



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 MEETING MINUTES

Thursday, July 12, 2018 6:00 p.m.

City Hall – Commission Chambers

Delray Beach, FL 33444

STAFF PRESENT:

Jeff Costello

DJ Lee

David Tolces

Kevin Matthews

Kristyn Cox

Renee Jadusingh

Elizabeth Burrows

Danielle Arfin

Joan Goodrich

OTHERS PRESENT:

Ernestine Holliday

Mark Woodson

N & B

Rubena Houston

Robert Lowdsean

Jacqueline Smith

Seabron Smith

Taylor Levy

Dupree Jackson

Nint Brown

Dedrick Straghn

Alfred Straghn

Peter Arts

Christina Morrison

Brandon Floweres

Josh Smith

Randell H.

Vera Woodson

Keith Wane

Pearl Jordan

Sara Selznick

Michael Wynn

Cathy Balestriere

Jess Sowards

Ruth Josphe

Barry Frette

John Conde

Alex Candia

Windsy

Patrick Glover

Jerome Weatherspoon

Willie Potts

Lillie Head

Jackie Mondel

Naomi P.

Mark Lazo

Andrea Bruton

Kimberly M.

Robert Posillio

John Flynn

Gernell H.

Leonard Bonner

Alex Ducenard

Stephanie Pitts

Rebecca Joseph

Ann Gannon

Jason Hirsch

Ida Smith

Lucille Ceasar

Marlene Parrish

Brent Baker

Krystina Buckley

Ann Stacey-Wright

EJS Project

Jacobie Penn

Jose Asuila

Marjorie Waldo

Pastor Evelyn Smith

Morris Carstarphen

Billy Penn

Irwin Nessy

Alonzo Holeman

Norcibien Monhomme

Wanda Pettiford

Lucy A.

Marc Hershman

Jane Smith

Rosa Wynn

Alice First

Gipsoal

Billy Penn

Cynthia Brown

Sarah Richards

Jalea

Bob Currie

Jacobi Penn

Chuck Ridley

Alexis Burns

1. Call to Order

Chair Petrolia called the meeting to order at 6:00 pm.

2. Roll Call

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

3. Approval of Agenda

Mr. Jeff Costello, CRA Executive Director, asked to move New Business to after Old Business.

Deputy Vice Chair Gray made a motion to approve the agenda as amended which was seconded by Commissioner Frankel and passed unanimously.

4. Approval of the Minutes

A. Minutes of July 11, 2018 CRA Board Workshop Meeting

Vice Chair Johnson made a motion to approve the minutes which was seconded by Commissioner Boylston and passed unanimously.

5. Presentations

None.

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

Mr. Manesh Metah, owner of Doughnut Works, 301 W. Atlantic Avenue, commented that he is pleasantly surprised at the effort that the CRA puts towards new businesses and wanted to thank the CRA. The help that the CRA provides to small businesses and family-owned businesses makes a big difference.

7. Consent Agenda

- A. CRA Financial Report – May 2018**
- B. CRA Work Plan Monthly Progress Report – June 2018**
- C. Clean and Safe Program Monthly Report – May 2018**
- D. Purchase and Sale Agreements – Delray Beach Community Land Trust – Purchase Five (5) CRA-Owned Residential Properties**
- E. Third Amendment to Development Services Continuing Contract Agreements – PMG Associates, Inc., Redevelopment Management Associates, LLC, IBI Group Florida, Inc., and WTL+A**
- F. Curb Appeal Grant – 124 SW 8th Street (Owens)**
- G. Paint-up & Signage Program Funding Assistance Application – Doughnut Works, LLC (301 W. Atlantic Avenue)**
- H. Interlocal Agreement Between the CRA and the City of Delray Beach – Funding for Planning Services Associated with Updates to the Osceola Park Redevelopment Plan**
- I. Interlocal Agreement Between the CRA and the City of Delray Beach – Delray Beach Housing Needs Assessment**

Commissioner Frankel made a motion to approve which was seconded by Deputy Vice Chair Gray and passed unanimously.

8. Old Business

A. Development of CRA – Owned Properties – SW 600-800 Blocks – West of Atlantic Avenue

A1. Supplemental Information to CRA Board Agenda Item 8.A: Development of CRA-Owned Properties – SW 600-800 Blocks – West Atlantic Avenue

Mr. Costello, presented this item, which is a follow up from the Workshop meeting from Monday. On April 9th the CRA received a letter of interest from Equity Delray expressing continued
July 12, 2018

interest in the properties of the SW 600-800 blocks of West Atlantic Avenue. On May 7th the Board directed staff to negotiate a purchase and sale agreement with Uptown Atlantic and publish a 30-day notice as required by statute. On May 11th the CRA published a notice and on June 11th the CRA received 6 letters of interest in response to the notice. There was an appraisal prepared for the property and it returned the market value from June 2018 of \$15,450,000. The CRA has purchased these properties over about a 17-year period. The parcels were purchased over that time and the amount was approximately \$7.2 million.

Mr. Costello went on to discuss some key points with regard to the Purchase and Sale Agreement with Uptown. The purchase price was \$1.2 million, the closing date was 30 days following the expiration of the Inspection Period. In response to the Uptown agreement as well as the letter submitted by the developer in June, the CRA Attorney and Staff prepared a Purchase and Sale ("CRA P&S") agreement and transmitted that to Uptown. This included key points such as the project description being modified to be more consistent with the approved site plan, tenant relocation plan for existing tenants, requirement of signed letter of intent from a full-service grocer, requirements for local hiring during construction for laborers and sub-contractors, requirement to pay living wages, requirement to hold job fairs, requirement for job monitoring, and closing within 30 days of issuance of all required permits for the project. This includes a right to repurchase provision if the purchaser failed to obtain a grocer, failed to commence construction within 60 days of closing, or failed to commence installation of foundation of the first building within 180 days of commencing construction. The typical requirements include financial commitment prior to closing and performance bond prior to closing. This did not include the other properties in question.

