



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.

CRA BOARD MEETING MINUTES

Thursday, February 8, 2018 5:30 p.m.
City Commission Chambers, City Hall
100 NW 1st Avenue, Delray Beach, FL 33444

STAFF PRESENT:

Jeff Costello	Kevin Matthews	Elizabeth Burrows	David Tolces
Renee Jadusingh	Joan Goodrich	Renee Roberts	Jen Buce
Lori Hayward	Kristyn Cox	Susan Shaw	Michele Hoyland

OTHERS PRESENT:

Patricia Wright	Jane Smith	Randy Holihan	John Harmon
Christina Webb	Christina Morrison	Victor Kirson	Shirley Harris
George Long	Yvonne Odum	Taylor Levy	Jon Levinson
Mohamed Abdullah	Crystal Spears	Jim Dupree	Shirley Johnson
Mark Lauzier	Ron Gilinsky	Ernestine Holliday	Diane Colonna
Mike Caruso	Brian Lipshy		

1. Call to Order

Chair Gray called the meeting to order at 5:34 pm.

2. Roll Call

Present: Annette Gray, Cathy Balestriere, Dedrick Straghn, Morris Carstarphen,
Sandy Zeller, Reggie Cox, Daniel Rose (5:55)

Absent: None

3. Approval of Agenda

Mr. Cox made a motion to approve the Revised Agenda which was seconded by Mr. Carstarphen and passed unanimously.

4. Approval of the Minutes

A. Minutes of January 25th Meeting

Mr. Cox made a motion to approve the Minutes of the January 25th meeting which was seconded by Mr. Carstarphen and passed unanimously.

5. Public Comments on Non-Agenda and Consent Agenda Items

The Board Chair asked for Public Comments.

Yvonne Odum, 3905 Lawson Blvd, Vice President of the Delray Beach CDC (Community Development Corporation), wanted to make everyone aware that the CDC is active, doing well, and hoping to continue their relationship with the CRA which dates back to 1993. She said the group meets on Monday nights at the Delray Housing Group's offices, and reminded everyone that the CDC was part of the Atlantic Grove project.

Dr Victor Kirson, Tierra Verde, stated he went to the Joint Work Session with the CRA and the City Commission, and reiterated that he heard the Mayor say there were two ways to go about redevelopment on West Atlantic Avenue – by community effort or by commercial private effort. It was his belief that it will go faster if private industry does the redevelopment and he said it is not yet known what Tallahassee will do.

6. P&Z (*Discussion and comments by the CRA Board. No formal Action will be taken on P&Z Items*)

A. Class III Site Plan Modification, In Lieu Parking & Certificate of Appropriateness –

Osteria Bossi – 32 East Atlantic Avenue

Michelle Hoyland, Principal Planner, presented the petition. She reviewed the application, noting that the Class III Site Plan Modification is for the installation of a 160 square foot outdoor walk-in cooler for a new restaurant called Osteria Bossi which is part of the City Oyster Restaurant Group. She said that the cooler increases the square footage so it will require two additional parking spaces. She stated that the Parking Management Advisory Board has recommended approval as did the Historic Preservation Board.

The Board Chair asked for public comments. There were none.

The Board of Commissioners had no comments.

B. Waiver – Solid Image Tattoo Company – 306 NE 4th Street

Jennifer Buce, Assistant Planner, presented the request for a waiver from the separation requirement in the LDRs for Prohibition by Frequency. She reported that there is an existing Tatoo business located at 325 NE 2nd Avenue with a separation of 940 feet from door to door. However, she explained the LDR requires the distance be measured from lot line to lot line at the closest connection of the two properties and when measured that way there is less than 750 feet separation (200 feet). Ms. Buce said staff is recommending approval. Brian Lipshy, on behalf of the applicant, further explained the distance requirement causing the need for a waiver.

The Board Chair asked for public comments. There were none.

Mr. Zeller asked what was in the rear of the site. Ms. Buce stated there are warehouses

in the rear. Mr. Lipshy said there are warehouses in the rear but that there is also parking. Executive Director Jeff Costello explained there is parking along NE 4th Street and that it is in a multi-bay strip center so there are other businesses in the retail building. There were no other comments.

