



April 17, 2026

**VIA ELECTRONIC
DELIVERY**

Mr. Richard Reade, Town Manager
Town of Lake Park
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Dear Mr. Reade:

This letter is submitted in response to the Staff Report prepared by the Town Manager and Town Attorney for the April 15, 2026 Town Commission meeting regarding the Lake Park Harbour Marina P3 Project. Forest Development P3 LPM, LLC ("Forest") has reviewed the Staff Report carefully and is compelled to note that it is not an objective assessment of the project's status. Rather, it is the latest in a continuing pattern of the Town's misrepresentation of the facts. Indeed, the Staff Report is nothing more than a poor attempt to shift the narrative away from the Town's months of uncooperative actions and to redirect the Commission's attention toward Forest as the cause of the project's delays. This letter sets forth what the factual record actually shows.

Forest has invested nearly three years, substantial professional resources, and significant capital in reasonable reliance on the Comprehensive Agreement ("CA") executed by both parties on August 2, 2023. Throughout this period, Forest has acted in good faith and cooperated at every stage of the process. The same cannot be said of the Town. As set forth below, the Town has unilaterally withdrawn a critical State permit without consulting Forest, placed a fully-reviewed Governor and Cabinet deed restriction proceeding on hold after State staff had prepared a recommendation of approval, and now placed before this Commission a restricted appraisal report — one that its own author expressly prohibits from being used in this manner — as though it were a reliable and neutral financial benchmark. The residents of Lake Park and the members of this Commission are entitled to an accurate account of how the project reached its current status. This letter provides that account.

I. THE RECORD REFLECTS THAT FOREST HAS BEEN AND CONTINUES TO BE RESPONSIVE IN THE PUD AND SITE PLAN PROCESS

The Staff Report characterizes Forest's five rounds of PUD Master Plan and Site Plan submittals as evidence of "continuing failure" to meet the Town's comments. The factual record does not support this characterization.

Forest made its initial Master PUD submittal on December 18, 2023 — just four and a half months after the CA was executed. Subsequent rounds followed on April 17, June 12, September 27, 2024, and, most recently, June 17, 2025, with the Town's review comments returned on August 9, 2025. Multiple rounds of submittal and comment are standard in any mixed-use, multi-pod waterfront redevelopment of this scale and regulatory complexity. The number of rounds reflects the nature of the process, not the quality of Forest's engagement. Forest has responded substantively to each prior round of comments the Town has issued.

The Staff Report notes that no response to the Town's August 9, 2025, comments has been received but purposefully fails to explain *why* there has been no response. The explanation is central to an honest understanding of the project's current status. As addressed in Section II below, Forest's ability to provide a technically complete and code-compliant final response to the Town's comments is directly dependent on the status of the FDEP and USACOE Marina Reconfiguration permits — *permits the Town withdrew* in December 2025 without Forest's knowledge or consent, even though these permits were approved, executed and submitted to the agencies by Town, through its prior Town Manager. A Site Plan for a marina redevelopment cannot be finalized without an underlying State permit establishing the approved marina configuration. The Town is aware of this dependency. The Staff Report's omission of this context, when presenting Forest's lack of a final submission as evidence of non-performance, is itself a misrepresentation of the facts.

Article 39 of the CA requires both parties to "cooperate with each other in good faith." The Staff Report invokes this provision against Forest. A review of the complete record suggests that it is the Town's own conduct — not Forest's — that warrants examination under this standard.

II. THE TOWN WITHDREW THE FDEP MARINA RECONFIGURATION PERMIT IN DECEMBER 2025 WITHOUT CONSULTING FOREST, REMOVING THE FOUNDATION UPON WHICH FOREST'S FINAL SUBMISSIONS MUST REST

In December 2025, the Town of Lake Park withdrew the FDEP and USACOE Marina Reconfiguration permit applications. Forest was not consulted, and Forest received no notice of this decision before it was taken.

