



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 WORKSHOP MINUTES

Thursday, February 22, 2018 5:00 p.m.
Swinton Operations Complex – 434 S. Swinton Avenue
Delray Beach, FL 33444

STAFF PRESENT:

Jeff Costello	Joan Goodrich	Elizabeth Burrows	David Tolces
Lori Hayward	Renee Jadusingh	Susan Shaw	Caryn Gardner-Young
Kristyn Cox	Kevin Matthews	D J Lee	Amanda Skeberis
Mark Lauzier	Missie Barletto	Rob Massi	

OTHERS PRESENT:

Diane Colonna	Sara Selznick	Roney Pongner	George Long
Peter Perri	Michael Horwin	Patricia Wright	Grecia Edmond
Marjorie Waldo	Ari Whiteman	Ron Gilinsky	Jim Chard
Joycelyn Patrick	Charlotte Danciu	Jane Smith	Mr. & Mrs. Robertson
Dupree Jackson	Mohamed Abdulla	Jim Dupre	Dwayne Randolph
Ernestine Holliday			

1. Call to Order

Chair Gray called the meeting to order at 5:03 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

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

4. Discussion –

a. Proposed RFQ/P Key Elements - Redevelopment of CRA-Owned Properties in the SW 600-700-800 Blocks in The Set

Executive Director Jeff Costello opened the discussion. He gave a brief update and introduced Kim Briesemeister, Principal of Redevelopment Management Associates (RMA), the

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consultants who are assisting the CRA with crafting the proposed RFQ/P. She emphasized the importance of having what is written in the document be perfectly clear because at the end of the day it is a legal document that will result in a legal contract. Ms. Briesemeister reviewed the goals of the RFQ/P as 1) having clear and concise goals 2) identifying qualified development teams that understand the goals and 3) ensure the expectations of the public and private sectors are understood and financially feasible. Ms. Balestriere asked what month is realistic for the RFQ/P to be issued. Mr. Costello stated the goal is for the end of March or early April, and that staff is working with the WARC Economic Development Committee in crafting a draft document which will be brought to the March 8th CRA Board Meeting for review. He said the RFQ/P Timeline is expected to be a nine month process to get to contract negotiations. Mr. Cox noted that with this proposed timeline contract negotiations would begin in January, and he asked the average amount of time for that step. Mr. Costello said with the last two contracts, one negotiation took four months and another was seven months. Ms. Gray felt that issuance of the RFQ/P should not be rushed. Ms. Briesemeister suggested it would be wise to start working with the lawyers on the contract and to have the contract as an Exhibit in the RFQ/P so potential developers know up front what the expectations are. She said the nine-month timeline is realistic for a project of this size. Mr. Carstarphen asked how long before the project is completed once negotiations are underway. Ms. Briesemeister said that the developer can be working on getting their financing while negotiations are proceeding so this RFQ/P process should save time in the long run, but that they won't start spending money on an architect etc. until they have a signed contract. She said there is a wide time range due to various factors including the City and its permitting processes as far as how long negotiations will take.

Ms. Briesemeister reviewed the General Public Sector Goals or Key Elements, including Housing, Priority Uses, Space for Local Businesses, Local Inclusion and Participation, Land Value versus Purchase Price, and Public Benefits. She gave an overview of the interrelationships of the Key Elements, what they mean to the CRA and the public sector, and the balance between the public and private sectors. She noted it is a clear desire to have community benefits and so the more specific the RFQ/P can be the better, and that it is important to consider if the requirements can be reasonably met by the Developer and the General Contractor. Mr. Costello pointed out the need for Workforce Housing and discussed the City's Residential Use Requirements. He reviewed the City's residential density requirements and that the 12 units per acre are permitted with the density increase up to 30 units per acre allowed as a conditional use, and that the density increases within the 30 units per acre 20% of the units are required to be workforce housing (above the 12 units per acre). He added that the requirement for Workforce Housing may be fulfilled by providing the units either onsite or for-sale offsite construction or a donation to the City. He stated that partnership proposals will be encouraged with a list of local housing partners, with the RFQ/P allowing either the onsite or off-site for-sale products options not the donation option. Ms. Gray asked which the CRA wanted. Mr. Costello said that either option is acceptable, and that rental housing is also needed. Ms. Briesemeister said there is also the for-sale versus rental housing question, and that the market is leaning toward rental properties at this time. She stated that in the NW/SW area there is likely to be a need for rentals and the price point of the area needs to be determined as well as how many of the rentals will be Workforce Housing. She stated that a Developer usually makes their money from the residential component of a mixed use development, and suggested that in order to accommodate a Developer's finances, as much of

the Workforce Housing as possible can be off-site but that it must be provided somewhere. Mr. Zeller asked if the document will specify how early on in the project the Housing will be provided. Mr. Costello stated that based on the current ordinance it is set up to be either concurrent with or prior to construction of the project, but not at the back end of the project. Mr. Rose felt it needs to be very specific because if it is left up to the Developer they will not do it and he felt they will be applying for tax credits anyway. Ms. Briesemeister noted that there are two types of tax credits that can be applied for and two types of developers who use tax credits – there are developers that are market ready and tax credit developers who are not likely to respond to the RFQ/P. She reviewed the two types of tax credits, and she said tax credit projects are difficult and did not recommend the CRA allowing the use of tax credits for this project. Mr. Costello said there are some tax credit projects already in the SW area, and that the desire with this project is for Workforce Housing not entertaining tax credit projects. Mr. Zeller asked if the bedroom mix would be addressed. Mr. Costello explained that the bedroom mix is addressed in the Land Development Regulations and that if necessary perhaps the City could have some flexibility with the required percentages. Ms. Briesemeister said the more the market is allowed to drive what is needed the more likely that a Developer will get financing and maintain their product as opposed to the CRA requiring specific mixes that are not market driven.