7. Consent Agenda

- A. Monthly Marketing Report, January, 2018**
- B. Monthly Financial Report, December, 2017**
- C. CRA Monthly Progress Report, January, 2018**
- D. Temporary Use Agreement – St. Patrick’s Day Parade parking**
- E. Termination of Business Development Assistance Grant Agreements**
 - 1. Living Word Christian Academy (601 NW 2nd Street)**
 - 2. Momaste Café d/b/a Family Yoga Zen Zone (1201 N. Federal Highway)**

Mr. Straghn made a motion to approve the Consent Agenda which was seconded by Mr. Cox and passed unanimously.

8. Old Business

- A. Resolution No. 2018-01 - Agreement for Purchase & Sale with Pasadena Capital Inc.**

Attorney David Tolces read Resolution No. 2018-01 into the record. Mr. Costello reviewed the background on the item, and noted that three Letters of Interest (LOIs) were received during the required 30-day notice period which are a separate Agenda item. He reviewed some of the terms of the Agreement for the purchase of approximately three acres of land for \$2 million, and said there is a schedule with the Agreement which outlines critical dates including a commitment date of July 1, 2021, and a date for commencement of construction on or before December 31, 2022. Mr. Costello stated the Agreement is what has been negotiated with Pasadena Capital and in communications with Publix. Mr. Tolces added there is a signed contract executed by Pasadena Capital.

The Board Chair asked for public comments.

Randy Holihan, Pasadena Capital, 200 Pasadena Place, noted that this Agreement contains a date certain of 18 months earlier than the construction commencement date. He also introduced John Harmon, Real Estate Manager of S. Florida region for Publix and Christina Webb of the Altman Companies who are available for questions.

Christina Morrison, 2809 Florida Blvd, said July of 2021 is three and a half years away for a final commitment from Publix to proceed, and that the area is screaming for something sooner. She stated the area is prime for affordable housing development and is also a great location for mixed use office with apartments above.

Taylor Levy, 1810 Lake Drive, partner in BH3 Management, LLC, said BH3 had submitted a proposal for development of the West Atlantic properties and would like the opportunity to engage in discussion.

Dr. Victor Kirson, Tierra Verde, said he was not sure about a grocery store in an area of extremely valuable property and that there are already investors buying up properties in the West Atlantic area. He said he did not feel there will be a community based West Atlantic Avenue anymore, but that it will be a continuation of East Atlantic and that when it hits Congress that will rapidly be developed.

Jim Dupre, Prime Group, said he has followed the process and felt it is unusual to contract with an entity and wait that long to build. He said he would like his firm to have the opportunity to compete to develop the area through an RFP. He said it would not make sense to entertain LOIs without putting the properties out to bid and that it needs to be opened up to all of South Florida.

John Harmon, Publix Real Estate, 5506 Merritt Island Drive, Apollo Beach, stated that part of his role is to determine strategy for the S. Florida territory. He said he felt the downtown Delray Beach market was a good place for an additional store and he ultimately identified the West Atlantic Avenue parcel. He gave some background regarding the contract between Pasadena and the CRA. He said he would like to see the Board approve the contract so they can move forward with the site.

Christina Webb, Altman Development, 1515 S. Federal Highway, Boca Raton, said she is a multi-family & mixed use developer and a Delray resident who would like to see Delray grow in an appropriate manner while maintaining the community feel. She said the West Atlantic area has an identity and that should not be discarded. She noted she can offer multi-family, office and retail, but that it will take an anchor like Publix. She felt a more boutique type grocer would not fit that community as well as a Publix which she believes is the right fit.

Mr. Cox stated he was concerned with putting the urgent before the important. He said that while the Downtown is I-95 to the beach, for locals Swinton to Federal is really considered to be the downtown. He said now West Atlantic is ready for development and there is a commercial corridor that happens to run through a residential neighborhood so he understands the competing interests. He stated he knows there will be some gentrification, and that while it is urgent to consider all the commercial interest, all the community input must be kept in mind as well. He emphasized that it is a family-oriented neighborhood and a full-service grocery has been the #1 identified use for the last 25 years. He added that community benefits are wanted. He stated he looked at some realistic time frames of past projects and that for another grocery store to be identified and contracted with there would be maybe a 12-14 month difference with the projected time line of Publix. He reviewed some of the history from the decision to terminate the Equity contract to present day.

