



If any person decides to appeal any decision made by the Board with respect to any matter considered at this meeting, that person will need a record of the proceedings, and that, for such purpose, the person may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

WORKSHOP MEETING MINUTES
Thursday, October 20, 2016 5:00 p.m.
Environmental Services Dept. – 434 S. Swinton Avenue
Delray Beach, FL 33444

STAFF PRESENT:

Jeff Costello	Kevin Matthews	Susan Shaw
Thuy Shutt	Kristyn Cox	David Tolces
Joan Goodrich	Elizabeth Burrows	Renee Roberts

OTHERS PRESENT:

Victor Kirson	Eric Camacho	Tom Fleming
Bill Nix	Marjorie Walden	Jane Smith
Robert Soviero	Christina Morrison	

1. Call to Order

The Workshop was called to order at 5:05 by Vice Chairman Joseph Bernadel.

2. Roll Call

Present: Joe Bernadel, Cathy Balestriere, Daniel Rose, Dedrick Straghn, Paul Zacks, Herman Stevens

Absent: Reggie Cox (arrived 5:15)

3. Approval of Agenda

Mr. Zacks made a motion to approve the Agenda which was seconded by Ms. Balestriere and passed unanimously.

4. Discussion –

A. Arts Warehouse Operations and Management RFQ

Assistant Director Thuy Shutt opened the discussion, stating that staff is taking another look at the RFQ that was issued last April which had only one response which was deemed non-responsive. In an attempt to discern why the RFQ has not garnered more interest, staff has reached out to other entities for input in the CRA's search for a qualified entity to implement the community's vision for an arts incubator facility. She gave a summary of the results of the interviews, and reviewed the proposed timeline for the issuance of another RFQ. She sought Board direction, and noted some areas that will be tweaked or added based on the information gathered, i.e. additional pre-submission meeting(s); longer response time; clarification of financial obligations and expectations; more emphasis on local related experience with similar entities or partnerships; and Letters of Commitment with potential partners.

Mr. Cox arrived at 5:15 and took over the gavel.

Mr. Zacks stated that the Board needs to talk about Bullet #3 "clarification of financial obligations and expectations" in regard to what is in it for the respondent. He felt it needs to be made attractive to would be respondents. Executive Director Jeff Costello stated that the CRA envisioned someone coming in to operate the facility and the CRA would fill the financial gap, and that over time the amount needed from the CRA would taper off. He noted there are already artists requesting studio space to rent in the Warehouse, and he suggested the report ACG prepared for a non-profit entity that could also receive grants could be used as a guide. He would like to have the respondents include in their responses their ideas as to how to support the venture including seeking grant funding. Ms. Balestriere asked if that gap was the \$137,000 in the report. Mr. Costello reported that it was about \$150,000. Ms. Balestriere asked if respondents will be required to fundraise? Mr. Costello stated staff realizes the entity selected could not fundraise 100% of the monies. Ms. Shutt stated there is a representative Pro Forma in the ACG report that is available as an attachment to the RFQ that identifies a funding gap from \$136,800 year one to \$138,000 at year five. In talking with some of the partners like Old School Square, they thought it would be more like a \$150,000 gap between expenses versus earned income.

Mr. Bernadel would like to see a wide representation or broad spectrum of cultural activity available at the Arts Warehouse. Mr. Cox felt there were still a lot of loose ends and that it is not ready to be re-issued as it needs more detail. There was some discussion regarding the timeline. Mr. Zacks and Mr. Cox wanted to hear from the respondents to the last RFQ who were present and ask about their thoughts on how to fill the funding gap.

Mr. Bill Nix, 3430 Boulevard Chatelaine, stated he felt a strategic plan was needed. He noted he was not sure how rents could be determined without a full cost analysis including the size and number of studios, the square footage, etc. Then it would be helpful to look at similar type spaces like The Loft in Lake Worth or 23 Loft in West Palm Beach to make a decision about the rate for affordable studio space. He mentioned some of the things which had been submitted in his entity's RFQ response, like their ideas on various partnerships, and thought the inclusion of Letters of Commitment for partnerships now being part of any new RFQ was a good idea. In development, he believes a Board needs to be set up with a development arm and that grants, donations and memberships would be an integral part of a sustainable facility. He felt Marketing is key in order to promote the arts, which would need a good interactive Arts Warehouse website. He suggested a visit to Wynward in Miami to look at the Bake House which is a similar facility to what is envisioned for the Arts Warehouse. He stated you don't have to beautify a facility too much because the artists will do that and they will make it a destination. Structure, organization, finance and development are all important he stated.

