



CRA Board Meeting Minutes
Tuesday, May 14, 2019 – 1:30 p.m.
City Commission Chambers – 100 NW 1st Avenue
Delray Beach, FL 33444

STAFF PRESENT:

Jeff Costello	David Tolces	Ivan Cabrera	Joan Goodrich
Caryn-Gardner Young	Lori Hayward	Elizabeth Burrows	Renee Jadusingh
Carter Roush	Patrick McCullum		

OTHERS PRESENT:

Evelyn Dobson	Ernestine Holiday	Michael Corbett	Pauline Moody
Neil Schiller	Christina Buckley	Mohammed Abdalla	Heather Akers
Steve Murray	Valerie Courchesne	Darrell Johnson	Kimberly Strong

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

Deputy Vice Chair Gray recommended two (2) items be moved to the Consent Agenda.

Chair Petrolia stated she would like discussion on 9h but would like to move it up to 9aa.

At the advice of Board Attorney David Tolces, one (1) of the items required discussion, but two (2) items could be moved.

Motion by Deputy Vice Chair Gray, seconded by Commissioner Frankel, to move item 9e, Work Assignment – Kimley-Horn and Associates, Inc. – Wayfinding Signage Design and item 9g, New Tools: Project Consultancy + Design Services Program, to the Consent Agenda, as well as to move

item 9h, Keep It Local, to item 9aa and to approve the agenda as amended. In a roll call vote, the **motion** passed unanimously (7-0).

4. Approval of Minutes

a. March 12 Regular Board Meeting Minutes

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

b. March 28 Special Board Meeting Minutes

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

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

Chair Petrolia clarified that the public comments section would also include those items newly added to the Consent Agenda.

Richalyn Miller, Marketing Coordinator for the Downtown Development Authority, thanked the CRA Board and staff for their support and assistance with the Pineapple Grove Music Fest. She said the event was well attended and good feedback has been received. She noted plans are moving quickly for the Second Annual Frog Alley Caribbean Festival, which will take place June 8.

Thad Jackson, Labor Max Staffing, stated he was here last week for a job fair at Pompey Park, and wanted to follow up with the CRA. He said he met with about 30 young men during the job fair and is putting about half of them to work tomorrow.

Chair Petrolia thanked him for showing up, and said it was great to have him. She stated what he said at the event made a difference.

James McCray, asked if the staff had ever thought about Carver High School as a space to support the CRA mission.

Commissioner Bathurst stated there are some big plans coming up for Carver High School, so keep an ear out for a presentation from the School Board at a future meeting.

6. P&Z Items

None.

7. Consent Agenda

a. CRA Financial Report – March 2019

- b. CRA Monthly Progress Reports – April 2019**
- c. Clean and Safe Program Monthly Report – March 2019**
- d. Delray Beach Career Cottage Quarter FY2018-19 Report**
- e. Resolution No. 2019-08 – Agreement for Purchase & Sale – 106 NW 10th Avenue & Vacant NW 3rd Street**
- f. Amendment to the Delray Beach CRA By-Laws & Revised Board Meeting Schedule**
- g. First Amendment to Agreement for Purchase & Sale – 300 SW 5th Avenue**
- h. Work Assignment – Kimley-Horn and Associates, Inc. – Wayfinding Signage Design**
- i. New Tools: Project Consultancy + Design Services Program**

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).

8. Od Business

None.

9. New Business

aa. Direction – Keep It Local Policies and Disparity Study – Next Steps

Board Attorney David Tolces stated the Board should be specific in its direction. He said it is the intention of the CRA Board to support the City in its hiring of a consultant to complete a disparity study, then have an Interlocal Agreement between the two to fund the study.

Chair Petrolia opened a public hearing on the matter.

Tina White, stated she is very excited the CRA Board is considering moving forward with the disparity study. She said she went through the process with the City of West Palm Beach and wanted to share the result of that investment. She stated as a result, she is the first black woman in the country to be a Michelin Tire dealer. She noted the dollars are an investment and is a domino effect in the community.

Chair Petrolia closed the public hearing on the matter.

Motion by Deputy Vice Chair Gray, seconded by Commissioner Frankel, to support the City in moving forward with its Keep it Local Policies and Disparity Study. In a roll call vote, the **motion** passed unanimously (7-0).

a. CRA Audited Financial Statements – FY2017-18

Lori Hayward, CRA Finance and Operations Director, stated the audit was completed by Caler, Donten, Levine, Porter & Veil and Partner Mark Veil was present to go over highlights of the audit.

