



CRA Board Meeting Minutes
Tuesday, December 11, 2018 – 1:30 p.m.
City Commission Chambers – 100 NW 1st Avenue
Delray Beach, FL 33444

STAFF PRESENT:

Jeff Costello	Elizabeth Burrows	Renee Jadsuingh	Teresa Hadjipetrou
DJ Doody	Kristyn Cox	DJ Lee	Kirsta Walker
Joan Goodrich	Lori Hayward	Ivan Cabrera	

OTHERS PRESENT:

Laura Simon	George Long	Darryl Johnson	Ernestine Halliday
Kim Jones	Dorothy Ellington	Shirley Erarsa	Jeff Hatcher
William Hatcher	Patricia Wright	Max Eida	Carlos Lorenzo
Mark Clary	Patrick McCullough		

1. Call to Order

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

2. Roll Call

Present: Chair Shelly Petrolia, Deputy Vice Chair Angie Gray, Vice Chair Johnson, Treasurer Bill Bathurst, Commissioner Adam Frankel, and Commissioner Pamela Brinson.

Commissioner Ryan Boylston arrived at 1:37 p.m.

3. Approval of Agenda

Executive Director Jeff Costello requested item C (Award of Bid-CRA office Renovation) under New Business be moved to item AA.

Motion by Deputy Vice Chair Gray, seconded by Commissioner Frankel, to approve the agenda with changes. In a roll call vote, the **motion** passed unanimously (6-0)

4. Approval of Minutes

a. October 9 CRA Regular Meeting Minutes

Motion by Commissioner Frankel, seconded by Commissioner Bathurst, to approve the minutes from the October 9 CRA Regular Meeting. The **motion** passed unanimously (6-0).

b. October 22 CRA Special Board Meeting Minutes

Motion by Commissioner Frankel, seconded by Deputy Vice Chair Gray, to approve the minutes from the October 16 CRA Special Board Meeting. The **motion** passed unanimously (6-0).

Commissioner Ryan Boylston arrived at 1:37 p.m.

5. Presentations

None.

6. Public Comments on Non-Agenda and Consent Agenda Items

George Long, 46 N. Swinton Avenue, complimented to Executive Director Costello and other staff members of the CRA.

Kim Jones, spoke as CFO for Old School Square and announced that they have received an anonymous matching grant of \$250,000.

Daryl Johnson, asked about the old Shuler Funeral Home Building at 606 W Atlantic Avenue. He was wondering if the CRA would allow someone to lease the building while waiting for development in the future. Mr. Johnson said he has been a resident of Delray Beach for 47 years and has been a long-time funeral home operator.

Ernestine Halliday 40 NW 8th Avenue, spoke regarding the signs for the homeowner's associations, asking when public meetings would be held. Continuing, she asked when the Board would be discussing the SET Transformation Plan.

7. Consent Agenda

a. CRA Financial Report, September 2018

b. CRA Monthly Progress Reports, November 2018

c. Clean and Safe Program Monthly Report, October 2018

d. Curb Appeal Grant – 119 SW 9th Ave (Stowbridge)

e. Community Scholarship Grant – Milagro Center

f. Old School Square 4th Quarter FY2017-18 Guide Report

Motion by Deputy Vice Chair Gray, seconded by Commissioner Bathurst, to approve the Consent Agenda as amended. The **motion** passed unanimously (7-0).

8. Old Business

a. Discussion – Northwest 600 Block West Atlantic Avenue – Development Proposals

Mr. Costello introduced the item, which was previously discussed at the September 11th Board meeting, where Edron, LLC made a presentation. At that time, the item was tabled.

Since the time of the original discussion, Mr. Costello explained a second proposal has been received from Hatcher Development regarding a portion of the properties on NW 6th Avenue.

Mr. Costello showed a map of the area, highlighting the Edron, LLC property and showing the mixed-use development proposal shown at the September meeting.

Mr. Costello then shared the proposal from Hatcher Construction & Development, Inc.

Mr. Costello stated staff proposes negotiating the terms and conditions of a land lease with Hatcher and a land exchange with Edron, LLC to allow for the opportunity to redevelop the majority of the block. He further explained rent rates could be worked out as part of the negotiation with Hatcher.