The significance of this action to the project's progress cannot be overstated. The FDEP and USACOE permits establishes the approved marina configuration — the number, size, and arrangement of wet slips, the boat ramp relocation, the dredging footprint, and the navigational parameters. These are not internal design decisions Forest can resolve independently. They are regulatory determinations made by the State, and the Town's own Land Development Regulations require that Site Plans for a project of this nature reflect the parameters established by applicable State permits. Without the permit, there is no technically complete foundation upon which a final, code-compliant Site Plan can be submitted. The same Town that withdrew the permit is now characterizing Forest's inability to submit a final Site Plan as evidence of non-performance.

Whether the withdrawal of the FDEP and USACOE Marina Reconfiguration permits was directed by this Commission or was a decision made by staff without Commission authorization, what is clear is that the Commission was not made aware of the material consequences that would flow from that action. Forest itself had no direct knowledge of the circumstances surrounding the withdrawal beyond an awareness that the Town staff was engaged in discussions with FDEP and USACOE. That limited awareness was itself a product of the fact that the Town staff had expressly prohibited Forest from having any direct contact with FDEP and USACOE throughout the course of this project. Forest was therefore not in a position to intervene, to raise concerns, or even to seek clarification before the withdrawal was effectuated.

It is a significant matter that a decision with direct and material consequences for the advancement of a project this Commission approved was made under those circumstances, and it is even more significant that this decision has not been disclosed in the Staff Report now before this body — nor to the public.

III. THE STAFF REPORT'S CLAIM THAT PUD AND SITE PLAN APPROVAL MUST PRECEDE THE BOT DEED RESTRICTION PROCEEDING IS CONTRADICTED BY THE STATE'S OWN ADMINISTRATIVE RECORD

The Staff Report asserts that the Town was justified in placing its request to the Board of Trustees of the Internal Improvement Trust Fund ("TIITF") — the Governor and Cabinet — on hold because, in the Town's view, Commission-approved plans must be in place before the State can evaluate the public interest and determine the cost of the deed restriction modification. This assertion is directly contradicted by what the FDEP actually did.

FDEP's Division of State Lands completed a full review of the Town's application for partial modification of the deed restrictions on Parcels A, B, and C — the parcels encumbered by Board of

Trustees' Deed Nos. 22899 and 24018 — and prepared a formal agenda item recommending approval for the September 2025 meeting of the Board of Trustees. That agenda item, designated as Item 25-DSL-RB, reflects the following findings by FDEP staff:

- FDEP staff reviewed the proposed uses under the CA and the development program and found that "the redevelopment of the Marina, as proposed by the Town and Developer, is in the public interest as substantial improvements, including expansion, are planned" and that the project will "benefit the local economy by making the Lake Park Harbor Marina a destination location."
- FDEP staff determined that the deed restrictions as written preclude the proposed redevelopment and that modification is appropriate to allow it to proceed.
- FDEP staff obtained an independent appraisal of the deed restriction modification — performed by Holden as of August 30, 2024 — and identified the appropriate consideration payable to the TIITF as \$600,000.
- FDEP staff prepared the formal agenda item for the Governor and Cabinet with an explicit recommendation of APPROVAL.

The State's own subject matter experts reviewed the application, satisfied themselves that the public interest standard was met, independently valued the modification, determined the consideration, and placed the matter on the agenda of the Governor and Cabinet for final action — *all* without Commission-approved plans being a prerequisite. The Staff Report's assertion that such approvals are legally or procedurally necessary before the BOT can act has no basis in applicable statute, FDEP rule, or the actual conduct of the State agency responsible for administering this process.

It is also significant that FDEP's independent appraisal valued the deed restriction modification at \$600,000. This is a State-selected appraiser's arm's-length assessment of the value of the modification, based on the development program as proposed and without requiring final local land use approvals. The existence of this appraisal undermines the Staff Report's reliance on the Walter Duke report as the only relevant financial benchmark, and it undermines the Staff Report's claim that an appraisal of adequate value cannot be performed without a Commission-approved PUD in hand.

