

Linda asked at the POA meeting, "how we got ourselves into this situation?"

THE GREAT SBCA-BOD/PROFITEER/DEVELOPER SCAM EXPOSED!

(Investigative Reporting by John Thompson, © 2006)

Mark Brown replied, "We're here today because of the 'Annexation Agreement'." And that "agreement" just may be part of one of the cleverest, most successful scams perpetrated against citizens (those of ALL parts of our pretty little town) since Lenin, Stalin, Trotsky, and a few others declared themselves to be "the vanguard of the proletariat," seized power in Tsarist Russia ostensibly on behalf of "the people," and then extended that power to the countries next door. All of the pertinent facts have been sitting out there, practically in the open, for years. But even now, they might not have fallen into place had the former attorney of the old South Beach Civic Association (SBCA), Sue Delegal, not attempted to conceal one part of the picture we had always thought was common knowledge – her own role!

Ms. Delegal was asked at that same Property Owners Association ballot-question forum whether, when she drafted the "Annexation Agreement," anyone had ever asked the views of single-family homeowners in the area. Or was it just the SBCA Board of Directors (including developers Dave Gilman and Leonard Gross), which never held any open meetings? Delegal replied, "I worked on a voluntary basis with the SBCA BOD.... We wanted to make sure that people that had rights in the north-beach area to 15 stories were not going to be adversely affected – lose their rights, and set the situation up for litigation, as was discussed earlier...." When pressed further, since she had NOT answered the question about input from single family homeowners, Delegal explained, "I was acting as a *pro bono* attorney for that organization, taking my directions from them and working with the Board itself, not necessarily individual citizens. I worked closely with the elected Board of those civic associations. So I don't know if there were any other meetings regarding the public; I was just working with my Board."

No one we have spoken with got the impression from those statements that Ms. Delegal might actually have been a **MEMBER** of the BOD, and therefore responsible not merely for **drafting** the "Agreement", but actually for **determining what went into it**. But she was! In fact, from the moment the SBCA was first incorporated in 2000, Ms. Delegal was a DIRECTOR and VICE PRESIDENT, and thus someone who might have been expected to know what meetings were held, and with whom. In fact, Delegal was one (along with Chuck Clark) of only two "INCORPORATORS" of the SBCA. And going "on-line" to confirm those facts led us to some even more interesting facts concerning that "elected" SBCA Board of Directors and – perhaps even **more** interesting -- the "ELECTORS" of the SBCA BOD.

According to SBCA Articles of Incorporation (on-line at www.sunbiz.org/corpweb/inquiry/search.html for anyone to read: click on "Corporations, Trademarks ...," then "Name List" and enter "South Beach Civic Association") the "Members" of the SBCA are only those north-beach "neighborhoods" and condo, co-op, multi-family, and commercial "properties" "who pay voluntary dues to the Association." Also, "there shall be only one vote per property or neighborhood." So finally the truth can be told: The SBCA officers and BOD were elected **NOT** by the citizens or property-owners of that area, nor **even** by **ALL** of the neighborhoods and multi-family property associations, but **ONLY** by those associations who paid "voluntary dues." Thus the BOD and officers were apparently NEVER elected by an even remotely democratic, indirect method, but **SOLELY** by those condos, co-ops, etc. willing to **PAY** for the valuable privilege of voting! It was (and presumably still is) a perfect example of the 2nd Golden Rule – "He who has the gold makes the rules!" And which corporate associations, readers may well ask, were those?

As luck would have it the SBCA, being a VERY political organization (Jack Cooney -- later Chair of the LBTS Annexation Advisory Committee **and** the LBTS Charter Review Board(!) -- was Chair of the SBCA Political Committee until he succeeded Chuck Clark as SBCA President -- and developer Dave Gilman succeeded Sue Delegal as Vice President) was required to file financial statements of contributions and expenditures. Committee Treasurer (Yes, he also held that post.) Jack Cooney frequently forgot to file the required reports and was more than once reprimanded by the Supervisor of Elections' (SOE) Office. But we could not detect any actual penalties like the stiff fine Commission Candidate Jerry McIntee had to pay for being three days (actually only one business day) late with only one of his financial campaign reports earlier this year. You see, the SOE official to whom Jack reported was his daughter, Mary.

According to those SBCA financial reports that **were** filed, during the critical period between annexation and the March 2002 LBTS municipal elections, there were exactly six (6) paid-up voting SBCS members. (If there were any more, the SBCA failed to report their contributions, as required by Florida statutes.) And, would you believe it, **ALL 6** of those were co-ops or condos with properties **EAST** of A-1-A. **NONE** of those contributing/voting members, according to the SBCA reports Jack Cooney sighed, were single-family homeowners or homeowner communities in the area **WEST** of State Route A-1-A.

