



CRA Board Regular Meeting Minutes
Tuesday, January 25, 2022 – 4:00 p.m.
Arts Warehouse
Delray Beach, FL 33444

STAFF PRESENT:

Renee Jadusingh, Esq.
Kim N. Phan, Esq.
Gina Clayton

Christine Tibbs
Alexina Jeannite
Tracy Waterlander

Lori Hayward
Ivan Cabrera

OTHERS PRESENT:

Joseph Marion

Patty Jones

Dupree Jackson

1. Call to Order

Chair Johnson called the meeting to order at 4:00 p.m.

2. Roll Call

CRA Board Members Present: Chair Shirley Ervin Johnson, Vice Chair Angie Gray, Deputy Vice Chair Juli Casale, Commissioner Ryan Boylston, Commissioner Kelsey Cordell Brooks, Commissioner Adam Frankel and Commissioner Shelly Petrolia.

3. Approval of Agenda

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

4. Powerpoint Presentation for January Board Meeting

Included for information only.

5. Staff Reports

a. Monthly Work Plan Report

b. Arts Warehouse Report

c. Funding Assistance and Community Engagement Report

- d. **Property Management Report**
- e. **Social Media Report**

Included for information only.

6. Public Comments on Agenda & Non-Agenda Agenda Items

Joseph Marion, SE 4th Avenue, Delray Beach, and owner of Marion Associates requested to be placed on the agenda for the February meeting. He stated he would like to update the CRA on a grant they were awarded in August 2020, with an extension granted until February 2022 at the Board's October 2021 meeting. He stated the goal of the project is to preserve 131 NW 1st Avenue. He shared how the project has taken significantly longer than anticipated. He touched upon the public comments that were said at the October meeting.

Patty Jones, 1026 Poinsettia Road, Delray Beach, spoke on Old School Square, grant funding, and the timeline of their communication with CRA staff. She stated Old School Square is committed to providing all financial information relevant to the grant.

Chair Johnson closed the public comments.

7. Consent Agenda

- a. **November 17, 2021 – Regular Meeting Minutes**
- b. **CRA Financial Report – August 2021**
- c. **CRA Financial Report – September 2021**
- d. **CRA Financial Report – October 2021**
- e. **Temp Resolution No. 2022-01 - Auditing Agreement for Fiscal Years Ending on September 30, 2021, Through September 30, 2024, with Options to Renew**
- f. **Interlocal Agreement Between the City of Delray Beach and Delray Beach Community Redevelopment Agency for Funding Capital Improvement Projects - FY 2021-2022**
- g. **Interlocal Agreement Between the City of Delray Beach and Delray Beach Community Redevelopment Agency for the Delray Beach Community Redevelopment Agency to be a Co-Title Sponsor of the 2022 Delray Beach Open Tennis Tournament along with the City of Delray Beach**
- h. **Corey Jones Isle – Corrective Special Warranty Deeds**

Motion by Deputy Vice Chair Casale, seconded by Commissioner Boylston, to approve the Consent Agenda items 7a through 7h. In a roll call vote, the **motion** passed (7-0).

8. Old Business

a. **Second Amendment to the Interlocal Agreement with Treasure Coast Regional Planning Council for the Delray Beach CRA Redevelopment Plan Amendment**

Mr. Cabrera provided background, updated timeline, and updates costs of the project. He reviewed the completed tasks.

Ms. Jadusingh said this will dove-tail with goal setting for the Board in May/June 2022.