Mr. Cox still had questions regarding a financing plan, how many artists will be incubated, what does incubating an artist look like, etc. Mr. Nix noted that would be part of the strategic plan. Mr. Tom Fleming, 2052 Alta Meadows Lane, a partner with Mr. Nix in the last RFQ Arts Warehouse response, stated that this was one of the things addressed in that response which they designed by incorporating parts of the ACG report with additional details. He said this project is now at a stage where there are as many unknowns as there are knowns, which he

said is good because you don't want to presuppose what all is needed. There will be a certain amount of fees generated by the facility, but a financial management plan is needed in the strategic plan. He said staff can expect this to be a public/private partnership as you will need some kind of ongoing support from the public sector. Mr. Zacks wanted to know if Mr. Fleming was comfortable with the proposed timeline. Mr. Fleming responded that partnership arrangements, MOUs, letters of commitment and things along those lines do take time, but the proposed timeframe is reasonable. He said part of the problem is the Cone of Silence that goes into effect once the RFQ is issued, so staff can no longer speak with respondents to allow for an evolving response; however, he acknowledged that written questions could be submitted during that time period. Mr. Costello noted one additional pre-submission meeting has been added, and perhaps another one could be added in January which would give three pre-submission meetings. The sixty day timeline cannot be extended any longer since the timeline needs to incorporate the Selection Committee process and any negotiations. He noted it has always been envisioned that space would be for short term leases for incubating artists as well as for other events. He added that this is a place where the respondents' expertise could elaborate in more detail.

Mr. Cox asked if the economic impact to Delray Beach has been considered. Mr. Costello said when the CRA submitted to the State last year for the Appropriations, there was an economic impact report submitted which was prepared through the county. A lot of the impact was from the initial investment but it also identified the artists themselves and also indirect impacts as happens with a lot of incubators. Economic Development Director Joan Goodrich agreed, and added that potential private uses can potentially drive a stronger economic flow similar to B Corporations. She noted too some similar type entities have repurposed the space at night for public use such as a night club to raise additional monies. Ms. Balestriere asked about the capacity for holding events. Ms. Shutt noted the facility has met all the Planning & Zoning requirements as well as Building Code, for the 3,000 sf display/gallery space. Ms. Balestriere commented that there is a need for event space in Delray Beach. Ms. Shutt stated that future uses within the gallery space may take place as long as there is adequate parking. Mr. Costello stated that in the original submission of the plans for the Warehouse it was noted that there would be events held sometimes in the space. Also he mentioned as far as parking there could be partnering with the Arts Garage or perhaps use of the Trolley. Mr. Cox stated the logistics of all this have not yet been worked out, but that can be part of an RFQ response. Ms. Balestriere stated that Mr. Nix felt having a board that would help the organization remain sustainable, and she asked if a board was mentioned in the RFQ. Ms. Shutt responded that staff does not want to restrain the submission, and would like the respondent to submit the proposed revenue to expenses and ways with ways to fill the gap. The submission last time from Mr. Nix and Mr. Fleming had most of this included and was 90% complete she noted with only a few things missing. Mr. Costello cited Section E, No. 3b under Submittal Requirements of the previously issued RFQ which stated "Include firm/organizational structure, board make-up and staff positions" so it is included. Mr. Cox again referenced the timeline for submission if another RFQ is issued. Mr. Fleming stated the deadline is getting close to the finished construction time, and having a management team in place two months ahead is asking that a lot of gaps be filled in just a few months' time. He added that the onus should be on that team to accomplish what they can and maybe have a longer soft opening period and longer ramp-up period. Mr. Costello noted that a draft of the RFQ could be brought back to the next meeting for the Board's review.

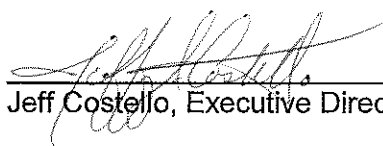
The Board Chair asked for public comments.

Mr. Robert Soviero, Ft. Lauderdale, was concerned the project would go in the direction of the CCC and his question was why does the RFQ need to be a public/private partnership rather than have a public project that subcontracts someone like RMA and then hire a City employee to run it similar to BaCA in Pompano.

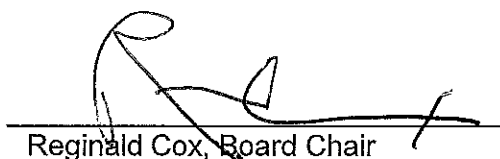
Ms. Balestriere noted she would like to see a third pre-submission meeting added, and there was Board consensus. Ms. Shutt stated a draft RFQ will be included in the next Board packet.

5. Adjournment

There being no further business the meeting was adjourned at 6:10.



Jeff Costello, Executive Director



Reginald Cox, Board Chair