

The Art of the Government Rubber Stamp

How Stuart's Brightline Station Became a Smokescreen for Hidden Deals K.C. Ingram, 9-23-2024

Brightline Stuart Station Timeline

All documents referenced in this blog can be found at https://www.thekcingramshow.net/news/ If there is one document you should read, let it be the Station Selection Letter from Brightline. I was stunned at Brightline's requirements that were already discussed with staff and several elected officials. Brightline clearly expected a rubber-stamped approval.

https://www.thekcingramshow.net/wp-content/uploads/2024/09/Martin-County-City-of-Stuart-Selection-3.4.2024-2.pdf



December 2023

- Joint proposal submitted for Stuart Brightline station.
- Cost-sharing: Martin County (50%), Brightline (50%), Stuart (\$30MM parking garage/parking). The 50/50 cost sharing followed the 2018 Settlement Agreement between Brightline and Martin County.

| | Brightline | County | City |
|---|--|--|-------------------------------------|
| Train Station & Trackwork (costs estimated not to exceed \$30 M) | up to 50% (est. not to exceed \$15 M) | up to 50% (est. not to exceed \$15 M) | n/a |
| Parking Garage, Streets (costs estimated not to exceed \$30 M) | n/a | n/a | 100% (est. not to exceed \$30 M) |
| Total Estimated Brightline-Stuart Project Cost (not to exceed \$60 M) | up to \$15 M | up to \$15 M | up to \$30 M |

March 4, 2024

STUART CHOSEN FOR TREASURE COAST BRIGHTLINE STATION

Station expected to open in the second half of 2026

Stuart, Fla. (March 4, 2024) -- <u>Brightline</u> formally announced today that it has selected Stuart, Florida as the site for its next intercity passenger rail station. The City of Stuart and



Brightline officially announces Stuart as the chosen station location. Brightline's official announcement of Stuart as the chosen station location coincided with the delivery of a letter to City and County authorities on the same day. This letter outlined additional requirements drastically different from the proposal that had not been publicly disclosed nor officially agreed upon. Who knew about them? Who agreed that the terms would be successfully

negotiated? Questions arise regarding who knew about these "requirements" and why the announcement was made before a formal agreement was in place.



March 4, 2024

Dear Mayor Bruner and Chairman Jenkins:

Thank you for your response to Brightline's Treasure Coast Request for Proposals. The joint proposal submitted by both Martin County and the City of Stuart was compelling.

After carefully reviewing all of the proposals, Brightline has decided to select your proposal (inclusive of several clarifications/modifications that have been discussed with both County and City staff and elected officials) to proceed to the negotiation and execution of final agreements for the development of a new Train Station and Parking Garage located at your proposed site in Stuart. Brightline will require that the terms (listed below) will be included in the final agreements that we enter into with the City and/or County:

"Clarifications/modifications" - all negotiations solely favored Brightline. Martin County and Stuart failed to secure any concessions or benefits that directly benefited the taxpayers of Martin County. The proposal went from a 50/50 split to 100% of cost on Martin county taxpayers AND MORE!

"...discussed with both County and City staff and elected officials." Who? What was the nature of the discussions? Brightline was clearly expecting a rubber stamped approval.

August 6, 2024

DEPT-4 BRIGHTLINE UPDATE

Staff is requesting the Board of County Commissioners to consider approving the First Amendment to the Settlement Agreement with Brightline and the Property Tran Agreement with the City of Stuart. At the time of publication of this agenda the above referenced documents were still be finalized. A Supplemental Memo will be provided with the final agenda.

Agenda Item: 24-1188 Supplemental Memorandum (request to withdraw)
ACTION TAKEN: The Board withdrew this item from the Agenda at staff's request.

August 6, 2024 BCC Action Summary

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- First and only official public Brightline update since the December 2023 meetings detailing the proposal.
- County agenda item was to discuss amending 2018 Settlement Agreement, financing, land transfer, etc.
- Agenda item canceled without discussion.

August 12, 2024

Stuart OKs land lease with Brightline, moves closer to bringing train station to the city



- City of Stuart votes 4-0 (Collins absent) to approve a lease, sight unseen, and an amended interlocal agreement(ILA) with Martin County. Only City Manager Mortell seemed to be privy to lease details stating he was working with Brightline through the afternoon and did not have time to make copies. The only item of seemingly intense discussion was the lack of a roof over parked cars. Why didn't any of the four commissioners inquire about reading the lease before voting to approve it? Would you sign a contract sight unseen?
- The lease committed Stuart \$30 million toward construction and removed the parking garage. Brightline no longer contributes financially to their station, but they keep all parking fees.

August 26, 2024

- Prior to the City meeting Mayor Campbell Rich signs the lease (not disclosed to the public) and the City of Stuart sends it to Brightline. At the City meeting Commissioner Collins moves to discuss rescinding the Brightline Agreement to be discussed at the next meeting.
- Motion passes 3-2. During the commission meeting, Mayor Campbell, the city manager, and the attorney failed to inform the other commissioners that the lease had been signed and sent to Brightline that day. Given that rescission was being considered, wouldn't such a pertinent detail have been valuable? Why was this information withheld from the public and the other commissioners?