Motion by Deputy Vice Chair Casale seconded by Commissioner Boylston, to approve Second Amendment to the Interlocal Agreement with Treasure Coast Regional Planning Council for the Delray Beach CRA Redevelopment Plan Amendment. In a roll call vote, the **motion** passed (7-0).

b. **NW 800 Block Development Program - Update and Direction**

Mr. Cabrera provided background and timeline of the project. He noted they hosted two community outreach meetings in October 2021. At the January 10, 2022, DDA Board Meeting, the DDA Board approved sending a letter of support to the CRA Board for the project or any other commercial development on the block. The City's Economic Development Department expressed support for a well-planned and creative approach to the area but also the need for continued community outreach. He noted there is no section in the current Code that specifically the reuse of shipping containers in a commercial application. However, shipping containers must adhere to the Delray Beach architectural design guidelines and since they do not, they would require a waiver from the Planning and Zoning Board, and final approval from the City Commission. He said the project would need to be a collaborative effort with the City to comply with the regulations. He noted the CRA staff requests direction on the next steps for the project:

1. Continue the project as initially presented to the CRA Board on July 15, 2021, and the CRA staff will take the next steps to move the project forward; or
2. Discontinue the project as initially presented to the CRA Board on July 15, 2021, and a new project/scope for the NW Block of West Atlantic Avenue will be presented to the CRA Board at a future CRA Board meeting.

Mr. Cabrera reviewed the next steps should the CRA Board approve continuing the project.

Mr. Cabrera noted the remediation of a small part of the site is still unknown. They do not have a timeline from Palm Beach County or the Department of Environmental Protection.

Ms. Jadusingh noted the community outreach meetings yielded support and concerns and an interest to discuss housing, but two businesses came forward after the meeting to express interest in the concept.

Deputy Vice Chair Casale is in support of moving forward with the project. She asked about the gas station parcel and whether an elevated structure, such as a stage, could be erected.

Mr. Carbera said they could explore that option.

Ms. Jadusingh noted there is still a well that is used for testing on the site.

Commissioner Boylston mentioned a local artist said it would be valuable to have a space to move into after the Arts Warehouse. He said a project like this could meet that need. He supports the temporary activation of the space with shipping containers but would have concerns if the City is requesting permanent construction with shipping containers. He wants to ensure this project aligns with West Atlantic Redevelopment Plan.

Commissioner Brooks agrees it is a great opportunity and loves the concept. He supports the project.

Commissioner Petrolia said she supports filling the entire space and is in support of the project.

Vice Chair Gray is in support of the project. She noted all the businesses that come to the CRA and request space.

Chair Johnson is in support of the project and said it is one of the most innovative ideas during her tenure.

Commissioner Frankel is in support of the project. He said the opposition is likely from people who have never seen a similar project.

Consensus was reached to approve continuing the project as initially presented to the CRA Board on July 15, 2021. The CRA staff will take the next steps to move the project forward.

9. New Business

a. Request Letter From Emanuel Jackson, Sr. Project, Inc. - 700 W. Atlantic Avenue, Unit 700

Ms. Jadusingh noted the Board approved an amendment to the lease agreement with EJS at their November meeting. The amendment extended the lease until January 31, 2022. She said they received another letter from EJS to extend the lease again or to consider acquiring land for free or at a discounted rate. She confirmed they told Mr. Jackson if the CRA wants to release property it would be through an RFP process. She said they have no current bids out so the Board will consider the lease extension request today. She said the current lease is at no cost and if they want to extend the lease, and consider a month-to-month option, they will have to issue a notice and entertain other proposals from interested parties. She outlined the following options for the Board to consider:

1. Prepare a public notice for invitation to lease 700 West Atlantic Avenue, Unit 700; or
2. Negotiate a month-to-month lease agreement with a monthly rate and bring back the lease agreement to the CRA Board for consideration; or
3. Take no action and EJS's current Lease Agreement will expire on January 31, 2022

Commissioner Frankel said it was wonderful to see the EJS students in Tallahassee and he supports coming to an agreement.

Commissioner Boylston, Deputy Vice Chair Casale, and Commissioner Petrolia all expressed favor of Option 2.

Chair Johnson asked if there is a timeline for the building.

Ms. Jadusingh said there is no timeline, but the plan is to demolish the building once a future project has been identified.