In response to a question from Chair Petrolia, Mr. Costello said the cost to acquire the property for the CRA was over \$1 million, over a 13-year period. The most recent appraisal valued the property at at \$55 per square foot as an assemblage.

Mr. Costello outlined history regarding negotiations on this property, including an offer to Edron, LLC for their properties as recently as 2017.

Chair Petrolia asked why an RFP was not being sent out at this time. Mr. Costello stated that was an option, but these two (2) proposals had been submitted to the CRA for consideration.

Mr. Costello stated terms and conditions would need to be acceptable to the Board, including a timeline which would be strictly enforced.

Deputy Vice Chair Gray acknowledged Hatcher is the sort of business that the CRA wants to work with, and she saw that as a good move. Continuing, she said this has been a challenging piece of property, and on the Edron, LLC piece she would like to see a developer brought in.

Commissioner Bathurst stated his comments were similar, and his feeling was that the CRA needs to get more places and spaces moving forward. He said he would rather have smaller, more articulated developers with short timelines.

At the request of Commissioner Bathurst, Mr. Costello showed the drawings submitted by Hatcher.

Commissioner Brinson noted the status of the Hatcher proposal showed they were ready to move forward.

Vice Chair Johnson stated she has concerns as they have not been able to come to an agreement after 18 years. She further stated she is never in favor of land swaps but is in favor of moving forward with the Hatcher proposal.

Commissioner Bathurst clarified the parking proposal, and stated he saw benefit in Edron, LLC working with a partner.

Commissioner Boylston stated he sees a good opportunity in moving forward with both proposals and setting all details in place. He said he would like to see the next steps for the Edron, LLC project.

The Board discussed the reasons past acquisitions with Edron, LLC had not gone through. Vice Chair Johnson asked if the acquisition of the Edron, LLC property were still on the table and asked that the staff return to the table to discuss that option.

Mr. Costello clarified the proposal, which included the swap of one piece of property and the sale of three (3) CRA properties.

Attorney DJ Doody asked for preferences regarding a lease with Hatcher, and whether that would be at market rate. Chair Petrolia stated that depended on the community benefits offered.

Further, Mr. Doody stated there would be expectations for development within the lease of the Hatcher proposal and asked the Board to consider increase in rates and acquisition of the property.

Chair Petrolia acknowledged the Board was comfortable with moving forward with the Hatcher project and asked for discussion regarding the Edron, LLC proposal.

Mr. Doody stated terms would be incorporated which required commencement of development, financing, and a construction contract. Closing would be subject to government approvals.

Commissioner Bathurst suggested discussion of half of the project if the scope was too large.

Mr. Doody asked the Board's expectation regarding concluding negotiations. He recommended the end of March.

Chair Petrolia opened a public hearing on the proposal.

Max Eida, stated the current proposal is for \$800,000 to acquire the property, and he would start building right away. Continuing, he addressed why he hadn't built previously. He stated he has spoken to the bank and they would love to move forward.

William Hatcher, thanked the Board for the opportunity to develop the land for a new office building. He said this was a long goal for years, and this was the perfect property to allow them to be somewhere permanently. He stated he looks forward to giving opportunity to other small businesses and developers.

Carlos Lorenzo, spoke as a neighbor to the property, stating he would like to see height addressed as well as infrastructure and provide a cohesive development. Mr. Lorenzo stated there are currently not sidewalks in the area. Further, he said he thought it made more sense to move forward with an RFP to lock in a true gateway to Atlantic Ave.

Chair Petrolia closed the public hearing.

Chair Petrolia acknowledged there were some good points made during the public comment and asked that staff discuss negotiating a smaller piece of the property, and keep an open mind.

Continuing, Chair Petrolia addressed Mr. Lorenzo's comments, and said she doesn't think there has to be a single development to keep it feeling cohesive.

Motion by Commissioner Boylston, seconded by Commissioner Bathurst, to move forward with lease negotiations with Hatcher Construction & Development, Inc. The **motion** passed unanimously (7-0).

