amoroso returned to the meeting at 9:35 PM.

16. Commissioner McVoy said he was concerned about the ITN process. This community was different from other communities and many people wanted to see Lake Worth economically do better. Lake Worth was one of the oldest cities and its layout was different. People lived in Lake Worth because it was different. This issue would be moving the City towards looking like other beaches. There

was no agreement on what was wanted. This process needed to go back. He said that when the community understood and discussed how much they wanted at the beach, then the question of whether the City wanted to enter into a private/public partnership should be made. He said he was not reassured by the presentations. The thought of a second floor restaurant was appealing; however, he said he was concerned about the Casino Ballroom continuing to be a center for the community. He commented that he understood the need to make money at the beach, but said he did not want to lose the soul of the building by losing the Casino Ballroom.

17. Commissioner Amoroso thanked both presenters for coming to the meeting tonight. He commented that the City released an ITN, the presentations were a little different from what he had seen before, and wanted to take the time to answer questions from the community. He thanked everyone in the community. He said there was a problem with the beach, the business plan was flawed, the City was looking at options to fix the business plan, and the City would move forward to try and fix them. John G's Restaurant did not leave the Casino Complex because of the construction, but left because the City wanted them to be opened for breakfast, lunch, and dinner, which was against their business plan. He said he looked forward to the next step.
18. Vice Mayor Maxwell thanked both responders. He said communication about the process, intent, and need was so distorted by the community that the message got lost. He said what was disturbing to him were comments being made that something was done outside the Sunshine Law. The ITN process was handled within the law and provided for non-public meetings to occur. There was always an intent to have public work sessions for people to learn what was going on, then the Commission scheduled an extra meeting to allow the public to ask questions. He said he was disappointed that people in the community hijacked the message. The people discouraged anybody who wanted to invest in the community, which was why the City's streets were not fixed or why its utilities were falling apart. There were expenses that needed to be addressed and a need for the City's amenities to financially break even. The City was struggling to maintain its properties. The people were promised that they would no longer have to subsidize the Casino Complex. He said he was hearing the proposals for the first time and asked the City Manager how many square feet were in the existing Casino Complex.

City Manager Bornstein replied that he thought the Casino Complex had 25,000 square feet.

19. Vice Mayor Maxwell commented that Hudson Holdings proposal would reduce the current footprint. He said Oceanside Bar and Grill offered \$20 per square foot, which included the CAMs.

Mr. Snitkin responded that a letter of intent for the second floor was submitted to the City two years ago from Oceanside Bar and Grill at a lower square foot rate. He commented that there was a starting point for everything. The rent offered needed to represent 6% of Oceanside Bar and Grill's gross; however, they were willing to move a bit.

20. Mayor Triolo thanked both presenters for their presentations. She said philosophical comments were made at the meeting and there would be a need to renegotiate after what she heard. Lake Worth did not support private/public partnerships while other cities welcomed them to help fund amenities. Private/public partnerships seemed like a bad word, but the City had problems. She commented that when she got elected, there was talk about the City going bankrupt. There was a need for compromise to make sure departments could function. No one wanted to pay to fix the roads, but then the public asked when the roads would be fixed. She said the future of the City was in the Commission's hands, and that future would not come from finding a common ground. She said she respected the presenters coming to this meeting; however, the purpose of the meeting was not to debate philosophies.

#### **Miscellaneous**

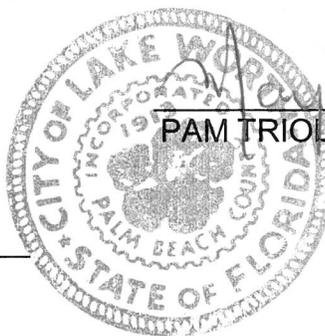
City Manager Bornstein announced the City's new twitter account. He said the City would start an electronic newsletter via email and asked everyone who wanted to get on the list to send their email address to the City.

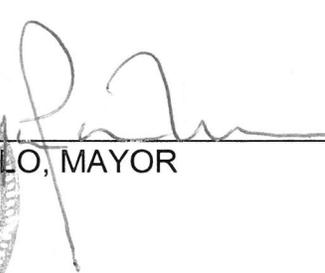
#### **4. ADJOURNMENT:**

Consensus: To adjourn the meeting at 9:59 PM.

ATTEST:

  
PAMELA J. LOPEZ, CITY CLERK



  
PAM TRIOLO, MAYOR

Minutes Approved: August 18, 2015

A digital audio recording of this meeting will be available in the Office of the City Clerk.