Chair Johnson asked if the building is inhabitable.

Ms. Jadusingh responded that maintenance issues are dealt with as they arise.

Chair Johnson is in favor of Option 2.

Vice Chair Gray is in favor of Option 2. She asked what the monthly rent would be.

Ms. Jadusingh replied the other tenants pay approximately \$1,300. It does not consider Mr. Hatcher, who pays a different amount based on an agreement of doing work on his bay and has a larger space.

Vice Chair Gray said she appreciates the work Mr. Jackson does. She asked about the organization's budget and the offer to proceed with Option 2.

Mr. Jackson responded that he is ok with Option 2, but they have not budgeted for the proposed amount in this budget. He suggested \$500 a month for the first year, with the commitment to progress to \$1,300 a month.

Vice Chair Gray asked what the organization would have done if they had decided to build now and their future plans.

Mr. Jackson said they would likely look like a different non-profit, and it would have a significant impact. He noted having a home is an important factor. If they had to look for a new location, he said, they would likely reach out to the Village Academy.

Chair Johnson asked Ms. Jadusingh if other entities have inquired about renting.

Ms. Jadusingh responded businesses and entities have reached out from time to time.

Chair Johnson recommended extending the lease one additional month and entertain opportunities for rentals of the space.

Vice Chair Gray disagreed and said she believes they should be given the opportunity to extend for at least six (6) months.

Deputy Vice Chair Casale recommended negotiating a fair rent and if EJS has a more cost-effective option, they may exercise that right.

Chair Johnson said the Board should consider the commitment the CRA has made to non-profits that. She noted there is more than one non-profit that the CRA is supporting that brings in no revenue.

Ms. Jadusingh recommended putting that topic on a future agenda and she will connect with Chair Johnson on her thoughts.

Motion by Commissioner Boylston, seconded by Commissioner Petrolia, for staff to move forward with Option 2. In a roll call vote, **motion** passed (7-0).

b. 98 NW 5th Avenue Renovation - Update and Direction

Ms. Tibbs noted the project agreement was executed with Waypoint Contracting, Inc. on October 20, 2021, and on November 16, 2021, they submitted a Change Order for \$285,867.01. There were two meetings prior to the end of 2021. Since then, there has been two revisions and Waypoint Contracting, Inc. submitted a revised Change Order in the amount of \$225,582.60 on January 5, 2022. She reviewed the cost breakdown in the Change Order. The two areas with major changes are within metals, concrete, and masonry. She outlined the following options for the Board to consider:

1. Accept the January 5, 2022, Change Order request from Waypoint Contracting, Inc.
2. Reject the January 5, 2022, Change Order request from Waypoint Contracting, Inc., cancel the October 20, 2021, agreement with Waypoint Consulting, Inc. and award the agreement to the new low responsible bidder
3. Reject the January 5, 2022, Change Order request from Waypoint Contracting, Inc. and cancel the October 20, 2021, Agreement with Waypoint Consulting, Inc. and rebid the project.

She noted Option 2 requires the second lowest bidder to honor their bid price and they stated they could no longer honor that bid price. She said Option 2 is no longer possible. She said staff recommends Option 1.

Commissioner Petrolia said she does not believe this is a price gouging situation. It is a national issue with materials. She does not want the project held up or for the CRA to go back out to bid. She supports Option 1.

Deputy Vice Chair asked whether the bidder in Option 2 could be asked to present a price between their initial bid and the amount of this new Change Order.

Ms. Jadusingh clarified that their purchasing policy states they must honor their initial bid.

Deputy Vice Chair Casale stated she is in favor of Option 1.

Commissioner Boylston said they need to either accept the Change Order or scrap the project. He is in favor of Option 1.

Chair Johnson expressed concern about other Change Orders.

Ms. Tibbs responded that they don't anticipate other Change Orders of this magnitude.

Chair Johnson is in favor of Option 1.