FDEP completed its work. The agenda item was prepared. Approval by the Governor and Cabinet was one scheduled meeting away. The Town then placed the proceeding on hold, preventing the BOT action from occurring. The project's halted status is a direct result of those decisions. This Commission approved the CA with the benefit of professional consultants and in good faith reliance on the project's merits — that approval was well-founded and has not changed. What warrants examination is not the

Commission's original decision, but the subsequent staff decisions to place the BOT proceeding on hold and to withdraw the FDEP Marina Reconfiguration permit — decisions whose consequences were not disclosed to the Commission and that are difficult to reconcile with the Town's good faith obligations under the agreement the Commission authorized.

IV. THE WALTER DUKE + PARTNERS APPRAISAL REPORT IS AN UNRELIABLE INSTRUMENT THAT IS BEING IMPROPERLY USED TO MISCHARACTERIZE THE CA'S FINANCIAL TERMS

The Staff Report relies on the Walter Duke + Partners Restricted Appraisal Report ("Duke Report") to support the characterization that the CA's financial terms are inadequate. The use of this Report for this purpose is problematic on multiple independent grounds, each of which the Commission should weigh carefully.

A. The Appraiser's Own Limiting Conditions Prohibit the Use of The Duke Report in This Context

Walter Duke + Partners states in the Duke Report itself:

"This Restricted Appraisal Report was prepared for the exclusive use of the client for internal decision making... Use of this report by others is not intended by Walter Duke + Partners. No purchasers or sellers of the subject property or any others are intended users of this appraisal report, and no third parties should use or rely on the report for any purpose. All such parties are advised to consult with appraisers or other professionals of their own choosing."

Forest Development is explicitly a non-intended user of this Report under the appraiser's own stated limiting conditions. The Restricted Appraisal Report format exists within USPAP precisely because it lacks the full supporting rationale, comparable data, and analytical depth that would make it appropriate for use beyond the named client's internal deliberations. Placing it in a public Commission agenda package and citing its conclusions as authoritative financial benchmarks is inconsistent with the restrictions under which the report itself was prepared and delivered. Any action this Commission takes premised on a document its own author has declared off-limits for exactly this kind of use would rest on a compromised foundation.

B. The Entire Analysis Rests on a Hypothetical Condition That Has Not Occurred

The Duke Report expressly acknowledges that the deed restrictions and reverter clauses encumbering the subject property have not been released as of the report's effective date, and that the entire market rent analysis is "premised upon the hypothetical condition" that they have been released as of January 1, 2026. He further acknowledges that "the use of the hypothetical condition may have affected the assignment."

Every market rent figure the Staff Report presents as a financial benchmark — \$1,290,550 to \$1,641,640 annually — describes a hypothetical property that does not yet legally exist in the form analyzed. These figures reflect what market rent might look like on an unencumbered property under conditions that have not materialized. They are not valid comparisons to the CA's financial terms, which were negotiated against the reality of a deed-restricted marina and all of the legal, financial, and market constraints that entails. Using them as benchmarks against which to measure the CA overstates market rent by construction.

C. The Duke Report Applies 2026 Market Conditions to a 2023 Agreement

The CA was executed on August 2, 2023. The four ground leases were executed between January and May 2024. The Duke Report's effective date is January 1, 2026 — nearly 29 months after the CA and approximately 20 months after the last ground lease was signed.

Under every applicable standard of appraisal practice and commercial contract law, the adequacy of financial terms in an arm's-length agreement is properly evaluated against market conditions at the time the agreement was made — not against conditions that emerged in the years that followed. The Duke Report does not analyze what market rent looked like in August 2023. Instead, it presents January 2026 market data as though no time has passed, and the Staff Report treats the resulting gap from the CA's 2023 terms as evidence of a deficient deal. This is not a market analysis. It is retroactive second-guessing.

