



CRA Board Workshop Meeting Minutes
Tuesday, December 11, 2018 – 10:00 a.m.
City Commission Chambers – 100 NW 1st Avenue
Delray Beach, FL 33444

STAFF PRESENT:

Jeff Costello	Elizabeth Burrows	Renee Jadsuigh	Teresa Hadjipetrou
DJ Doody	Jill Brown	Joan Goodrich	

OTHERS PRESENT:

City Manager Mark Lauzier
Assistant City Manager Caryn-Gardner Young
Charity Lewis with Congresswoman Lois Frankel's office
Jeb Conrad

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, Commissioner Ryan Boylston, and Commissioner Adam Frankel.

Treasurer Bill Bathurst arrived at 10:12 a.m.

Commissioner Pamela Brinson arrived at 11:19 a.m.

3. Approval of Agenda

Motion by Deputy Vice Chair Gray, seconded by Commissioner Frankel, to approve the agenda as printed. The **motion** passed unanimously (5-0).

4. Discussion

a. Discussion – Economic Development – Initiatives, Programs, and Next Steps

Joan Goodrich, Economic Development Director, gave an update on the initiatives, programs, and next steps for both the CRA and the City of Delray Beach.

Ms. Goodrich presented an overview of the office, which includes two (2) full-time employees, herself and Elizabeth Burrows, Economic Development Manager. The mission of the Economic Development office is to inspire and drive the growth of a diverse, vibrant entrepreneurial economy for all.

Core Services include:

- Site Selection
- Market Research
- Business Intelligence
- Talent Recruitment
- Referrals and Introductions
- Business Navigator
- Funding Assistance
- Incentives

Ms. Goodrich shared an update on the robust toolbox available to Economic Development, emphasizing that the office is well-armed in what it can do for business, and continues to evolve.

Ms. Goodrich reviewed the ways Economic Development supports the community, including helping businesses to problem solve, relocate, open, stay, and start-up. In addition, she stated the office creates policies and programs to improve business competitiveness and increase local opportunities, advocates on behalf of business and locals, improves infrastructure for entrepreneurs, job seekers, the City and the CRA, and helps investors to identify opportunities.

Continuing, Ms. Goodrich showed results from October 1, 2014 through October 31, 2018, which included:

- 76 projects assisted/announced
- 1,679 jobs created/retained
- 765,063 square feet of office, commercial, industrial, flex
- \$671,280 in funding assistance/incentives awarded
- \$17.79 million in one-time private capital investment
- A return on investment of 1: \$68.81 for FY 2018

Ms. Goodrich shared ten (10) goals, with strategies most focused on goal one (1) and goal six (6):

1. More good jobs
2. New business activity
3. Increase non-residential tax base

4. Improve business friendliness
5. Quality local talent (new goal)
6. Increase number of businesses
7. Retain businesses
8. Keep it more local
9. Increase attractiveness
10. Improve economic inclusion

Ms. Burrows then spoke regarding day-to-day work of the Office of Economic Development. She shared a snapshot of the initiatives being worked on by the office, broken down into business, infrastructure, and people categories.

Ms. Burrows detailed case studies on Upper Cutz Barbershop and Salon, Kaufman Lynn Construction, and Manjay Restaurant.

Ms. Goodrich shared obstacles and opportunities the Office of Economic Development has identified moving forward. Among the most prominent was the struggle to be seen when wearing multiple hats and working out of an inaccessible office location. She expressed that the office can add data to conversations they aren't always invited to.

Ms. Goodrich listed needs for the office of Economic Development to move ahead, including:

- More unified leadership and strategy
- A City-wide economic development table
- Private sector leadership and investment
- Grassroots community engagement
- Reallocated City/CRA resources
- More civic/community leaders as ED champions
- City-wide Economic Development brand and messaging

Ms. Goodrich shared what's next for the office, including launching Business Navigator, launching Jumpstart: Entrepreneur events and programs, completing a competitive assessment and cluster strategy study, Delray Beach Career Cottage community outreach, and the fifth annual We Heart Smart Business Month.

Mr. Costello thanked Ms. Goodrich and Ms. Burrows for their work, and for taking the initiative with the partners.

Vice Chair Johnson congratulated the Office of Economic Development on reaching 3,100 people in less than a year through the Career Cottage, and stated she was waiting to hear how many positions had been filled through the program.

Ms. Goodrich stated they are still waiting for numbers on positions.

Vice Chair Johnson asked how many initiatives and programs there are for the West Atlantic area, and SW 5th Ave. She noted there are so few spaces left, but that area is just as historic as others.