Motion by Commissioner Bathurst, seconded by Commissioner Boylston, to enter into negotiation for sale, purchase, and potential land swap with Edron, LLC. The **motion** passed unanimously (7-0).

9. New Business

AA. Award of Bid for 2018-04 – CRA Office Renovations Project (20 N Swinton Ave.)

Ivan Cabrera, Project Manager for the CRA, presented the information on the need for repairs to the historic CRA office building. On November 7, 2018, three (3) bids were received, though one (1) was later withdrawn due to a calculation error.

Staff recommended the bid be awarded to Marvey Builders in the amount of \$211,010. He noted the budgeted amount is currently \$150,000, and a budget amendment would be necessary to cover the remaining costs.

Chair Petrolia opened a public hearing on the proposal, however there were none to speak, and she closed the hearing.

Commissioner Frankel asked the reasoning behind the new deck, and Mr. Costello clarified it was to comply with ADA accessibility requirements for the structure.

Deputy Vice Chair Gray stated the office represents the CRA, and she is glad to see it moving forward.

Chair Petrolia asked for explanation on where the funds would be going. Mr. Costello stated the bid is not broken down for interior versus exterior, but renovation would be done inside, including restroom upgrades, other office renovations, interior and exterior painting, and wood repairs. There is also a \$55,000 contingency included.

Vice Chair Johnson asked how long it would be before the CRA was ready to move offices, and Mr. Costello stated that is not known, but the offices are located prime area and is within a historic building.

The Board discussed the rarity of the architectural style and the cost to make improvements.

Vice Chair Johnson clarified the location of Marvey Builders was in Miami and pointed out for an additional \$6,000 the project could be kept local.

Mr. Doody, CRA attorney, stated the legal standard is the most responsive and responsible bidder. He explained it goes beyond price and asked that staff be invited to provide additional information if a second bid was being considered.

Motion by Commissioner Boylston, seconded by Deputy Vice Chair Gray, to award the bid as staff recommended.

Deputy Vice Chair Gray asked how much longer it would take to go with the second bid, and Mr. Doody stated questions would just need to be asked of staff to determine the comparatives.

Assistant Director Renee Jadusingh stated the difference is price, otherwise the components of the bids are the same.

Commissioner Frankel interjected the contractors are not the same, as one bid is local, and one is not. He stated as a Board, that could be money well spent.

Chair Petrolia asked for a legal review of the question, and Mr. Doody asked for further staff clarification of the bids.

Mark Clary with Song and Associates, the architect assigned to the project, stated both bids came in within ten (10) percent of probable cost, and discussed the process moving

forward. He said the staff recommendation was based on due diligence to spend government money most efficiently.

Chair Petrolia said the CRA does not have a provision for small businesses or minority businesses to give a leg up and pointed out there was a \$15,000 difference in the contingency allowances in the proposals.

Vice Chair Johnson stated she is a proponent of working local and encouraging local businesses. Commissioner Boylston said he was 100 percent on board with that but did not see this as the appropriate time to make that shift.

The Board and staff discussed the definition of most responsive and responsible bidder, and the CRA attorney stated it was a policy decision for the Board.

Deputy Vice Chair Gray withdrew her second of the motion. Commissioner Boylston withdrew his original motion and submitted a new motion to the floor.

Motion by Commissioner Boylston, seconded by Commissioner Bathurst, to award the bid to Marvey Builders in the amount of \$211,010. In a roll call vote, the **motion** failed (4-3), with Commissioner Frankel, Commissioner Brinson, Deputy Vice Chair Gray, and Vice Chair Johnson voted no.

Motion by Vice Chair Johnson, seconded by Commissioner Frankel, to award the bid to Hatcher Construction in the amount of \$217,09.68. The **motion** passed (6-1), with Commissioner Boylston voting no.

A. First Amendment to Interlocal Agreement between the City and CRA FY 2018-19 for Transportation Services

Mr. Costello stated the Board previously approved an agreement through January 21, 2019 at a Special Meeting, but the consensus of the Board in November was to amend the agreement through April 30, 2019. This would require additional funding of \$120,000. Separate from this item is an RFP, which is the next item on the agenda.

