



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, March 9, 2017, 5:30 p.m.**  
City Commission Chambers – 100 NW 1<sup>st</sup> Avenue  
Delray Beach, FL 33444

**STAFF PRESENT:**

Jeff Costello	Kristyn Cox	Krista Walker	Missy Barletto
Thuy Shutt	D J Lee	David Tolces	Elizabeth Burrows
Joan Goodrich	Renee Roberts	Susan Shaw	Kevin Matthews
Lori Hayward	Candi Jefferson	Jorge Alarcán	

**OTHERS PRESENT:**

Jay Alperin	Victor Kirson	Irene Revelas	Carrey Caster
Ken MacNamee	Christina Morrison	Cecelia Boone	Connor Lynch
Sarah Crane	Bruce Gimmy	Mavis Benson	Allen Zeller
Jane Smith	Tom Fleming	Bill Nix	Jackie Ramirez
Howard Baar	Peter Perri	M. Shuler	Barbara Shuler
Bill Branning	John Brewer	Bonnie Miskel	

**1. Call to Order**

Chairman Cox called the meeting to order at 5:33 pm.

**2. Roll Call**

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

Absent: None

**3. Approval of Agenda**

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

**4. Approval of the Minutes**

**A. Minutes of February 23, 2017 Board Workshop**

Mr. Rose made a motion to approve the Minutes of the February 23<sup>rd</sup> Board Workshop. Mr. Straghn seconded the motion which passed unanimously.

**B. Minutes of February 23, 2017 CRA Board Meeting**

Mr. Rose made a motion to approve the Minutes of the February 23<sup>rd</sup> Board Meeting which was seconded by Mr. Zacks and passed unanimously.

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

**6. P&Z – None**

**7. Consent Agenda**

- A. Monthly Marketing Report, February, 2017**
- B. First Amendment to Residential Lease Agreements (Extension)**
  - 1. 46 SW 8<sup>th</sup> Avenue (Fields)**
  - 2. 19 NW 10<sup>th</sup> Avenue (Bradley-Morgan)**
- C. CRA Monthly Progress Report, February 2017**
- D. Economic Development Monthly Update, February, 2017**

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

**8. Old Business – None**

**9. New Business**

**A. Parking Cost Sharing Agreement – CRA and Delray Beach Holdings, LLC**

Executive Director Jeff Costello presented the item. He reviewed the background of the item, noting that it has always been anticipated that there would be an agreement for the CRA to reimburse the Developer for a portion of the cost for the operation and maintenance of the parking garage. He stated that the CRA will receive the increment revenue generated by the project, with an estimate of the first year's funds being approximately \$410,000, so the project will produce sufficient revenues to cover this cost. He noted that the Agreement before the Board tonight provides for annual operations and maintenance costs for the 90 public spaces in an amount not to exceed \$75,000 as recommended by the CRA Consultant. Also, during negotiations regarding the Agreement, partial reimbursement was discussed for the 40 public spaces required in addition to the 50 required as part of the RFP. The partial reimbursement will be for 10 years at an amount not to exceed \$40,000 per year. He added that the City will install parking meters and receive the revenues from them and conservatively those are anticipated to generate about \$167,000 annually.

The Board Chair asked for public comments.

Victor Kirson, Tierra Verde, stated that the termination date has passed and Delray Holdings did not close so the CRA has the right to cancel. He saw no need to continue discussions.

Jay Alperin, 3130 Lowson Blvd. and former Mayor of Delray Beach, stated the CRA has been and needs to continue to be a role model for CRAs around the country. He noted that the City will benefit from the 90 parking spaces and that the spaces are not free. He stated that he researched this information years ago as VP of Old School Square when the public Parking Garage at Old School Square was proposed. He commended the CRA staff and Commission and said that this report has been well prepared. He urged the Board to resolve the issue and move forward.

Bruce Gimmy, 439 E. Atlantic Avenue, felt the CRA has done enough and should get rid of the Developer. He voiced his concern that the Developer had received a 'sweetheart deal' and now wanted more money. He also commented that a great location would be where Uptown Atlantic was going to be, since people could exit I-95 at that location, it could have a restaurant and or bowling alley and it would be a great success in that area. He stated that with the current location for the project, there will be too much congestion and not enough parking, resulting in empty storefronts along E. Atlantic Avenue. Additionally, he said there is no replacement parking for employees and that he was promised that 100 parking spaces would be replaced during construction yet no appropriate location has been found. He urged the Board to move

forward, and suggested that if another RFP for that location was issued, the CRA could get a legitimate amount of money \$10 to \$12 Million (approximately) for that prime property.