Mr. Costello presented a spreadsheet of an overview of the Uptown Atlantic project and the proposals that the CRA received. The price range for the six letters of interest went from \$2 million to \$6 million and were primarily mixed-use developments. They were consistent with residential and retail office. One included a hotel and additional acreage (Prime Group). Based upon the discussion on Monday, staff prepared a recommendation for the Board which is to continue negotiations with Uptown Atlantic and to include an increase in purchase price, modifications based on discussion Monday of approved elevations, additional community benefits including requirements for full-service grocer and space for local small businesses at a reduced rent, and local participation by sub-contractors and laborers. Staff also felt it was important to include a time frame for that to occur. Staff would also like the Board to provide direction to finalize an RFP for consideration on August 15th. In addition, it is recommended to reject the other letters of interest.

Ms. Jalea, EJS Project, commented that for the last couple of weeks EJS has been learning about gentrification and now they are experiencing it. If EJS is taken away, many kids will be out of luck. She asked what this project has to do with her community.

Mr. Peter Arts, 1746 Fernforst Place, came to represent the Board of the Downtown Development Authority. The DDA's recommendation in response to the development of the CRA properties that are being discussed is to go out for an RFQ/RFP, encouraging those respondents to resubmit and encourage others who also would want to submit additional proposals. Of the current development projects taking place within the DDA district, this is one

of the largest and most important to the DDA long-term. The DDA Board has been advocating for inclusion and collaboration with the City and CRA in the development of these projects early on and in a positive and proactive way for some time. Following the termination of the Equity project and the development and adoption of The Set Transformation Plan, the DDA became even more eager to partner in the process to ensure sustainable and equitable development. In the summer of 2017, a full-service grocery store was preparing to submit their plan to the City. The DDA consultant, Robert Gibbs, provided insight and recommendations towards the layout of the building and standards that should be in place in the best interest of the West Atlantic corridor and community as a whole. The retail market study and shopability study developed by Mr. Gibbs and his team was not available when the most recent iteration of this project was reviewed. These three studies can provide respondents with a guide to the types of retail and commercial development that is needed and what can be successful for the West Atlantic corridor. While the West Atlantic community has shown patience and resolve to foster development in this area, it is important that their city representatives do the best job to select a project to add immediate value to the area when complete and establish the West Atlantic corridor as a thriving and vibrant district for decades to come.

Ms. Windsy, 503 NW 2nd Street, Boynton Beach, FL 33435, commented that she is a volunteer at the EJS Project as a Peer Leader. She is counseling a group of 18 wonderful kids, listening to their problems and their lives. In the redevelopment plan there are relocations for the 700 block but there is not a place for EJS to go. She wants the Board to think about this and with empathy and sympathy and not from a capitalistic point of view.

First Vice Chair Gray responded that the redevelopment would not be displacing EJS. Chair Petrolia agreed and said they will be finding a new place for EJS.

Ms. Rebecca Joseph, EJS project, commented that if the EJS Project is taken away due to gentrification that the kids there be kept in mind. Since the Carking Kitchen is vacant, she asked if the EJS Project could be temporarily relocated there until they find a new location.

Mr. Billy Penn, EJS Project, commented that the decision to take away their building is inconsiderate as they will lose a safe place to go. He loves going to the EJS Project because they are doing projects that help their community. He hopes that the Board will think about them and their program when they start to build new buildings.

Mr. Jacobi Penn, EJS Project, commented that EJS has changed his life in many ways. EJS is deeper than a program or safe place to children to go. It is a family and open arms for a hug. It is a listening ear and guidance for a lost child. It creates a sense of comfort and family. EJS made him feel like a part of the community by helping homeless people. He loves this program and hopes we are able to find a solution for where they are able to go in the future.

Ms. Christina Morrison, 2809 Florida Blvd, commented that she is a commercial real property consultant and realtor and specializes in raw land and flex space. She is here to present facts about this parcel that is being considered as well as the contract. There are 25 parcels totaling almost 6 acres. The acquisition of these and assemblage took almost 17 years. The total sale price to acquire these parcels were \$7.101 million. This total sale price did not include the cost

of acquisition or ownership including closing costs, attorney fees, holding costs, and maintenance costs over decades. There is a current appraisal on the property completed by a reputable local appraiser showing the current market value at \$15.45 million. The current contract being considered with Equity is five years old. The area in question and the City in general has changed and strengthened drastically over these five years since this contract was originated. The project does not meet the current LDR and the site and other plans associated with the Equity contract should have expired by now since they are over two years old and probably have no relevance. Equity has no track record of development in our City, County, or Country. Equity needed five extensions to their contract when it was in effect.

Ms. Ann Gannon, 236 Dixie Blvd, Palm Beach County Tax Collector, commented that she wanted to remind the Board that they are elected officials and the highest charge they have is to make sure that they are good stewards of the public money. She does not know all of the proposals but requested the Board get some better metrics that this public audience can look at and an RFP process where you have metrics and a committee that chooses the process and sets it up. You have the final choice of which project, but the community needs to be involved in this. Our City needs to get the highest price for this property which will enable you to take some of that money and invest in The Set.

Mr. Dedrick Straghn, 26 SW 5th Avenue, came to speak as a former CRA Board member who voted in favor of terminating the initial agreement with Equity. They breached their contract on several occasions. They failed to come up with a financial commitment letter within a timely manner. Instead of submitting it, they submitted a preliminary commitment letter, passing that off as a formal letter. When the CRA attorney, Mr. Doody, questioned them, their response was that they did not see the word preliminary. The second breach was that they failed to secure a performance bond as well as the option of a credit letter to certify they could get 110% financing for the job. The red herring they put out to the community was that they couldn't get the performance bond because their general contractor didn't qualify. The truth is that, if you read Section 19.1.B of the Purchase Agreement, it states that the performance bond was only one of two options. If you could not get the performance bond you could get a letter of credit.

