



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
Thursday, November 17, 2016, 5:30 p.m.
City Commission Chambers – 100 NW 1st Avenue
Delray Beach, FL 33444

STAFF PRESENT:

Jeff Costello	Elizabeth Burrows	Yuberca Pena	William Wilsher
Thuy Shutt	Kristyn Cox	Renee Roberts	Susan Shaw
Joan Goodrich	Kevin Matthews	D J Doody	D J Lee
Lori Hayward			

OTHERS PRESENT:

Victor Kirson	Geoff Bennett	Jim Dupre	Doug Watt
Victor Williams, Jr.	Bob Currie	Choli Anderson	Peter Perri
Erica Gordon	Joyce Moore	Jeff Hatcher	Bill Nix
Tom Fleming	Morris Carstarphen	William Hatcher	Ann Stacey-Wright
Mike Listick	John Flynn	Chuck Ridley	Zach Straghn

1. Call to Order

Chairman Cox called the meeting to order at 5:34.

2. Roll Call

Present: Reginald Cox, Herman Stevens, Cathy Balestriere, Paul Zacks, Dedrick Straghn, Daniel Rose

Absent: Joe Bernadel

3. Approval of Agenda

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

4. Approval of the Minutes

A. Minutes of November 3, 2016 Board Meeting

Mr. Zacks made a motion to approve the Minutes of the November 3rd CRA Board Meeting which was seconded by Ms. Balestriere and passed unanimously.

5. Public Comments on Non-Agenda and Consent Agenda Items - None

6. P&Z

A. Amendment to Land Development Regulations - Tree Preservation, Protection, Enforcement and Maintenance Ordinance

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AAO

B. Amendment to Land Development Regulations – Leasing Office for Neighborhood Electric Vehicles

The presenter was not available so the items were postponed.

7. Consent Agenda

A. CRA Monthly Marketing Report, October, 2016

B. CRA Monthly Financials, September, 2016

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

8. Old Business

A. Update – Uptown Atlantic – Equity Delray, LLC

Executive Director Jeff Costello introduced the item and then turned the update over to the representatives present from Equity Delray LLC. Mr. Mike Listick, Attorney for Equity Delray LLC on this aspect of the project, commented that he understands the community feels shortchanged because it has been for a lot of years, and that he also understands the CRA needs to be cautious. He addressed 1) The status of the building permits – he said everything has been applied for but to get them issued, a \$400,000 payment needs to be made to the City by the owner. However, Equity will not be the owner until the deed is recorded so he suggests Mr. Flynn escrow the monies with CRA Attorney D. J. Doody so when the deed is recorded the payment can be made to the City; 2) Demolition permits again have been applied for but cannot be issued until applicant (owner) files a Notice of Commencement which cannot be done until the deed is recorded; 3) The plat has been approved and can be recorded after the required signatures have been obtained; 4) Contractor – Mr. Listick acknowledged Dwayne Randolph was highly instrumental in Equity being given this project and was a part of the original team. He was paid about \$186,000 for the first phase of construction development work. However, the banks and the bonding companies would not approve him and Equity felt they had no choice but to replace him after good faith effort was made to get Mr. Randolph bonded. He said the new Contractor has read the CBA and has agreed to uphold the Agreement with the community in its entirety; and 5) A grocer – Mr. Listick stated he was pleased to report that, after losing several potential grocers, the developer now has a Letter of Intent from a grocer with which the community will be quite pleased with, but due to a confidentiality requirement the name cannot be shared. He stated if all parties work together a closing can occur at Mr. Doody's office on December 1st and Equity will remit the \$400,000 for the permits and the \$2,000,000 for the purchase price. He handed out a draft resolution on which a motion could be made that would permit the project to go forward according to what was proposed in this update.

The Board Chair asked for public comments.

Peter Perri, 65 NE 4th Avenue, a member of the CBA Committee, expressed dismay that they do not have the expected Contractor and only have a Letter of Intent for the grocer. He felt this was business as usual with the developer not honoring promises. He noted the possible bonding issue with Mr. Randolph was brought up numerous times at meetings and they were always assured it would not be an issue until recently.

