



CRA Board Meeting Minutes
Tuesday, June 11, 2019 – 1:30 p.m.
City Commission Chambers – 100 NW 1st Avenue
Delray Beach, FL 33444

STAFF PRESENT:

Jeff Costello Ivan Cabrera Renee Jadusingh Lori Hayward Elizabeth
Burrows Patrick McCullough Danielle Arfin

OTHERS PRESENT:

Ernestine Holiday George Long Laura Simon Sabrina Amalong
Caryn-Gardner Young DJ Doody

1. Call to Order

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

2. Roll Call

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

3. Approval of Agenda

Chair Petrolia opened the meeting by recognizing the last meeting of Executive Director Jeff Costello and presenting a cake to thank him for his contributions to the CRA.

Board Attorney DJ Doody asked that items 6m and 6n be removed from the agenda.

Mr. Costello asked that item 8aa, direction regarding the transit contract, be added.

Motion by Deputy Vice Chair Gray, seconded by Commissioner Bathurst, to approve the agenda as amended. In a roll call vote, the **motion** passed unanimously (7-0).

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

Item 5 was taken out of order.

George Long, commended the Board on looking into problems as they come up. Continuing, Mr. Long asked Mr. Costello to provide documents to verify the history of the redevelopment of Block 60.

Laura Simon, Downtown Delray Association, expressed sadness due to not being able to produce the Frog Alley event due to the weather. She said the event will be rescheduled.

Ernestine Holiday, stated she was disappointed none of the CRA Board members were able to attend the Community Reunion Cookout on June 1. She said the event was well attended.

4. Approval of Minutes

a. Minutes of May 14, 2019 Regular Meeting

a. Minutes of May 14, 2019 Workshop Meeting

a. Minutes of January 15, 2019 Regular Meeting

Motion by Commissioner Boylston, seconded by Vice Chair Johnson, to approve the minutes as presented. In a roll call vote, the **motion** passed unanimously (7-0).

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

Item 5 previously addressed.

6. Consent Agenda

a. CRA Financial Report – April 2019

b. CRA Monthly Progress Reports – May 2019

c. Clean and Safe Program Monthly Report – April 2019

d. Trolley Ridership Reports - FY2018-19 2nd Quarter

e. Delray Beach Community Land Trust A-Guide Report – FY2018-19 2nd Quarter

f. Expanding and Preserving Our Cultural Heritage, Inc. (Spady Museum) A-Guide Report – FY2018-19 2nd Quarter

g. Delray Beach Historical Society A-Guide Report – FY2018-19 2nd Quarter

h. Delray Beach Public Library A-Guide Report – FY2018-19 2nd Quarter

i. Old School Square A-Guide Report – FY2018-19 2nd Quarter

j. Creative City Collaborative A-Guide Report – FY2018-19 2nd Quarter

k. The Center for Technology, Enterprise, Development, Inc. (TED Center) – FY2018-19 2nd Quarter

l. Habitat for Humanity of South Palm Beach County – Letter of Interest to Purchase of One (1) CRA-Owned Residential Property

Motion by Commissioner Frankel, seconded by Deputy Vice Chair Gray, to approve the Consent Agenda as amended. In a roll call vote, the **motion** passed unanimously (7-0).

m. Purchase and Relocation Agreement with 215 NE 7th, LLC – 215 NE 7th Ave. Historic Home

n. Award of Bid for 2019-05 – Historic Home Relocation from 215 NE 7th Ave. to 20 N Swinton Ave.

Commissioner Boylston provided a Conflict of Interest form regarding items 6m and 6n and excused himself from the vote.

Motion by Commissioner Bathurst, seconded by Commissioner Frankel, to approve items m and n from the Consent Agenda. In a roll call vote, the **motion** passed (6-0). Commissioner Boylston abstained.

7. Old Business

None.

8. New Business

aa. Discussion – Direction on Transit Contract

Mr. Costello stated based on the discussion during the Workshop Meeting, the Board would direct staff and attorneys to modify the First Transit contract to provide as follows:

- Two (2) year initial term with the ability to renew annually
- First six (6) months First Transit shall lease E85 vehicles and the parties will negotiate to obtain propane vehicles after the first six (6) months
- To the extent the vehicles will be changed after the first six (6) months, the parties agree to negotiate in good faith and enter an amendment to that fact

Chair Petrolia opened the item to public comment, however seeing none, she closed the public comment section.