Dr. Lily Quince- Clark Head, commented that her father was inducted into a historic society on October 4th, 2011. He was given a proclamation of the City and has a date in the City of October 9th of each year. The church that she attends has been deemed a historic church. Black people deserve more.

Ms. Ernestine Holliday, 40 NW 9th Ave, concurred with Ms. Head. They both grew up in Delray Beach. They were here when the crosses were burned and you could not go across Swinton Ave after 5:00 pm. She has seen Delray Beach grow and has been working here since 1963. She went through getting laid off as a teacher and not getting raises along with integration of schools. To go through what she is going through now by selling property that is worth \$15 million for \$1.2 million is a slap in the face to us when you have been offered as high as \$6 million.

Ms. Anne-Stacey Wright, 225 SW 7th Ave, requested that the Board moves forward with the release of the RFQ/RFP and reject the unsolicited proposal submitted by Equity. As a leader in

this community, she fought for Equity's original project and stood against WARC's recommendation, which is an organization she is now VP of, and rallied the community to support Equity in successfully winning the bid. She did this because of promises that were made at the table by Mr. Flynn and Mr. Currie. She asked the Board to reject Equity.

Mr. Straghn, 26 SW 5th Ave, commented that we know we need to get development on West Atlantic Avenue as soon as possible. He asked how many times we want to see someone fail in what they have to do before you recognize that this could be another time to disappoint us on the west side. He is concerned about the older citizens. If they are pushed out of this area, where are they going? He does not want to see them getting pushed out. They may be living in a shack, but the sentiments of that shack are not something you can buy.

Deputy Vice Chair Gray responded that the Board is not taking land from anyone.

Mr. Patrick Glover, 219 NW 10th Ave, commented that he has clients that are signing up with his company and want them to consult because a lot of native citizens don't know the numbers. He wants to make sure the clients reach full profit maximization. He wants to make this a seamless process, so these properties can be sold for the fair market value.

Mr. Irwin Nassy, 561 NW 48th Ave, expressed his concern for the relocation of the EJS project. He added that The Set has spoken and said no to Equity. The previous CRA has said no to Equity. He is saying no to Equity too.

Mr. Robert Prisilico, 140 NE 1st Street, came to speak for the Delray Beach Chamber of Commerce. He thanked the CRA Board and staff for inviting them there as a City partner for this meeting to provide input on this important decision. Our opinion is that although the Equity Delray, LLC project was selected in 2012 based on an open process, economic and market conditions have evolved over the last five years including changes to real estate values, a revised Set Transformation Plan, revised LDR, and many other factors. The Chamber believes that while the existing proposal from Equity may still be a viable option, a new RFQ/RFP process for this development site would allow the CRA to compare this proposal with other fresh proposals in a fair and transparent manner.

Ms. Cathy Balestriere, 82 Gleason Street, is the former Vice Chair of the CRA and spent 8 years on the Board. She noted that tonight the current Board is faced with making a tough decision. When she was on the Board she voted to terminate the Equity project. She believes the Board made that decision because of the 2016 CRA Board was more concerned with the lack of a financial commitment letter from Equity. The Board asked their attorney at the time many questions and he failed to have quality and confident answers. This led the Board to the conclusion that Equity was not acting in good faith with the CRA. It was a difficult decision to terminate that project, but it was the right decision to make for many reasons. We did move forward and realized the neighborhood plans were outdated. We worked with The Set and greater Delray Beach stakeholders for the next two years. By doing so we made progress towards unifying the community and improving race relations. This resulted in The Set Transformation Plan, which was created by the people and for the future growth of the West Atlantic Neighborhood. The land should not be put for sale until the plan is adopted. If the Board

moves forward she believes that an open, transparent, and updated competitive process is the right decision at this time.

Mr. Brent Baker, 1825 Lake Drive, thanked everyone for being here tonight and allowing him the chance to speak. The Board is not just selling land, they are also picking a partner who is critical to the future of Delray Beach and the development of the West Atlantic area. He understands the urgency to get started, but it is not critical who can start first, it is critical who can finish at a high level of execution. Developing mixed-use is extremely complicated and requires a developer who has experience in this field. He thanked the City for putting the information on the different proposals on the website. It looks like there are some very good developers that are willing to look at this project. He encouraged the Board to take the time to get it right and put these developers put forward their best proposal.

Mr. Alex Candia, 9 NW 24th Street, commented that he has been following the West Atlantic Development and believes a process needs to unfold that identifies the highest and best use of this space. It should involve input from the community. As a member of this community and team member of Kayne Anderson who submitted a proposal, he would like the City to follow due process when requesting proposals. In this case in particular, we need to ask ourselves if the neighboring community has been engaged with respect to their needs and desires for this space, or have they been ignored. Rather than ignore the proposals and the desires of the community, he believes the CRA owes it to Delray Beach residents to review multiple proposals and open the RFP process to ensure the City and its residents are best served.

Ms. Stephanie Pitts, 2275 S. Federal Highway, commented that she hopes there will be due process for the development on West Atlantic. She wants there to be consideration for the community and what will benefit it the most and benefit Delray Beach as a whole. This is the gateway to Delray Beach and what happens there impacts all of us.

Mr. Barry Frette, 1001 Crystal Way, commented that he wanted to make sure we are doing the right thing.

Ms. Kristina Buckley, 250 Congress Park Drive, commented that this RFP process has to be required and include community engagement and participation. The adoption of The Set Transformation Plan and equitable development as a guideline has to be required. Conference and coordination with the Economic Development Committee, WARC, Delray Beach Housing, and Downtown Delray all need to have input on the progress and work that is going on. In addition, sub-contractors need to be hired locally. There needs to be transparency in who they are hiring and the cost of the labor. Affordable housing needs to be required with at least 20-30% being affordable housing based on income. Small businesses that do not have the money to hire people and cannot get grants from the CRA should have coworking space. There also needs to be economic stress tests for all companies that come through.