Ms. Burrows explained she had misquoted regarding the historic 5th Avenue area, and stated the Focus on Fifth Initiative is referring to the three (3) commercially zoned blocks, including one (1) south of Atlantic and two (2) north of Atlantic.

Continuing, Ms. Burrows listed the initiatives again, stating the office doesn't refer to actual geographic areas outside the corridors they are working on.

Vice Chair Johnson asked how many businesses have been impacted within the three (3) block corridor.

Ms. Burrows stated there are numbers which she will get to the Board, including a breakout with private ownership versus public ownership.

Vice Chair Johnson referred to a particular business struggling to open, and discussed whether the government issues were holding opening back or if there were others.

Vice Chair Johnson asked for the timing to be added to the case studies listed. She further said it would be interesting to know what the specific problems are that are faced by businesses, and where they are floundering.

Ms. Goodrich explained that was the reason the office was taking the step to formalize the new level of service, Business Navigator, to be the first touch for businesses.

Vice Chair Johnson stated it would be useful for people who are not sophisticated and want to have businesses in town to have more assistance from the Office of Economic Development.

Continuing, Vice Chair Johnson asked if the Office of Economic Development should be all in one place, rather than having is split, expressing concern about divided duties.

Mr. Costello stated he thinks that is a future conversation that needs to happen, which would require additional commitment from a City perspective.

Vice Chair Johnson said she would like to see it go back to the City, and that working with Development Services means the office aligns there, and a lot of opportunities are likely being missed.

Vice Chair Johnson stated she has additional questions and will work with Ms. Goodrich and Ms. Burrows outside of the workshop to answer them.

Deputy Vice Chair Gray thanked Ms. Goodrich and Ms. Burrows for an effective presentation that helped the Board to understand who the partners are and where they are, noting Economic Development is hugely important.

Continuing, Deputy Vice Chair Gray said she wants to have a conversation about the role of Economic Development in the City, as well as outside the CRA. She stated that the three-time All American City should have a visible space to highlight Economic Development's work.

Deputy Vice Chair Gray asked if the historic business district was officially named as a district and said she would like to see it done if it is not. She said a lot of people want to start businesses in those districts but can't afford it, and more needs to be done.

In response to a question from Deputy Vice Chair Gray, Ms. Goodrich said they could plot the businesses served on a map so that Board members could see where most of them landed, whether in the CRA district or beyond.

Deputy Vice Chair Gray stated they already know it is not enough.

Ms. Goodrich agreed that places and spaces are something needed if Delray Beach is going to grow its economy.

Deputy Vice Chair Gray stated business owners have addressed a concern to her regarding development and potential new taxes. She asked what can be done to assist businesses and renters in affording to stay.

Mr. Costello addressed the concern, stating it is much more difficult for commercial properties, and noted that the CRA can provide space to businesses at reduced rates, which can help to control the issue. He listed several upcoming projects which would have an impact.

Deputy Vice Chair Gray asked about mentoring programs and suggested looking into creating an Economic Development mentoring program.

In response to a question from Deputy Vice Chair Gray, Ms. Goodrich explained there is a business resiliency recovery component in the work the office does, and they can help with coming back from an emergency like a hurricane.

Deputy Vice Chair Gray asked about partnership with the Chamber and said word on the street is that the Chamber is more concerned with events than supporting businesses.

Ms. Goodrich introduced Jeb Conrad, the new president and CEO of the Delray Beach Chamber of Commerce, who was in the audience, and suggested they meet offline to discuss where the Chamber Board is going in the future.

Deputy Vice Chair Gray asked if the Chamber would be reaching out to minority owned businesses to strengthen that area.

Mr. Conrad stated he has been doing a program evaluation, and work is happening to be sure the Chamber meets the demands of the business community.

Deputy Vice Chair Gray stated sports is a huge thing in the City, growing many champions, and asked if more could be done to grow that and partner with the venues in place. She said she would like to see additional ways to champion those programs.

Commissioner Boylston said he is interested in the Business Navigator program, as it is not only an actual issue but a perception issue which stops people from coming to Delray Beach. He noted there will be a communication aspect once that is in place and he looks forward to that.

In response to a question from Commissioner Boylston, Ms. Goodrich stated the office has bookmarked 15 cities they are modeling for the program.

Commissioner Boylston asked if the Office of Economic Development does an annual report that goes into more details on the numbers included in the presentation.

Ms. Burrows stated the 2018 report would be coming out in January.

Commissioner Boylston asked if there are actual case studies, saying one of the things Economic Development should be doing is story telling.

Ms. Goodrich stated this is an area where they are weak, and allocated resources to do that would be very helpful.

