



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 Budget Workshop Minutes
Monday, August 27, 2018 11:00 a.m.**

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

STAFF PRESENT:

Jeff Costello	Renee Jadusingh	Lori Hayward	Danielle Arfin
Elizabeth Burrows	Joan Goodrich	Krista Walker	Grace Gdaniec
Jill Brown			

OTHERS PRESENT:

Holland Ryan	Elise Johnson	Mitzi Katz	Jacqueline Ramirez
Jamael Stewart	Bill Branning	Frances Bourque	Caryn Gardner-Young
Deborah Dowd	Stephanie Immelman	Robert Posillico	Jeb Conrad
Joe Russo	Susan Williamson	Jane Smith	Sandy Zeller
M. Pensa	Laura Simon	Peter Arts	Mark Denkler
Dorothy Ellington	Alice Pullum	Alice Finst	Marjorie Waldo
Nancy Overton	Bridget Mahoney	Bill Morris	

1. Call to Order

Chair Petrolia called the meeting to order at 11:00 am.

2. Roll Call

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

3. A-Guide Funding Request FY 2018-19 – Old School Square

Ms. Lori Hayward, CRA Finance and Operations Director, introduced this item. She stated that Old School Square requested \$500,000 from the CRA and \$250,000, which is the portion that the CRA would pay on behalf of the City. The total funding is \$750,000. The A-Guide Committee gave this organization a score of an average of 72%.

Mr. Bill Morris, Chairman of Old School Square, continued the presentation by stating that they have come a long way over the last several months. They have made a budget cut of 31% which is \$1.1 million without negatively impacting their programming. The future looks promising in terms of a potential for hiring a new CEO and Development Director, getting their feet on the ground, and securing additional private funding.

The Old School Square IT Director then gave a PowerPoint presentation discussing the programs offered by the organization and the impact it has had on the City of Delray Beach. He also went over the changes ahead for Old School Square and their grassroots partnerships throughout the City.

Ms. Elise Johnson, Vice Chairman of the Old School Square Board of Directors, gave a brief overview of what Old School Square offers the City and what it has meant to her. She thanked the Board for their kindness, consideration, and continued support and reminded them that the investment made into Old School Square pays off for the community.

First Vice Chair Gray commented that this process has been unfair to the Board because they are being asked to approve items without even looking at the budget and being given an opportunity to discuss these funding requests.

Vice Chair Johnson agreed with First Vice Chair Gray regarding this process. She does not want to talk about budget without deciding what to do with the funding requests.

Mr. Costello responded that the funding requests are part of the budget process and that the proposed draft budget is not final. Staff is looking for direction from the Board in regard to these funding requests. The overall budget for FY 18-19 will be discussed later in the meeting.

Chair Petrolia commented that these are the last two funding requests that should have been handled during the last workshop meeting but they required more time so the Board is discussing it today.

Mr. David Tolces commented that the Board is not approving anything today and any funding agreements will be coming back to the Board for consideration.

Commissioner Frankel agreed with Mr. Morris regarding Old School Square being one of the top two assets in the City of Delray Beach. He added that Old School Square is also top two for attended cultural facilities in Palm Beach County. He would be in support of funding \$900,000 because by funding them you are also helping 80+ non-profits.

Commissioner Boylston commented that he is looking for non-profits to tighten down their budget, look for strategic partnerships, decide what can be done in-house and what can be outsourced, and utilize assets to benefit the community and produce revenue. He added that Old School Square is doing all of those things.

Vice Chair Johnson commented that she does not think they have hit the mark as far as what they need to do to gain her confidence. She referenced comments from the Evaluation Committee report which concerned her as it appears Old School Square has not achieved something that would warrant the amount of money being requested. She added that she is disappointed regarding the grade that was given to this organization in terms of future financial sustainability.

Mr. Costello responded that the initial amount funded by the CRA as part of the A-GUIDE process was at \$284,000 and the whole intent of the A-Guide is for that funding amount to decrease. Due to certain circumstances relating to the operations of this organization, the CRA Board agreed to provide the additional funding as requested.

First Vice Chair Gray commented that the mission of the CRA is to eliminate slum and blight and suggests the Board realign with the core mission of the CRA such as fixing sidewalks and alleyways and dealing with affordable housing. She questions providing this amount of funding when the performance has been subpar.

Treasurer Bathurst commented that Old School Square is the cultural heartbeat of Delray Beach but that at some point the CRA may not be able to fund this organization. He would like to fund them at the amount that has been requested so they can be ramped up to where they need to be in order to eventually become self-sufficient.

Vice Chair Johnson commented that there has been a push by the state legislature with a request to do away with Home Rule and if that happens it means the CRA is going to go. She suggests that non-profits start thinking about what to do to eliminate the City asking the CRA to contribute funds without discussing how the funds are going to be used. There was a comment concerning the A-GUIDE process and if the organizations are lobbying the Committee.

Mr. Costello commented that the Committee does not get lobbied by organizations. There are both City and CRA Staff involved in the process and everyone is very objective throughout the review. He stated that if there are any questions or concerns associated with the request, the Committee may meet with an organization or make them aware of the concern that may affect the recommendation. He added that in this case, if adequate information is not received by the end of the second quarter addressing the proposed stipulation then payment will be withheld for the next quarter.