Chair Petrolia opened a public hearing on the amendment.

George Long, said he would like to say that the old trolley has character, and the new white bus does not. He asked that the Board take that into consideration when reviewing proposals.

Chair Petrolia closed the public hearing.

Chair Petrolia stated she did not know why they were still not looking at the point-to-point, and Mr. Costello said staff has been looking at other municipalities and would bring forward a discussion at the January meeting.

Chair Petrolia asked if the CRA could piggy-back on the RFP for a pilot program, stating people are concerned with the transportation not functioning as it used to. There was some discussion concerning point to point transit and open air vehicles versus closed.

Chair Petrolia stated she wanted to see a band-aid, then moving forward with offering the best possible transportation plan for Delray Beach.

Commissioner Boylston stated he had hoped there would be a full transit plan in place at this point. Chair Petrolia added that people who could make that plan happen needed to be brought in.

Chair Petrolia expressed that open air is what people are willing to wait for, and Commissioner Boylston agreed that the transportation plan must be an enhancement, not a duplication of what the private sector is doing.

Deputy Vice Chair Gray stated the Board already knows what the issue is, and she thought they had agreed to the open air vehicles.

Commissioner Brinson said the concern is whether that was cost effective, and Chair Petrolia stated that information would come from the RFP.

Motion by Deputy Vice Chair Gray, seconded by Commissioner Boylston, to extend the service in its current form to April 30, 2019. The **motion** passed (6-1), with Commissioner Frankel voting no.

b. Request for Proposals – Fixed-Route Transportation Services

Mr. Costello gave a brief overview of the proposal, with some changes from the Board packet. He stated the RFP would not go through the City's purchasing, it would be procured through the CRA. In addition, he stated staff wanted to clarify the pricing structure and issue the RFP next week.

Continuing, Mr. Costello stated the respondents would be asked to not utilize the current trolleys, but to come in with a separate vehicle.

The Board and staff discussed the option of a fare to subsidize the service, and Commissioner Frankel asked that it be kept simple.

Commissioner Bathurst asked if it needed to be 16-22 passengers, or if the RFP could be adjusted to allow the bidder to state. Mr. Costello stated that information could be reviewed.

The Board discussed the current data collection system, which began counting passengers the previous Monday, but that information would not be available in time to go for proposal.

Chair Petrolia opened a public hearing on the item, however there were none to speak, and she closed the public hearing.

Motion by Commissioner Frankel, seconded by Commissioner Boylston, to issue the RFP on the Fixed-Route Transportation Services. The **motion** passed unanimously (7-0).

Commissioner Boylston asked if photo or video was being included in the tracking of the existing transportation system.

Laura Simon, Director of the DDA, stated they got pricing on video, but it was too expensive, so staff would be doing photography and video themselves. She said the DDA received a call for a field trip with 52 kids to utilize the trolley and did not have capacity.

Deputy Vice Chair Gray asked about ridership for the summer and expressed a concern with spending money solely on the downtown transportation. She stated the plan should also include a walkable City plan.

C. Award of Bid for 2018-04 – CRA Office Renovations Project (20 N Swinton Ave.)

Item C was addressed as item AA.

D. Resolution No. 2018-20 – Agreement for Purchase and Sale – 102 & 1211 NW 14th Ave

Kristyn Cox, Project & Development Relations Manager, presented a possible purchase of a vacant lot for affordable housing. Ms. Cox stated the property was appraised at \$46,000, which the sellers have agreed to.

Chair Petrolia opened a public hearing on the amendment.

Evelyn Dobson, spoke on behalf of the Delray Beach Community Land Trust, asking about the sidewalk plan. She said the Land Trust has a duplex nearby, and recommended consideration of sidewalks.

Chair Petrolia closed the public hearing.

Vice Chair Johnson asked for clarification on the addresses, and Ms. Cox explained, then stated it would likely be corrected with development.

In response to a question from Chair Petrolia, Ms. Cox stated the two (2) substandard parcels would be combined to become one (1) buildable lot, which would be put in the pool for workforce housing. Plans are not in place at this time.