Commissioner Boylston asked what resources are in place to attract national headquarters to Delray Beach, including what website or presentation people are given when looking into the area. He said there has to be a “Why Delray Beach” website or brochure.

Ms. Goodrich said there is new work to be done. The office has been focused on processes, but it is time now to build that attraction strategy. She noted she hopes they can collaborate with the Board on that.

Commissioner Boylston asked what conferences the Economic Development staff is attending throughout the year to attract businesses, or what ones they would like to.

Ms. Goodrich stated once the study is complete, they will better be able to answer that question.

Commissioner Boylston asked what cities the office looks to for best practices.

Ms. Goodrich said it depends on which benchmark they are looking for, and stated for the We Heart Small Businesses program, they looked at 25 communities.

Commissioner Boylston stated small business is great, but the jobs that come with it aren't always well paying and long term, so it is important to look at businesses with multiple access points. He said he sees a lot of opportunity in that big part of the strategy.

Commissioner Boylston agreed that he sees leveraging sports initiatives as an incredible opportunity, especially with the investments being made.

Continuing, Commissioner Boylston thanked the Economic Development staff for participating in the Delray Full Service meeting, saying that could be a catalyst for all types of opportunities in Delray Beach, as the project could be game changing.

Commissioner Bathurst stated one of the things he sees in the conversation is an opportunity for the overall brand strategy of the Office of Economic Development. He noted one of the things they need to think about is leaders and feeders, because if they are focusing on building the feeders the community will eventually go hungry. He asked what the strategy is for bringing in more leaders, including mid-size leaders.

Ms. Goodrich agreed there is not a business brand yet.

Commissioner Bathurst said Economic Development needs to be at the table with Planning and Zoning, referencing projects that displace entrepreneurs.

Commissioner Bathurst detailed ways sports impact the local economy, adding sports infrastructure could be a place to focus.

Commissioner Frankel agreed that sports is a factor that goes unnoticed, and he was glad that had been brought up.

Continuing, Commissioner Frankel asked how the grant process works to make sure that local hiring not only happens when they open but continues. He used Fairfield as an example, referencing a need to provide transportation for employees.

Ms. Goodrich stated because of their relationship with the CRA and their funding agreement and incentives, the office is tracking Fairfield's hiring, and they are at 50 percent local hires. She acknowledged that is an opportunity, in particular for businesses Economic Development has relationships with.

Ms. Goodrich noted Delray Beach was recently designated as an Opportunity Zone by the U.S. Treasury Department, which brings in new investment, but could also lead to gentrification. She stated conversations with potential investors are important to make sure the community's needs are met.

Commissioner Frankel asked why it is difficult for a visible office to be allocated to the Office of Economic Development, stating it seemed easy to cure.

Chair Petrolia agreed, stating the office needs to be visible and needs to be in the center of what is going on, and the CRA has spaces.

Mr. Costello stated the CRA is currently very limited in its spaces and referenced upcoming possibilities which are being reviewed on NW or SW 5th.

Deputy Vice Chair Gray asked about a timeline and asked if a move could be made January 31. She stated she didn't want it dragged out, and see opportunities missed.

Mr. Costello said it would not be prudent to relocate them and see them displaced again, as the CRA should be able to find a long-term solution.

Chair Petrolia asked if they would prefer to move and then move again in a year or wait for a better location.

Ms. Goodrich stated they hadn't expected that level of support and didn't have an answer but would continue to look at it.

Commissioner Bathurst said it was great to be looking at these visible locations but wanted to avoid there being too many government entities in those locations, as he would like to see entrepreneurs in them. He expressed it would be more important for the location to be accessible, as they should not be blocking development.

Commissioner Boylston asked if the available space in the library had been looked at.

Ms. Goodrich stated the office is assisting a partner who is looking at that space right now.

Commissioner Brinson asked if it is normal for the office to not return calls, noting she had asked for information before Thanksgiving and received a message last week.

Mr. Costello said the issue she was discussing had been addressed and they could connect to follow up outside the meeting.

Commissioner Brinson stated the rent for a startup business is out of reach and asked what can be done.

Mr. Costello explained there are programs in place and assistance is available for the first 18 months, starting once the business occupied the space. He noted a building which is being renovated is not an occupied space.

Vice Chair Johnson stated she had asked for some information outside of the meeting regarding navigating the system, and that might help with what Commissioner Brinson is asking.

Chair Petrolia said she understood the meeting was running long, but she had a few comments to make. First, she said it was very concerning for a walkthrough of the system to take four (4) years, and is a long time to dedicate to a business that may or may not be able to open up.