August 27, 2024

Brightline returns the lease signed and notarized.

September 9, 2024

- At least two issues identified in the lease, one rendering it defective(36.1.2). 35.2.4 stated
 the City has received no written notice of any fact or circumstance which would prevent the
 City from performing in accordance with this Agreement. Certain City staff knew
 commissioners were considering rescission <u>before</u> August 26. Why the rush to have the
 Mayor sign the lease within hours of the City meeting and ahead of the required Martin
 County approval?
- City Commission votes 3-2 to rescind the <u>amended</u> ILA and the defective lease.

- Original ILA and proposal (basis for Stuart's selection) remain in effect.
 - 35.2.4. The City has received no written notice of any fact or circumstance which would prevent the City from performing in accordance with this Agreement.
 - 36. Representations By Parties.
 - 36.1. **Representations by the City.** The City hereby represents, warrants and covenants to Tenant that:
 - 36.1.1. The City is a municipal corporation of the State of Florida; and
 - 36.1.2. The City has obtained the necessary approvals to enter into this Agreement and the person executing this Agreement has the authority to execute this Agreement on behalf of the City.

Screenshot of Lease details questioned. Click the lease to view the entire lease.

September 10, 2024

Martin County Commissioners vote to try and continue negotiations with the City of Stuart and Brightline

- With the Amended ILA and Lease rescinded, Martin County BOCC pulled those items, but Martin County Commission agreed to continue negotiations with Brightline.
- Chair Harold Jenkins stated he called Brightline and that the ship had sailed. "I want a station
 in Martin County. We now have a 100-mile-an-hour train with absolutely no benefit. It's
 ridiculous," said Martin County Commissioner and Chairman Harold Jenkins. WPTV

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How Stuart's Brightline Station Became a Smokescreen for Hidden Deals





L-R: County
Commissioners Doug
Smith, Stacey
Hetherington, Ed Ciampi,
Harold Jenkins, Rep. Brian
Mast, City Commissioners
Becky Bruner, Troy
McDonald, Campbell Rich,
Eula Clarke. Brightline
representative at podium.

Photo credit StuartLife

Introduction: The Announcement That Shook Stuart

On March 4 2024, Stuart was abuzz with the news: Brightline had selected the city for its new station. With press and public fanfare, it seemed like a cause for celebration. Local business owners claim to start making investments, some residents were cautiously optimistic, and county and city officials heralded it as a step toward increased tourism and economic growth. But behind the curtain, something far more troubling was unfolding.

The Agreement That Wasn't: A Bait-and-Switch

What the public didn't know—and what came to light only after a deeper dive during the election season—was that the proposal sent to Brightline in December 2023 was vastly different from what was finally presented. Not only would we have a meager two northbound and two southbound stops per day, but taxpayers would be solely responsible for funding 100% and more of the project, with no contributions from Brightline.

In the original proposal, Martin County and Brightline were to split the cost of the train station and track work 50-50. This followed the stipulation of the 2018 Settlement Agreement between Martin County and Brightline. The City of Stuart wasn't responsible for these costs but would shoulder the parking garage expenses. However, on March 4, the same day as the "big announcement" the selection letter from Brightline introduced a slew of modifications and clarifications that only government officials were privy to. Which officials knew what was in that letter that stood at the podium with Brightline that day? Which officials had already decided to rubber stamp the "modifications" without public input or discussion?

The Major Modifications Kept From The Public

These changes weren't minor tweaks. Brightline requested that:

- Martin County covered \$15 million for the project, which was expected.
- Stuart's original \$30 million for a parking garage shifted to also include building the station.
- Brightline is allowed full development rights for parcels of land at a laughable \$1 a year for 80 years.
- The 2018 Settlement Agreement be modified as follows (see selection letter for complete list):

- "Remove the obligation of Brightline to pay 50% of the cost of the Station to be developed in the Treasure Coast"
- Remove the obligation of Brightline to pay for 50% of an aerial pedestrian bridge "in downtown stuart." Note: the settlement agreement stipulated an aerial pedestrian bridge in Stuart, not "downtown Stuart." It was not specified to be within the City of Stuart boundary. Stuart addresses extended well beyond city limits.
- Remove the \$1 million commitment for Brightline to install fencing at Martin County's request. They demanded the fencing be installed based on the RAISE project and language was added to the agreement that Brightline would only pay if it received a grant.
- The City and County were to immediately fund \$2.2 million for the design of the train station upon execution of the Lease and Development Agreement.
- Right to develop a fourth parcel of land for Transit Oriented Development at \$1 year for 80 years. Users of the Sailfish Ball Fields frequent this parcel.
- Commitment from Martin County Tourist Transportation Development Council aka the Tourism Board that the \$800,000 earmarked for tickets (\$200,000) and co-branding marketing(\$600,000) now be entirely "contributed to Brightline to support the launch of the station."
- Alarmingly, Brightline also required Martin County to enter into an interlocal agreement with the Florida Development Finance Corporation, to allow for Private Activity Bond proceeds issued on behalf of Brightline. We are not privy to how many millions(or is it billions?) of dollars this would be.
- Finally, Brightline also wanted approximately three acres of land from the City at \$1 a year for 80 years if the City remediates the land.