Mr. Brandon Floweres, 16896 Mattesse Drive, is a retired NFL vet and native of Delray Beach who just moved back. He wants to have a hand in the community and fight for his community. He wants to have a chance to participate and give back to the neighborhood in a way that can impact generations. He wants to make a difference and motivate the community. Usually

redevelopment is done by outsiders of the community because of financial restraints of the community. He has the financial stability and backing to help make a stamp in the community. He has a concept to help socially and economically develop the community and would like the opportunity to partner with another developer.

Mr. Jerome Weatherspoon, 34 NW 12th Avenue, commented that he has been a resident of this neighborhood for over 60 years and a taxpayer for over 39 years. He has great concerns about this redevelopment process. He wants to appeal to some common decency, honesty and fairness. He is sure that the Board has plans set in place to go about this process. That was not done by one sector of this City but by the entirety of this neighborhood. He wants this to be a unified community. He hopes the decision that is made allows common sense to enter the process along with common decency. If that is done he believe it will be a win-win situation.

Ms. Sarah Selznick, 204 Palm Trail, asked that the CRA Board vote to put out the RFQ/RFOP for the development of the 600-800 blocks of West Atlantic. This land is historically black-owned. At the time of its settlement, people of color were not allowed to live anywhere else. We have an opportunity to ask for a development project that supports the advancement of this strong and resilient community and honor its historical roots, community leaders, legacy of social activism, multigenerational families, and tight-knit social fabric. This project could be an innovation and cultural hub that sets the tone for how the rest of the West Atlantic Avenue corridor develops. She hopes the decision is not to sell the land to the lowest bidder for a project that is obvious The Set does not want with little to no community benefit and disregarding the work that has been put into The Set Transformation Plan and RFQ/RFP development process. From the takeover of the independent CRA Board, to bringing in a terminated deal back, to approving the deal when six other developers are at the table, all without due process, would not look good for the City. This story should sound familiar to those on the Board who have attended race equity training with Healthier Delray Beach with land-ownership change, inequitable practices, and the direct public transfer of wealth to white-owned industry using public tax dollars. Bypassing the RFQ/RFP process would warrant considering this an ethical violation that needs to be reviewed by a higher authority. Someone is benefiting from this project and it is not the community. She hopes we can decide to do the right thing.

Mr. Alexis Burns, 2578 Lake Ida Road, commented that he is hearing a community that is speaking out. He hopes that we can move forward with a due process that is put in place and that the Board is hearing the community speak. He does not want to see a decision made based upon a few. Collectively we can make a good decision to have a RFQ/RFP process available for everyone so that it will be a fair process.

Mr. Morris Carstarphen, 619 SW 7th Avenue, commented that the CRA is the most important advisory board in the City and needs to hold itself to a higher standard and remain transparent.

Mr. Chuck Ridley, 210 NW 2nd Avenue, commented that there is an elephant in the room which is why this project was terminated. There is a concern that this developer was not treated fairly by three individuals. Somehow those three individuals were able to convince a Board that had four attorneys, a prominent business owner, and a mayor to terminate that contract. He asked the Board to do its due diligence to find out why that contract was terminated. This will help

guide you forward. There are two choices which is an unsolicited proposal or releasing the RFQ. There is nothing that precludes your from putting this developer in the RFQ.

Mr. Dupree Jackson, 30 SW 10th Avenue, speaking on behalf of Healthier Delray Beach stated that Healthier Delray Beach encourages the Board to enter into a new RFQ/RFP process. Healthier Delray Beach, with a focus on mental health of Delray Beach residents, understands the opportunity that the RFQ/RFP process can provide to improve overall health of the community. By allowing for additional proposals to be submitted you are honoring the potential for innovation, greenspace, new places for the community to connect with one another, and a much-needed grocery store that would be a great impact on our residents quality of life. Most importantly, the opportunity for community input during the RFQ/RFP process can show the voice for the residents benefiting from this important decision. We understand the excitement of new develop and hope the process can support what is best for the community. As we listen to residents of The Set and hear them ask for new options for this development project, we understand the importance of honoring their wishes. Even if the community is asked to wait a few more years for the best project to begin development due to the new RFQ/RFP, we believe residents input will ensure the project will be successful. Mr. Jackson then spoke for himself, stating that he is proud of the kids from the EJS project and shared they are now able to articulate the meaning of gentrification.

Mr. Alonzo Holeman, commented that as you look and listen to the people, he asked why the people moan and groan about land. He then shared a verse from the scripture, Proverb 29, when the righteous are in authority, the people rejoice, but when the wicked are in rulership, the people mourn. He asked the Board to question themselves to see whether they are the righteous or the wicked.

Mr. Willie Potts, 135 NW 7th Avenue, commented that he does not explain to the youth how the CRA would be selling property for \$1.5 million when they can get \$6 million for it.

Ms. Andrea Bruton, 703 Place Duvont, commented that the CRA Board attorneys advised the previous independent board that they could not go back to a previous proposal from a 2013 RFP process when the Equity contract terminated in December 2016. She asked how the Equity proposal can be reconsidered now. There is a room full of people here that have said the same thing tonight. We have waited thirty years for this process and we can wait a little longer to get it right.

Mr. Josh Smith, 3616 Avenue Degene, commented that there have been two decades of delayed development along West Atlantic Avenue. He does not know if there is anything anyone can say or do that would justify continued delays. If we are talking about a delay of 6 months as compared to 2-3 years, it does not take a rocket scientist to figure out the most logical way to proceed.