Continuing, Chair Petrolia agreed the places and spaces discussion is really important, and she wants to be sure the current CRA holdings are being reviewed to see if there is a place the Office of Economic Development can be more visible and at the table for decision making. She said if there is something that can be relayed to the Board to help, she sees that as important.

Chair Petrolia stated she doesn't know how much time the office has available, but she would like to see training for the hospitality industry to feed into the local system. She noted this is a low-level issue, but it is something that is needed and an economic driver and feeder.

Chair Petrolia asked about communication and finding ways to reach deeper into the community, and stated she saw an opportunity there.

Vice Chair Johnson stated the City and CRA are asking a great deal of the Office of Economic Development, and said she hoped the Board would be discussing getting additional support to the office.

Chair Petrolia agreed, saying as the office moves down the paths, they will find the opportunities and be able to come back to the Board and ask for the things they need.

Vice Chair Johnson thanked Deputy Vice Chair Gray for insisting on bringing the Economic Development staff in for a presentation.

b. Report on CRA Staff and Workload

Mr. Costello pointed the Board to the organizational chart, which was provided in the backup. He gave some historical information on what has been done in the past few months, stating the CRA currently has 16 full-time employees and three (3) part-time employees. The most recent additions are two (2) project manager positions.

Continuing, Mr. Costello stated the management of transportation services has added workload, and resources needed to be reallocated.

Mr. Costello stated the CRA conducted a salary survey in 2015, which resulted in changes to the benefit package. He recommended another look at that to be sure the benefit package remains competitive.

Mr. Costello said the staff wears many hats to ensure projects move forward. Staff is working with a consultant to provide team building activities and strengthen the team and change as needed to meet needs.

Vice Chair Johnson stated she is not getting what she thinks she is looking for, noting that the Board gets labels, but not a projection that matches people with workload coming down the pike.

In response to a question from Vice Chair Johnson, Mr. Costello explained the CRA has part-time staff because two (2) help to setup and breakdown the Green Market.

Vice Chair Johnson stated she does not see personnel to match upcoming projects.

Mr. Costello explained staff is in place to monitor RFPs as they move through the process, stating the staff facilitates moving through Development Services, but managing the project is the developer's responsibility.

Vice Chair Johnson asked if the same applied to the redevelopment of projects in the SW and NW, saying she just doesn't see that happening with the staff in place. She asked who is going to be doing the monitoring of the developers, and what the projection for the workload would be.

Mr. Costello stated the staff is currently managing the workload based on what has been agreed upon with the City.

Vice Chair Johnson said she thought the Board had decided the City didn't have capacity, so the work was going to be driven by the CRA.

Mr. Costello clarified the project management team in place, and said he wants to be aware of overstaffing. He noted the CRA will be showing results and taking on more capital improvements as time goes on.

Continuing, Mr. Costello explained how oversight of projects is handled by staffing. He said he is prepared to provide a breakdown of each member of staff and their duties.

Vice Chair Johnson stated without access to speak to the employees, she is always having to rely on what Mr. Costello's says, and she is concerned he would not tell the Board if a program was overburdensome.

Mr. Costello said the CRA is taking the lead, and he understands how it is difficult to see how the approach is working when they haven't taken the lead in the past. He explained that the CRA works to collaborate and communicate up front to give guidance, inside and outside.

Mr. Costello stated if an issue comes up and a new project comes up they did not anticipate, staff will come back and make sure they are clear with the Board on what they need to make it happen.

Vice Chair Johnson asked if Mr. Costello was comfortable saying there is no program in which his staff has too much burden.

Mr. Costello stated they had been understaffed, which is why they are bringing on the two (2) new project managers to relieve that.

Vice Chair Johnson asked how much manpower is required to monitor the A-Guide, because it is a biggie.

Mr. Costello explained how staff has been reallocated to monitor the project in more detail and noted some of the needs fluctuate throughout the year. He stated staff would like to have the discussion with the Board, as the process is too close to the budget

process and is taxing on resources. Mr. Costello stated review is being done to streamline the process and make adjustments as needed.

Deputy Vice Chair Gray said she understands where Vice Chair Johnson is coming from, as there have been issues in the past, and she sees progress being made, but will wait until May to reassess.

Vice Chair Johnson noted part of the issue is getting to know the workings of the CRA, which the Board did not get a chance to do before budget time.

Commissioner Bathurst stated the Board wanted to get things done, and things that are being done to build capacity to be able to get things done should be supported and encouraged, like bringing on project managers.

The Board discussed the opportunity to meet the project managers.

5. Adjournment

There being no further discussion, the meeting was adjourned at 12:05 p.m.

Jeff Costello, Executive Director

Shelly Petrolia, Board Chair