Motion by Deputy Vice Chair Gray, seconded by Commissioner Boylston, to direct staff and attorneys to modify the First Transit contract as outlined. In a roll call vote, the **motion** passed (6-1). Commissioner Frankel voted no.

a. Award of RFP 2019-03 for Development and Disposition of CRA-Owned Properties in the SW Neighborhood for Workforce Housing

Patrick McCullum, Project Manager for the CRA, provided background on the project. He noted the authorization of the Request for Proposals (RFP) regarding disposition of CRA properties in the Southwest neighborhood, the project known as Carver Isle, was made at the March 2019 CRA Board meeting.

He stated the project is to include ten (10) single-families homes developed by local non-profit developers in a single phase for workforce housing.

Mr. McCullum reported the RFP deadline was May 29, 2019. He explained two (2) proposals were received in response, from Boynton Beach Faith-Based Community Development Corporation and the Delray Beach Community Land Trust (CLT).

Continuing, Mr. McCullum stated the proposals were reviewed by a selection committee, and the proposal from the Delray Beach CLT was unanimously recommended for approval.

Mr. McCullum stated staff recommends award of the project to the Delray Beach CLT in an amount not to exceed \$2,454.350 and that general counsel and the Executive Director be authorized to negotiate an agreement on behalf of the CRA.

Chair Petrolia opened the item to public comment, however seeing none, she closed the public comment section.

Chair Petrolia noted the Boynton Beach project was at an overall lower cost and asked how the Delray Beach CLT project was selected.

Mr. McCullum stated the selection committee felt the qualifications and experience of the Boynton Beach group was not as strong, and the construction schedule was 350 days rather than the 275 required by the RFP.

Chair Petrolia said she also appreciated the cost of each home was lower with the CLT, and just wanted to make sure they were selected for the right reasons.

Deputy Vice Chair Gray asked when the public notice of conveying the property would be completed, and whether permitting would be delayed due to staffing at City Hall.

Mr. McCullum stated the construction timeline would not start until after property documentation and permits are in hand.

Deputy Vice Chair Gray asked if the performance bonds were a part of the original RFP.

Mr. Costello noted the performance and payment bonds were added as an addendum as a requirement of a publicly-funded \$2.5 million project. He stated the CLT responded appropriately and it should not be an issue.

Deputy Vice Chair Gray and Mr. Costello discussed the bond process and impact.

Mr. Costello noted the CRA would be absorbing several soft costs not included in the proposal.

Deputy Vice Chair Gray asked the status of issues regarding soil testing on the property.

Mr. Costello stated when the CRA acquires property, environmental assessments are completed. He said phase one (1) of that testing indicated there was no need for a second phase of testing, so there was no negative impact regarding soil. Continuing, Mr. Costello stated a pending report will determine the level of compaction required.

Vice Chair Johnson stated she would like to see the project spread among qualified builders and contractors.

Mr. McCullum explained this was an issue which could be discussed during negotiation.

Mr. Costello noted this is a local non-profit, and they typically utilize local subcontractors, but that could be discussed more thoroughly.

Motion by Commissioner Boylston, seconded by Deputy Vice Chair Gray, to award the project to the Delray Beach CLT. In a roll call vote, the **motion** passed unanimously (7-0).

b. Ground Lease Agreement – Hatcher Construction & Development, Inc. – 20-26 NW 6th Avenue

Mr. Costello stated in December the Board gave instruction in consideration of a Letter of Intent from Hatcher Construction to develop two (2) lots at 20 and 26 NW 6th Avenue as a ground lease agreement. He showed the proposed concept, and outlined the details of the proposal, including:

- 6,000 square foot building – 2,000 square feet for Hatcher’s business operations and 4,000 square feet for retail business or office space
- Land lease for the properties utilizing CRA’s Land Value Investment Program
- Utilize CRA’s Development Infrastructure Assistance Program for funding the construction of parking lot (to be available for public use after 5 p.m. and on weekends)
- Lease rate: Initial five-year lease at \$1 per year, and years 6-40 adjusted base rent (“Triple Net” lease)
- Lease Term – 40 years
- Reduced rent rate for tenants

- Purchase option – purchase price of \$200,000 – first 7 years of the term
- Site analysis period – 18 months to obtain necessary permits

Mr. Costello noted Hatcher Construction will be taking over the taxes and insurance of the property upon execution of the agreement. He stated staff is recommending approval.