Mr. Sebron Smith, 401 West Atlantic Avenue, commented that the Board is in a tough position. He talked about what we can do as a community to enrich this community and move it forward. He added that he supports the development and wants something to happen when it comes to small businesses and job creation.

Mr. Jess Sowards, discussed the history of this situation as he was involved since the beginning. This started back in 2013 when the RFP was first brought about. It took almost 4 years to get the RFP awarded to Equity. It took 3 years from the time the project was awarded to Equity to get the process approved. He has documented 113 meetings with the community, Boards, and City staff. It was a huge effort. There were 16 different approvals required that included rezoning, planning, conditional use, FDOT, SFWM, WARC, parking management, FP&L, Comcast, CRA, City Commission, and building permits. Seven permits were submitted that were ready to be picked up. All of the plans have been changed and were ready to be submitted with revisions per the comments. There were 664 drawing sheets produced. It is a big effort and a big project. They complied with all of the land development regulations at the time which is a very prescriptive requirement. Equity has invested \$3 million so far into this project including engineering fees, application fees, and rezoning.

Mr. Bob Currie, 185 NE 4th Street, commented that they have been paid. This is not about money. It is so important to get this project done. He thinks it is so important to the community and Delray Beach. They tried to design something very special for this community. It is a higher end development which is part of the cost situation. They wanted an important entrance into this town and neighborhood. They designed a building that responds to South Florida with a 10-foot covered walkway all along the street to enhance pedestrian movement and separate residential from commercial portion. There are town houses in the back which are more Key West in character that reflect more of the community as it transitions back into the residential area. There are contaminated areas that have been encapsulated on the site that need to be dealt with. Any new developer that goes in will have to have a new community park that the owner needs to own and maintain about one-half of an acre that is going to hugely impact the cost.

Mr. John Flynn, 5100 PGA Blvd, went through some bullet points of what they will be providing which includes a pharmacy, grocery store, restaurants, retail, and office space. He would like to negotiate with the TED center which will be done through the CRA to create the community benefit agreement. They had an agreement with Publix and 70% of retail leased up. They also are providing at least 20 units of workforce housing dispersed throughout the development. They believe the benefit of the tax revenue in the future is an advantage. They are ready to go.

Mr. Jose Aguila, CSA Architects, commented that he had not been actively involved in this project but a lot of emotional and accurate things were said tonight by the public. It was presented in a way as if this is starting from the beginning and our developer is getting an unfair advantage over everyone else. We went through the process and submitted an RFQ. We were selected by the process that was in place at the time and followed all of the steps that were required of us. We went to all of the boards and received approvals by all of the boards and committees. We met with the community a lot and created the community benefit plan. We did everything right. We can start the work and want to start the work. It is a good project for our developer and for Delray Beach. He thinks we should be given every opportunity to bring that to the table as opposed to just throw it all away.

Mr. Jason Hirsch, 319 NW 2nd Ave, has been a resident of The Set for 14 years. He wants the best for everyone in the neighborhood. The one thing he noticed from listening from everyone is

that he did not hear one thing, aside from dollars, of what was wrong with the project.

Mr. Norcibien Monhomme, 704 West Atlantic Avenue, commented that since he started working at this address since 1990 he has heard that there was development coming within the next 10 year's, there have only been delays. He thinks the time is here. Whoever gets the contract should be treated fairly.

Chair Petrolia made remarks about the reasons why is she supporting moving forward with the Equity project. She has read and heard a lot of information about the Equity proposal and the other six proposals recently submitted. She has given this a lot of thought and analysis. She thanked each and every one of the developers for submitting their proposals. With that being said, she lead with facts about these proposals so everyone can understand the difference between what is being proposed and what is being approved. Starting with the Altman Development Corporation, they have offered \$3 million to purchase these three blocks. They have supplied no information about commercial or residential square footage, number of residential units, parking numbers, etc. With no information on what they would build, how can this Board take that proposal seriously. They may only pay \$3 million if they are able to build more than we will allow on that site. The issue is we do not know enough to consider that proposal. This project will be 3 years behind the Equity project in the time it might take them to break ground. She asked why the taxpayers should forego \$2.1 million over an additional 3 years, especially for another developer who does not specify what they will build and discussed taxes that would be generated once the project is developed.

Chair Petrolia moved on to BH3 Management, LLC and the Levy Land Trust. They offered \$6 million for these parcels. This group submitted an offer with no plans, square footage, number of residential units, specificity on whether or not they will build office space, retail, or a hotel or something else. This group also clearly states, "will endeavor to break ground within 2 years but no more than 3 years from the date of acquisition of the 600-800 blocks." Counting the approval time that is 5 years away from construction even starting.

Chair Petrolia began to discuss KAREP Acquisitions, LLC is the next development, offering \$2 million for the grounds. This group took the time out to detail what they would build and were more specific including 110-150 residential units, 16,000 square feet for a grocery store, 54,000 square feet of office space with only 61 parking spots, which she believes is shy. There would be 23,000 square feet of retail and restaurant space and 103 parking spaces. This project would not be ready to put a shovel in to the ground for at least 2-3 years longer than the Equity project.

Chair Petrolia discussed the Keller Williams proposal which was at \$2.85 million. This offer was merely a letter submitted by two realtors on behalf of their clients. They would want a hotel on the site in addition to retail and residential. There was no mention of office space, number of units, parking, or square footage. The LLC that would be applying is not even formed yet.

Chair Petrolia continued with New Urban Communities and Milton Jones Development Corporation. Their price was \$4 million, which is \$2 million cash at closing and they want a \$2 million loan from the CRA for 5 years. This group proposes 150-195 residential units, 280,000

square feet of retail and office space, and a grocer of not less than 18,000 square feet. They also stated that they would negotiate the community benefits agreement with the West Atlantic Redevelopment Coalition. She asked why a developer who is building a project with a total cost of \$40 million ask or need to borrow \$2 million from the CRA. Effectively, the CRA would likely have a subordinate lien positioned behind a \$30 million primary financing commitment. She clearly stated that she is not in favor of the CRA or the City extending a loan behind another loan of such a large amount. In addition, this project would at least be 2 years behind Equity and their ability to break ground as they have to go through the entire approval process and meet the current codes and LDR for that property.