Ann Stacey-Wright, 225 SW 7th Avenue, reiterated this looks like business as usual. She stated

that promises were made and reassurances were given, and that even when the bonding became an issue the developer did not come to the community to let them know.

Chuck Ridley, Vice Chairman of WARC, 210 NW 2nd Avenue, noted he helped to negotiate the CBA. He commented that while there is a provision in the CBA that provides relief when something is not feasible such as the bonding of Mr. Randolph, he noticed that the developer managed to find work-arounds for the CRA contract when something seemed impossible. Mr. Ridley said he did attend a meeting with the developer in which they laid out a potential cure for the bonding issue which was to partner with a contractor who was bondable. That was a Friday evening and on Saturday he took the cure to Mr. Randolph. That Tuesday afternoon Mr. Randolph got a termination letter, which Mr. Ridley felt was not much time allowed to pursue the cure. He asked the Board to consider the developer's track record when doing their due diligence.

Zach Straghn, long time Delray resident, had originally encouraged the Board to accept the Equity proposal solely because of Mr. Randolph even though he preferred other proposals. He felt Equity was using the community for their own ends.

Morris Carstarphen, 609 SW 7th Avenue, local small business owner, urged the Board to turn over all rocks before rushing into any decision. He had made employment promises to some local people and now those ten to thirteen jobs probably won't happen.

Vic Kirson, Tierra Verde, said he knows politics and that this developer either wants to build or forget about it. He said if the CRA goes along with them, then Mr. Randolph is out, and he felt that if the developer really wants to build he will find a way to get Mr. Randolph the contract.

Mr. Stevens stated he would like to hear from Equity's principal John Flynn. Mr. Cox reminded that no formal action will be taken tonight, that this is just an update. Mr. John Flynn addressed the Board, stating his team is very committed to the project and to the community. He emphasized that Equity has delivered on everything to date except they could not get the bonding of the General Contractor. He stated that his architect, Bob Currie, introduced him to Mr. Randolph as a local contractor, and at that time was told Mr. Randolph was bondable and had a functioning business which he later found out was not the case. Mr. Flynn noted Mr. Randolph was paid around \$186,000 for first phase pre-construction work which was never completed. He said that Equity tried everything possible to work with Mr. Randolph including offering for him to partner with another bondable contractor but that was refused and a purely commercial decision had to be made.

Mr. Straghn asked CRA Attorney Doody about statements Mr. Listick made about things that were 'impossible' and asked whether the performance bond can be given without Mr. Flynn being the owner. Mr. Doody responded that a letter of credit can be posted in lieu of the performance bond for 110% of the projected value of the project within ten days prior to closing. Mr. Stevens commented that this is not about Mr. Randolph, and that there is concern whether the heart of the CBA will be met including if there will be a grocery store. He said it seemed that the bonding issue should have been known ahead of time instead at the 9th hour. Mr. Stevens stated that if the project goes forward, and he wants it to, Equity will need to restore confidence to the community. Mr. Zacks stated he wanted this project all along, and still believes it is an important project for Delray Beach. He said that if there is local hiring and the only thing that changes is the contractor then he would consider this project a success.

Mr. Straghn's concern is not about who the contractor is so much as the financial commitment letter which was a preliminary commitment letter. He also noted, in looking at the correspondence between the attorneys, that there are several things that should have been completed by now and pointed out that in Section 19B of the Purchase and Sale Agreement gives an option to the performance bond. He also commented that he had asked Equity at the July 14, 2016 CRA Meeting if they were sure they could get everything done by December 1st and was assured they could. He now feels that was disingenuous and he has a concern about the level of professionalism of the developer based on the correspondence he has reviewed. Ms. Balestriere commented that "actions speak louder than words," and said the community and board are speaking very loudly. She said she wants to see the project move forward. Mr. Rose stated this project should be something special, but said the developer has failed to show the community they will honor the CBA. He commented he understands sometimes there are parts of agreements that are unenforceable, but that whoever is the contractor for this project needs to honor the CBA. He added that jobs were promised to the community and that it could be a marquis project for the rest of the country to see what a community can do when they work together.