Alan Zeller, former president of the Marina District, stated his experience that when the Marina District's HOA had asked the Developer some time ago to provide more lighting to the area, the Developer had declined to do so. Aside from that, he noted that in January of 2016, the DIA Assistance Program was being eliminated in areas 1 and 2, where this project is, and he did not understand why this Developer is getting DIA assistance. He noted that the RFP requested 50 parking spaces and the City required another 40. He noted the RFP is not a contract, but he felt the Developer did sign a contract for 90 spaces and should not now be seeking compensation for those 40 additional spaces.

Mavis Benson, 425 E. Atlantic Avenue, said she supports Mr. Zeller and Mr. Gimmy. She noted she has been disappointed and frustrated about this and feels it is only going to get worse.

Sarah Crane, 118 SE 7<sup>th</sup> Avenue, supports the iPic Project. She stated she would love to see this resolved and for the CRA to move on and consider all the residents who live downtown.

John Brewer, 501 NW 13<sup>th</sup> Street, said that his mother-in-law owns the Martini Building. He would like to see this project completed as that building is her nest-egg and until this project is completed it is devaluing the building. He supports the item moving forward.

Ken MacNamee, 1049 Del Haven Drive, encouraged the Board to vote no and stop the corporate welfare. He stated that if iPic objected to the parking they should have voiced those objections long ago. He noted that redevelopment along East Atlantic has been a success, and cited how underserved the NW and SW areas are, with unfinished sidewalks etc., and that the minorities are given the short end of the stick. He requested the Board put the residential neighborhoods first ahead of more downtown commercial development until all alleys and sidewalks are completed in residential neighborhoods. He asked the Board to reject the item.

Bill Branning, Vice Chair of the Advocacy Committee for the Delray Chamber of Commerce, stated he was a Delray CRA Commissioner at the time this project went through the RFP process. He noted this project was selected as the best project of four submitted to go on the 'Old Library Site'. He stated that Puttin' Around and the Pinball Museum are the only family friendly activities in Delray, and thinks this will be a great addition. He noted as well the 300 jobs it will provide and the \$400,000 annually in potential property taxes which could have been collected over the last ten years while the site has been vacant. He commented that the CRA has always anticipated that the maintenance cost for the public parking would need to be reimbursed to the Developer and that it is not a subsidy but a reimbursement for the public spaces. He added that the CRA's consultant has determined that \$75,000 is the recommended amount of reimbursement, and he felt that 30 cents on the dollar for public spaces was a great deal. He encouraged the Board to support the item.

Christina Morrison, 2809 Florida Boulevard, commented that if this project does not go ahead, the next one awarded will more than likely be bigger and denser because the LDRs for downtown are now more liberal. She felt it is a great looking project, and added that iPic agreed to pay more than the appraised value. She cited the new parking garage being constructed at the Convention Center in West Palm Beach which has an estimated it cost of \$30,000 a space to build whereas iPic is only \$10,000 per space. She noted the Developer has proceeded in good faith and asked the Board to do the moral and ethical thing by going forward and getting this project done.

Connor Lynch, 115 NW 16<sup>th</sup> Street and Chamber of Commerce Board Member, stated he is in favor of the project and thinks it is good for the town. He noted that this is an approved project and that it was always known the CRA would participate in some of the expense for the upkeep of the public parking. The finalization of this Agreement is a normal business expense needed by those financing the project. He encouraged the Board's support.

Bonnie Miske, attorney for Delray Holdings, LLC (iPic), clarified that the only reason Delray Holdings has not closed is some of the permits are not yet ready. She noted her client has met every deadline but there are some over which they have no control such as City permit

issuance. This Parking Agreement and final sign off from the City regarding a vehicles operation plan which was added well into the process are all that is needed to be able to close. She added that there were two consultants who said Delray Holdings needs greater reserves than the CRA consultant is recommending. She stated that her client is ready to go, is building a \$50 Million building, providing 90 public parking spaces, and is in fact moving the corporate offices to the location.

