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, March 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	Krista Walker	D J Doody
Renee Jadusingh	Joan Goodrich	Renee Roberts	
Lori Hayward	Elizabeth Burrows	Susan Shaw	
Mark Lauzier	Rob Massi		

OTHERS PRESENT:

Chuck Ridley	Jane Smith	George Long	Shirley Johnson
Yvonne Odom	Randy Holihan	Robert Holmes	Otis Payne
Dorothy Ellington	Ron Gillinsky	Jim Dupre	Kim Briesemeister
Angie Gray	Gerard Bateau	Emmanuel Guerrier	Dan Lebensohn
Michael Kolwitz	Maryann Ramirez	Bill Branning	Anthea Gianiottes
Tim Stillings			

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, Reginald Cox, Sandy Zeller, Daniel Rose

Absent: None

3. Approval of Agenda

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

4. Approval of the Minutes

A. Minutes of February 22nd Regular Meeting

Mr. Cox made a motion to approve the Minutes of the February 22nd CRA Board Meeting which was seconded by Mr. Rose and passed unanimously.

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

Yvonne Odom, 3905 Lowson Blvd., Vice President of Delray Beach Community Development Corporation, would like to see a move toward building wealth, which should include the land when a person buys a home.

Evelyn Dobson, CEO of the Delray Beach Community Land Trust (DBCLT), stated the construction of the DBCLT homes on NW 5th Avenue (Northwest corner of NW 5th Avenue and MLK Jr. Drive) have been completed and all 3 homes are owner occupied at this time.

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

A. Amendment to the Central Business District Land Development Regulations

Anthea Gianiottes, Principal Planner, City of Delray Beach made a presentation concerning the proposal of a three year review of the LDR's and is requesting input after from the advisory boards. She gave examples of versions of commercial buildings before the proposal and after adoption of the LDR's 3 years ago. Kolter Hotel is the first new building that will be LEED certified with 150 rooms. She spoke about some potential adjustments made to the regulations as they relate to the openings on side elevations, street trees, stoops on commercial buildings, bicycle parking, rooftop uses, lighting and outdoor dining in the Railroad corridor. She reviewed a list of suggestions so far and she is waiting for other input. There will be other changes as it relates to The Set and the Gibbs Shopability analysis.

7. Consent Agenda

A. Monthly Marketing Report, February 2018
B. Monthly Financial Report, January 2018
C. CRA Monthly Progress Report, February 2018
D. Economic Development Monthly Update, February 2018
E. FY 2017-18 - A-Guide 1st Quarter Report – Delray Beach Historical Society
F. Temporary Use Agreement - EJS Project, Inc. – 606 & 640 W. Atlantic

8. Old Business

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

Executive Director Jeff Costello reviewed the background on the item. The item will again be presented to the CRA Board later. Critical dates outlined in the agreement have not changed from the agreement presented to the board on February 8th. About 3 acres for $2 million – 25,000 square feet. He went through key dates on the development schedule. The July 1, 2021 Commitment date and the Construction Commencement date which is on or before December 31, 2022.

Randy Holihan of Pasadena Capital, Inc. and John Harmon, Real Estate Manager Representative for Publix were present.

Mark Lauzier, City Manager, informed the board that the City Commission asked him to express their opposition to moving forward and are not in favor of the Agreement as written. They don't believe terms are advantageous to the CRA.

Yvonne Odum, 3905 Lowson Boulevard, stated that Publix is the Michael Jordan of grocery stores. They made their first proposal and after they were rejected, have come back calling again. A Publix benefits the area as they are pro-employee. She stated the Board is an independent board and urged the Board to approve the agreement.

Chuck Ridley, Chair of WARC, expressed discussions at WARC's last board meeting. The Board made it clear that they felt the timeline expressed by Pasadena is realistic and nothing will happen anytime sooner. He also stated it is clear the area wants a grocer and asked the Board to consider the work that has gone into the agreement. He felt the performance measures that need to be met for the Publix are not known and that the negotiation process was flawed.

Bill Branning, 9 NE 2nd Street, noted how long the CRA has been trying to get a grocer. He asked that the agreement be given serious consideration. He suggested taking a closer look at the P&Z process that can take 9 months to a year. He had a problem with the commitment date and ask felt it should be sooner as the CRA is being asked to tie up land for 3 years.

Angie Gray, 219 NW 9th Street, stated the community has been waiting for many years and said Publix does not have to wait and felt $2 million was not enough and that she wants the shovel in the ground sooner.