Mr. Costello reviewed the priority uses desired in Retail Space, with the full service grocer being the number one followed by neighborhood services such as pharmacy, financial institution, healthy and wellness and family entertainment in no particular order. Mr. Cox asked that with a grocer being the number one use desired, wouldn't that attract a specific type of Developer. Ms. Briesemeister agreed that is true, and said that grocers will generally have certain developers that they deal with and they use owner reps, like Pasadena Capital, to scout sites for them etc. She added that the term full service grocer also has to be considered with the current shift toward home delivery and online retailing. She said these are all the pieces that have to be fit together to get the responses desired. She noted that if the Publix footprint is what is desired then that can be used as a example, but that there needs to be clarity on what will be accepted i.e. will the CRA accept a 15,000 to 20,000 s.f. grocer instead of 25,000 s.f., or will an Aldi's or a Lucky's be acceptable?

The discussion turned to space for local businesses, and Mr. Costello reviewed the Tenant Relocation Plan Requirement based on the previous project intended for the area. He said there are currently four CRA tenants at 700 West Atlantic Avenue plus two vacant bays which are on the market. Ms. Gray asked what the current tenants are paying and if they are market rate. Mr. Costello said two are paying \$24 s.f. and the other two are below market rate due to the Board's desire to activate West Atlantic Avenue. Ms. Gray felt the CRA needed to assist those businesses in utilizing resources available for capacity building and get them business-plan ready as she did not feel it was fair to the Developer to require them to lease some space at below market rate. Mr. Rose disagreed in that he felt whoever is awarded the bid will make a substantial profit and should be able to benefit several tenants who are a part of and a benefit to the community. Mr. Cox felt that would fall into advocacy for small business development for the CRA and is really a policy decision that the Board needs to make. Ms. Briesemeister said she did not think a requirement to take care of the current tenants would pose a problem as that is part of the public/private sector balancing act that will need to occur. Ms. Briesemeister

brought up the question of having the General Contractor use six local subcontractors on the project as a requirement, and said staff needs to assure there are enough qualified subcontractors to pick from if that is required in the RFQ/P. She also noted for example that some General Contractors may have their own licenses such as an electrical license, and if there is not an electrical contractor that the bank and the GC think is qualified to do this type of a project, then what will the CRA do? She said there are alternatives but there needs to be clarity on what exactly is wanted and some certainty it is feasible. Ms. Gray asked where the number six came from. Mr. Costello said it came from discussions within WARC's Economic Development Committee, and that it was not felt that six would be a heavy lift given a list of 124 sub-contractors in the area has been compiled. Ms. Briesemeister noted that for bonding purposes, the bank and the GC will consider if the subcontractor has the experience and background in this type of development. She added that it is great there is a list of 124 local subcontractors, but are they qualified to do this type of a project. Ms. Balestriere asked if staff could get that information by the next meeting. Mr. Carstarphen said he thought that was the point of "Teaming" which should eliminate that issue. Economic Development Director Joan Goodrich stated that the Economic Committee will be continuing to do due diligence on six being a realistic number as well as the qualifications of the sub-contractors. Mr. Cox felt that some Developers have better relationships and experience with lenders etc., and that this is an area they need to be able to bring to the table. He felt April 1st was unrealistic and thinks an analysis on who is available in Delray and what is their capacity. Ms. Balestriere felt it was more important to get the project started than to be concerned with the number for required local subcontractors. Ms. Gray felt a compromise could be in further qualifying the list of subcontractors. Ms. Goodrich stated the Committee and staff are working with three databases of subcontractors and that they are considering subcontractors who may live in the area but have their business elsewhere as being acceptable. Ms. Gray felt that made the number six more reasonable, and she said another compromise could be to state in the RFQ/P that the desire is six from the target area and if that is not attainable the you can go regional if you can show proof it was not attainable. Mr. Cox felt the City's procurement process and policies on local inclusion should be considered to avoid trouble. He said it is critical to get this part of the RFQ/P right and to really take a serious look at the database of subcontractors ahead of time. Ms. Gray said she would like to see a minority inclusion component in the document. Mr. Costello asked to let staff look into a minority inclusion clause with the attorney and report back to the Board. Ms. Balestriere made a motion to end the workshop and pick it back up at the Regular Meeting. Mr. Cox seconded the motion which passed unanimously.

5. Adjournment

The Workshop was adjourned at 6:20 pm.

Jeff Costello, Executive Director

Annette Gray, Board Chair