Chair Petrolia also reviewed the Prime Investors and Developers, LLC proposal. This group offered two options. The developer, not the CRA, will unilaterally decide which one they will select at a later date. Option #1 is a purchase for \$3 million. Option #2 is a land-lease using the CRA's land-value investment program for a minimum term of 40 years. This group would build 42,000 square feet of retail space including a grocery store, 48,000 square feet of office space with retail on the first floor, a 108-room hotel, and 68 rental apartments. This project would have 511 parking spaces with 340 of the spaces located in two parking structures. The CRA would also have to make available the development infrastructure assistance program. This group also wants the CRA to contribute 50% of the cost to construct the two parking structures that will have a total of 340 spaces. She was told that the present cost to build each structured parking space is approximately \$35,000 per space. Effectively, the developer would want the CRA to contribute \$5.95 million to the project that would be at a cost of the 170 spaces at \$35,000 per space. In addition, the developer would want more money granted to them via the CRA infrastructure assistance program. This is why this proposal is essentially a "give us the land for free and give us a minimum additional \$3 million to build the project."

Chair Petrolia discussed what we would get for the \$1.2 million from Equity. We would get 112 residential units, 22 of which will be on-site workforce housing, 17,200 square feet of office space, 6,000 square feet of restaurants pace, 43,000 square feet of retail space including a grocer and a bank, 355 parking spaces with an in lieu payment for an additional 38 spaces, a program for local hires, set aside for office incubators, subsidized rents for current tenants when they return, relocation of those tenants temporarily, rights to repurchase should they not perform, performance bond, and shovel in the ground within one year. She is supporting moving forward with the Equity project because they have done the diligence necessary, they know what the infrastructure costs are, they will build the project that has gone through the process and the project that has been approved. Equity will develop the land in the shortest amount of time and put the property on the tax rolls quicker. The opportunity for other developers to submit proposals was, for her, to see if there was anything they could offer that was much better than what we have on the table. She did not see anything that was strikingly different. She is concerned about the unknown future environment if and when these projects get to the funding stage but also moving further away from the community benefits that were requested by many of the people that are in this room during the outreach portion of the original process. Having to build within the new LDR will make it very difficult to get the same benefits with these other developers. All of the asks from the community drive the value of the land down because the developer cannot build at the highest and best use. She doubts we can find a buyer today to buy the land for \$15.5 million as it sits.

First Vice Chair Gray asked CRA staff how many times this property had been out for RFP. Mr. Costello responded that it had been sent out for RFP almost four times.

First Vice Chair Gray commented that everything that was proposed came out of the West Atlantic Redevelopment Plan. The same things we want today are the same things we wanted almost 25 years ago including a grocery store, pharmacy and a bank. People complain that there is no development on West Atlantic but there is development on East Atlantic. People in this room have expressed that they do not want this project to go through but there are a lot of people that are not here that want to see progress on this property. She is in support of this project because we need to forward. They have agreed to our benefits that the people have asked for such as jobs and training. We need redevelopment now and the property tax revenues to come back in to the community so that we can do other things such as sidewalks, infrastructure, and lighting. If this is sent back out for an RFP it is not guaranteed that we will get what we want.

Commissioner Boylston clarified that we have not received six proposals, we received six letters of intent submitted within 30- days so they would not contain all of those details that would be found in a proposal. If this went out for an RFP we will receive those details. He referred to the 3 P's, which are process, price and project. Looking back at the process, this RFP was terminated and now we are negotiating with a single bidder who has a different name than when they went through the RFP before. He added that Chair Petrolia has had a track record of being against single-bidders. The iPic was 1.6 acres for \$3.6 million. We are going to possibly move forward with this which is 6 acres for \$1.2 million. On price, I would have to say no. On the project itself, this does not have the varied architecture demanded of Atlantic Crossing. It is the same architecture for 3 straight blocks. It does not have the restricted height that Midtown was restricted to 3 stories and it doesn't have the greenspace of any of these projects or the rooftop space of a forward-thinking project like iPic. He noted that he is trying to lean with the rest of the Board so people can see they are a team but the Board is asking him to accept a baffling \$1.2 million for a \$15 million piece of land that took 7 years to acquire and \$7 million of taxpayer money, accept an unsolicited bid rather than go through a transparent process that ensures the most money and best project for our City, and ignore six superior letters of interest in every category. These categories include experience, price, and project design. Equity would fall in last place. He is also being asked to vote against the majority of this room and majority of the community, disregard recommendations from major boards and groups in the City including the DDA, Chamber, WARC, and others, ignore The Set Plan, and the DDA shop-a-bility study. Most of all, he is being asked to accept project that is the definition of gentrification. The difference between community improvement, revitalization, and gentrification is when a majority of the project is not an extension of the community around it including size, uses, layout, and architecture. This property should be developed and sold through a public bidding process where all proposers are on equal footing. He is going to go ahead with supporting a RFP for a transparent process to get the best price and project for the heart of our City.

Chair Petrolia commented that this has gone through a process including 113 meetings, 16 approvals, 660 drawing sheets, and \$3 million invested. It went through an RFP. She added that comparing this to iPic lacks an understanding of what we are talking about. She asked what iPic

is bringing back to the community in terms of community benefits. She understands that it is a great idea to have a venue for entertainment but that is not going to reach most people in this room. When we are selling property at a lesser value coming from the public tax rolls under market value we better have a reason for it and she had listed the reasons which were the community benefits. She has not heard anything about what would be lacking in terms of community benefits from the Equity Project.