Vice Chair Johnson commented that she can support giving Old School Square another chance with a sharp eye and provision of data. She does not approve of providing free concerts without some amount of public payment.

Commissioner Frankel disagreed with Vice Chair Johnson and stated that Old School Square provides free concerts to bring the public in to gather and enjoy music. He added that it shows character that this organization would provide culture at no or a low cost.

Commissioner Boylston and Treasurer Bathurst concurred with Commissioner Frankel's comments regarding the free concerts.

Mr. Mark Lauzier, City Manager, commented that the CRA is a catalytic agency. He asked Mr. Costello for the CRA to pay for the entire tennis tournament because it brings people into the CRA for programs and services that leads to generation of money, which is the core mission of

the CRA. The CRA's mission is to subsidize public infrastructure projects and bring programming and people into the CRA core. He disagrees with the State in the belief that the CRA is not economically beneficial. Mr. Lauzier encouraged focusing efforts towards telling the State legislature to leave CRA's alone and educate them on how much they do for communities.

Chair Petrolia commented that last year she was the only person on the City Commissioner who did not agree to provide Old School Square an increased level of funding because there was no way to determine whether they were changing in a positive direction. She does see now that there are some earmarks to watch what is going on. She wants the organization to start thinking about what would attract people from all walks of life to Old School Square and think outside of the box to make it more productive and generate more revenue. Chair Petrolia added that she thinks people in the community feel a divide when it comes to Old School Square and wants efforts to be made to make it more inclusive for everyone in the City. She thinks the Old School Square grounds and Crest Theatre are being underutilized and can be programmed greater to generate more revenue.

Vice Chair Johnson commented that she would like to see the Old School Square Board of Directors become more diverse.

The Board reached a consensus to provide funding in the amount of \$750,000.

4. A-Guide Funding Request FY 2018-19 – Greater Delray Beach Chamber of Commerce

Ms. Hayward introduced this item. CRA Staff and the Chamber have met and their budget has been revised. The original request was \$62,500 and has been reduced to \$40,000.

Mr. Jeb Conrad, President and CEO of the Greater Delray Beach Chamber of Commerce, continued the presentation. He stated that it is an important economic development opportunity to partner with Palm Beach Tech to create an accelerator program complete with a curriculum, coworking space, mentorship held by the Chamber, and a competition at the end. The adjustment to the budget involved contracting with Palm Beach Tech to utilize the 1909 program and administer it at the Chamber office. The Chamber will be absorbing \$15,000 in overhead cost to house that program including staff support as needed. The \$40,000 request to the CRA to initiate the program.

Mr. Joe Russo, Palm Beach Tech, read aloud a letter of intent from The Knight Foundation regarding a grant in the amount of \$200,000 and discussed the funding process for this grant.

Commissioner Boylston commented that this is a very small investment to be part of something very big. He would want the funding amount to be contingent on receiving the grant from The Knight Foundation.

Commissioner Frankel agrees with Commissioner Boylston in \$40,000 being a small price to pay and supports this initiative.

Treasurer Bathurst commented that this would be a good way to bring vibrancy to the Chamber and wants to see more collaborations.

Vice Chair Johnson was concerned with duplication and wanted to see the TED Center brought to the table and see more collaborations between the various organizations.

Mr. Russo commented that the \$40,000 is for 50 people or companies and the Chamber is absorbing an additional \$10,000 by providing overhead on marketing, reaching out to mentors and business advisors, and providing space. Essentially, it is a lower funding amount than other cities. The CRA and Chamber can reduce the number of people going through the program and thus reduce the funding amount.

Chair Petrolia commented that the Board needs to make sure that there is something coming back for taxpayers since this is taxpayer dollars being spent.

Commissioner Boylston commented that this program will put 50 people through an entrepreneurial program with mentors in the CRA District and there would be opportunity for these businesses to stay in Delray Beach. He is glad that we have these partnerships willing to come to Delray Beach and is pleasantly surprised the Chamber is driving this initiative.

Mr. Tolces commented that because it is CRA funds it will have to be tied into the Community Redevelopment Plan.

First Vice Chair Gray commented that it is important that we help these start-ups because we do not have enough of them, but that the Board should fund them for \$25,000 or \$30,000 for this year and put measurements in place.

The Board reached a consensus to go forward with providing a funding amount of \$25,000.

The meeting was recessed for lunch at 12:30 pm.

The meeting returned to session at 12:45 pm.

5. Discussion – Greater Delray Beach Chamber of Commerce Funding Request – City Hometown Events Production

Mr. Conrad presented this item. The Chamber is requesting the CRA to help them transition these events and destination marketing to the Chamber which will absorb the key employees, manage those events, and be the lead organization for destination marketing. The Chamber's commitment is \$106,000.

Ms. Stephanie Immelman continued this presentation by discussing the events leading up to the discussion of merging the DBMC with the Chamber of Commerce. The DBMC has talked with the City regarding taking over these events and they were not quite ready to make a transition at this time.