Mr. Cox thanked Equity and Mr. Flynn for coming and giving an update. He echoed much of what was said. He found it problematic that the proposer wasn't aware of potential issues when they picked their team and he said that in itself speaks to the concerns of due diligence and performance. He mentioned that a year ago it was stated that site plan approval was needed to procure financing, but there was no mention of the contractor's capacity then. He stated there is no documentation of good faith efforts to keep Mr. Randolph as the contractor, and felt it is really just rhetoric. He closed by saying there were many CBA issues that were not addressed or updated, and that any additional information can be sent to the Executive Director.

9. New Business

A. Resolution No. 2016-15 – Ground Lease Estoppel & Agreement Prime Delray Hotel
Attorney Doody presented the item. He stated that Prime Delray Hotel wants to pay off the indebtedness on the Fairfield Inn to the CRA. He noted that the Estoppel is like an amendment to the Ground Lease Agreement, and it brings a lender into the CRA's Agreement with the tenant Prime Delray Hotel. Mr. Doody read the resolution into the record.

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

Mr. Rose made a motion to approve CRA Resolution 2016-15: Ground Lessor Estoppel and Agreement between the Delray Beach CRA and Prime Delray Hotel LLC. Ms. Balestriere seconded the motion which passed unanimously.

B. Site Development Assistance Grant - Oceanside Veterinary Center, 836 SE 5th Avenue

Economic Development Manager Elizabeth Burrows presented the grant request. She gave the background on Oceanside Veterinary Center, noting it was the merging of two practices and that it is expected to provide seven new employment positions.

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

Mr. Rose made a motion to approve a Site Development Grant Agreement with Oceanside Veterinary Center, LLC for the interior improvement project located at 836 SE 5th Avenue, for an amount not to exceed \$27,160.00. Ms. Balestriere seconded the motion which passed unanimously.

C. Arts Warehouse Operations & Management RFQ

Assistant Director Thuy Shutt presented the item which is in follow up to the last meeting. She reviewed the background as well as highlighted the additions to this RFQ per input received from other arts entities and from the CRA Board. She made two corrections to the last page which included changing any reference to Arts Warehouse/Arts Incubator to just Arts Warehouse as it is already defined as such earlier in the document and the deletion of a sentence fragment in the fourth paragraph.

The Board Chair asked for public comments.

Bill Nix, 3430 Boulevard Chatelaine, stated he felt there were still some inconsistencies that could inhibit the maximum response level. He had sent those comments to staff.

Ms. Balestriere commended staff for a great job. She stated she had read the comments emailed to staff, and she felt the Board was clear they do not want to dictate resources and want to leave it broad to see what respondents provide in their pro-forma. She said there will probably be a gap but maybe not and so the Board wants to leave it to the respondent to ensure maximum flexibility. She added that affordable space for artists is of primary concern so there needs to be something to make up for the low rental income. She also stated that given this is the third time this RFQ is being issued, she suggested once it is issued that staff also pursue other options including an in-house position. Mr. Zacks agreed, saying it is good to have a contingency plan to the RFQ as it would not be good to have a building with no plan on how to proceed. Mr. Straghn asked for clarification about the recommendation to advertise for an in-house Manager while having the RFQ out to bid. Ms. Balestriere clarified that they would be simultaneous actions, with the idea being to have an employee to manage and operate the facility if no response to the RFQ is selected. Mr. Zacks noted it is just a gathering of resumes but no interviews would be conducted until the RFQ responses have been evaluated. Board consensus supported advertising the in-house position once the RFQ is issued.

Mr. Cox referenced that on page 5 it says "The goal is to attract foot traffic that makes the Arts Warehouse a community arts center for people of all ages and backgrounds – to 'break down barriers'" as well as another statement about a community arts center, and he stated that has to be tied directly into operations with time for people to come in for free time or for time designated for the community at large to take advantage of the Arts Warehouse. He inquired if it could be a venue for fundraisers given the catering kitchen which Ms. Shutt confirmed. He also asked if there is any 'graduation' type component for the incubator side. Ms. Shutt said it could be incorporated into the programming. Mr. Cox noted he is concerned with the ROI and the anticipated funding gap, and said it would be nice to see a break even. Ms. Shutt noted

there will be a cost-benefit analysis undertaken with any successful response. Ms. Balestriere made a motion to authorize staff to issue a Request for Qualifications (RFQ) for a qualified entity to operate and manage the Arts Warehouse. Mr. Rose seconded the motion which passed unanimously.