Commissioner Boylston commented that the RFP is prepared and ready to go. It has all the updated standards, references, plans, and lots. It will be based on a new RFP which will deliver better proposals and better projects. We already know we have six letters of interest and would expect to receive more. Equity can still be one of the proposals and they can go through this process, so it is transparent for the community. In 30 days we can look at all of the proposals.

Commissioner Brinson commented that this needs to be what is in the best interest of the community. On her part, she would like more time to ponder this.

Commissioner Boylston responded that the staff recommendation is fair.

Vice Chair Johnson asked why the community supported Equity five years ago but no longer does. She then read aloud the staff recommendation. This is not going to be like any of the development that you see downtown. We are asking for affordable housing. This is not a big money maker. Unfortunately, in order to meet the demands and give equity to the community, you do things that are not profitable. We cannot ask Equity to give us \$16 million. They have already invested \$3 million. She informed the public that Ms. Joan Goodrich had the city qualified for an opportunity zone offering which allows any developer to use in the NW/SW Neighborhood. She wants to let Equity and the community know that there will be milestones should they be awarded the community which probably will not allow for a lot of extensions due to past history.

Commissioner Frankel expressed that it is very important for the audience to know that the City Commission cares about finances. He asked the audience if they were aware that the City Commission voted to lower their tax rate for next year. He added that the Commission cares about getting the most value and decreasing the burden for residents. Equity is going to put together a quality project that is the gateway of the exit of I-95. There have been many things requested by the City and community in the over 100 meetings. He believes Equity has made a good-faith effort to reach out to the NW/SW communities and entire City to work with them. Everyone is hung up about the purchase price, not the entire project including the workforce housing and local hiring. He agreed with Vice Chair Johnson, Chair Petrolia, and Deputy Vice Chair Gray. He does not want this land to be vacant any longer. The number one request from members of the NW/SW communities was to develop West Atlantic. He believes we have a great group to do just that.

Treasurer Bathurst commented that he is very conscious of everyone's money and knows about real estate. He thinks \$1.2 million is a really good deal for the developer. We all know that West Atlantic needs to be redeveloped and this has been going on forever. At one time everyone was really for this Equity project. It seems as though the purchase price is the problem, which he

agrees with. The more community benefits, the lower the price goes. He stated his concern with the project is the purchase price, which he thinks can be renegotiated. He also has a problem with the design. Sometimes we ask for things that years later we no longer want. He really liked some of the designs he saw on the other proposals better. This is the beginning of our community. One of the reasons this project lost the support of the DDA is because of the large glass walls that aren't as friendly with the Bob Gibbs way of thinking about retail. We know the DDA and Chamber want to go out again for a RFP. In general, he would vote no for this.

Mr. Costello asked that if the Board decides to go forward with Staff recommendation #1 that they let Staff know a price they have in mind so Staff knows where they are going as they move forward.

Mr. Tolces added that during negotiations of purchase and sale agreements with real estate they look for the parties to express what they want to sell the property for and what the other party wants to buy the property for. The Board is not tying themselves to anything but it helps the negotiation process when going back to the developer.

Commissioner Frankel asked if the agreement is for 600-900 blocks or just 600-800 blocks. Mr. Tolces responded that the agreement proposed from Uptown is for 600-800 blocks with an option to purchase the 900 block. Mr. Costello commented that the agreement with Uptown removed the option for additional property because it was not advertised. The agreement is for the 600-800 blocks based upon the original proposal.

Chair Petrolia made a point that the 900 block is not connected to the 600-800 block so she is not sure they want to include the 900 block in this negotiation. There is a parking lot across the way from additional properties facing the 900 avenue so it seems very disjointed. She asked why not decide to go ahead and figure out what to do with that block separately. Mr. Costello responded that this negotiation does not include the 900 block however in the recommendation for the RFP it did include the 900 block to allow flexibility in regard to the utilization of the other blocks. This can be presented again at the workshop meeting to give direction. Mr. Tolces informed the Board that they are not required to give a purchase price. Commissioner Frankel asked if it would be proper for the Chair person to be involved in the negotiations. Mr. Tolces responded that if the Board would like for that to happen it could. If it is just one member of the Board that is fine. If it is more than one Board member there will be Sunshine law issues.

First Vice Chair Gray asked Mr. Costello to state what the community benefits include. Mr. Costello responded that it includes multifamily workforce housing units, a signed letter of intent from a full-service grocer, local inclusion and participation requirement which involves the utilization of six contractors or vendors with a primary residence or registered physical business within the US Postal Zip Codes of 33444, 33445, 33484, local hiring with 30 employees for skilled and unskilled construction jobs with livable wages for at least 30 persons, and tenant relocation.

Chair Petrolia asked how the Board feels about the CRA staff continuing to negotiate with respect to the RFP prior to the August 3rd meeting.

First Vice Chair Gray does not want to stop the progress, so she is in support.

Mr. Costello commented that the RFP is about ready to go.

Vice Chair Johnson made a motion to continue negotiations with Uptown Atlantic, LLC subject to the following as part of the negotiations: an increase to purchase price, modifications to approved architectural elevations, and additional community benefits including requirements for a full-time grocery store, space for local small businesses at a reduced rent, and local participation by sub-contractors and laborers with a mutually agreed upon purchase and sale agreement by August 3rd, 2018, which was seconded by First Vice Chair Gray and passed with Commissioner Boylston and Treasurer Bathurst dissenting.

Vice Chair Johnson made a motion to reject the letters of interest which was seconded by Treasurer Bathurst and passed unanimously.

Vice Chair Johnson made a motion to direct the staff to prepare a request for proposals for redevelopment of the CRA-owned properties within the SW 600,700, and 800, and 900 blocks of West Atlantic Avenue between SW 6th and 10th Avenues for consideration at the August 15th, 2018 CRA Board Meeting which was seconded by Commissioner Boylston and then withdrawn by Vice Chair Johnson.