Motion by Deputy Vice Chair Gray, seconded by Commissioner Frankel, to approve Resolution No. 2018-20. The **motion** passed unanimously (7-0).

e. Discussion – Draft Request Proposals – Wayfinding Signage

Mr. Costello gave a brief overview of the draft of the scope of services in anticipation of moving forward with the project. He stated the CRA would be the project managers, and

it would be processed through the City's purchasing department, unless the interlocal agreement were amended.

Continuing, Mr. Costello stated the idea was to promote the destinations and relieve congestion, and work would move forward in cooperation with CRA partners. He said this is a critical component of mobility and allowing people to find their destinations.

Mr. Costello explained the City Commission would ultimately approve the contract, which would be managed by the CRA. He stated a steering committee would be part of that process, and a joint meeting could be held.

Mr. Costello stated this was being brought to the attention of the CRA Board as it is an important project for downtown and city-wide.

Chair Petrolia opened a public hearing on the item, however there were none to speak, and she closed the public hearing.

Deputy Vice Chair Gray asked for clarification on the project, and Mr. Costello stated it would be issued in a phased approach, with contracts beginning in June. He added it could be budgeted over time.

Commissioner Boylston pointed out this item has already been approved in the budget and was just for discussion before the CRA Board.

Mr. Costello agreed, clarifying the wording of the interlocal agreement.

Deputy Vice Chair Gray asked if going through the City would lead to bottlenecks, and Mr. Costello stated the CRA would be managing the project to keep it moving forward. He added ongoing communication would occur.

In response to questions from Vice Chair Johnson, the Board and staff further discussed the process that would be followed and the reasoning behind going through the City Commission on the Wayfinding signage project.

f. Discussion – Carver Isle Workforce Housing Construction - Procurement

Mr. Costello gave a brief overview of the progress on the Carver Isle project. Decisions were previously made on Carver Square, and since that time Carver Isle has been added, and the two (2) are being treated as one development.

Continuing, Mr. Costello discussed the process which was previously approved, and stated the non-profit partners had given feedback. At this time, staff is prepared to proceed in preparing invitations for bids and working with the non-profit partners to income qualify buyers.

Chair Petrolia opened a public hearing on the amendment.

Evelyn Dobson, spoke on behalf of the Delray Beach Community Land Trust, stating the information at the meeting was not as presented. Ms. Dobson said the housing partners said the CRA needed to present several items to the Board, including whether the area median income (AMI) would be capped at 120 or 140, how much the CRA would be committing for purchase assistance, and consideration of deed restrictions and how much would be added for the land.

Ms. Dobson stated if the non-profits utilize their current builders, the houses can be built for a lower cost. She discussed the difference between building with the non-profits and building as the CRA. Continuing, Ms. Dobson asked why a letter of intent could not be done in place of an RFP.

In addition, Ms. Dobson conveyed the importance of understanding these homes would primarily be focused on low to moderate income households, because even with purchase assistance, she said very low-income buyers are not being qualified for no more than \$100,000, and moderate is coming in at just over \$200,000.

Dorothy Ellington, said the main point is the non-profit developers can bring these units in at a less expensive price than the CRA.

Chair Petrolia closed the public hearing.

Mr. Costello confirmed the discussion Ms. Dobson referred to, but the staff recommendations are based on staff analysis. He stated the CRA does have the ability to go up to 140 percent and work at reduced construction rates. He explained the CRA may absorb a number of the soft costs, but also noted the subsidy caps had not been set at this point and need to be discussed further once the costs are better known. All the lots will be deed restricted for a minimum of 40 years, and subsidies could follow the land.

Chair Petrolia asked the benefit of the CRA being the developer of the project, and Mr. Costello stated the CRA would be able to get them built all at once, basically building on spec.

Deputy Vice Chair Gray stated if the partners are in place, and they have been very successful with their programs. She noted there are buyers in the pipeline, so finding qualified people would not be an issue, and either way the CRA would be absorbing the soft costs.