Daniel Lebensohn, BH3 Management, stated he previously submitted a Letter of Intent and repeated his concern about the timeline. He encouraged the board to look locally for a developer who can be equivalent or better and do the project more expeditiously.

Taylor Levy, Levy Land Trust, agreed with Mr. Lebensohn that the timeline is a concern with the lack of hard dates.

Commissioner Balestriere thanked City Manager, Mark Lauzier for bringing communication from the City Commission to the Board. Ms. Balestriere asked what part of the agreement, if changed, the Commission would support given the terms. Mr. Zeller asked Mr. Lauzier if there are any objections other than timeline. Mr. Lauzier stated that he could not say that the changes would be supported, but that the Commission does not support the agreement as it exists. Mr. Carstarphen stated he requested the item be reconsidered by the Board because of the input he was receiving from the community who have stated that they waited 25 years for a grocery store and that they are willing to wait another few years. He noted the time frame it takes for getting through the development process and referred to 2 projects that took over 2 years to get through city approvals. He respected the message from City Commissioners, but noted that there were a lot of politics taking place with the election time and that what the community wants is not being heard.

Mr. Rose supports Publix but felt holding land for a $100,000 deposit is insufficient and thinks they could back out in 2022. He stated it blocks out competition and wants to see what else comes to the table from other respondents to the RFQ/P. He did not feel the item had to be voted on tonight, suggesting motion to table item.

Mr. Harmon, stated he was not present when Publix Real Estate Committee voted on the site, his understanding was simply from an internal perspective. The Set is an area of focus for Publix. Their strategy includes dates when something will open. As he can tell it is the best time from their perspective to open a new store. Chair Gray asked Mr. Harmon what was the determining factor to wait 2 years and why didn't Publix send someone who could answer that question. Mr. Harmon stated he could not change the construction date specified in the agreement but he had flexibility to modify the commitment date from July 1, 2021 to December 31, 2020. Chair Gray stated the property is within an African American community and Publix is a good multi-cultural employer. Publix has a store within a 4 mile radius and has dedicated trade areas. Chair Gray asked if Publix is open to negotiation on the initial deposit and a second one on expiration of inspection period. Mr. Harmon stated those numbers are typical and could increase both up to $75,000 which is relatively in line with other deals. Chair Gray stated that clause 11(b) on Page 17 relates to interference by outside parties and asked what is the intent of the clause, if not to get out of the agreement. Mr. DJ Doody, CRA Attorney, stated the intent is that once they receive government approvals there has been considerable time and expenses incurred, and there was additional concerns that the review process at the city level could impose additional conditions after approval that would result in an economic burden to Publix. Chair Gray felt that the cost associated with the site plan was the cost of doing business.

Ms. Balestriere asked Mr. Holihan if they would consider a non-refundable deposit, which he answered, they would not. He stated that the once site plan was approved, Publix would close, which is anticipated in 2019.

Ms. Balestriere asked Mr. Doody about the 2019 closing date and consider a reduced purchase price based on the original deposit. Repurchase price would be $2 Million or less than $150,000 or $1,850,000, which John Harmon stated that would be acceptable.

Mr. Straghn stated he was not against Publix but against the agreement as it is written and the circumstance under which the contract was before the Board again. He stated does not see the Publix commitment and that he did not see what Publix stands to lose in a couple years down the road if they do not go through with the project. Mr. Straghn wanted to see commitment in the agreement and felt the earnest money should be non-refundable, he was thinking $200,000 as a non-refundable deposit. He felt the repurchase price has to hurt Publix to remove themselves from the deal. He suggested a lower repurchase price of $1 Million minus earnest money.

Mr. Carstarphen stated that it needs to be fair to the community and they are willing to wait the additional time. He stated there is no guarantees under either scenario. He asked why Publix cannot make the commitment date the same as the closing date.

Mr. Cox. Stated closing 30 days after government approvals and asked how that related to completing plans for the development.

Mr. Holihan stated that plans can take 90-120 days and that they have no control over how long that takes when the plans go to the building department. Mr. Cox continued with stating that the time and the commitment date is December 31, 2020 which is 2.5 years from now for the commitment. Also, trying to negotiate with the end user is very atypical. He felt the City Commission not giving a reason for not wanting to move forward with this agreement is purely political. Every year this board becomes an issue at election time. He stated that the Board cannot have short memories regarding the Development timelines and used examples as the Arts Warehouse which went on for years. He stated that community led means this community has asked for something for over 25 years, so find a way to make it happen not a way to make it not happen and get the best for that area. He stated that the CRA is a development board and should not be impeding development. He referenced a previously issued RFP in 2017 that went out for 60 days for the same site and did not receive any responses. He noted that the CRA received the unsolicited proposals around the same time as when the RFP was issued. Agreed on $150000 earnest money and lowering the repurchase price. He felt the Board owed it to The Set community and the NW/SW community to not kick it down the road.