Carrie Caster, 1011 Vista del Mar, echoed the sentiments that going to the movie theater is a family activity and that they bring a sense of community. She felt the iPic will be a wonderful asset to the City.

Chairman Cox reminded the Board the only item before them is the Parking Cost Sharing Agreement and nothing else.

Mr. Rose inquired as to what type of Agreement there is with the Federspiel Public Parking Garage. CRA Executive Director stated that garage was built as part of the Worthing Place Project. He said it is a City garage and the City maintains it just like the Old School Square Parking Garage. Mr. Zacks wanted to clarify that the Board is being asked, as was contemplated, to fund the maintenance of public parking places that will be metered and generate revenue for the City so it seems equitable for someone from the City, in this case the CRA, to maintain it. He noted this property will generate roughly \$400,000 a year in tax revenues, equaling \$4 million over ten years so he feels the CRA is being a very good steward of public monies. He added that did not include the jobs that will be provided or the increased foot traffic downtown which will undoubtedly help the local restaurants and merchants. He mentioned one person running for election in Delray Beach referred to the iPic as a "transformative project" for the City with which he agreed. It is beautiful, family oriented, and he is proud the Board picked the project. In addition to the additional \$400,000 minimum in TIF revenues each year, upon closing the City will receive over half a million dollars in permit fees. Mr. Zacks noted there is a lot of money involved in this project which reflects the good stewardship of public funds the CRA is providing. He also referenced comments that were made earlier regarding the CRA's neglect of the Northwest and Southwest neighborhoods. He pointed out that the vast majority of CRA funds have been going to those neighborhoods and will continue to do so. He added that most of the \$4 million in additional TIF revenue from the iPic project will go back into those neighborhoods in part to continue to buy blighted properties and redevelop them. He said he is perfectly content to go with staff's recommendation and get this project moving forward.

Ms. Balestriere agreed with everything Mr. Zacks stated. In reference to an earlier comment, she said it can be very difficult to prove the Board is doing their due diligence. She stated the TriParty Agreement between the City, the Chamber and the CRA obligated the 50 public spaces which was approved by all parties, so the RFP process was entered into with information from many sources and well vetted. She noted the area from the beach all down Atlantic Avenue needs to be activated, and that a movie theater is a great addition for families to be able to go from the beach, to shopping, to restaurants, and then a movie. She stated also that the alleys and other projects the CRA is working on will all also get done. Mr. Bernadel stated he had been briefed by staff and is prepared to vote on the item. Mr. Straghn said he can't justify not taking the advice of the consultant the CRA hired to examine the parking costs and supports moving forward. Mr. Stevens also stated he was supportive.

Mr. Rose expressed his desire to see anchors in the Agreement so if Delray Holdings fails to bring their corporate office to Delray or if they sell the project to a third party, the Agreement terminates. He wanted the terms and conditions of the RFP restated in the Parking Agreement to protect the CRA. Ms. Balestriere asked the CRA Attorney if further provisions are necessary.

Board Attorney David Tolces stated there are provisions in the Purchase & Sale Agreement that specifically require them to open an iPic Theater and to move their corporate offices to Delray. He added that if Delray Holdings does not pay the property taxes they do not get their reimbursement. If they want to sell, the CRA would have the ability to consider the sale and decide what types of conditions might be wanted. He believes the CRA, City and residents are adequately protected as the Agreement is drafted. As for the corporate offices, Mr. Tolces believed there is a declaration in the Purchase Agreement relating to housing the corporate offices in the iPic Building which if not fulfilled would have penalties. He added that would not be automatic and would have to go to court. Mr. Rose wanted to see more specifics added into paragraph 9 for further protection.