Mr. Carstarphen said he thought it was made clear at the last meeting that the 2022 date for commencement of construction was not acceptable. He felt that if Publix was truly committed they would have come back with an earlier date. He favored not approving

the Pasadena contract and to go back out to bid for all three blocks. He said he would prefer to get it right, and to not let Publix hold that land hostage but to open it up and see what gets submitted to the Board. Mr. Straghn said his issue with Publix is that he is not clear why they need to wait until 2022 and have given the CRA no rationale. He felt Publix wants to wait and see what will be developed in that area and then decide if they want to continue with building a Publix. Mr. Rose said he was not comfortable with the Publix contract and that the three West Atlantic Avenue blocks are very desirable. He commented that the City needs to find a way to fast track processes so that identified projects that are necessities for the community can be expedited through. He also did not want to wait that long for Publix to build. Ms. Balestriere said she loves shopping at Publix, but that something does not feel right and she does not know why such a long time to wait to start construction is needed. She said it took 56 days for Publix to come back with only a commitment date that is a bit earlier, so how can she trust that Publix won't back out before the commitment date. She said Delray deserves a Publix there, and that maybe Publix can wait for the CRA to answer them while it solicits other proposals.

Mr. Zeller stated that some of the dates in this Agreement were more advantageous and that Publix would start with plans and approvals by July which shows good intentions. He said the area wants a grocery and that Publix is number one in the state of Florida. He felt that if the parcels go out for RFP there is a great risk because it is not known whether another developer's plans would actually come to fruition. He stated that other developers will need outside financing whereas Publix does not. He was not as concerned with the length of time compared to the viability of the Publix brand as an anchor that The Set needs to attract more development. He noted that it was unfortunate they pulled out once, but that they did come back quickly and re-visit their decision. He added that it takes time to go through the RFP process and it is not known what financing might be available to developers in a few years so it gives credence to Publix to be able to finance themselves.

Ms. Gray commented that Pasadena Capital is fighting to make this happen but is not sure Publix is all that determined. She said the Publix brand is successful because they are committed to their process. She stated Publix said no to the contract until there was a conversation with the Mayor of Delray Beach and that then the CRA got a 'maybe' if Publix could wait to see a demonstration of development in the area. While she acknowledged that a site with a "Publix coming soon" sign would precipitate the kind of movement wanted for the area, she said Publix is making a business decision that is best for their business model without consideration of the people the CRA serves. She said it is the CRA's responsibility to do what is best for the community and felt that Publix is disrespecting the CRA by not being willing to negotiate the construction date and by not giving a reason for that wait. She said even now Publix will not make a steadfast commitment. Further she stated that during the public notice time three Letters of Interest were received, and yet that interest in developing the area was not good enough for Publix

to modify the construction date in the 50-some days they had to re-negotiate the contract. She added there are escape clauses throughout the Agreement.

Mr. Costello noted for the Board that in their backup materials there are comparison timelines for comparable RFPs that have been issued and that on the average a project takes about four years to commence construction. He said for example it was four years and three months for iPic to get their permit and three years and nine months for Equity, and the best that could be negotiated was to include the commitment date of July of 2021.

Mr. Tolces stated there is a Resolution before the Board which unless passed will negate the Agreement with Pasadena. Mr. Zeller made a motion to approve Resolution No. 2018-01 authorizing the sale and conveyance of the SW 600 Block properties of West Atlantic Avenue to Pasadena Capital, Inc. The motion was seconded by Mr. Cox for discussion purposes. Mr. Cox stated for the record the Board should consider if it wants a grocer in The Set, and if so there is a fish on the hook. He said that time is a concern but not a determinant, and the Board must consider that it will take time for other developers to even attain a grocer for The Set. If that other grocer found by a developer is not suitable to the community, he said the community will then come to the CRA Board Meeting in droves just as they did when they wanted Equity. Mr. Carstarphen reiterated his concern that there is nothing stopping Publix from pulling out of the contract in 2021 and he felt it would be irresponsible for the Board to enter into an Agreement with so much risk. The motion failed 5-2 with Ms. Balestriere, Mr. Carstarphen, Mr. Rose, Mr. Straghn and Ms. Gray dissenting.

B. Letters of Interest – CRA-Owned West Atlantic Avenue Properties - SW 600, 700, 800 Blocks (Continued from 1/15/18 meeting)

Mr. Costello presented the item. He reviewed the background on the LOIs received from three development firms, BH3 Management LLC, New Urban Communities, and NR Investments Inc.

The Board Chair asked for public comments.

Taylor Levy, 1810 Lake Drive, said BH3 is ready to commit with a \$600,000 deposit on the property. He stated they are local developers and want to make sure The Set becomes what the community wants it to be.

Jim Dupre, Prime Group, 5353 NW 53rd St., Coconut Creek, stated he had not seen the 30-day Notice and that Prime Group would want to compete via a bidding process. He noted Prime Group does all types of development - retail, office and housing - and would come in with an RFP submission to meet all requirements.