Moreover, TWO of those SBCA corporate, voting members are among the four parties now bringing Harris-Act claims against the Town. A third member was the old Kensington Apartments (then already anticipating very profitable redevelopment as the current 15-story Ocean Place Condo), And a fourth voting SBCA member was the 9-story Crane Crest co-op, also since identified as possible candidate for profitable 15-story redevelopment. So **fully two-thirds** of the scant 6 reported voting SPCA members (the only ones eligible under the SBCA Articles of Incorporation to elect the directors) **stood to realize substantial windfall profits if the area were able to retain Broward County's 15-story zoning.**

And what sort of directors did those six electors elect? Well, in addition to President Chuck Clark and V.P. Sue Delegal, an attorney whose specialty is representing developers, the initial Board of Directors included Dave Gilman, the developer of the Cristelle and other hi-rise condos, and also Leonard Gross, another developer who stayed in town just long enough to finish "build out" of the new Europa-by-the-Sea before he "moved out" to Boca Raton to work on development of the King David Kosher Hotel and Spa. They even identified a kindred spirit in Kenneth Most, who they co-opted to the Board as a token representative of Bel Air single-family home owners. But on December 12, 2000, a delegation from the Bel Air Residential Homeowners Association showed up and spoke up at the Town Commission meeting. They wondered about the SBCA's claim to represent the entire "Intracoastal Beach Area" because the Bel Air group had had no input whatsoever into the decisions or actions of the SBCA. And they CERTAINLY had never elected Ken Most to represent them on the SBCA Board of Directors -- or anywhere else!

The Town Commission told the Bel-Air homeowners that was a matter that could best be addressed by the "Annexation Advisory Committee" that was to meet two days later. But when the Bel Air delegation returned to Jarvis for that meeting (some having had to take off from work because of an inconvenient 10:00 A.M. meeting hour) Advisory Committee Chair Jack Cooney (the SBCA BOD member perceived by many as the Grey Eminence behind the scams perpetrated on LBTS voters town-wide by that Board) refused to let them speak, or even to allow "his" committee to discuss the matter, which he called an "internal SBCA issue." When an old-town member of the Committee objected that the Commission had specifically **asked** the annexation group to discuss it, Cooney ruled him "out of order." Sound familiar?

So it is clear that **keeping Broward County's 15-story height limit was never the choice of the broad majority of north-beach residents**, who would certainly have voted to join LBTS even if there had never BEEN an SBCA. **That didn't stop the SBCA-BOD special-interest group from pressing ahead with their pro-development agenda.** The standard procedure when unincorporated areas are annexed to existing municipalities is that they adopt ordinances and zoning of those municipalities. But **the pro-redevelopment SBCA BOD certainly did not want that.** So attorney Delegal got busy and, as she later told the LBTS Commission, helped to draft a bill that the Florida Legislature eventually passed as Special Law 99-465, saying that the "Intracoastal/beach area," following annexation, would keep their 15-story height limit on new construction "until further amended by ordinance of the Town."

Ms. Delegal included identical language in the special pre-annexation agreement the SBCA BOD imposed upon an all-too-willing LBTS Town Commission. But she went even one step further. She included text by which the Town purported to agree NOT to amend its zoning code to "down-zone" or impose lower height limits on any properties within the north-beach area. But, as the "agreement" itself points out, both sides were represented by counsel and should, therefore have been well aware that a sitting Town Commission does **NOT** have the right to limit the actions of FUTURE town governments in that manner. Nor do they have the right to take **ANY** action on zoning other than at properly "noticed" commission meetings at which there is full opportunity for public comment. In that case, however, neither the citizens of the old town, **NOR** most of those in the north-beach area, had seen a single word of that infamous "agreement" before the evening of August 8, 2000, at which the LBTS Commission approved it at a single meeting, without a public hearing, and Mayor Parker signed it. We think it highly unlikely a majority of citizens of **EITHER** part of town would have voted to perpetuate the 15-story limit had they been given the chance.

Thus the 15-story limit remained in effect until reduced to 3-over-1 by a charter amendment (which, last we heard, trumps an ordinance of the town) in March 2006. Some other questionable provisions of the agreement are still enforced - but only when they appear to favor the S/NBCA clique. They succeeded in keeping the expensive county fire suppression the SBCA BOD (but never north-beach voters themselves) said they wanted. But Old Town did **NOT** get to keep the cost-effective "pure" volunteer service citizens there have **ALWAYS** said they wanted. Owners in the north initially paid the \$527 yearly fee the SBCA BOD (never the voters themselves) had assured the LBTS Commission the north would be glad to pay for continued "career" fire service - but only for a couple of years until **HALF** of that cost was imposed on the unsuspecting residents of Old Town. But that - and much more - will be covered in Part II of this exposé.

TO BE CONTINUED