Vice Chair Johnson commented that it is time the City takes ownership of itself and she would not be in favor of granting this funding.

Ms. Caryn Gardner-Young, Assistant City Manager, commented that the concern here is timing and resources. She added that if the direction is for staff to get it done she knows the City has the capability to get it done and that it would be an event for the City to be proud of.

Commissioner Boylston commented that he would like to see this come in-house and see a consolidation. He supports moving forward with this plan knowing that this would be a transition year.

Ms. Immelman commented that the Board voted to keep the DBMC intact until everything is figured out. By moving into the Chamber it will decrease the requested funding amount for the CRA.

Chair Petrolia would like to have a workshop to reevaluate the Hometown Event programs for the City.

Treasurer Bathurst agrees with Chair Petrolia in order to eliminate duplicate efforts.

Commissioner Frankel commended Ms. Immelman on her track record and applauds what is being asked for and supports it.

Vice Chair Johnson requested setting up a workshop meeting to discuss the production of the Hometown Events between the Chamber of Commerce and the DBMC, which Chair Petrolia and First Vice Chair Gray concurred.

Ms. Immelman gave an overview of where the income comes from and the expenses that are involved in putting together these Hometown events. It takes approximately \$157,000 to run the holiday events. The expenses total approximately \$125,000. The DBMC is funded about 70% by the partners and the additional 30% is raised by the organization. She noted that it is late to start training City staff to take over these events and that they had communicated they were not ready to take control of these events which is why they presented this proposal to the Board.

Commissioner Frankel noted for the record that this proposal involves a reduction of continued funding.

Mr. Costello repeated his request to move forward with the proposal to fund the amount and revisit the plan at a future workshop prior to February. He asked for direction from the Board to fund the \$125,000 to allocate on the CRA's behalf.

Vice Chair Johnson was not in favor of the proposed funding request while Commissioner Frankel, Commissioner Boylston, and First Vice Chair Gray stated their support for the proposal.

The Board reached a consensus to fund the requested amount of \$125,000 and hold a workshop meeting to further discuss the item. The agreement will be between the CRA and the Chamber.

6. CRA Draft Work Plan and Budget FY 18-19

Mr. Costello presented this item. He gave an overview of the CRA funds allocated for infrastructure projects, which is included in the City's Capital Improvement Program along with the list of those projects. The total funding is approximately \$16,000,000. He then reviewed funds allocated for CRA projects.

First Vice Chair Gray suggested relocating a historic structure into the NW/SW neighborhood and Commissioner Boylston suggested placing shipping containers in the area to be renovated.

First Vice Chair Gray and Treasurer Bathurst commented that the design of the Carver Square project does not fit in with the look of the community.

Mr. Costello continued the presentation by discussing the economic development initiatives, facts pertaining to the Delray Beach CRA GreenMarket and the Arts Warehouse Programs.

Ms. Hayward gave a presentation on the preliminary operating budget. She reviewed the history of the TIF revenue, preliminary revenue summary, budget summary, expense allocation, and CRA funds allocated for City services and programs in the CRA District.

First Vice Chair Gray want more funds to be allocated for projects that are more aligned with the core mission of the CRA and what has been promised to these communities.

Chair Petrolia commented that land aggregation is secondary to the wants and needs of the community in the NW/SW neighborhood including sidewalks and lighting.

First Vice Chair Gray wants to make sure the alleyway plans get completed.

Ms. Hayward continued the presentation by giving an overview of the CRA funding paid to the City of Delray beach and non-profit partners, administrative expenses, and debt service.

Commissioner Frankel left the meeting.

Chair Petrolia commented that for the most part, the CRA should not spend money on anything aside from projects within the NW/SW neighborhood as they have waited long enough to see things get done. She also suggested engaging in public-private partnerships to help with funding projects. She does not feel the money is being used in a way that gives back to the community and recommended conducting a goal setting meeting for the CRA.

The Board discussed reallocating the funds for the 98 NW 5th Avenue building renovation towards other projects pending completion in the NW/SW neighborhood.

Mr. Costello asked for Board direction regarding allowing flexibility in the SW 600-800 site plan to build 4 stories opposed to keeping it at the currently approved 3 story limit.

First Vice Chair Gray and Chair Petrolia want to keep it at the 3-story limit. Treasurer Bathurst, Vice Chair Johnson, and Commissioner Boylston said it would depend on the design of the site but would be open to adding a fourth story.

Vice Chair Johnson wanted to discuss the historical expenditures the CRA has given to non-profits in addition to other hidden costs that are in the budget.

Mr. Costello reviewed a breakdown provided by Staff of the funding that has been provided to non-profits.


Commissioner Boylston asked to have a workshop regarding the relationship with the WARC Advisory Board. He also noted his concern with the 45-day window for the RFP and suggested expanding the window to ensure all the candidates have time to submit. Mr. Costello responded this item can be put onto the September 11th meeting agenda for consideration.

9. Adjournment

The meeting was adjourned at 3:05 pm.



Jeff Costello, Executive Director



Shelly Petrolia, Board Chair