These points alone highlight how drastically the terms had shifted. But what's most concerning is how none of this was shared publicly before or at the big announcement. Brightline stated elected officials and staff knew. Why was this information withheld from the public?

Taxpayers Left in the Dark

The most glaring issue in this unfolding story is transparency—or rather, the lack of it. Local businesses were led to believe this deal was done and began making plans, but residents were caught off-guard by the additional commitments the county/city would need to meet, including taking on loans or bonds to finance the project.

As more information trickled out, it became apparent that the station wasn't a sure thing but rather a heavily modified version of what was originally pitched. And yet, on March 4, elected officials stood alongside Brightline executives, celebrating an agreement that the public had not been made aware of.

The Courage to Push Back

Fast forward to August 12, 2024, and the City of Stuart's Commission voted 4-0 to approve the lease with Brightline, even though the document was site unseen. The city manager admitted to working with Brightline on the lease up to that afternoon but hadn't shared the details with the commission because he didn't have time to make copies. In December 2023 when the City Manager explained how the initial proposal was a response to the RFP from Brightline and

would hopefully get Stuart in the selection process, if Stuart was selected Mr. Mortell stated, "But if in fact Bright Line were to select us, we then have to come back again and you will be faced with a real document that's a contract that's lengthy and negotiated with very specific terms." The "lengthy" document "with very specific terms" was not presented to the commissioners the evening they unanimously voted to approve it, nor was it made available to the public. This kind of hasty and insufficiently researched decision-making is precisely why residents and taxpayers have lost trust in the process.

Following an election, three courageous commissioners took a stance in the subsequent weeks. They voted to rescind the lease, pointing out the unfair terms to taxpayers and the fact that Brightline had no skin in the game. Their actions weren't meant to kill the deal but to ensure transparency and fairness for the public—a refreshing stance in the face of so much behind-the-scenes negotiation. Thank you Commissioners Collins, Giobbi, and Reed.

A Call for Accountability

How did such significant modifications to the original proposal get swept under the rug? Who within the city and county knew about these changes, and why weren't they shared with the public? These are questions that demand answers. The letter Brightline shared on the same day of the press conference, March 4, specifically stated that Brightline selected the Stuart/Martin proposal "inclusive of several clarifications/modifications "THAT HAVE BEEN DISCUSSED WITH BOTH COUNTY AND CITY STAFF AND ELECTED OFFICIALS." Who was negotiating and guaranteeing to rubber stamp these drastic changes behind the scenes? Not only did the Staff know and approve of the drastic changes, but Brightline claimed elected officials did as well. Elected officials are not allowed to discuss this issue with each other privately, so why did Brightline believe these drastic changes would be approved? The most incredible relieving Brightline of the 50% commitment to pay for the construction, Staff and elected officials were rubber stamping our hard-earned tax dollars straight to a completely unproven, debt-ridden, high-risk company.

The Public trust has been eroded, and the division between downtown businesses and residents can be traced directly to the lack of transparency from our elected officials. In any other sector, like corporate America, these hidden terms would lead to swift firings or resignations. Shouldn't we hold our government to the same standards?

Conclusion: Transparency Is Key

A rift has emerged within the community regarding the construction of a train station downtown. Some residents, downtown business owners, and even commissioners, irrationally argue that the taxpayers should pay whatever it takes to secure a stop, even accepting a meager two southbound and two northbound stops per day. On the other hand, many residents believe Brightline should bear its share of the station's financial burden if it is to be built. Brighltine committed to a 50% cost share in the 2018 Settlement Agreement, the controlling document in the federal court case. The growing animosity between opposing factions over the station issue recently escalated at a City of Stuart meeting, where supporters outnumbered and heckled their opponents, prompting some to call for a boycott of downtown businesses. This contentious divide could have been averted if the City and County commissions had provided transparent updates and communication. Boycotting local businesses, however, is counterproductive and harms everyone involved.

The three commissioners, dedicated to safeguarding taxpayers' funds, have faced relentless harassment. This includes a barrage of Freedom of Information Act (FOIA) requests that began the very next day new commissioners were sworn into office. Barely 24 hours into their tenure, they encountered this onslaught. Such vindictive and incessant behavior discourages qualified individuals from seeking public office, depriving communities of capable leadership.

At the end of the day, this isn't about stopping the Brightline station or halting progress. It's about ensuring that the decisions being made reflect the will and interests of the people who live here. Transparency, honesty, and accountability are non-negotiable, and it's time for all of our elected officials to stand up and answer the tough questions. Residents of Martin County and Stuart deserve nothing less.