The Board Chair said he would entertain a motion. Mr. Tolces said that prior to the motion he wanted to read into the record some language that was added to the Agreement after the item was sent to the Board. He read the amendment to page 2, Item (i)(C) which adds to the end of the sentence "and that the Developer has put forth, and continues to put forth its reasonable, good faith efforts to hire local residents to be employed at the theatre or the Project, pursuant to the Local Employment Program, as provided herein through the filing of a semi-annual report with the CRA on or before July 1<sup>st</sup> and before December 31<sup>st</sup> of each year of this Agreement." Mr. Zacks made a motion to approve the Parking Cost Sharing Agreement between the CRA and Delray Beach Holdings, LLC, for the Fourth & Fifth (iPic) project with the inclusion of the amendment as stated by Mr. Tolces. Ms. Balestriere seconded the motion which passed 6-1 with Mr. Rose dissenting.

#### **B. RFP – Southwest 600 Block - West Atlantic Avenue**

Mr. Costello presented the item. He reviewed the draft RFP, noting the primary objective is to attract a Respondent who can develop a full service grocery store in the SW 600 Block of W. Atlantic Avenue. He also reviewed other additions to this RFP which included items regarding local hiring initiatives, The Set Branding Initiative, etc. He stated that if approved, the RFP would be advertised on the coming Monday with a Pre-Submittal Meeting slated for March 22<sup>nd</sup>. He added that he and Attorney D J Doody have met with Pasadena Capital (representing Publix Supermarkets) and are moving forward with discussions on the purchase of the site for a grocery store. He commented that the issuance of an RFP for the balance of the parcels in SW 700 and 800 Blocks can be discussed at a later date depending on the progress of negotiations with Pasadena Capital as well as the responses to this RFP if approved.

The Board Chair asked for public comments.

Chuck Ridley, 210 NW 2<sup>nd</sup> Avenue and Chairman of the West Atlantic Redevelopment Coalition, voiced his and WARC's support for this RFP and encouraged the Board to move forward with issuance. He noted that with the past RFP for W. Atlantic Avenue, the biggest impediment was the design of Uptown Atlantic not being well configured to accommodate a full service grocery.

Mr. Rose remarked that this could be the beginning of something really special, and said that if Publix were to go in it would possibly be followed by a CVS, Chipotle, or other known brand entity. He added that affordable housing could be built on the sites behind each block. Mr. Stevens questioned if it would make sense to find out all the pitfalls with the first RFP issuance for the area that could hold this one up also. Mr. Zacks pointed out that factually the RFP's differ in that the first RFP for the area contained no mandate for a grocery store, just that it would be one possible desired use. Mr. Cox stated he agrees with Mr. Costello in terms of moving simultaneously with the RFP issuance and the Pasadena Capital negotiations. He noted that Publix is the number five (5) top employer in the City and the number one grocer in the state of Florida, and that the significance of having a Publix on West Atlantic is remarkable. He also agreed with Mr. Rose that it would really stimulate development on West Atlantic

including the north side. He noted that the CRA and WARC have really come together to assure the community's desired uses come to West Atlantic Avenue.

Mr. Stevens stated he supports issuing this RFP, but did not understand why the other parcels are not being issued at this time as well. Mr. Costello clarified that there are two simultaneous occurrences relating to the 600 Block - the negotiations regarding the unsolicited letter of interest from Pasadena Capital to acquire land for a Publix and the issuance of this RFP for a grocery store in the event the Pasadena negotiations do not end with a Purchase Agreement. He noted this RFP is for 3.4 acres, whereas the interest from Pasadena Capital is for a lesser amount of land. Staff wanted to see how negotiations proceed as well as responses to the RFP in the event that there is additional property in the 600 Block which needs to be included in the RFP to be issued for the remaining 700 and 800 Blocks. Mr. Stevens made a motion to approve the release of the RFP for the 600 Block, concurrent with an RFP for the remaining parcels. Mr. Rose seconded the motion. After further discussion, Mr. Stevens withdrew his motion and made a motion to table this item until the April 13<sup>th</sup> meeting in order to have an RFP brought back to the Board that addresses the entire assemblage of properties in the 600-800 Block. Mr. Rose seconded the motion, which failed 3-4 with Mr. Zacks, Mr. Bernadel, Ms. Balestriere and Mr. Cox dissenting.

Mr. Costello suggested the Board approve the issuance of this RFP tonight and have staff bring back an RFP to the April 13<sup>th</sup> Board Meeting that includes the remaining parcels in the 700 and 800 Blocks. Mr. Zacks made a motion to approve the release of the RFP for redevelopment of the CRA owned properties within the Southwest 600 Block of West Atlantic Avenue, between SW 6<sup>th</sup> and 7<sup>th</sup> Avenues, for the development of a full-service grocery store. Mr. Rose seconded the motion which passed unanimously.