Mr. Carstarphen made a motion to call the question, Mr. Cox seconded. Mr. Doody stated for clarification, the motion is a procedural component and that it would be to agree to accept the contract subject to necessary amendments.

Mr. Zeller first asked if the changes Mr. Harmon agreed to would have to go back to Publix Real Estate committee, John Harmon answered no.

Ms. Balestriere asked if Publix was willing to make the $75,000 deposit that will be paid at inspection (60 days out) non-refundable, to make the $75,000 that will be due at the assignment date non-refundable, to close on or before October 4, 2019, commitment date December 2020, repurchase price at $1,850,000. Mr. Holihan stated that this was not possible because they cannot have non-refundable deposit before site plan approval.

Ms. Balestriere then asked for Mr. Holihan to consider changing the repurchase price at $1,500,000. Mr. Holihan stated that they were not able to consider changing the repurchase price to $1,500,000. Ms. Balestriere asked if Mr. Holihan and Mr. Harmon would consider changing the commitment date to July 2020. Mr. Holihan stated that that was not possible.

Mr. Rose made a motion to Deny resolution, which was seconded by Mr. Straghn. The motioned passed 4-3 to deny resolution (Cox, Carstarphen, and Balestriere-dissenting).

B. Discussion - RFQ/P West Atlantic Avenue – SW 600, 700, 800 Blocks W. Atlantic

Mr. Costello introduced the discussion item regarding the RFQ/P for SW 600, 700, 800 Blocks W. Atlantic Avenue. He then introduced Ms. Kim Briesemeister with Redevelopment Management Associates who gave a presentation about the draft RFQ/P document and overall process.

Ms. Briesemeister stated that it is clear that the Board wants an expedited process and what they tried to do was produce a document that will allow the Board to move very quickly. She stated that the sensitivity around the grocer is a very obvious point and that was taken into consideration when drafting the RFQ/P. She stated that the land in question is the same land as before and that the CRA is still acquiring properties in that area. Ms. Briesemeister presented "the wheel" which demonstrates that whatever is being requested of the developers will have a cause and effect, so if we ask the developers to do something we have to understand that if there is an impact to the developers financial, there may be an effect to sales price or otherwise.

Ms. Briesemeister stated that the Board asked what the difference with the RFQ/P process is. It is distinct in 2 ways. Often what happens is you rush into a proposal and do not take the time to vet the proposer or the proposer themselves is not qualified and you do not know until they try to get financing and are unable to.

Ms. Briesemeister stated that the development objectives begins on page 7 of the RFQ/P document and then gave the Board an overview of each objective listed on the PowerPoint presentation. She stated that the RFQ/P asks for 6 local subcontractors and stated there needs to be 6 local subcontractors available to work and have competitive pricing. She also said that the RFQ/P asks for 30 local individuals to be hired and indicated that they need to be qualified. Ms. Briesemeister stated that there are four items that are very important in the RFQ phase: 1) the proposers overview of their understanding of the requirements; 2) the proposers qualifications and experience; 3) sample projects; and 4) the proposers financial capacity and capability. She stated that there is no ranking at this stage and only the developers who are qualified will be asked to submit a proposal.

Ms. Briesemeister asked whether the Board wants to allow the group of proposers who are qualified at Step 1 to have the opportunity to engage WARC, the community, etc. to gain their feedback. She noted that the purpose of this step is to allow a window for the proposers to engage the community which will help achieve a better project for the community.

Ms. Briesemeister continued to discuss the content on the slides in the PowerPoint presentation.

Mr. Costello stated that there are a few open items that he would like to discuss with the Board and discussed content on the slides in the PowerPoint presentation related to reducing the building height in the RFQ/P from 4 floors to 3 floors, the residential density on the project site, parking demands for the project, including the 900 block in the RFQ/P, and demolishing 606 W. Atlantic Avenue and retaining the parking area.

Mr. Costello reviewed the overall timeframe from for the RFQ/P process.

Mr. Rose asked about existing tenants in the 700 block and if the developer will honor the tenants that are still there. Ms. Briesemeister explained that there is language in the RFQ/P that asks the proposers to accommodate them on page 10.

Mr. Zeller reviewed questions that he had about the RFQ/P. On page 5, Mr. Zeller asked who will make the determination if the proposals are qualified or not. Ms. Briesemeister stated that the CRA would need to decide who qualifies the firms. Mr. Zeller then asked who would rank the proposals at the RFP phase. Ms. Briesemeister explained that a technical team should be in place and they will rank the proposals before they are presented to the Board.

