

# Foreign investment making Harbourside a reality in Jupiter

Posted: 5:41 p.m. Sunday, April 21, 2013

By [Bill DiPaolo](#) - Palm Beach Post Staff Writer

JUPITER —

Using a foreign investor program to raise \$100 million, the developer of Harbourside says he is building a “Mizner Park on the waterfront” that will attract boaters, shoppers and tourists — and create hundreds of jobs. “The United States economy crashed. We had to go overseas to find financing,” said Nick Mastroianni, president of Allied Capital & Development, the North Palm Beach-based developers. Opening for the \$150 million marina/restaurant/retail/hotel complex on the Intracoastal Waterway is expected in the summer of 2014. Allied won federal approval three years ago from the Department of Homeland Security to develop Harbourside through an EB-5 regional center. Created in 1990 to attract foreign investment, EB-5 allows foreigners to contribute \$500,000 apiece to U.S. businesses in return for them and their families to get visas, apply for green cards and become permanent U.S. residents. Including construction, the development will create up to 2,000 jobs, said Mastroianni. The 360,000-square-foot development could generate about \$750,000 annually in property tax revenue, according to town records.

**“The hotel and marina, that’s a winner. People from Fort Lauderdale and Miami will come. We have that old Florida feel here in north county,” said north county commercial Realtor Rebel Cook.**

While welcoming the new jobs and investment, Councilman Jim Kuretski says the town and state have given too many breaks to the developer. Those include:

- A \$1.4 million Florida Inland Navigation District grant to build the seawall, docks and pathway for Riverwalk, the town’s 2.4-mile pedestrian and bicycle trail from Ocean Way to the Jupiter Inlet.
- Up to \$350,000 in revenue annually from town property taxes for up to 15 years would go for Harbourside improvements, for a total of up to \$5.2 million. The tax revenue generated in the town’s Community Redevelopment Agency area, which includes Harbourside, would be used to build and maintain infrastructure in the development.
- The council did not require Harbourside to comply with the ban on paid parking in the town for the 929-space parking garages. Parking will be validated/paid, the same as CityPlace in West Palm Beach.
- Harbourside is repaying a \$3.6 million loan from Jupiter to the Northern Riverwalk Community Development District to build the Riverwalk connection. Harbourside has paid down the loan to \$1.3 million.
- The town spent about \$6,000 to send Finance Director Mike Villella to China twice with Mastroianni.

“We have bent over backwards for this developer. The developer needs to have his skin in the game,” said Kuretski, who was the lone dissenter when the 11-acre project was approved by the council in 2008.

Mastroianni scoffed at Kuretski’s criticism. Harbourside is providing public benefit through the public docks, water taxi, public amphitheater and the connection to Riverwalk, he said. Allied’s “skin in the game” includes its own equity beyond the \$100 million raised through the EB-5 program to build the \$150 million project, Mastroianni said. “This will generate jobs and investment. We will be Jupiter’s downtown,” Mastroianni, 49, an Abacoa resident, said last week as he steered a golf cart between cranes and trucks at the bustling construction site.

Government-supported financing for such projects is not unusual. Property tax revenue has been used to back projects such as City Place in West Palm Beach and Mizner Park in Boca Raton. The money is well spent, said John True, a Realtor in Juno Beach. A customer recently asked him to find about 4,000-square feet of office space on the water in

north county. True came up empty. “(Mastroianni) is building something that does not exist in north county: a waterfront destination with office and retail. The public will love it,” he said. Private developments with public assistance — despite the recent Digital Domain debacle that could cost Florida up to \$20 million — create jobs and boost economic growth, said Marie York, president of Jupiter-based York Solutions, a planning consulting firm. “Florida is still lagging in housing and job creation. With the economy picking up, now is the right time,” York said.

Using the EB-5 program, Mastroianni has signed up about 200 foreign residents who have invested \$500,000 each. About 65 percent are from China, where Mastroianni said he has been to meet with prospective investors about 20 times. The other investors are from countries such as South Korea, Taiwan, Russia, Brazil, Sweden, Italy, France and England. The program allows foreigners, their spouses and children younger than 21 to gain U.S. citizenship by investing money in projects in the United States. Each investment must create 10 direct or indirect jobs in two years. All applicants must be approved by Homeland Security.

Florida has about two dozen EB-5 approved projects, two in Palm Beach County. Nationwide, there are 226 regional centers in 45 states, including a mining/tourism project in Idaho, alternative energy in Michigan and manufacturing in Kansas. The national centers have generated 49,300 jobs and \$6.8 billion in investment revenue since 1990, according to figures supplied by the U.S. Citizenship and Immigration Services.

The original Harbourside property was acquired by Jupiter Waterways, LLC, in 2006 for \$19.5 million. Mastroianni was one of three partners in the company. The property was sold in July to Harbourside Place, LLC, for \$31 million. Mastroianni is listed as manager of the company.