Chair Petrolia opened the item to public comment, however seeing none, she closed the public comment section.

Chair Petrolia asked if purchase negated subsidized rent for any tenants.

Mr. Doody stated the purchase would not abate the clause, as the reduced purchase price is in consideration of the continued rent reduction.

Commissioner Bathurst clarified the \$200,000 purchase is for the land only.

In response to a question from Vice Chair Johnson, Mr. Doody stated any transfer of ownership would require CRA approval.

Commissioner Bathurst asked how the lease rate adjustment was determined.

Mr. Doody stated the dollar amount for the full 40 years was laid out so there wouldn't be discussion regarding future appraisal.

Motion by Deputy Vice Chair Gray, seconded by Commissioner Frankel, to approve the Ground Lease Agreement. In a roll call vote, the **motion** passed unanimously (7-0).

c. Award of Bid for 2019-04 – 121 SW 10th Avenue Duplex Renovation

Mr. McCullum reviewed the project, including the scope of work approved at the April 2019 CRA meeting. The project includes a full renovation throughout.

Mr. McCullum reported the bid deadline was May 22, 2019. He stated three (3) proposals were received in response, and explained the low bidder was deemed unresponsive due to several deficiencies in their proposal.

Continuing, Mr. McCullum stated the remaining two (2) proposals were reviewed, and the proposal from Hatcher Construction & Development, Inc. was recommended for approval.

Mr. McCullum stated the bond requirement was an issue, so staff was recommending a waiver of the performance and payment bond requirement pursuant to Section 255.01(1)(d) for projects less than \$2,000.

Chair Petrolia opened the item to public comment, however seeing none, she closed the public comment section.

Motion by Commissioner Bathurst, seconded by Commissioner Boylston, to approve the bid award to Hatcher Construction & Development, Inc. In a roll call vote, the **motion** passed unanimously (7-0).

Motion by Commissioner Frankel, seconded by Commissioner Bathurst, to waive the performance and payment bond requirement. In a roll call vote, the **motion** passed unanimously (7-0).

d. First Amendment to Commercial Lease Agreement – 182 NW 5th Avenue (The Monogram Closet)

Mr. Costello explained the CRA Board entered a Commercial Lease Agreement with The Monogram Closet for four (4) years, and the lease expires on June 30, 2019.

Mr. Costello outlined the original terms of the lease as follows:

- April 24, 2015 – CRA awarded 4-year commercial lease at \$16/sf with \$1 per sf escalator each year
- Current lease rate is \$19/sf
- The Monogram Closet is responsible for property taxes, insurance, and minor maintenance

Mr. Costello stated staff is recommending an amendment to extend the lease for one year at a rate of \$20/sf, or \$2,416.66 per month.

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

Vice Chair Johnson asked the business owner to step forward to speak on her behalf.

Sabrina Amalong, 182 NW 5th Ave., stated they have been in the neighborhood four (4) years, and she has been very comfortable. She said everyone has been more than friendly, and she hopes it is moving forward.

Commissioner Bathurst asked Ms. Amalong to share her successful experience hiring through the Career Cottage.

Ms. Amalong said when she needed a seamstress, she was able to hire two (2) people through her neighbor at the Career Cottage.

Vice Chair Johnson stated historic 5th Avenue needs small businesses, and she has other ideas for the building, but she would discuss it at a later date.

Motion by Deputy Vice Chair Gray, seconded by Commissioner Frankel, to adopt the amendment. In a roll call vote, the **motion** passed unanimously (7-0).

e. Interlocal Agreement – Economic Development Positions

Mr. Costello pointed the Board to a history of the department provided in the Board Book. He noted currently the two (2) Economic Development positions are CRA employees and costs are split with the City.