Continuing, Deputy Vice Chair Gray said allowing the partners to do what they do would allow the CRA to focus on other priorities. She added they have proven they can get it done and pointed out that the Board decisions referenced in the discussion were made by a previous Board, not the current CRA Board. Deputy Vice Chair Gray stated she recommended to request Letters of Intent, rather than going through the RFP process, because the people are ready.

Vice Chair Johnson stated she felt a great deal of background was not shared with the Board. She noted she was in favor of working with those developers who have proven history.

Mr. Doody clarified the staff proposal, including whether the CRA would make the improvements and whether lots would be conveyed. He noted ultimately the decisions would be made by the Board.

Deputy Vice Chair Gray asked Ms. Dobson to return to the podium to answer questions from the Board.

Ms. Dobson stated at the time of the meeting with staff, the CDC had five (5) mortgage qualified buyers, and the CLT had nine (9). She stated the recommendation from the non-profit partners was to build houses on spec and allow someone to buy them, noting that even if one partner builds them, they would be available for purchase from either.

Commissioner Bathurst asked about deed restrictions, and Ms. Dobson stated it would depend on which organization the home was purchased through, with CDC being 40 years and CLT requiring 99 years.

In response to a question from Mr. Doody, Ms. Dobson stated the land would belong to the CRA with her proposal, as well as with the staff proposal.

Continuing, Mr. Doody asked who the builder would be and what the contractual relationship would be. Ms. Dobson explained the partner would make a proposal to the CRA.

Vice Chair Johnson asked why the CDC was not present at the meeting. Ms. Dobson stated consensus at the meeting with staff was that the CLT could take the lead. It was clarified that a member of the CDC Board was present, but it was not the same member who was present at the previous meeting with staff.

Mr. Doody discussed details and policies which need to be figured out moving forward and referenced the Atlantic Park Gardens project for reference.

Ms. Dobson stated the current Board does not know the history on subsidies that have been provided by the CRA, including those acquired from New Urban for six (6) lots in the Coda Project. She stated she felt there was an established precedent for the way the relationship works.

Chair Petrolia said a decision would not be made tonight, and Deputy Vice Chair Gray said the Board had provided some direction through the discussion.

Chair Petrolia stated better discussion needed to be held with the Board in the future to avoid contention.

g. 2019 Delray Beach CRA Meeting Schedule

Mr. Costello presented the 2019 schedule for meetings. He pointed out a Special Meeting will be held on January 29 to discuss an RFP.

Commissioner Frankel pointed out a meeting was scheduled prior to Yom Kippur, and also asked why there was not a summer break like the City Commission.

It was suggested that the August meeting may be later in the month.

10. Other Business

a. Comments by Commissioners

Commissioner Brinson asked if the CRA could entertain leasing the Shuler building as discussed in public comment.

Mr. Costello stated the building was previously slated for demolition as there is significant damage to a portion of the building. He agreed to speak with Mr. Johnson.

Mr. Costello asked if the CRA would be providing funds to improve the building, and consensus was that they would not. At the request of Commissioner Brinson, Mr. Costello gave additional historical information.

Vice Chair Johnson stated the north-side wall of Lake Ida between NW 5th Ave. and NW 10th Ave. is disgraceful. She said the City has contracted the project, and it is not something she would like visitors see. After discussion with the Board, Mr. Costello stated he would have someone address the weeds adjacent to the wall.

b. Comments by Board Attorney

No comment.

c. Comments by Executive Director

Mr. Costello said conversations are moving forward regarding the Plumosa site, and there should be a City Commission workshop discussion on the project in the near future.

Mr. Costello welcomed Ivan Cabrera, Project Manager to the team, and shared that Patrick McCullough is working through the hiring process for project manager and hopes to start Monday. He thanked staff for their hard work and diligence, noting they have a lot on their plate and are up for the task.

d. Comments by Staff

Ms. Jadusingh stated the CRA is working to activate buildings it currently owns. She shared a video of the Jingle Mingle, a recent event similar to a block party.

11. Adjournment

There being no further discussion, the meeting was adjourned at 4:25 p.m.

Jeff Costello, Executive Director

Shelly Petrolia, Board Chair