



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
Monday, July 16, 2018 1:30 p.m.**

City Hall Commission Chambers – 100 NW 1st Avenue
Delray Beach, FL 33444

STAFF PRESENT:

Jeff Costello
Lori Hayward
Joan Goodrich

Kristyn Cox
Kevin Matthews
Elizabeth Burrows

DJ Lee
Teresa Hadjipetrou

Renee Jadusingh
Danielle Arfin

OTHERS PRESENT:

Robert Townsend
Gericia Elmond

Ellen Limer
Jane Smith

George Long
Jim Dupre

Sharon Blake
Marjorie Waldo

1. Call to Order

Chair Petrolia called the meeting to order at 1:30 pm.

2. Roll Call

Present: Pamela Brinson, Angie Gray, Bill Bathurst, Adam Frankel, Shelly Petrolia, Shirley Johnson, Ryan Boylston.

3. CRA Workshop Item - A-Guidelines (Achieving Goals Using Impact Driven Evaluation).

Ms. Lori Hayward, CRA Finance and Operations Director, presented an overview of the A-Guide program. She stated that in 2007 the City reduced the amount of funding to the nonprofit partners and the CRA agreed to provide the additional funding. In 2010 the CRA Board adopted the A-Guideline funding, which is Achieving Goals Using Impact Driven Evaluation. The program was structured to fund only the nonprofits that are located on CRA or City property. The CRA would support would not exceed 25%. In the CRA plan there are 7 needs. The A-Guide took 3 of those needs and provided funding for organizations which will help further their goals and objectives. These needs include affordable housing activities, recreation and cultural facilities, and economic and business development.

Ms. Hayward went on to discuss the A-Guide Review Committee for fiscal year 2017-18, which is comprised of the CRA Executive Director, CRA Finance and Operations Director, and the Assistant City Manager. She also discussed the criteria for reviewing the applications, which is grouped into six categories. These categories include organizational capacity (20%), need for program/project (20%), program/project

description (10%), logic model/project results (20%), evaluation plan (10%), and budget and sustainability (20%).

In fiscal year 2016-2017, the economic impact in the City included 339,113 visitors to Delray Beach, which had an overall impact of \$8.7 million.

Ms. Hayward commented that if an organization has a good percentage it is generally recommended that they receive full funding. In situations where the percentage is really low, the Committee has recommended less funding and other things to help them with their budget and to become more financially sustainable. The Committee also looks at the success from the previous year.

Chair Petrolia commented on issues going on in Tallahassee. She thinks its time to look at the A-Guidelines and is glad that the CRA Board is the City Commission because now that they are one they are able to see this more clearly. She wants measures to be put in place and consider outside consultants to help these organizations to figure out what is not working and help make it work.

Ms. Hayward commented that all of the applicants will do a short presentation at a workshop in August.

Vice Chair Johnson voiced her concern about the amount of funding the CRA is providing for these nonprofits when there is so much that needs to be done to eliminate slum and blight in this City. Sometimes we do not know what the nonprofits are getting because it may be labeled as something else. She inquired as to whether any nonprofits have ever stated that they no longer need funding.

Mr. Costello responded that they have not experienced a nonprofit no longer requesting funds. The CRA created the A-Guide program to implement measures to ensure that the return on investment was being realized. It has been challenging for some of the nonprofits, but they have become stronger organizations as a result. It is a good partnership as long as it is achieving the goals and objectives in the CRA Plan. He stated that the nonprofits are aware of what is happening in the state legislature and are looking for more ways to be creative and self-sufficient knowing that these funds may not always be there.

Mr. Tolces noted that there has been a lot of scrutiny directed at CRA's and how they are spending their funds. The Delray Beach CRA went through the State Auditor General. Part of the A-Guide development was to make sure that the funds being provided to the nonprofits were being done so in a manner consistent with the requirements for CRA's under State law. This gives the CRA additional support in case anyone was to challenge an expenditure. They are also all tied to bricks and mortar which is important for community redevelopment and is why we have kept it in CRA and City owned buildings because they are buildings that were improved with CRA funds.

Commissioner Frankel asked if the CRA gives funding to other nonprofits outside of the

six A-Guide organizations such as WARC. He wants to ensure oversight to make sure these funds and services are being provided.

Mr. Costello responded that there is a Community Sponsorship Grant Program where the maximum grant amount is \$1,500. He also clarified that the CRA does provide CRA staff support for WARC. There has also been discussion of WARC changing their place of business from 20 N. Swinton to someplace else.

