



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.

**REGULAR MEETING MINUTES**  
**Tuesday, January 28, 2016, 5:30 p.m.**  
Commission Chambers at City Hall  
Delray Beach, FL 33444

**STAFF PRESENT:**

Jeff Costello	Kristyn Cox	Susan Shaw
Thuy Shutt	Yuberca Pena	David Tolces
Joan Goodrich	Elizabeth Burrows	
Lori Hayward	Henry Harden	

**OTHERS PRESENT:**

Jane Smith	Marisa Gottesman	Tom Fleming	Stephanie Immelman
Alyona Ushe	Ronnie Dunayer	Brian Rosen	Adam Bankier
Brent Schillinger	John Hamman	Dan Schwartz	Kathy Freeman
Pamela Goffman	Lynn Ferguson	Mark Bern	Victor Kirson
Choli Aronson	John Flynn	Bob Currie	Gregg Weiss
Jack Warner	Kevin Warner	Mark Beardman	

**1. Call to Order**

Vice Chair Cathy Balestriere called the meeting to order at 5:35.

**2. Roll Call**

Present: Reggie Cox, Cathy Balestriere, Joe Bernadel, Bill Branning, Daniel Rose, Herman Stevens

Absent: Paul Zacks

**3. Approval of Agenda**

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

**4. Approval of the Minutes**

**A. January 14<sup>th</sup> Board Meeting**

Mr. Rose made a motion to approve the Minutes of the January 14, 2016 Board Meeting. Mr. Branning seconded the motion which passed unanimously. (Mr. Cox arrived at 5:40)

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

Kevin Warner, 248 Venetian Avenue, stated his belief that the old days when the CRA could do what it wants are gone. He noted his surprise around the CRA's handling of the request from the

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City to not move forward with the Old School Square Park Design, and encouraged the Board to work more collaboratively. He would like to see the CRA move forward and get something done.

**6. P&Z - None**

**7. Consent Agenda**

- A. CRA Monthly Financials, November 2015**
- B. DBMC Quarterly Report**
- C. Trolley Quarterly Report**
- D. A-GUIDE Quarterly Reports**
  - 1. Delray Beach Community Land Trust**
  - 2. Delray Beach Library**
  - 3. EPOCH**
  - 4. Old School Square**

Mr. Branning requested that Item 7D4 be pulled from the Consent Agenda. Mr. Rose made a motion to approve the Consent Agenda as amended. The motion was seconded by Mr. Bernadel and passed unanimously.

Mr. Branning recused himself from voting on Item 7D4 due to a conflict of interest. Mr. Rose made a motion to approve Item 7D4 which was seconded by Ms. Balestriere. The motion passed 5-0 with Mr. Branning abstaining.

**8. Old Business – None**

**9. New Business**

**A. Uptown Atlantic - Amendment to Purchase & Sale Agreement – Time Extension**

Executive Director Jeff Costello presented the item, giving some background regarding the Agreement and prior Amendments. He stated that Equity Delray, LLC has requested an extension of the time frame to May 27, 2016, to obtain all governmental approvals necessary for the project. To consolidate the development approvals for all items to be considered at one City Commission Meeting, the City Commission felt there should be a Master Development Agreement including the Community Benefits Agreement. The Site Plan Review and Appearance Board approved the site plan, landscape plan and elevations for the project, and Mr. Costello noted that Equity is in the process of submitting building permit applications for City review. With the requested Approval Date of May 27<sup>th</sup> and current Termination Date of June 2<sup>nd</sup>, it is recommended that the Termination Date be extended as well to September 2, 2016, which should provide sufficient time to address any conditions of approval, and obtain all necessary permits in order to close by the Termination Date. Mr. Costello noted that the applicant is present for any questions.

Ms. Choli Aronson, Currie Sowards & Aguila (CSA) Architects, gave an update on the schedule of meetings for the approval process to demonstrate the need for the extension. Mr. Currie of CSA stated they are doing the best they can to move forward and the project contractor is on board.

Chairman Cox asked for any public comments. There were none.