Mr. Zeller stated that he would like a traffic study done by developer. Mr. Costello stated that the proposers will have to comply with the City's requirements regarding this matter. Chair Gray explained there cannot be a traffic study until you know what the project, uses, and the traffic pattern will be. She stated that the City should be allowed to impose the requirements that are necessary and determine if there should be a traffic study.

Mr. Zeller asked Ms. Briesemeister if the RFQ/P will prohibit any variances from the ordinance requirements. She responded that there would be no prohibition. Mr. Costello stated that if there were waivers, that they would be done through the site plan approval process.

Mr. Costello asked for feedback as to whether the Board would like the maximum building height to be 3 or 4 stories. Chair Gray asked if these parcels can be grandfathered in at 4 stories. Mr. Costello explained it could be depending on timing of LDR amendment and the adopting of The Set Transformation Plan. The Board further discussed this matter. Chair Gray stated that we should we keep open mind to 4 floors on the non-grocery blocks. Ms. Briesemeister explained the uses that we are asking for in a certain envelope. The potential problem is that there is a threshold number of residential units that the developers will require. Also, the developers lose a block due to the grocer requirement and the LDRs will limit what can be developed, therefore there may be a struggle to get the development we want if we eliminate the 4th floor. Mr. Cox says there is some flexibility in The Set Transformation Plan to allow for three floors under certain circumstances. Jeff reviewed portions of The Set Transformation Plan that discuss its contents as it related to the floor height.

Mr. Zeller stated that if the project is phased, the grocery store should be in an earlier phase of the project. Ms. Briesemeister that the CRA will likely be pleased with the results by leaving the phasing more flexible rather than mandating that the grocer be in an early phase of the development. Mr. Cox agreed that a grocer should be developed sooner than later since issue with Publix was time and that we should be specific up front with what we want. Ms. Briesemeister explained that when you have a major multi-block development while the grocer may not be first, there will be development on the site sooner than what was proposed for the single site grocer development.

Mr. Zeller asked whether the CRA will know who the actual individuals are who are proposing on the RFQ/P and not just have names of LLC's. Ms. Briesemeister said that

LLC's will likely be formed for this project, but we have the right to know who is bidding on the project through resumes, etc.

Mr. Zeller asked how the point categories on page 21 was chosen and asked if the points for the financial structure can be increased from 15 points to 20 points. Ms. Briesemeister stated that the points can be changed.

Mr. Zeller requested that the word "advance" be added to the asterisk statement on page 20.

Chair Gray asked if the Palm Beach County Diversity Study was reviewed. Chair Gray was informed that staff would look into it. Chair Gray then asked if staff pulled up the minority database of vendors to ensure the 6 vendors was an adequate number to include in the RFQ/P and stated that she would like to see more than 6 subcontractors/vendors hired. Mr. Costello stated the staff is still researching this issue and will speak with the Economic Development Director about the list. Ms. Briesemeister stated that staff pulled business tax receipts and there are over 200 business listed, but it will be difficult to ascertain whether they are qualified for this type of project.

Chair Gray asked for examples of health and wellness facilities to be added. Ms. Briesemeister stated that the description of health and wellness that is in the RFQ/P came from the 2012 West Atlantic Needs Assessment.

Mr. Carstarphen asked Ms. Briesemeister it the construction timeline for a grocery store can extend beyond December 31, 2022. She answered that it is possible, if that is what the developer proposed but the CRA can choose not to accept that proposal.

Mr. Cox asked if the RFQ/P would go to the WARC Economic Development Committee for review and input and Mr. Costello said yes. Mr. Cox also asked for a more specific definition on the term vendors. Mr. Cox mentioned the Palm Beach County Disparity Study and said he is pleased with the community inclusion section that is in the RFQ/P. He stated that the subcontractor databases need to be prepared up front so that it can be presented to the proposers to make the process go smoothly. He mentioned that he would like the time frame should be addressed in this RFQ/P since there were concerns about the Publix timeline. He stated that we should look to incentivizing a developer coming in and building a grocer before December 2022. He stated that The Set Transformation Plan talks about equity partners and the impact this development will have on the long term residents who did not sell their properties that are located in the project area. Mr. Cox wants to make sure that the Board will be able to do an official ranking of the proposers so that the CRA has the ability to go to the second proposer.

Mr. Costello stated that this item will be brought back to the Board on March 22, then to WARC, and then back to the Board before issuance.