Mr. Veil reviewed the Independent Certified Audit Report and pointed to highlights, including an overall comparison with the previous year, increases to asset line items on the balance sheet with total assets of \$52.9 million, an increase of \$4.3 million over the previous year, and liabilities of \$9.2 million, down \$2.5 million over FY2016-17.

Continuing, Mr. Veil addressed the General Fund ending balances and total revenues and expenses. He pointed out a summary of debt in the footnotes, and a list of lease commitments, contractual commitments, and grant commitments made for the upcoming year.

Mr. Veil stated the last section of the report included a number of required compliance reports. He pointed out a change in check signatories mid-year which would require a policy change if continued.

Chair Petrolia opened a public hearing on the audited financial statements, however there being none wishing to speak, she closed the public hearing.

Deputy Vice Chair Gray stated even though it has been solved, it is important for the Board to understand what happened with the annual leave reports.

Mr. Veil explained there was one (1) report which was being done manually, and within Oasis, the payroll program, there was a second report, but those two items were not matched up at the end of the month. He stated since that time, the Oasis report has become the sole report.

Deputy Vice Chair Gray asked staff to explain what occurred, stating it was unacceptable.

Mr. Costello reiterated what Mr. Veil had stated.

Ms. Hayward further explained details and changes to the leave policy. When the leave policy changed, Oasis could not update to an accrual system until October 1st.

Deputy Vice Chair Gray stated the Board members are in receipt of a letter from former employees saying they did not receive their fair time, and did not receive reviews in a timely matter, resulting in inability to receive raises. She said the staff had swept over that, and she didn't like it.

Mr. Costello stated staff recognized there was an issue with the leave time and corrected it, noting that was the reason a third-party auditor reviewed the records.

Commissioner Bathurst stated the two (2) issues were separate things, in regard to accruing leave and not receiving raises, and they shouldn't be combined.

Continuing, Commissioner Bathurst clarified the issues which were found in the audit were corrected according to the policy, and that everyone is now on the same accrual rate moving forward.

Vice Chair Johnson asked how accrued time was resolved when the person is no longer an employee.

Mr. Costello stated a past employee has been compensated under the audit.

Commissioner Boylston asked Mr. Veil if the auditors were satisfied the annual leave issue had been corrected.

Mr. Veil said yes, and the item will be dropped from the audit after next year. He noted there were two (2) additional items with action required.

Motion by Commissioner Boylston, seconded by Deputy Vice Chair Gray, to accept the auditor's report. In a roll call vote, the **motion** passed unanimously (7-0).

b. General Fund Carry Forward Report – FY2017-18

Ms. Hayward stated as was discussed in the audit report, the fund balance at the end of 2018 was \$13 million. She said that leaves \$11.36 million in carryforward. She outlined the three (3) options for utilizing carryforward based on State statute and said the CRA has a policy to apply the funds to projects in FY2018-19.

Ms. Hayward noted the funds in the carryforward have been tied to current projects as follows, and staff is looking for Board approval:

- \$6,800,000 - 5351 – SW 3rd Ct, 4th St, 6th St, 7th St Reconstruct
- \$2,360,000 – 7335 – Clean & Safe
- \$905,000 – 7470 – International Tennis Tournament
- \$880,016 – 8610 – Debt Bond Payment

Ms. Hayward clarified these are already budgeted items, they are simply being tied to carryover funds.

The Commissioners discussed the carryforward and what could be done to prevent having a carryforward next year.

Chair Petrolia opened a public hearing on the issue.

Ari Whiteman, asked if the carryover funds couldn't be used to improve alleyways in the neighborhoods as planned rather than committing it to other projects.

Chair Petrolia closed the public hearing.

Chair Petrolia explained the funds are being matched to projects already in the budget to avoid having to send the funds back, and funds are being used for the improvements referenced.

Motion by Deputy Vice Chair Gray, seconded by Vice Chair Johnson, approved the carryover plan as presented by staff. In a roll call vote, the **motion** passed unanimously (7-0).

c. Budget Amendment No. 2 – FY 2018-19

Mr. Tolces read the Resolution by title only.

Mr. Costello stated a list of items changed within the budget were in the Board's backup materials. He said certain projects had increases, and some projects were moved to FY2019-20.

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

Chair Petrolia asked what happened to the Hilltopper, with the budget line item going to zero and not being scheduled.

Mr. Costello stated there is an issue with the available land (related to the City's lease) and the School District.

The Board and staff discussed whether the Old School Square item should be brought back forward.

Chair Petrolia expressed concern with doing the design on Old School Square too early in the process and wasting money.

The Board discussed budgeted work to sidewalks and alleys.

Deputy Vice Chair Gray asked why funds from an alley project which ran into issues couldn't just be moved to a different part of the alleys so the project could continue.