The intervening period is not a trivial one. It encompasses the most aggressive Federal Reserve rate tightening cycle in four decades, significant post-pandemic adjustment in hotel land values and hospitality markets throughout coastal Florida, and a rapidly evolving marina transaction environment. The Duke Report identifies certain recent marina lease transactions at 12% to 15% as key anchors for his market conclusions — but does not disclose when those leases were executed. If any of them

postdate August 2, 2023, they reflect market conditions that developed after the CA was signed and cannot properly serve as benchmarks for evaluating whether the CA's 2023 terms were at market.

The CA was the product of arm's-length negotiation between the Town, acting through its Manager and Attorney, and Forest Development, in August 2023. If a credible argument exists that the financial terms were below market at the time of execution, that argument requires a proper retrospective appraisal with an effective date of August 2, 2023, using market data, comparable transactions, and financing conditions contemporaneous with the agreement's execution. The Duke Report does not provide that analysis, and it cannot serve as a substitute for it.

D. Key Revenue Assumptions Are Undocumented and the Duke Report's Financial Rates Are Internally Inconsistent

Several of the Duke Report's critical analytical assumptions lack any supporting documentation within the four corners of the Report:

- **Pod B Dry Boat Storage:** The \$43.00 per linear foot per month rate — which drives \$529,612 in annual market rent and is the single largest revenue component in the Report — is stated without a single supporting comparable transaction, survey citation, or market data reference. Unlike every other pod in the Report, Pod B's key revenue assumption stands entirely without evidentiary support.
- **Pod A Hotel:** The \$5,140,000 fee simple land value, from which all hotel ground rent conclusions are derived, is based on comparable data described as "retained in our work file" — meaning the data is not presented in the Report, cannot be reviewed, and cannot be independently verified or challenged.
- **Inconsistent Financial Rates:** The Duke Report applies a 4.25% discount rate to the 10-year lease payments, characterizing them as very low risk, but then applies a different 6% capitalization rate to the marina slip income — income arising from the same agreement and carrying the same legal standing. No explanation is offered for this inconsistency. Where an appraiser applies different rates to different components of the same income stream without explanation or justification, the reliability of both the individual component valuations and the overall present value summary is compromised.

E. The Duke Report Ignores the Value of Forest's Public Benefit Obligations and Improperly Excludes Increased Ad Valorem Revenue as a Financial Benefit to the Town

A market rent analysis prepared in the context of a P3 agreement under Florida §255.065 should account for the public benefit obligations the private partner assumes that a private market tenant would never accept. Under the CA, Forest is required to maintain public marina access, relocate the boat ramp at its expense, construct public amenities, and operate the facility predominantly for public purposes. These obligations carry real costs and confer real public value. Comparing the CA's financial terms to a private market lease — which carries none of these obligations — without accounting for this distinction produces a false equivalency that systematically understates the total compensation the Town receives under the agreement.

The Duke Report also excludes increased ad valorem property tax revenue from its analysis of the Town's financial benefit under the CA on the grounds that property taxes "would reasonably occur under any comparable development scenario" and, therefore, do not represent compensation "unique" to the agreement's terms. This reasoning is flawed in the P3 context and should not go unchallenged.

The redevelopment contemplated under the CA — a hotel, dry boat storage facility, expanded marina, and waterfront restaurant on a deed-restricted municipal marina site — is not a development that "would reasonably occur" absent the specific framework of this P3 agreement. The deed restrictions encumbering the property preclude private redevelopment of the kind proposed. Forest's commitment to pursue the deed restriction modification, fund the required consideration to the TIITF, and undertake the development at its own capital risk is precisely what makes the increased assessed value possible. Without the CA, there is no hotel, no dry storage building, no expanded marina, and no waterfront restaurant — and there is no increase in ad valorem revenue. The taxes that will flow from this development are not a generic outcome of market forces. They are a direct and quantifiable financial benefit to the Town that exists because of this agreement and would not exist without it.