Treasurer Bathurst commented that he is glad the City and CRA funds these organizations. He wants to ensure transparency and full reporting. He wants a clear picture of what the CRA and City are each spending on these organizations. He does not think they are getting a clear picture on spending.

Commissioner Boylston commented that we need these nonprofits to look at the needs of the City and utilize their assets to help out within their mission. He wants to know what the goal is for each of these nonprofits. They have assets and space in Downtown Delray Beach. They need to start using that and think outside of the box.

Treasurer Bathurst commented that he wants to help the nonprofits help themselves.

Commissioner Brinson commented that she would like to see more funding for the Spady Museum as it holds a wealth of our history.

First Vice Chair Gray commented that West Atlantic does not have spaces for mom and pop shops. She wanted to know what happened with the TED Center. She owns a business on SW 5th Avenue and noted that a new start-up business could not afford the rent there. We need to do more to incorporate start-up businesses to stabilize our community. She wants to see coworking space on the West side.

Vice Chair Johnson noted that no two nonprofits are created equally. They each have their own specialty. These nonprofits must make their case to gain her support. Just because you have a program does not mean you should get funding from the City or CRA.

Ms. Hayward commented that the hope for this program was that the nonprofits can take this grant program and get other funding elsewhere.

Ms. Hayward commented that the A-Guidelines are going to need to be updated.

Vice Chair Johnson asked what insight we have into the books of these nonprofits. Ms. Hayward responded that we receive their 990 and their audits in addition to quarterly financials. She also noted that the A-Guide agreements are done on a yearly basis.

Ms. Hayward concluded the presentation.

4. CRA Workshop Item – CRA Funding Assistance Programs Overview.

Ms. Elizabeth Burrows, Economic Development Manager, discussed the 7-year Business Grants Review and Report. The report discussed the four business grant programs, the Rent Subsidy program (\$6,000), Paint-Up and Signage program (\$5,000), Historic Façade Easement program (\$75,000), and the Site Development Assistance program (\$50,000).

Ms. Burrows discussed the 7-year period from FY 2011- FY 2017 in which the CRA allocated \$1.327 million among the four programs. The funding was awarded through a total of 130 separate awards to a total of 201 businesses and property owners. The average funding was \$10,210. The job impact includes 821 workers with 49% being held by Delray Beach residents. The capital investment generated was \$16.68 million in private investment with 481,397 square feet of commercial space being impacted. For every \$1 that the CRA invested, there was \$12.58 in private investment. Ms. Burrows continued her presentation with an overview of how each program operates.

Ms. Burrows went over the other programs that the Office of Economic Development does manage that were not included in the 7-year Business Grants report. These programs include the Job Creation Bonus program (\$75,000), Land Value Investment program (land lease), Development Infrastructure Assistance (\$250,000), and the Community Sponsorship Grant Program (\$1,500).

Ms. Burrows discussed some opportunities moving forward, which include creating new tools, expanding Community Sponsorship Programs or create new economic development sponsorship programs, and to review, renew, and create new incentive programs.

Chair Petrolia voiced her concern about rising rents with rent subsidies. She noted it may be better to allow things to work themselves out in order for rents to flatten out, so it does not reach a point where it is unaffordable even for the CRA. She had a concern with funding for interior space and thinks that money could be better spent being directed to cure blight, which is really the goal of the CRA.

Commissioner Boylston agreed with Chair Petrolia in regard to the rent subsidy program. He noted that using taxpayer dollars to subsidize rent is a bad idea and stops growth in other areas. The best policy would be to move businesses into areas where the CRA is looking to redevelop to encourage other businesses to follow suit. He wants to learn more about the interior program.

Ms. Burrows responded that changes were made to the Site Development Assistance program to allow for interior improvements. That change was made in April 2016 after benchmarking other CRA's and Cities across the State who were offering similar types of programs and was a recommendation that was reached as a result of best practices and based on what the CRA was trying to accomplish in our community. It does include flooring, walls, doors, expansions, and remodeling. It also helps with electrical, mechanical, and plumbing expenses. Another change that was made around that time was to restrict its use throughout the Downtown core and beach area. The only two

types of businesses that is available to is office users and art studios/galleries. It is not available to restaurants, retail, or medical offices.

First Vice Chair Gray commented that we need a program similar to the Development Infrastructure program that would be geared towards homeowners as opposed to developers considering there is a lot of land for sale. This program could help homeowners who want to develop a piece of property. She noted that she wants to create a program where we help businesses walk through the process to eliminate stress on both sides.