Mr. Tolces stated as part of the alley project, if the funds are going to be spent to improve the alleys, the City has ownership interest. He said as a result, title searches are required, and as it turns out the City does not own all of the alleys in those blocks.

Continuing, Mr. Tolces explained the title issues which may ultimately result in an eminent domain procedure, which can only be initiated by the City Commission. He said the question then comes up of whether or not that is a process the Board would want to proceed with.

Chair Petrolia stated that was a conversation for another time.

Deputy Vice Chair Gray said this is an issue people have known about for a long time, but no one has wanted to do anything about it, so she commends the CRA Board for having the courage to move forward with it.

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

d. Second Amendment to CRA/City Interlocal Agreement for Funding Construction/Professional Services FY2018-19

Mr. Costello explained this item updates the Interlocal Agreement with the City where it needed to match with the budget amendment.

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

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

e. Work Assignment – Kimley-Horn and Associates, Inc. – Wayfinding Signage Design

Item added to Consent Agenda.

f. Update – Purchase and Sale Agreement – Edron, LLC – Northwest 600 Block West Atlantic Avenue

Mr. Costello stated the Board authorized staff to negotiate a lot exchange off West Atlantic Avenue at its December meeting. He said as staff went through the process, the CRA had both properties appraised, and the value of the Edron property on NW 6th Avenue is at \$236,000, and the property owner is requesting \$450,000.

Mr. Costello stated this difference has created an impasse, and staff is recommending ceasing negotiations in favor of self-developing its properties.

Chair Petrolia opened a public hearing on the issue.

Max Eida, owner of Edron, LLC, stated he has been trying to develop the property discussed for the past 19 years. He said he has tried to do something and does not get support, noting if 7th Avenue was developed separately he would not be able to do anything on Atlantic Avenue because of lack of parking. Continuing, Mr. Eida questioned the appraised value of his property, saying it did not take into account the house located on it.

Chair Petrolia closed the public hearing.

Chair Petrolia stated she likes the idea of the smaller units (buildings) which have been placed in the staff recommended project. She said she understood that would preclude a larger development, but a large, multi-block development had not been the vision of the current CRA Board.

Continuing, Chair Petrolia stated she could envision the projects being interconnected with neighboring properties. She said she understood where Mr. Edron was coming from, but this was a different day and a different opportunity.

Commissioner Boylston said he agreed, that this was the new direction. He stated they had tried to work with other landowners, but it didn't work out, so the CRA needs to move forward. He agreed with Chair Petrolia on the interconnectivity opportunities.

Commissioner Bathurst stated he would like to see as much of the block developed as possible, whether that meant developing only the CRA-owned properties or continuing to negotiate with Edron.

Deputy Vice Chair Gray said this would be more inclusive, giving mom and pop businesses a space to go into.

Vice Chair Johnson stated she thought this proposal was wonderful, as it could offset what was happening on the opposite side of the street. She said she was sorry negotiations couldn't move forward, but this was a great option.

Motion by Commissioner Frankel, seconded by Commissioner Bathurst, to terminate negotiations with Edron, LLC. In a roll call vote, the **motion** passed unanimously (7-0).

g. New Tools: Project Consultancy + Design Services Program

Item added to the Consent Agenda.

h. Direction – Keep It Local Policies and Disparity Study – Next Steps

Item moved to aa.

i. Update – Transportation Services

CRA Project Manager Ivan Cabrera presented an update on the transportation services projects. He stated CRA staff has been in negotiations with Downtowner for over a month, and it had become clear Downtowner would not be able to provide both fixed route and point-to-point services.

Mr. Cabrera stated yesterday a proposal was received from the Downtowner, stating they would like to proceed with providing the point-to-point services only. He said the proposal from Downtowner included providing training to the fixed route provider, so their app and services would integrate.

Continuing, Mr. Cabrera said the second highest proposer on the fixed route program was First Transit, Inc., and staff would negotiate with them if that was the direction of the Board. He provided photos of the proposed modified fixed route.

In response to a question from Chair Petrolia, Mr. Cabrera stated First Transit originally bid a cost of \$512,606 (for 2 vehicles) in the first year, and that cost did not include technology.

The Board and staff discussed ownership of the vehicles, which would be owned by the contractor for a period of two (2) years, with the understanding that ownership may change if grant funds become available.

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

Commissioner Frankel referenced the Downtowner lobbying the Board for participation in the RFP process, and stated he felt had. He said knowing this information, his vote would be different.

Chair Petrolia stated they were going from having a service (point-to-point) that cost zero, to a service that cost half a million dollars and provided less, and she couldn't sell that to her constituents. She said she was very disappointed and was open to suggestions.