Motion by Commissioner Boylston, seconded by Deputy Vice Chair Casale, for staff to move forward with Option 1. In a roll call vote, **motion** passed (7-0).

c. Old School Square Center For the Arts, Inc. - Update and Direction

Ms. Jeannite provided background and updated timeline on the project. At the August 25, 2020, Old School Square funding request for \$900,000 was presented, but the Board did not make a recommendation for funding. A revised funding request was presented at the September 14, 2020, workshop meeting. The CRA board approved the revised funding request at the September 20, 2020, meeting. In October 2020 the CRA and Old School Square executed their Agreement for 2020-2021, not to exceed \$750,000. She stated at the September 14, 2021, City Commission meeting, the City Auditor presented the internal audit report. She cited sections of the internal audit report about use of CRA funds that prompted the CRA to request additional information from Old School Square. She noted, to date, certain requests continue to be outstanding from Old School Square.

Ms. Jadusingh clarified that the CRA Auditor did not resign as mentioned during the public comments. The CRA is piggy backing off the City's contract and the firm was bought out in November. She provided a timeline of events and the subsequent meeting and communication with Old School Square.

Deputy Vice Chair Casale asked for clarification on the term double-dipping in this case.

Ms. Jadusingh responded they won't know about double-dipping until the auditors can look in greater depth but they trying to determine what things CRA funding paid for and what things PPP loan money paid for.

Deputy Vice Chair Casale asked if Old School Square provided backup documentation to support their updated financials.

Deputy Vice Chair Casale does not believe that is sufficient. She expressed concerns that months have passed, and they have not provided backup documentation to refute the double-dipping and asked about the legality of not providing accurate information.

Ms. Jadusingh said that Old School Square appears to have accounting practices that are different than the CRA's so that's why they want a detailed review.

Deputy Vice Chair Casale suggested there needs to be substantial backup to decide. She asked when the CRA would determine to no longer fund this organization.

Ms. Jadusingh replied that she would like at least one last review from the auditors.

Ms. Hayward said the process may take some time since they are beginning with auditors.

Vice Chair Gray asked Old School Square why they can't provide the requested information. She expressed concern that Old School Square asked the CRA to help get their books in order.

Ms. Hayward stated at some point, a decision will have to be made since the CRA is doing will begin their audit process shortly and those funds are still in payable.

Ms. Jadusingh said they will bring the item back at the next meeting.

Commissioner Petrolia thanked the CRA staff for keeping them updated on this item and noted it is a challenging situation. She asked if there was discovery of double-dipping whether Old School Square would be required to pay back the CRA funding.

Ms. Jadusingh responded that there is a provision in the contract for clawback.

10. Other Business

a. Comments by Executive Director

Ms. Jadusingh said a local artist, Neil Hanowitz, photographs community members and turns them into drawings. She invited any CRA Board members to participate in the project.

b. Comments by Board Attorney

No updates.

c. Comments by Commissioners

Commissioner Brooks said he is glad to be back and congratulated Ms. Jadusingh.

Vice Chair Gray echoed that it is good to be back and also congratulated Ms. Jadusingh. She said the CRA Board is doing amazing work.

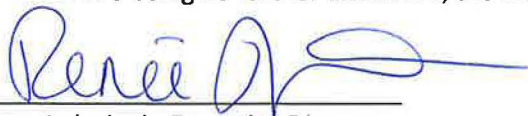
Deputy Vice Chair Casale said she would be amenable to giving Mr. Marion an extension.

Commissioner Petrolia congratulated Ms. Jadusingh and thanked the Board.

Chair Johnson wished everyone a belated Happy New Year. She said the Board doesn't always receive the respect that they should. She noted they are sitting on brand new chairs.

11. Adjournment

There being no further discussion, the meeting was adjourned at 5:33 p.m.



Renee Jadusingh, Executive Director



Shirley Eryn Johnson, Board Chair