Mr. Cox made a motion to reject the Letters of Interest and direct staff to issue a Request for Qualifications/Proposals for CRA-Owned properties in the SW 600-700-800 Blocks to be determined. Mr. Carstarphen seconded the motion which passed unanimously.

9. New Business

A. Discussion – Proposed RFQ/P Process - Redevelopment of CRA-Owned Commercial Properties – SW 600-700-800 Blocks – West Atlantic Avenue

Mr. Costello presented the item and reviewed the background. He stated that based on Board direction at the last meeting, he has engaged one of the CRA Consultants on a continuing contract basis, Redevelopment Management Associates (RMA), to assist the CRA in preparing for this process. He said a recruitment strategy will be included with this two-step approach. He noted there will be new components in the final RFQ/P solicitation package that will be discussed in more detail at the February Board Workshop. He said feedback will also be sought from developers as well as from the community. He introduced Kim Briesemeister, Principal with RMA. Ms. Briesemeister gave an overview of RMA, and stated she was asked to bring to the table what the most important decisions will be to assure the project's success. She reviewed the bidding options, and said she agreed the most successful path by far on this project will be an RFQ/RFP. She said the two-step process of RFQ/P tends to work well as you not only qualify the developers to evaluate their capacity but also to assure they are clear on what is wanted. She said really looking at all the components can make the difference between the deal succeeding or unraveling at the end. She noted the importance of the right balance between what the community wants and what the developer is able to deliver to make it a win-win for the public and private sectors.

Ms. Gray asked from a qualification standpoint how difficult it was to align tangible and parallel skills. For example, if a developer has done a similar type development in the mid-west but are not knowledgeable about the local community, or on the other hand there is a local developer who knows the area but does not have relatable experience how do you select among this type of diversity. Ms. Briesemeister said local developers can navigate through some parts quite well, but not enough to eliminate someone from out of the area. Ms. Gray asked about any similarities or data regarding the likelihood of someone who has built this type of development before being able to successfully build another in a different area. Ms. Briesemeister said it is not so much about where they are from but about like-kind projects and the financial capacity of the developer. Ms. Gray asked what kind of proof of financial capacity can be required up front. Ms. Briesemeister replied that most developers do not want to disclose all their finances. She said some options are for staff to be allowed to go offsite and analyze the financials privately, or there is a section of the statutes that permits the financials to be kept private for a period of time but eventually they will become public, or one could require financials to be submitted which developers are not want to do.

Mr. Zeller asked how long a process this would be. Ms. Briesemeister said it depends, and noted that time should be taken to make sure everyone is crystal clear on the components of the RFQ/P. Then she stated the RFQ usually stays out for bid from 45 to 90 days, with 60 days generally being the time frame because you are telling the world

this is what we want but don't tell us what you are proposing to build tell us your capacity and qualifications for the project. After that the process depends in part on how many layers are wanted as the selection committee will have to rank the responses to have a group of qualified candidates. She said the Board and staff will want to narrow down the number of developers to perhaps three who will be asked to submit proposals once they have been pre-qualified. She said that for the RFP the respondents will need to spend some money on a real proposal and come with legitimate details, and she said on large projects such as this up to 120 days (no less than 90) should be given to respond. Mr. Zeller summarized that the process then would probably take eight or nine months at the minimum which Ms. Briesemeister confirmed. She added that the actual development agreement process should be shortened because all of the development terms have already by defined with this RFQ/P option and the developer is pre-qualified.

Mr. Costello stated he will schedule the RFQ/P for further discussion at the February 22nd Workshop and bring more detail on the various components. Mr. Zeller asked if an RFP was needed to hire someone to assist in the development of the RFQ/P. Mr. Costello responded that RMA is one of the CRA consultants under a continuing contract and has been selected to assist with this process given their expertise. Ms. Gray added that RMA has assisted the CRA over the years as a continuing contract vendor and they have been well vetted. Ms. Balestriere clarified that a document to work from will be brought to the Workshop, and she said that while there is a sense of urgency it should not be too restrictive to get the best possible respondents. Ms. Gray commented that in the past some RFPs were too broad and Ms. Briesemeister is speaking about specificity. Mr. Costello said there are components to be discussed that the CRA has not used in the past so it may take a few meetings to get the final product right.