Continuing, Mr. Costello stated there had been discussion among staff of making the position a full-time City position and continuing the cost share. He noted the reasons, including authority as an official City office.

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

Commissioner Boylston stated he thought this was a great change, and a focus on economic development is needed across the City.

Commissioner Bathurst said he agreed because it is difficult to have two (2) bosses.

Deputy Vice Chair Gray stated she feels the office does more work for the City and should be not only a City position, but City paid.

Mr. Costello stated a grant manager starts next week, so some of the costs of that department could be relieved through grant funding.

Commissioner Boylston stated he felt most of the previous Economic Development Director's work was for the CRA.

Chair Petrolia stated she thought the split was even, but it would need to be examined in the future in order to remain compliant.

Vice Chair Johnson said she was happy to see the department not having to balance the interests of two (2) Boards. She noted looking at the City as a whole, the CRA was not 50 percent, so she tended to agree with Deputy Vice Chair Gray regarding the split. She said since this is new, perhaps a different decision could be reviewed.

Motion by Commissioner Frankel, seconded by Commissioner Bathurst, to adopt the amendment. In a roll call vote, the **motion** passed unanimously (7-0).

f. Appointment of CRA Executive Director

Mr. Doody stated the Board has an opportunity to appoint a new Executive Director. He explained a proposed employment agreement with the Assistant Executive Director was created following discussion at the June 4 Special Meeting and was before the Board.

Continuing, Mr. Doody asked the Board to take up the title, whether it was interim or full-time, the effective date, salary, insurance, and reimbursement for professional development.

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

Vice Chair Johnson stated she would like to address first the title. She said it had been the tradition of the CRA that there had never been a search for an Executive Director, and she thought that should be continued.

Commissioner Bathurst stated a process had been put in place regarding the City Manager search, and that new process should be adhered to.

Deputy Vice Chair Gray stated she would be voting to make Assistant Director Renee Jadusingh the full-time, permanent Executive Director starting today with the salary that was recommended at \$145,000 with the benefits listed on the term sheet.

Mr. Doody asked that each item be taken individually.

Deputy Vice Chair Gray stated she would prefer to make it as one (1) motion in the order requested.

Motion by Deputy Vice Chair Gray, seconded by Commissioner Frankel, to hire Renee Jadusingh as full-time, permanent Executive Director with an effective date of June 11, 2019 at a salary of \$145,000 with deferred compensation of \$25,000, health insurance as self and family, long-term disability insurance at 60 percent of the base salary, \$50,000 term life insurance, \$3,000 car allowance, \$720 cell allowance, two weeks compensation time, and professional development expenses of one (1) national and two (state) conferences annually. In a roll call vote, the **motion** passed (6-1). Commissioner Bathurst voted no.

Chair Petrolia questioned the start date of June 11, as there would be two (2) Executive Directors.

Mr. Doody stated the contract could not start June 11, it would need to be on June 29.

Commissioner Frankel stated he and Ms. Jadusingh had a great meeting, and he wanted to verify with her that the motion matched the request she had made during that meeting.

Ms. Jadusingh stated everything had been covered.

Mr. Doody asked if she accepted those terms.

Chair Petrolia stated she also had a great conversation and had no hold-ups regarding moving forward with Ms. Jadusingh.

Commissioner Boylston stated he had wanted to do a 90-100 day interim, but after meeting with Ms. Jadusingh he is comfortable moving forward.

Vice Chair Johnson noted she could be terminated at any time with 30-day notice.

Mr. Doody read Resolution 2019-09 by title only.

Motion by Deputy Vice Chair Gray, seconded by Vice Chair Johnson, to adopt Resolution 2019-09, authorizing officials to execute the employment agreement with Ms. Jadusingh. In a roll call vote, the **motion** passed (6-1). Commissioner Bathurst voted no.

10. Other Business

a. Comments by Commissioners

None.

b. Comments by Board Attorney

None.

c. Comments by Executive Director

Mr. Costello thanked the Board for his time working with them, and stated he is looking forward to the next opportunity.

11. Adjournment

There being no further discussion, the meeting was adjourned at 2:22 p.m.

Renee Jadusingh, Executive Director

Shelly Petrolia, Board Chair