D. FY 2016-17 Focus on Fifth Initiative

Economic Development Director Joan Goodrich presented the item on behalf of the team heading up the initiative which consists of Elizabeth Burrows and Kristyn Cox along with herself and Mr. Costello. She reviewed the background of the Focus on Fifth initiative for "Evolving Economic Development" in the neighborhood now known as The Set, and for the ideas to intentionally activate the CRA properties in the historic 5th Avenue area. She suggested that the philosophy moving forward should be activation without acquisition which Pompano Beach has been successfully employing in their downtown, along with a master lease. While additional study is needed for 135 NW 5th Avenue Suite 6, she reported that staff is seeking authorization to issue a legal notice for leasing 186 NW 5th Avenue to be activated as a "Career Cottage". If the Board supports this First Phase, the next two Agenda items, 9 E1 and E2 will need approval.

The Board Chair asked for public comments.

Chuck Ridley commended staff, the West Atlantic Redevelopment Director, Mr. Nix and the others working on this initiative which he supports. He stated 5th Avenue is a historic area, and was once the commercial heart of Delray Beach. He is pleased staff is moving from rhetoric to process, and believes this initiative will provide synergy around building the wealth of the community.

Ms. Balestriere said it looks like a great program, a good way to activate the area, and she is in support. She got clarification that the current tenants in the office space to be advertised for lease are aware of the situation which Ms. Goodrich confirmed. Mr. Cox stated that he too appreciates the collaborative process being used in this initiative. He noted to achieve the desired vibrancy takes innovative ideas such as these. He stated he would add that a building maintenance and upkeep component needs to be examined as well. Mr. Straghn made a motion to authorize staff to issue the Legal Notice indicating the CRA's Intention to Accept Offers to Lease the Commercial Property at 186 NW 5th Avenue. Ms. Balestriere seconded the motion which passed unanimously.

E. First Amendment to Lease Agreements

These two items are companion items to 9D and CRA Attorney Doody stated one motion could include both Amendments for approval.

- 1. 186 NW 5th Avenue – BRP Senior Housing, LLC**
- 2. 135 NW 5th Avenue – Factual Multi-Services, LLC**

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

Mr. Rose made a motion to approve the First Amendment to the Commercial Lease Agreement with BRP Senior Housing, LLC for the CRA-owned property at 186 NW 5th Avenue up to April 1, 2017, and approve the First Amendment to the Commercial Lease Agreement between the

Delray Beach CRA and Factual Multi-Services for the CRA owned property located at 135 NW 5th Avenue, Unit C6, up to January 9, 2018. Ms. Balestriere seconded the motion which passed unanimously.

Chairman Cox had to leave and turned the gavel over to First Vice Chair Balestriere.

F. Resolution No. 2016-14 – Purchase & Sale Agreement – 101 SW 13th Avenue

West Atlantic Development Director Kristyn Cox presented the item and outlined the background and details of the Agreement for the land currently owned by Ridley Temple Church of God in Christ.

The acting Board Chair asked for public comments.

Chuck Ridley gave some history on the property, noting that his grandfather as well as the grandfather and great grandfather of Chairman Cox were the three who originally helped to develop this area. He suggested a pocket park be considered for the property, perhaps to be named after A. W. Ridley as the founder.

Pastor Victor Williams, Jr., 102 SW 12th Avenue, Sr. Pastor of Ridley Temple Church of God in Christ, commented on the great historical value and history of this property as mentioned by Mr. Ridley. He noted that the Church has been serving the community in many ways since 1947. He stated that there are many people in need in that location, and that the Church is selling the property to be able to make much needed repairs on the Church so it can be of better service to the community.