C. Amendment to CRA By-Laws – CRA Board Meetings

Mr. Costello presented an item to the Board which would amend the CRA by-laws to change the CRA board meetings from two meetings per month to one meeting per month.

Public comments, none.

Mr. Zeller thinks that the CRA board should maintain two meeting per month because there are critical items that the CRA board needs to consider such as the RFQ/P. He stated that the CRA needs to keep its feet to the fire to get things done in a timely manner.

Chair Gray stated while she sympathizes with the CRA staff, a workload analysis is being conducted and it needs to be assessed to give the staff some relief. Chair Gray agrees with Mr. Zeller that now is not the time to reduce the amount of times that the CRA Board meets and this issue should be addressed at the staff level not the board level.

Mr. Rose made a motion to table the item which was seconded by Mr. Cox. The motion to table passed unanimously.

9. New Business

A. None

10. Other Business

A. Comments by Commissioners

Mr. Zeller commented that Ms. Susan Shaw is retiring tomorrow, and he thanked her for all her wonderful work and that she has done an exceptional job.

Mr. Cox thanked the Board and CRA Staff for their work with WARC, especially the Economic Development Committee for bringing the inclusion components into the RFQ/P. There was a time where the language that is now in the RFQ/P was not included. He stated that we have evolved as a community. He hopes that when people say community lead they mean it. Staff, Commissioners, Department Head, and Board Members come and go, but the residents are still there to keep the continuity with the development plans and community asks, and accountability to get things done. He thanked the WARC board for keeping pedal on the gas. The Set Transformation Plan is being discussed all over and it is an update of West Atlantic Redevelopment Plan. Tonight was a wonderful example of that because many of the Board members referenced language that is in The Set Transformation Plan in the new RFQ/P. Mr. Cox stated that he was on the losing side of a vote, but the decision made tonight was the will of the Board. He stated that one thing that he wants to make clear is that he is a resident of The Set and he is on the Board to advocate for The Set. Mr. Cox stated that no matter the vote he will continue to advocate for a better quality of life in The Set. Strategic partnerships are key elements of The Set Transformation Plan to get what is needed in The Set. He stated that Susan will be missed.

Mr. Rose thanked Susan for all of her contributions to the CRA. He would like an item to be added to the next Board agenda to review the nominations of liaisons to the advisory boards. Mr. Costello stated that the CRA appoints 3 liaisons to City advisory boards and

re-nominations would be in August. Ms. Gray stated that some advisory boards have set terms, and some do not.
Ms. Balestriere agreed with Mr. Cox's statements and felt that there was a very good discussion tonight and commended Mr. Zeller for doing his due diligence with the RFQ/P. She feels there needs to be a level of professionalism maintained on Board. She stated that if a Board member wants to bring an item back, that the Board needs to respect that. Ms. Balestriere gave an update on the Frog Alley Caribbean Festival, a new event that the DBMC is working on with WARC, The Set Branding Committee, and the Frog Alley subcommittee. The event is going to be held on May 12. It is an important event for The Set and they are working on the logistics. Ms. Balestriere hopes this Board will consider attending and supporting the event to help brand the area. She congratulated Susan on retiring.

Mr. Straghn agreed with Mr. Cox's statements.

Mr. Carstarphen agreed with Mr. Straghn's statements and thanked Susan for all her hard work.

Chair Gray thanked Susan for her service and appreciated her organizational capital. She stated that she will continue to give out tickets to the Tennis Tournament, though it was difficulty to get community inclusion this year. Chair Gray stated that Jill Brown did an amazing job with the Arts Warehouse opening. Chair Gray acknowledged that its International Woman's Day and she is one of the few women who have been the Chair of this Board or a City Board. She stated that there should be less "firsts" for woman, it simply should be positions held by individual. She stated that her passion and priority is young people. That's why she serves on the Board to help her community and young people.

B. Comments by Board Attorney

None

C. Comments Executive Director

Mr. Costello stated that the CRA was awarded a little over $54,000 from Solid Waste Authority for demolition and maintenance. The CRA has the opportunity to acquire 50+ parcels of land and is in the process of getting appraisals. 805 W. Atlantic Avenue is a remediation site and the CRA received positive readings on the remediation so far. Mr. Costello thanked Jill Brown, Staff, and Board members for attending the Arts Warehouse grand opening. Mr. Costello thanked Susan for her hard work and dedication to the CRA.

D. Comments by Staff

None

11. Adjournment

There being no further business the meeting was adjourned at 9:15 pm.

Jeff Costello, Executive Director

Mayor Shelly Petrolia, Board Chair