Mr. Branning made a motion to approve the Fourth Amendment to the Agreement for Purchase and Sale with Equity Delray, LLC to modify Section 1.2 of the Agreement, extending the Approval Date to May 27, 2016, and Section 1.17 to extend the Termination Date to September 2, 2016. The motion was seconded by Ms. Balestriere. Mr. Cox asked the status of the Master Development Agreement. Ms. Aronson stated the City Attorney is drafting the Agreement, adding that the plat has been submitted, the abandonments have been submitted and are under review, the In-Lieu Parking Agreement has been drafted, 2 of the 3 Landscape Maintenance Agreements have been drafted, and the Workforce Housing Agreement will be coming from the Planning and Zoning Department. Mr. Cox asked if the CRA, as owners of the property, need to be involved in the Development Agreement process. CRA Attorney David Tolces stated that typically the Development Agreement is between the Developer and the City. Ms. Aronson added that she does not believe there are any further items the CRA needs to approve but will confirm with City Staff. Mr. Tolces added that everything in the Agreement is contingent upon the CRA conveying the property. He noted that the CRA attorneys will review the Development Agreement once it is received, as will the Board, but that they are comfortable to this point with the CRA's position.

The motion passed unanimously.

#### **B. Creative City Collaborative (CCC) Update - FY 2014-15 4th Quarter Payment**

Finance & Operations Director Lori Hayward introduced the item. She reviewed the timeline regarding the submission of the CCC's Fourth Quarter Report and Audit. She noted that the CCC submitted an updated revised FY 2013-2014 Audit, and it complied with the requirements of Section 5 of the Agreement. However, the Audit Management Letter identified 10 deficiencies, and 8 out of the 10 were material weaknesses while 2 were significant weaknesses. Staff has met with the CCC to discuss the deficiencies and concerns. Since the distribution of this item, additional information has been provided which staff is reviewing; however, the CRA has not received the bank statements to tie the information together.

The Board Chair asked for any public comments.

Brian Rosen, 106 NE 16<sup>th</sup> Street, spoke on behalf of the Arts Garage and stated the Audit is clean. He noted the Management Letter is separate from the Audit and is an internal document meant to assist the Arts Garage in improving their procedures. He noted the discrepancy in the Heckscher Grant funds was because the checks were cut two days before they should have been, and the fiscal year changed in those two days. He emphasized that all monies have been spent properly, and that the Arts Garage needs the funds to survive and are happy to provide whatever is needed. He assured the Board that the 2015 Audit will not be late.

Brent Schillinger, Secretary of the CCC Board of Directors, stated that all the CCC does is above board and transparent. He noted the Board sees complete financial statements every two months and the Executive Board reviews them each month.

Dan Schwartz, 408 SW 9<sup>th</sup> Avenue Ft. Lauderdale, Director of Finance for the CCC since December, reiterated that there was a clean opinion on the 2014 Audit. He noted that the concerns were the CRA's, not the Auditors, and that the Management Letter was shared even though it was only intended for internal control issues. He commented that the CCC continues to

provide all information requested, and noted the need for the CRA delayed payments as the CRA funding comprises 20% of the CCC's budget.

Alyona Ushe, CCC Executive Director, first thanked the Board for the enormous support over the years. She commented that the Arts Garage has done a tremendous amount for the economic development of Delray Beach, and the underlying tones going around about the Arts Garage's situation is damaging their reputation and fundraising efforts. She took full responsibility for the late submission of the Fourth Quarter Report and apologized to the Board. She stated she wanted to ensure the accuracy of the report since it was their first audit, and assured the Board that all reports will be submitted timely going forward. She also noted that the Arts Garage is undergoing a major renovation and that they want and need the partnership with the CRA to continue their great work.

Mr. Rose apprised the Board that he had met with Ms. Ushe earlier in the week. Mr. Branning said he met with staff and reviewed the CCC's submittal and Audit Letter, and he agrees with staff's assessment. He had concerns around the \$70,000 Heckscher Grant having actually been used for the Educational Programs as intended. He noted the two bank accounts seemed to have mostly the Heckscher funds in them, and he was concerned that the money was used to cover expenses other than Education Programs. Ms. Ushe stated that the grant money was used exactly as intended, and that the bank account amounts do not concur due to checks having been cut but not released. Mr. Branning noted that on page 17 of the Audit there are five line items and he asked if there is backup to verify those expenditures. Ms. Ushe responded that because the 2013/14 Funding Agreement did not have the separate reporting and accounting clause, that Audit was reopened to provide verification of proper funding allocations. Mr. Schwartz said that yes there were schedules with detailed breakouts which could be provided. Mr. Branning's concern is that the numbers were thrown together in arrears to make the Audit look good. He pointed out the Management Letter said it was necessary to create schedules to support the activity in the general ledger and the Auditors recommended the CCC maintain schedules going forward. Mr. Branning felt that was basic to accounting practices. Mr. Schwartz assured him that everything going forward has documented spreadsheets, and many new policies and procedures are being put in place.