Treasurer Bathurst commented that he would like to see more lot by lot and block by block initiatives so that someone who lives in The Set and owns a piece of property can get help to get the proper architect, permitting, and planning done so that the holding cost are not so onerous. This way they can still own the building and not have to wait for the City or CRA to buy the whole block and build it. He supports anything that can help individuals and work on creating new tools.

Ms. Burrows clarified that the Rent Subsidy program is a one-time, \$6,000 maximum per business with no renewals or ability to reapply. They also need to have a fully executed lease in order to be able to apply.

Vice Chair Johnson asked how businesses learn of these programs. Ms. Burrows responded that they have been doing a lot of work to get information to the proper people sooner in the process. She referred to the GEAR table which consists of ten partners of organizations in the community who work on behalf of and with businesses. This group gets together on a quarterly basis to discuss issues that impact businesses including creation, retention, and other issues. This has been one of the most impactful ways to share information and allowing our partners to help carry messages to those who need it most. They are also working on a Business Navigator program in which they are collaborating with front-line staff in the City who are regularly involved with businesses.

Vice Chair Johnson suggested that a brochure is created to inform businesses of the Office of Economic Development and CRA.

Ms. Burrows concluded the presentation.

5. CRA Workshop Item – Curb Appeal Program Overview.

Ms. Ferline Mesidort, Neighborhood Services Division, presented an overview of The Curb Appeal Program. There is an approximate allocation of about \$35,000 per year. Previously this could only address about 5 properties per year which has been increased in order to access more homes. The purpose of this program is to address aesthetics. The maximum amount for the program is \$15,000. Everyone that comes through the program has to be income eligible. In the last ten years they have completed 39 projects. They have expanded about \$324,000 with an average cost of about \$7,500. Of the 36 properties completed, only 5 were sold and 2 were due to inheritance at death. Staff is

recommending to increase the funding for this program. In the last two years there has been an effort to explain the program to residents.

Vice Chair Johnson commented that the one-year warranty is not enough.

Ms. Mesidort concluded the presentation.

6. Discussion – Request for Proposals – SW 600-800 Blocks of West Atlantic Avenue.

Mr. Jeff Costello, CRA Executive Director, presented a draft RFP for the SW 600-800 blocks of West Atlantic Avenue. The description of property is greater than what is currently under contract. He discussed the key elements, project objectives, requirements and presented the RFP Scoring Criteria. He then discussed the Draft RFP Selection Procedure and RFQ/P review process, which includes WARC. He stated that this is a draft document and changes can be made.

Mr. Costello went on to list the Open Items for Discussion.

Commissioner Boylston commented that he would want to have input from the DDA included in this. He also confirmed that there is already a requirement for 20% workforce housing. Since it is being sold at a steep discount, we should be getting more affordable housing with this project. He would like for anyone who responds to this to put up offers for how much workforce housing they would include. He wants this to be one of the scoring criteria so that if a developer comes in with an aggressive workforce housing percentage they can get some more points. He also wants to open up the discussion regarding number of stories for this building.

Commissioner Frankel expressed his disappointment with the public comments made by a WARC member. He noted that nothing has been done.

Mr. Costello responded that WARC is not an entity of the CRA or the City so we do not have any jurisdiction over what steps need to be taken with the organization.

Mr. Tolces commented that the Board could give the CRA the opportunity to review the legal requirements under the CRA Plan or the LDR with respect to any groups participation in the RFP process. We can then come back with a recommendation to the Board with respect to that organization.

Chair Petrolia would like to see some changes made and to be aware of the alternatives.

First Vice Chair Gray noted how unfortunate it is that this has happened. In order for WARC to be part of this process, the leadership of that organization needs to be changed.

Commissioner Brinson commented that she wants to hear what the residents have to say but in regard to the input and final decision it should be left to the Board. The more

people involved the more complicated things are going to get.

Treasurer Bathurst commented that he would like to renegotiate the deal. He wants to get new ideas and let the developers get creative.

Chair Petrolia commented that the least amount of property included the better in order to continue that village feel as opposed to a massive project. Commissioner Boylston noted that he will also be looking for that in the RFP.

Chair Petrolia noted that we are asking for a lot of benefits which makes it difficult for a developer to build at the highest and best use.

First Vice Chair Gray would like to incorporate a mentorship program into the RFP. She also noted that she would like to see the CRA office on West Atlantic Avenue.

Mr. Costello concluded the presentation.

7. Adjournment

There being no further discussion the meeting was adjourned at 4:20 pm.

Jeff Costello, Executive Director

Shelly Petrolia, Board Chair