### **C. Update Arts Warehouse – Agreement for Operations & Management – Arts Warehouse Group (AWG)**

Assistant Director Thuy Shutt presented the item. She reported that negotiations with AWG on the Agreement for Operations & Management of the Arts Warehouse with the three conditions imposed by the Board had reached an impasse. The Board was provided a letter from AWG stating their inability to come to agreement on the conditions. Subsequent to receiving the letter from AWG, Ms. Shutt provided to the Board a revised recommended action for this Agenda item which involved ending negotiations with AWG and pursuing the hiring of an in-house Arts Warehouse Manager.

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

Mr. Straghn addressed Mr. Nix and Mr. Fleming, both of AWG, saying he was disappointed and asked if they were sure more time would not help them resolve the impasse in negotiations. Tom Fleming, 2052 Alta Meadows Lane, stated this decision was not made lightly, and that they were not able to express their feelings that the conditions were unworkable at the time they were imposed. Bill Nix, 3430 Blvd. Chatelaine, stated one of the fundamental issues was in understanding what the CRA is looking for in terms of revenue and expenses and they also felt the conditions are unworkable in 2 or 3 weeks, particularly given they cannot get in to see the space for which they are to program. Mr. Fleming said they submitted a proposal that laid out all the components and if they are not going to be able to do what the originally proposed there is no point in going forward. Mr. Cox asked if they had seen the plans, which both Mr. Fleming and Mr. Nix had. Mr. Nix said they are being asked to do a year's worth of programming without even knowing what the space looks like. He also referenced the condition requiring 100% occupancy by October 1, 2017, but they don't even know when the CO will be attained although the building is scheduled for completion in July. Mr. Nix said part of the RFQ stated that

whoever was awarded the contract would work with the architect and the CRA to fine tune the space, but there is no agreement to be able to proceed with that.

Further discussion continued. Attorney Tolces stated that in order to draw up the contract, it was the goal to have a complete package for management such as the use of space, the leasing of space to artists, pricing etc. which are all part of a standard management agreement. Mr. Cox stated that the items requested have not been received and the time has elapsed, so the question would be 1) are the items requested valid and 2) if there needs to be more time to get a handle on what is needed. He noted staff is saying one thing is needed and the respondent is saying something else. Mr. Bernadel commented he did not understand the apparent confusion. Mr. Zacks stated he was originally opposed to a CRA staff member running the Warehouse but he is now reconsidering that. He did not feel what was being asked for from AWG was unusual or unexpected. Ms. Balestriere agreed the Board needs to take staff's recommendation and pursue an in-house manager. Mr. Cox agreed that he also was prepared to move forward with staff's revised recommendation. He did note that he wanted staff to go back and take a good look at what ingredients are needed to make this successful, and he said that realistically one position will not be sufficient for this undertaking. Mr. Zacks added that this is a crucial hire and suggested getting additional expertise involved for the hiring process. Mr. Zacks made a motion to end negotiations with the Institute for Civic Achievement, Inc. (d/b/a Arts Warehouse Group) which was seconded by Ms. Balestriere. The motion passed 6-0 with Mr. Stevens abstaining. Mr. Zacks made a motion to authorize staff to start the interview process for an in-house Arts Warehouse Manager which was seconded by Ms. Balestriere and passed unanimously.

#### **D. Resolution No. 2017-03 – Support for Renaming SW 6<sup>th</sup> Avenue to James Lamar Shuler Avenue**

Mr. Bernadel recused himself from the discussion and vote due to a conflict of interest. Mr. Tolces read Resolution No. 2017-03 regarding the renaming of SW 6<sup>th</sup> Avenue into the record.

