
From: Joseph DeMatteo <Joseph.DeMatteo@jdmcapitalcorp.com>

Sent: Thursday, July 16, 2020 11:25 PM

To: Schanz, Cathie <cschanz@hallandalebeachfl.gov>; Chavarria, Greg <GChavarria@hallandalebeachfl.gov>

Cc: Mimi Leung <Mimi.Leung@jdmcapitalcorp.com>; Michael Stefanakis <mstefanakis@beachwalkresortfl.com>

Subject: RE: Following up/ walk through on 7/16 and our RFP.

Importance: High

Caution! This message was sent from outside your organization.

[Allow sender](#) | [Block sender](#)

Dear City Manager Chavarria and Director Schanz;

I want to thank Director Schanz for taking the time to meet with me this morning regarding the RFP for the beachfront location site visit. After our meeting, we huddled up on our end to figure out what we can offer the City as part of our RFP proposal to address the issues discussed over the past month including the feedback from the City Council. To our understanding it is mainly the City's desire for a space with complete or almost total public access. Our concern, more than anything else at the moment, is timing. We understand that the City is on a tight timeframe to move this forward and we were looking forward to moving this forward based on our prior submission. Sadly to say, we are unable to alter the terms of our original proposal in the time line given to meet the City's deadline.

Our underwriting for this project was based on having a private event space that would support our operations at the Beachwalk Resort as well as provide additional community benefits. Knowing now that the City ultimately desires a more complete public space both internally and externally is creating a disconnected business model away from our original proposal. This path truly alters our underwriting substantially for uses and costs needed to comply with these parameters to be met. While it may be feasible to come up with a concept that supports the City's desire and allows us to monetize operations at the asset, the timing associated with this request makes underwriting a new concept almost impossible. Our ability to create a win-win scenario with greater participation in profitability to the city is not an achievable short term goal, especially in light of current complexities of the Covid-19 pandemic.

We are prepared to move forward based on our prior submission, for a private event space that would be leased to us. We understand that this may not be acceptable to the City and will accept any decision made by the City. Ultimately, more than anything, our goal is to have a continued meaningful and mutually beneficial relationship with the City. Any business conducted with the City, whether on the beachfront site or otherwise, will always be conducted in the spirit of ensuring that the City and its constituents are well looked after.

Warm Regards,

Joseph W. DeMatteo, Sr.

President

JDM CAPITAL CORP.

641 Lexington Avenue/ 13th Floor

New York, NY 10022

1-212-253-2331 ph

www.jdmcapitalcorp.com

joseph.dematteo@jdmcapitalcorp.com

All Confidential contents and communications are not for release or use without the express approval of JDM CAPITAL or any of its affiliates. This e-mail, whether or not it contains a typed name or a signature block, does not constitute a signed writing for any purposes including an agreement or an amendment or other modification of any agreement that calls for such amendment or other modification to be in writing. For purposes of the foregoing sentence, the Electronic Signatures in Global and National Commerce Act (E-Sign Act, 15 U.S.C. 7001 et seq.) does not require the parties to use or accept electronic signatures and therefore is inapplicable.