Ms. Cox clarified that the lot being purchased is behind the Church and is vacant.

Mr. Rose made a motion to approve Resolution No. 2016-14 and the Agreement for Purchase and Sale with Ridley Temple Church of God, Inc. for the CRA purchase of 101 SW 13th Avenue, with a purchase price of \$78,000.00. Mr. Straghn seconded the motion which passed unanimously.

G. Resolution No. 2016-13 - Budget Amendment No. 3 FY 2015-16

Finance & Operations Director Lori Hayward presented the Amendment. She reviewed the budget, noting the General Ledger Carry Forward of just over \$5 million and some other normal final adjustments for the end of the Fiscal Year 2015-16. Attorney Doody read the Resolution No. 2016-13 into the record.

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

Mr. Rose made a motion to approve Resolution No. 16-13 adopting Budget Amendment No. 3 for FY 2015-2016. Mr. Straghn seconded the motion which passed unanimously.

H. Amendment No. 3 to ILA for Construction & Professional Services FY 15-16

Assistant Director Thuy Shutt presented the item. She noted the final amendment was necessary to clarify the actual expenditures that were made for projects in the FY 2015-16 Interlocal Agreement.

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

Mr. Straghn made a motion to approve the Third Amendment to the Interlocal Agreement with the City of Delray Beach for funding of Joint Projects for Fiscal Year 2015-16 which was seconded by Mr. Rose and passed unanimously.

I. Selection to Old School Square Master Plan Core Committee

Ms. Shutt presented the item. She stated the Old School Square Park Master Plan process involves public engagement and consensus building activities and the CRA needs to create a "core committee" to review progress plans and provide input/feedback throughout the process. She said staff is recommending the Board nominate one CRA Board member to participate in the project and that each Board member nominate one individual from a provided list of entities to serve on the core committee. Mr. Straghn asked if each organization could nominate their own representative. Mr. Costello said staff could reach out to the organizations if that is the Board preference. Consensus was to bring nominations back to the meeting on December 8.

Mr. Rose was nominated to serve as the CRA representative on the Core Committee by Mr. Straghn. Ms. Balestriere seconded the nomination and he was unanimously approved.

Mr. Costello asked if the Board would hear the P&Z item at this point on the Agenda given they were not available when the item was called. The Board consensus was supportive.

6. P&Z (the presenter arrived at the meeting and the Board consensus was to hear the item)

C. Amendment to Land Development Regulations - Tree Preservation, Protection, Enforcement and Maintenance Ordinance

William Wilsher, Senior Landscape Planner, presented the item. He stated the gist of the Amendment is to strengthen and clean up the Tree Ordinance to better protect Delray's trees. He noted that one of the goals of the City is to keep and increase the existing tree canopy, and the order of options regarding possible tree removal is 1) keep trees in place, 2) relocate them on that same site, 3) relocate them off site and 4) as a last resort mitigate by planting another tree or pay a fee. Board consensus was supportive.

D. Amendment to Land Development Regulations – Leasing Office for Neighborhood Electric Vehicles

Mr. Wilsher presented the item on Neighborhood Electric Vehicles (NEV's). He stated that currently the sale, rental, repair etc. of all vehicles is limited to the Automotive Commercial Districts. He noted that interest has been shown in being able to have a leasing or rental component in general office areas in the core of the City, not on retail frontal streets but off of Atlantic Avenue. The NEV's would still be housed in AC Districts, but the rental office could be located within other areas. Board consensus was supportive.

10. Other Business

A. Comments by Commissioners - None

B. Comments by Board Attorney - None

C. Comments by Executive Director - None

D. Comments by Staff

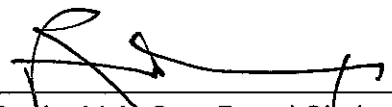
Ms. Burrows reminded the Board that the Saturday after Thanksgiving is Small Business Saturday and she encouraged all to 'shop small' this holiday season.

11. Adjournment

There being no further business, the meeting was adjourned at 8:20.



Jeff Costello, Executive Director



Reginald A. Cox, Board Chair