Project Manager Kevin Matthews presented the item. He reviewed Mr. Shuler's background and contributions to the City of Delray Beach. Staff is recommending approval of the Resolution. He turned the podium over to Dr. Barbara Shuler, Mr. Shuler's widow. Dr. Shuler recognized that Reverend Howard Barr had been present but had to leave to give a service, and also in attendance was Mr. Shuler's sister who started Shuler Memorial Chapel along with Mr. Shuler. She noted the discussion earlier on the 600 Block was bittersweet and commented that Mr. Shuler would be happy to see the redevelopment as he was so supportive of the revitalization of West Atlantic Avenue. She reviewed some history regarding her husband and why he so merits receiving this honor. She requested that in the Resolution in the 7<sup>th</sup> Whereas Clause where it says Mr. Shuler's "wife", the word wife be changed to "widow".

The Board Chair asked for public comments.

Chuck Ridley, 210 NW 2<sup>nd</sup> Avenue, spoke in support of the Resolution and agreed it is a much deserved honor. He stated he hoped it would be the beginning of opportunities to honor and recognize some of the other icons of the community who like Mr. Shuler work tirelessly for this community.

Mr. Rose was supportive of the request, and said he hopes it is a start in recognizing great leaders in the community. Ms. Balestriere commented that this was the perfect night to have this on the Agenda. She felt the community needed a 'feel-good' story and she hopes there will be more types of these items in the future. Mr. Cox also recognized how involved Mr. Shuler was in the community, that he was homegrown, and a valued community leader who worked tirelessly to better his neighborhood. Mr. Rose made a motion to approve Resolution No. 2017-

03 for renaming SW 6<sup>th</sup> Avenue to "James Lamar Shuler Avenue". Mr. Stevens seconded the motion which passed unanimously.

**10. Other Business**

**A. Comments by Commissioners**

Mr. Straghn commented that several of the candidates running for City Commission were present tonight and wanted to recognize that. He noted a growing concern about a lack of movement on the landscaping contracts. He is not confident that it has any priority in the Environmental Services Department (ESD) and has not seen any tangible report or heard anything substantial. He requested the Board receive a monthly written report given by ESD with a timeline from the when they took on the responsibility through to what is going to happen. Board consensus was supportive.

Mr. Stevens noted he had wanted to be at the last meeting to vote on the item involving the purchase of SW 6<sup>th</sup> and 7<sup>th</sup> Avenue properties. He understands the Board agreed to the CRA paying the closing costs for the gentleman who was selling the property. He wanted to be careful about setting a precedent, stating that the gentleman did not need it and that it was not warranted. He said there should never be another debate about whether a seller gets their closing costs paid by the CRA – that if it is given to him it should be given to everyone.

Mr. Cox thanked staff for the card recognizing the passing of his uncle Rev. Herbert Young. He noted the wake will be tomorrow with the service on Saturday.

**B. Comments by Board Attorney**

Mr. Tolces commended the staff for their hard work and that it is a pleasure working with them.

**C. Comments by Executive Director**

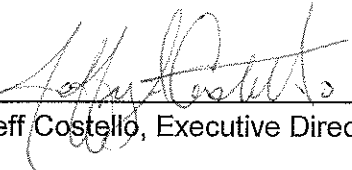
Mr. Costello reported that on April 13<sup>th</sup> the Palm Beach County Sports Commission will be presenting to the Board. He also announced the DDA wants a Joint Workshop with the CRA to present their Ambassador Program which is currently scheduled for April 27<sup>th</sup> if the Board concurs. Consensus was supportive. He broached the topic of the Monthly Reports on the Agenda possibly now becoming Quarterly Reports going forward. It was Board consensus that the Reports can be put on the Consent Agenda, other than the Landscape Maintenance Report, and if someone wishes they can pull an item and have it put on the regular Agenda.

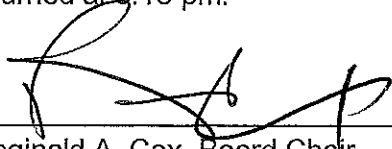
**D. Comments by Staff**

Communications & PR Coordinator Renee Roberts advised the Board of two upcoming public meetings, one for Old School Square Core Master Plan Public Meeting #2 on March 13<sup>th</sup> and another for The Set Plan Community Workshop on March 28<sup>th</sup>. She also passed out photocopies of the Annual Report which is currently at the printer.

**11. Adjournment**

There being no further business, the meeting was adjourned at 8:13 pm.

  
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Jeff Costello, Executive Director

  
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Reginald A. Cox, Board Chair