Mr. Branning asked when the 2014/15 Audit was expected, and Mr. Schwartz said mid-February but given all that has been going on it could be a couple of weeks after that. The Auditors can't finish the books with the CRA funding open so there is just too much uncertainty at this time. Mr. Branning feels there were not sound business practices being implemented, and even the procedure for reporting was not followed in terms of notifying the CRA the report would be late. Ms. Ushe again took full responsibility for not notifying the CRA within the proper time frame. She noted that it was two years ago since this is the 2013/14 Audit, and since then many policies and procedures have been put in place, especially with Mr. Schwartz coming on staff. She added the funding from the CRA has been accounted for, and all the funds have been spent appropriately.

Mr. Bernadel said that some members of the public think this initiative is positive but that there is a general concern with some of the public whether this organization is the right financial partner for this initiative. Ms. Ushe noted the CCC built it from the ground up and while there have been growing pains over the past four years, the answer is yes they are the right partner. Ms.

Balestriere commented that the CRA created the CCC, and she has always been quite supportive. She suggested that the CCC Board also needs to take more accountability. She stated that in addition to Ms. Ushe needing to initial all invoices etc., the CCC needs a strategic plan in place and to commit to sharing information cooperatively. Ms. Balestriere noted that based on the Audit and Management Letter there are some deficiencies that need improvement. She added it would be a lot easier if the bank statements were just provided.

Mr. Rose commented the CCC is a great asset, and that this is a situation where there are missing items and they just need to be provided. He noted the CRA does not want to take the money away but just needs the requested information. Ms. Hayward asked that the information also be provided in an organized manner, and she would need their financial reports and the bank statements not just invoices and cancelled checks. Mr. Cox stated that coming from a non-profit background he can assure Ms. Ushe this is not an ambush but it is a heavy lift, and there are concerns with management going forward. He commented that the CRA could also continue to improve the A-GUIDE process including improving notifications and timelines for review purposes. He feels that staff's recommendation is reasonable and in line with the CRA's fiduciary responsibility. Mr. Cox felt it is a good program and that there are opportunities for it to expand throughout the entire community. He added that could be included in the requested strategic plan. Ms. Ushe asked if a partial payment could be considered. Mr. Cox felt the staff's recommendation should be supported.

Mr. Bernadel made a motion to suspend payment of the FY 2014-2015 4<sup>th</sup> Quarter A-GUIDE funds to the CCC until the CCC provides the following: 1) A complete FY 2014-2015 Audit which demonstrates that the issues referenced in the 2013-14 Audit Management Letter have been addressed; and, 2) All invoices, checks issued, deposits and supportive documentation for expenses associated with the CRA funds for FY 2014-2015 are properly submitted and accepted. The motion was seconded by Mr. Branning. Mr. Costello received clarification that the item would not be brought back until the 2014-15 Audit was complete which was confirmed. The motion passed unanimously.

### **C. CRA Communications & Public Relations Plan and Services**

Assistant Director Thuy Shutt presented the item. Ms. Shutt noted that The Buzz Agency has handled the Marketing & Communications for the past two years, doing the social media and Communication & PR work. Per Board direction, Ms. Shutt has conferred with the DBMC regarding the CRA needs. The key highlights of the CRA's needs were provided in an updated Communications and PR Plan which Ms. Shutt prepared. Some things can be done in house, and some will still need to be outsourced. Consideration was given to combining the PR needs into the open Administrative Assistant position, but the need for administrative support by Economic Development and the West Atlantic Redevelopment Director precludes that. The two alternatives presented by Ms. Thuy were to issue a new RFP for Communication and Public Relations Services or to create a part-time staff position for someone who would be more familiar with CRA activities. Ms. Stephanie Immelman, Executive Director of the DBMC, has offered to help with the job description.

The Board Chair asked for public comments.

Ms. Immelman said she was on hand for any help she could provide, and offered that the DBMC could take on the Communications and PR for half of what the CRA is currently paying. There may be some legal issues and there would need to be a separate contract, but they are more knowledgeable about the CRA than any other entity.

