Legislation Text

**File #:** 19-675, **Version:** 1

**TO:** **Mayor and Commissioners**
**FROM:** **Caryn Gardner-Young, Assistant City Manager**
**THROUGH:** **Neal de Jesus, Interim City Manager**
**DATE:** **July 2, 2019**

APPROVAL OF AN INTERLOCAL AGREEMENT WITH THE DELRAY BEACH COMMUNITY REDEVELOPMENT AGENCY FOR FUNDING OF AN ECONOMIC DEVELOPMENT DIRECTOR AND MANAGER POSITION.

**Recommended Action:**
Motion to approve an Interlocal Agreement with the Delray Beach Community Redevelopment Agency for funding of an Economic Development Director and Manager position.

**Background:**
For several years prior to 2009, the City of Delray Beach (City) funded an Economic Development Director who was located in the Delray Beach Chamber of Commerce. Although periodic reports were given to the City, the position was housed at the Chamber of Commerce and received day-to-day direction from the President of the Chamber. After the incumbent left, the position was vacant for a while. When the economic downturn occurred, the Delray Beach Community Redevelopment Agency (CRA) decided to reestablish the position.

In February 2009, the CRA Board approved an Interlocal Agreement with the City to provide for joint funding of an Economic Development Director position, to be employed by the CRA. The Agreement was for a period of two (2) years and provided that the CRA would pay 75% of the salary and benefits and the City would pay 25%. The position would work on economic development initiatives primarily within the CRA district but would also develop initiatives for commercial/industrial areas citywide. At the City Commission meeting of June 7, 2011, the City Commission discussed the possibility of entering into a new Agreement to participate in funding the position with the CRA. The City Commission agreed to provide the funding, and to continue to have the person work out of the CRA office. The Interlocal Agreement between the City and CRA provided for the joint funding of the position (75% of salary and benefits to be paid by the CRA, and 25% to be paid by the City). The agreement was for a period of two (2) years with funding subject to budgetary approvals. City staff would participate in the job interviews, and the Director would provide written monthly reports to the City.

In 2013, the Interlocal Agreement with the City was amended to adjust FY12-13 funding for the Economic Development Director position so that both the City and CRA would contribute 50% of the position's salary and benefits. The City's FY12-13 budget also included funding for new economic development incentives for the areas outside of the CRA district, as well as funds to market those programs. That same year, the Interlocal Funding Agreement was revised to include a second full-time position - Economic Development Manager - calling for both positions to be funded by the City

and CRA at a 50/50 ratio, while maintaining both positions as CRA employees.

In FY 2015-16, the City and CRA entered into an agreement for funding of the Economic Development positions (Economic Development Director and Economic Development Manager). The Agreement renewed and updated the expiring Interlocal Funding Agreement to 1) maintain the 50/50 funding of salaries and benefits for both positions and; 2) add funding for miscellaneous expenses associated with the positions including, but not limited to, office supplies, professional development and marketing. Currently, both positions comprise the Delray Beach Office of Economic Development which is responsible for developing, administering and implementing economic development strategies, initiatives and programs for both the Delray Beach CRA and City of Delray Beach.

In recent years, there have been conversations between the CRA Executive Director, City Managers and the former Economic Development Director regarding making the positions in the Office of Economic Development (Director & Manager) fulltime City positions with the 50/50 cost split. Having the Office of Economic Development as an official City Department/Division provides clearer representation, distinction, focus and authority related to the City's overall Economic Development Strategies and Initiatives for the City as a whole. With the recent departure of the Economic Development Director, the CRA Executive Director and Interim City Manager have met concerning the Office of Economic Development function and positions. Both agreed that given the above, the positions should be City employees with the current funding structure and obligations to remain at this time.

The proposed Interlocal Agreement primarily changes the Economic Development Director and Economic Development Manager from CRA to City employees. Thus, the Economic Development Director will report to an Assistant City Manager, with reporting to the CRA Executive Director on CRA-related matters. Based on the proposed arrangement, the funding would remain a 50/50 split including salaries and benefits of both employees. As City employees, the positions would participate in the City's benefits program rather than CRA benefits under the current arrangement. All terms and conditions are generally consistent with the current Interlocal Agreement, including the shared cost of any miscellaneous expenses which include, but are not limited to office supplies, professional training, and marketing, associated with the Economic Development Positions.

Duties and responsibilities of both the CRA and City as well as the Economic Development and Director and Manager positions are outlined in the agreement. The term of this Agreement shall commence October 1, 2019 and terminate on September 30, 2020. However, it shall automatically renew on an annual basis provided that funding for the position is set forth in the City and CRA budgets, and those budgets are approved. Either party may cancel the agreement if it provides written notice to the other party, at least 30 days prior to renewal, of its intent to cancel the agreement.

**City Attorney Review:**
Approved as to form and legal sufficiency.

**Funding Source/Financial Impact:**
Funding is available from account number 001-12-060-559.34-90 - Other Contractual Services, subject to a budget transfer to salaries and benefits accounts.