Vice Chair Johnson said she doesn't know what is happening, but the Board took a chance offering them both programs. She stated she would like to look at other options.

Deputy Vice Chair Gray stated she did not think the CRA should need to go out for bid on the fixed route, because First Transit has been doing it for a while.

Commissioner Frankel stated one of the things he liked about the Downtowner was that their app provided the estimated time of arrival, and he found out later the FreeBee app did, as well.

At the request of the Board, Mr. Costello confirmed that FreeBee was the top-rated selection after the RFP process for the point-to-point service.

Commissioner Bathurst stated he does not like to make quick decisions and wants to be supportive of local businesses. He said he did think the potentially integrated technology is an option.

Mr. Costello stated staff had a brief meeting with First Transit, and they are interested in providing the service, and are open to discussion regarding the integration of technology.

Chair Petrolia said too much time has passed, and they can't go out for another RFP. She stated they may want to move forward with First Transit but limit the term of the contract because without the technology it would be short-lived.

Continuing, Chair Petrolia discussed reasons the group should look at FreeBee for the point-to-point service.

Mr. Tolces explained the process the Board needed to follow.

Mr. Cabrera clarified that First Transit did have an option for technology in their proposal, at a higher cost.

Mr. Tolces reminded the Board that Downtowner was awarded both contracts, so discussion would be regarding continued negotiation.

Motion by Commissioner Boylston, seconded by Commissioner Bathurst, to direct staff to negotiate with First Transit on the fixed route transportation service. In a roll call vote, the **motion** passed (6-1). Commissioner Frankel voted no.

Chair Petrolia clarified the terms of the contract with First Transit would be two (2) years.

Commissioner Boylston stated he would like to hear from Downtowner on why their offering had changed.

Mike Monaco, Chief Technology Officer with Downtowner, stated both RFPs have a \$5 million insurance request, but the industry standard and their other jobs in Florida require a \$1 million policy. He said the Downtowner staff believed this was a negotiating point and underestimated the cost of a \$5 million policy.

Mr. Monaco stated Downtowner is willing to take the risk of the insurance liability on one of the services and convey their technology to the other operator for free in order to make the dream of a connected system work in Delray Beach.

Chair Petrolia said it was her understanding the CRA offered to pick up the cost of the insurance and Downtowner was still unwilling to move forward.

Mr. Costello explained the discussion was to reduce the number of vehicles so the CRA was shouldering more of the insurance cost, and the Downtowner staff subsequently told him it related more to the liability and risk of carrying the \$5 million policy than to the cost.

Chair Petrolia stated she questioned the motivations of the company regarding the fixed route section of the RFP and reiterated that she could not sell this proposal to her constituents.

Commissioner Boylston clarified that the CRA was taking the insurance out of the budget, not taking on the insurance on behalf of the company.

Chair Petrolia stated the CRA Board is totally banked in with the Downtowner, and it feels as though they have completely dialed it back, so the Board is having to rethink the project. She noted the CRA has done nothing but try to work with Downtowner.

Mr. Monaco explained the difference between \$1 million in insurance and \$5 million is two (2) to three (3) times the cost, so the current negotiation is the response to working within the budget and that requirement.

Board Attorney David Tolces clarified that the insurance amount could not be reduced because it was listed in the RFP. He noted none of the proposers asked any questions regarding the insurance during the RFP process.

Chair Petrolia stated it would have been nice to know at the appropriate time that the insurance amount was out of line for the service so change could be made.

Commissioner Frankel read from the letter written by Steve Murray of Downtowner regarding making a business decision to move from the negotiations and asked the Downtowner to explain why he would not go with Free Bee, the number one (1) rated choices from the RFP process.

Mr. Monaco stated Free Bee does not have the technology for the integrated system, and said they are focused on advertising versus efficiency. He explained work has been done by Downtowner in other markets to develop a technology to use point-to-point and fixed route in an integrated way.

Commissioner Frankel asked why they shouldn't follow staff recommendation to award the fixed route service to Downtowner and the point-to-point to Free Bee.

Mr. Monaco stated the Downtowner believes the system will only be truly successful if they are integrated, and they would not be willing to share proprietary technology with the Free Bee company.

In response to a question from Commissioner Bathurst, Mr. Monaco stated there had not been any discussion between Downtowner and First Transit in regard to integrating technology.

Mr. Costello said staff has not posed the insurance question to Free Bee, as they were in negotiations with Downtowner.

Commissioner Boylston stated it is possible Free Bee would run into the same problem.

