

**MINUTES OF THE COMMUNITY REDEVELOPMENT AGENCY BOARD
SPECIAL MEETING HELD ON JUNE 16, 2009, AT 5:45 P.M., IN CITY
COMMISSION CHAMBERS, BOYNTON BEACH, FLORIDA**

PRESENT:

Jerry Taylor, Chair
Woodrow Hay, Vice Chair
Marlene Ross
Ron Weiland

Lisa Bright, Executive Director
James Cherof, Board Attorney

Absent:

Jose Rodriguez

I. Call to Order – Chair Jerry Taylor

Chair Taylor called the meeting to order at 5:46 p.m.

II. Pledge to the Flag and Invocation

Vice Chair Hay offered the invocation which was followed by the Pledge of Allegiance to the Flag.

III. Roll Call

The Recording Secretary called the roll.

IV. Consideration of purchase offer from Gary M. Braisted for the CRA's 4COP liquor license #60-00711

Chair Taylor noted an offer of \$65,000 had been received by the CRA for the purchase of its liquor license. After payment of the broker's fee, a net fee to the CRA of \$53,000-\$55,000 was anticipated. The Board could either accept the offer or present a counter offer to the buyer.

Vice Chair Hay requested input from staff relating to the options available. He suggested a possible counter offer of \$75,000. However, if the license were difficult to sell, it would probably be to the CRA's advantage to accept the offer of \$65,000.

Mike Simon, Development Manager, noted the supply for secondary alcoholic beverage licenses currently exceeded the demand as a result of the economic climate.

Many restaurants and nightclubs had closed, and their licenses had been added to the market supply. As previously discussed, the market value for the license had dropped from a range of \$95,000-\$110,000 to \$70,000-\$75,000 in a six-month period. The license to be sold was not only a liquor license, but a nightclub license as well. Mr. Simon had been informed by the broker that Mr. Braisted was anxious to purchase the license. However, Mr. Simon was not aware of how strong the buyer's motivation was relative to the purchase price. Mr. Simon believed the buyer was aware of discussions at the last CRA Board meeting noting the market value for the license was currently between \$70,000 and \$80,000. With the exception of Mr. Braisted's offer, no other offers had been received since the listing of the opportunity six months ago.

Mr. Weiland inquired whether Mr. Simon was aware of the type of nightclub that was associated with the license and whether it was a desired business for the south end of Federal Highway in Boynton Beach. Mr. Simon did not have knowledge as to the nightclub to be opened. He noted the purchase of the license was not contingent upon the location and as such, the buyer was not required to open his business in Boynton Beach. The purchaser would have 210 days within which to transfer and apply for an active license as a nightclub, and the Board would have an opportunity to approve the use. If it had been determined the purchaser had been acting inappropriately in the conduct of his business, both the Planning and Development Board and the City Commission would have an opportunity to deny the use. Mr. Braisted, however, would still own the license which would be valid in Palm Beach County.

Lisa Bright, Executive Director, noted the broker, Tom Prakas, could not be present. It was in the best interest of Mr. Prakas to secure the highest dollar value as he represented the Board, and his commission was proportionate to the value of the purchase price. The item was brought before the Board as the pool of available liquor licenses had been increasing while interest had been declining.

Jim Cherof, Board Attorney, noted the acceptable purchase price would be determined solely by the Board. If the cash from the transaction was needed to fund projects at this time, the Board could be more motivated to accept the offering price. With regard to Mr. Braisted's offer, Attorney Cherof suggested it be established that the price accepted by the Board would be a net amount less the broker's fee. There would be no other deductions at the closing. Additionally, the agreement contained language pertaining to warranties and representations relating to debts and other obligations. Attorney Cherof recommended the license be sold "as-is, where-is." There should be no other representations, guarantees or warranties.

Mr. Simon advised a second request had been made by staff to extend the listing agreement for an additional three months. Without a location attached to the license, the inactive escrow status could not be maintained indefinitely. The broker's fee had

been negotiated down from the initial listing agreement to 10% or a minimum of \$10,000. Mr. Simon believed Attorney Cherof's suggestion to establish a net fee would be advantageous to the CRA.

Vice Chair Hay suggested the Board accept the offer of \$65,000. Mr. Simon explained if the Board agreed to accept a net amount as suggested by Attorney Cherof, the balance to the CRA on a \$65,000 purchase price would amount to \$58,500 after deducting the broker's 10% fee.

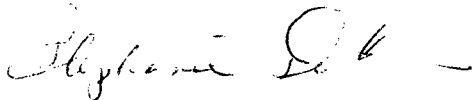
Attorney Cherof recommended accepting the net amount of \$65,000, less the broker's fee, with the buyer absorbing the closing costs. The Board concurred and also agreed to the language modifications recommended by Attorney Cherof.

Motion

Vice Chair Hay moved that the Board sell at \$65,000 less the broker's fee, and no closing costs. Mr. Weiland seconded the motion that passed unanimously.

VI. Adjournment

There being no further business to discuss, the meeting properly adjourned at 6:01 p.m.



Stephanie D. Kahn
Recording Secretary
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