B. Discussion – Annual Evaluation Form – Executive Director

Mr. Tolces said himself, Chair Gray and Ms. Hayward met to revise the Evaluation Form. He reviewed the updates and noted that it somewhat mirrors the City's Evaluation Form. Ms. Gray stated that Mr. Tolces and Ms. Hayward did a very good job in modifying the Form. She explained some of her thinking in regard to this new Form, and she said how the salary increase is set has not previously been defined. She said with this Form, once the numbers are compiled they will determine the salary increase. Ms. Balestriere said she preferred this Form and appreciates Ms. Gray asking to have it modified. Mr. Tolces explained further how the numbers will determine the increase. Ms. Gray stated that another component is tying the Evaluation to goals for assisting the Executive Director in the areas that could be improved. There was a great deal of discussion regarding what vehicle to use as a 'performance repair' component. Ms. Gray felt that there needed to be a threshold to determine at what point the Board needs to put in place corrective measures (coaching, training, etc.) to improve performance in any weaker area. She said the Board would be complicit if it did not assist the Director in improving lower performing areas.

After a great deal of discussion, Board consensus was that if the cumulative number in any section was a two or less then corrective actions need to be put in place and progress in the area will be revisited in four months to evaluate improvement. It was further decided that all Commissioners shall have their Evaluation Form submitted back to Mr. Tolces or Ms. Hayward by March 1st.

10. Other Business

A. Comments by Commissioners

Mr. Zeller commented that he felt there is a fundamental problem with the procedure for presenting contracts to the Board for approval. He said that the Pasadena Capital was just presented this week and there were things he would have liked to have had feedback on for inclusion in the contract. He said he believes it is important that the Board be emphatic regarding certain items in contracts, and as it is a finished product comes to the Board to be voted on without having input on aspects of the contract. He would like the Board to review contracts and discuss the terms prior to it being brought up for a vote. Ms. Gray said she understood his feelings but that the CRA Board does everything by consensus and it is difficult to get consensus on any one item. Ms. Balestriere noted that the CRA has a legal team for drawing up contracts per the Board's comments and it is not the Board's responsibility to draft those documents. She added that in all her years on the CRA Board there has always been an opportunity to have input. Mr. Tolces added that the negotiators for the Pasadena Capital contract did everything they could to have the commencement of construction date modified, and the negotiators were obligated to bring it back to the Board.

Ms. Gray informed the Board she will be taking groups of kids to the tennis matches so if anyone has extra tickets or wants to help that would be great .

B. Comments by Board Attorney

Mr. Tolces stated that the Board always gets contracts in advance of the Board Meeting, and that he and Mr. Doody are available to speak to any commissioner any time about any questions or concerns they have with a contract. He said the Board comments are always taken into negotiations, and sometimes they are agreed to and sometimes not but it is legal's obligation to bring the agreement back to the Board.

C. Comments by Executive Director

Mr. Costello apprised the Board of the Sunday, January 18th Tennis Clinic being sponsored by the Tennis Tournament to be held at Pompey Park, and a flyer on that was given to each commissioner. He also noted flyers were provided for the upcoming Racial Equity Workshop. He commented that the City Commission will be conducting their Goal Setting on April 13th and 14th. The thought is to have the CRA Goal Setting Workshop after the City Commission has set their goals so everyone can be on the same page. He

brought up the March Board Meetings which were scheduled for the 15th and 29th (the 3rd and 5th Thursdays) which would need to be at the Swinton Office Complex. Bearing in mind that March 22nd is spring break, the Board consensus was to change the meetings to March 8th and 22nd. Mr. Costello then said he sent the Board some dates the DDA would like to conduct a Joint Workshop. Ms. Gray stated the purpose would be to discuss how the DDA and CRA can work together to expand opportunities for the West Atlantic area. The Board suggested conducting the Joint Meeting on a Thursday, but to start the Workshop earlier. He noted the April Workshop could serve this purpose and perhaps it could start an hour earlier to allow enough time. He gave the Board some further updates, and apprised them there will be a budget amendment related to the ILA for Transit Oriented Development Study. He noted that he received The Set Transformation Plan revisions today and will distribute them to the WARC and CRA Boards and to the City Commission. He said it does not incorporate all the recommendations from the Board and that those will be added once the Commission adopts The Plan which is anticipated to be in March.

D. Comments by Staff – None

Ms. Gray congratulated Economic Development Director Joan Goodrich and her team on an excellent opening for Career Cottage.

11. Adjournment

There being no further business the meeting was adjourned at 8:30 pm.

Jeff Costello, Executive Director

Annette Gray, Board Chair