Chair Petrolia asked if the CRA had made a mistake in requiring \$5 million insurance on the point-to-point service and suggested going back out for RFP on both services. She said she feels strongly there may be a company that can deliver both.

Commissioner Boylston clarified that the insurance requirement could be dropped down after the one (1) year pilot program.

The Board discussed whether First Transit was willing or able to integrate Downtowner's technology, then continued to discuss the options regarding negotiations and repeating the RFP process.

Commissioner Bathurst reviewed the timeline and asked what the options were to get something going.

Mr. Tolces stated the proposal from Downtowner differs from the original RFP, which is a concern from his perspective.

Mr. Costello stated the item could be tabled to allow staff to reach out to the second choice regarding the \$5 million insurance policy, then brought back up later in the meeting.

Motion by Commissioner Boylston, seconded by Vice Chair Johnson, to table the item to later in the meeting. In a roll call vote, the **motion** passed unanimously (7-0).

Commissioner Boylston stepped away from the dais.

j. Direction – Historic House Relocation – 215 NE 7th Avenue

Mr. Costello stated there is a California and Monterey style house at 215 NE 7th Avenue. He said the area is being redeveloped, and CRA staff has been in conversation with individuals interested in relocating the house and exploring the CRA's historic façade program, but it was not a good option for a residential home.

Continuing, Mr. Costello said at one time the Board discussed expanding the CRA site and relocating this house may be an opportunity for that purpose. He explained this would allow for preservation of a home and additional space for the CRA.

Mr. Costello stated the program could use funds from the historic façade grant to move the home. He said if that was the direction of the Board, staff would issue an invitation to bid, then move the home to the rear of the CRA property. He noted the developer has indicated a time period of 90 days.

Chair Petrolia opened a public hearing on the item.

Roger Cope, Cope Architects, stated this was a win-win proposition to save a home with prominence. He said it marries well with the CRA headquarters and is conducive to renovating the office space.

George Long, said don't let this opportunity go, it's great.

Chair Petrolia closed the public hearing.

Chair Bathurst agreed with Mr. Long, noting it is a great opportunity to preserve a building. He said he would be in support of moving forward quickly.

Deputy Vice Chair Gray stated she would like to see Economic Development housed in the CRA, so this was a great opportunity. She went on to note that if any other houses like this come available, they would fit in well to the 6th Avenue project.

Chair Petrolia stated there is the potential for some grant funds and reviewed the potential costs.

Motion by Vice Chair Johnson, seconded by Commissioner Bathurst, to move forward with moving the house. In a roll call vote, the **motion** passed unanimously (6-0).

k. CRA Organizational Chart

Mr. Costello stated there are two (2) positions currently vacant, and staff is proposing to reallocate to a Grant Manager position to administer and oversee the grants in the A-guide program, administering payments for other grant programs, and seeking and writing grants for other CRA funds.

Continuing, Mr. Costello stated the second position is for an Executive Coordinator, assisting with public relations and communications needs. He said the proposal also includes an entry level Project Manager to assist with the procurement of various projects and assist the project managers with administrative needs.

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

Motion by Commissioner Frankel, seconded by Commissioner Bathurst, to approve the proposed changes. In a roll call vote, the **motion** passed unanimously (6-0).

Commissioner Brinson stepped away from the dais.

i. Update – Transportation Services

Chair Petrolia reopened item i for discussion.

Mr. Costello stated Free Bee did include in their proposal the \$5 million for insurance.

Motion by Commissioner Frankel, seconded by Vice Chair Johnson, to direct staff to open negotiations with Free Bee. In a roll call vote, the **motion** passed (4-1). Commissioner Bathurst voted no.

I. Executive Director's Annual Review

Deputy Vice Chair Gray stated she did not want to make a decision on something this important without a full Commission.

Chair Petrolia called a brief recess at 3:38 p.m.

The meeting was called back to order at 3:45 p.m.

Commissioner Brinson returned to the dais.

Motion by Deputy Vice Chair Gray, seconded by Commissioner Brinson, to table the Executive Director's Annual Review to the June meeting. In a roll call vote, the **motion** passed unanimously (6-0).

10. Other Business

a. Comments by Commissioners

None.

b. Comments by Board Attorney

None.

c. Comments by Executive Director

Mr. Costello thanked Joan Goodrich for her time with Economic Development, and stated she was a real asset to the CRA and the City.

d. Comments by Staff

Elizabeth Burrows, Economic Development Manager for the CRA, pointed the Board to the flyers at their seats, and invited them to attend events at the Pop-Up Pop In Space this week.

11. Adjournment

There being no further discussion, the meeting was adjourned at 3:49 p.m.

Jeff Costello, Executive Director

Shelly Petrolia, Board Chair