Mr. Bernadel requested that the website contain brief biographies or backgrounds of each of the board members. Ms. Shutt said she will need to get with the website designer next week to have them accommodate adding those. Mr. Branning likes the creativity of partnering with the DBMC, but feels the CRA already funds 48% of the DBMC budget and would not want to take the DBMC staff away from their core mission. Ms. Immelman noted the responsibility would be given to the Assistant Director with whom she has already spoken, and he would be compensated. Mr. Tolces stated there are potential issues with the DBMC providing the CRA Marketing Services. Mr. Branning asked if \$16 an hour was sufficient for the part-time position. Ms. Shutt said that position would primarily be for social media, issuing press releases and assistance with the website. Additional graphic design will still need to be outsourced as it currently is. An in-house person would be more of an administrative point person, possibly a recent graduate, who likes to do social media. Mr. Rose suggested contests within the schools to do some designs. Ms. Shutt said that was a great idea to consider in the future depending on the turnaround time. Ms. Balestriere suggested that to get another firm, the CRA would still be just another client and they won't clearly understand the message needing to get to the community. There is good work being done in the community that needs to get out, like the stories behind the grants we provide. She asked if when three bids were sought to outsource work, the DBMC could be a respondent. Mr. Tolces confirmed that they are an independent business and could respond. Ms. Balestriere said that it's a good, live working marketing plan but just needs someone to assist with the job. Ms. Shutt stated she will check with other CRA's to see how they handle their PR.

Mr. Cox also questioned if \$16 was enough, and felt that the position duties need to be fine-tuned a bit more. He suggested some of the tasks that are not recurring could perhaps be absorbed by current staff. He would favor at this point that the job description being fine-tuned, taking a look at what items could be a collaboration with the DBMC, and doing the research on what other CRA's are doing with their PR. Ms. Shutt said The Buzz Agency Agreement expires at the end of March and would need an extension. Ms. Balestriere asked what the Buzz would do for that extra month if there was an extension. It was concluded that an extension with Buzz would not be necessary. Mr. Cox asked about the open Administrative Assistant position, and Mr. Costello said that position could be advertised right now. Mr. Cox felt that should be done as soon as possible. Ms. Shutt stated more information regarding salary and job description on the part-time communications person will be brought back to the board.

## **10. Other Business**

### **A. Comments by Commissioners**

Mr. Bernadel reminded staff to add the board member bios to the website.

Mr. Branning commented that he met last week with Alyona Ushe, Rob Steele, Executive Director of Old School Square (OSS), and some others regarding a collaboration between OSS and the Arts Garage. The Arts Garage lease is up in March, and they were discussing purchasing the space. The City would get their \$2.5 million and the space would remain a cultural destination, not

necessarily affiliated with a particular organization, and he feels it is worth considering. Mr. Stevens commented that earlier when he and Mr. Warner had some discussion, he felt it was personal to him and that he was spoken down to which he does not appreciate. Mr. Stevens made it clear that when issues come before him, he addresses them and gives his personal opinion as do the other commissioners. He did not understand or agree with the statement Mr. Warner made that the things that used to happen won't happen anymore. He stated the board has a responsibility to do what they believe is the right thing. He noted this board is comprised of independent thinkers and no one is pushing any particular agenda.

**B. Comments by Board Attorney**

Mr. Tolces reminded the board members to get their Executive Director evaluations in by next week so the Evaluation Committee can meet and then bring the results to the February meeting.

**C. Comments by Executive Director**

Mr. Costello updated the board regarding the current tenants' leases at 700 West Atlantic Avenue, and stated the developers are working with the People's Market and that the agreement with the business owner has been modified to allow flexibility to either stay in operation or close and still be compensated. Regarding the Atlantic Crossing DIA application, Mr. Costello said staff has not heard from the applicant for many months and will be sending a letter to the developer notifying them that the file is being closed. He also apprised the Board that Chairman Cox sent a letter to the Mayor requesting a date for the City/CRA Joint Workshop, and that they are considering a meeting in early April. Additionally, it is about time for this year's Goal Setting Workshop and that date will need to be selected. Ms. Balestriere asked if that should be before or after the Joint Workshop. She felt it would be better before so the board has their goals when they attend the Joint Workshop, and other board members concurred. Staff will look at some dates at the end of February or in March for the Board to consider.

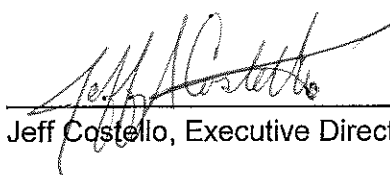
Mr. Cox mentioned the staff assessment and would really like to see that done to make sure the staff is being used effectively.

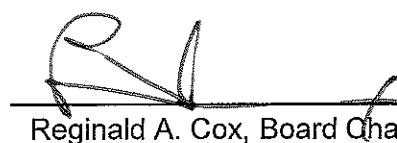
**D. Comments by Staff**

Ms. Shutt informed the Board that they will receive a copy of the amended Work Plan and distribute a copy with track changes.

**11. Adjournment**

There being no further business, the meeting was adjourned at 7:40.

  
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Jeff Costello, Executive Director

  
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Reginald A. Cox, Board Chair