The Duke Report's decision to exclude ad valorem revenue from the Town's financial benefit calculation — while simultaneously critiquing the CA's lease payment structure as inadequate — produces an artificially incomplete picture of the deal's value. A complete and honest financial assessment of the CA would include the net present value of the incremental ad valorem tax stream generated by the redevelopment over the 99-year lease term. By any reasonable estimate, that figure is substantial, and its exclusion materially understates what the Town receives in exchange for the ground lease terms it negotiated.

V. ADDITIONAL INCONSISTENCIES IN THE STAFF REPORT

The Staff Report Is Self-Contradictory on Economic Impact.

The Staff Report correctly notes that "the economic impact of the project will only be realized based on the modification of the deed restrictions based upon uses approved by the Town Commission" — and on that basis sets aside Forest's economic projections as premature. Yet the same document immediately cites the Duke Report's market rent benchmarks for those identical, unapproved, hypothetical uses as reliable financial metrics. A report cannot simultaneously dismiss economic projections as premature because the underlying plans are unapproved and then rely on an appraisal that values those same unapproved plans under a hypothetical condition as an authoritative benchmark. The inconsistency is not incidental — it reflects the selective use of financial analysis to support a predetermined narrative.

The Pod C Revenue Analysis Is Mischaracterized.

The Staff Report implies that the CA's Pod C structure is broadly and comprehensively below market. The Duke Report's own analysis, however, shows that a 10% EGI revenue share on the 47 new wet slips falls squarely within the 8% to 12% market range for marina ground lease percentage rents — within the very market baseline the Duke Report itself identifies as appropriate. The Staff Report's characterization of Pod C as evidence of an inadequate deal is not supported by the appraiser's own conclusions.

VI. CONCLUSION

The Staff Report presented for this meeting is not a neutral project status update. It is a continuation of a pattern of misrepresenting the facts and constructing a narrative designed to cast Forest as the obstacle to a project whose delays are substantially the product of the Town's own decisions. The Commission approved the Comprehensive Agreement. It is this Commission, as much as anyone, that has an interest in ensuring the project is described accurately and that the parties — both of them — are held to their obligations under the agreement.

The factual record is straightforward. FDEP completed its review of the deed restriction modification application, found the public interest standard satisfied, independently valued the modification, and prepared a recommendation of approval for the Governor and Cabinet — all without requiring a Commission-approved PUD as a prerequisite. The Town then placed the proceeding on hold, and subsequently Town staff withdrew the FDEP Marina Reconfiguration permit without consulting Forest — a partner that had been expressly prohibited by that same staff from having any direct contact with FDEP. Forest had no knowledge of the withdrawal until after it occurred and no opportunity to prevent it. The Staff Report discloses none of this to the Commission or to the public.

The Staff Report relies upon a financial analysis that is a restricted document, whose own author expressly prohibits from being used in this context, is predicated on a hypothetical condition that has not occurred, applies 2026 market data to a 2023 agreement, and excludes from the Town's financial benefit calculation the very ad valorem tax revenues that the redevelopment — and only this redevelopment — will generate. It is not a sound basis for any Commission conclusion about the CA's financial adequacy.

Forest remains fully committed to delivering the redeveloped Lake Park Harbour Marina — a project that will expand public waterfront access, create jobs, and establish this marina as the regional destination the community deserves. What Forest asks for is straightforward: that the Town reinstate the FDEP Marina Reconfiguration permit so the technical process can resume, that the BOT deed restriction proceeding be allowed to proceed to the Governor and Cabinet as FDEP staff had prepared, and that both parties return to the good faith cooperation that the CA requires and that this project has always deserved.

Forest remains available to meet with the Commission and all relevant parties at the earliest opportunity to advance this project for the benefit of the residents of Lake Park.

Respectfully submitted,



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 On Behalf of the Firm and Forest Development P3
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