Mr. Costello commented that we can remove the 900 block from the RFP. In regard to flexibility, we felt it was needed in regard to the property and workforce housing.

Commissioner Boylston commented that we will not be able to put out the 900 block just for affordable housing as that would be very difficult to do. We can include it in this project and get the 900 Block developed with what we want.

Commissioner Frankel made a motion to direct staff to prepare a RFP for development of CRA-owned properties within the SW 600,700, and 800 blocks of West Atlantic Avenue for consideration at the August 15th 2018 CRA Board Meeting which was seconded by Treasurer Bathurst and passed unanimously.

9. New Business

A. Site Development Assistance Program Funding Assistance Application – Law Offices of Herman Stevens, Jr. & Associates, P.A. (75 SW 5th Avenue)

Ms. Elizabeth Burrows, CRA Economic Development Manager, presented this item, which is a Site Development Assistance Program application. The application is regarding an improvement project to the exterior. The property also suffered damage as a result of Hurricane Irma last year. An awning was ripped off the building in the storm, which will be replaced. In addition to restoring landscaping he will also be pressure washing sidewalks and walkways. The sidewalk will be repaired, the parking lot will be restriped, and the color of the building will be yellow. There has been one update since the packet was finalized which is that he has withdrawn his request to install a new fence around the perimeter of the property. As a result, there is an updated funding deal sheet and agreement. The funding amount is \$11,778 and Staff is recommending approval.

Chair Petrolia commented that she has walked that area and says it is very important to start improving the south section of 5th Avenue to make it look more like the north section in order to have a continuous feel all the way through. She is very encouraged by what is being done with this particular resident.

Vice Chair Johnson commended Mr. Stevens for being a pioneer in the community as far as helping local residents and wished him luck.

Commissioner Frankel commented that he cannot think of a better person or someone more deserving for someone who zealously represents his clients and is very active in the community. He whole-heartedly supports the request.

First Vice Chair Gray made a motion to approve which was seconded by Commissioner Frankel and passed unanimously.

B. Site Development Assistance Program Funding Assistance Application – Illustrated Properties Realty (700 E. Atlantic Avenue)

Ms. Burrows presented this item, which is a Site Development Assistance Program application. Keyes and Illustrated Properties recently merged and as a result they are bringing all of their real estate staff into this one office. They are going to be upgrading the interior to redo the layout to make it more open and more inviting to accommodate more of those associates and make it a more friendly and inviting place for clients. The funding amount is \$37,122. Staff is recommending approval.

Ms. Vira Woodson, 1885 Palm Cove Blvd, inquired as to how the Board holds people accountable that ask for this money. As a business owner, if she puts in a bid for \$200,000 and then walks away from the part above the 45%, does she then have to reimburse the City for the money she asked for since she did not complete the entire \$200,000 of the project.

Ms. Burrows responded that from a procedural basis the program is structured to pay by reimbursement based on costs that have been verified. The business owner will pay the contractor directly for work that is done. They then receive copies of invoices for work that is completed as well as proof of payment to that contractor and only after those improvements are completed do they pay based on a percentage of those costs.

Chair Petrolia commented that she was surprised that interior improvements can receive funding. She thought this was worked out and she found out it was worked back in. She wants the Board to reconsider and talk about as she does not think this is the responsibility of the CRA.

Commissioner Boylston made a motion to approve which was seconded by Treasurer Bathurst and passed unanimously.

10. Other Business

A. Comments by Commissioners

Commissioner Boylston noted that his comments were authentic. We may not be on the same page tonight but he thinks about being on the same page.

Chair Petrolia commented that it is tough to make these decisions and appreciates the thoughts from Commissioner Boylston and what he contributes to the Board. We are all trying to do the right thing and sometimes we just do not see eye to eye.

Commissioner Brinson commented that she thought she had her mind made up when she walked in. This is a really tough decision. She has a lot to think about.

Treasurer Bathurst commented that he would rather see something different but one of the greatest community benefits is a new development with jobs. Our LDR's require Mr. Currie to develop the front side of the building 180 degrees opposite from what Bob Gibbs wanted. These places are not easy to lease but maybe we can make some changes. He would also like to get a better price to invest that money back into the community. These 3 blocks out of 12 blocks will spur other opportunities in the area to get more of that "Village by the Sea" look that he wants at the entrance to Delray. He has a problem with the architecture because it goes against what they are telling the other stores to do.

Chair Petrolia noted that the City Commission was supposed to review the LDR's and tweak them. This could be a great opportunity to do that.

Vice Chair Johnson noted the potential difficulty in obtaining a grocer as the industry is changing and even Publix is unsure of what the future holds for them.

B. Comments by Board Attorney

Mr. Tolces commented that it was a pleasure to be here and assist the Board. He urged the Board to reach out for help or with any questions so we can come back with an agreement that contains everything the Board is looking for.

C. Comments by Executive Director

Mr. Costello commented that there is a Workshop Meeting at 1:30 on the following Monday to discuss grant programs and A-Guide to prepare the Board for August. He said he will add the RFP to the Agenda.

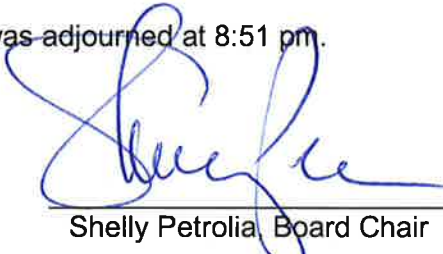
D. Comments by Staff

None.

13. Adjournment

There being no further business the meeting was adjourned at 8:51 pm.



Jeff Costello, Executive Director

Shelly Petrolia, Board Chair