

**MINUTES OF THE COMMUNITY REDEVELOPMENT AGENCY  
HELD IN COMMISSION CHAMBERS, CITY HALL, BOYNTON BEACH, FLORIDA,  
ON TUESDAY, MAY 9, 2006 AT 6:30 P.M.**

---

**REVISED MINUTES**

**Present:**

Henderson Tillman, Chairman  
Stormet Norem, Vice Chair  
Alexander DeMarco  
Marie Horenburger  
Steve Myott  
Guarn Sims

Ken Spillias, Board Attorney  
Lisa Bright, CRA Director

**Absent:**

Jeanne Heavilin

**I. Call to Order**

Chair Tillman called the meeting to order at 6:30 p.m.

**II. Roll Call**

The Recording Secretary called the roll and declared a quorum present. It was also noted Mayor Taylor, Commissioner Ensler and City Manager Bressner were present.

**III. Agenda Approval**

**A. Additions, Deletions, Corrections to the Agenda**

Item E, League of Cities Gala Dinner Dance & Installation, was added to the agenda for discussion. There were no objections to adding the item under Item IX, New Business. This was reflected in the revised agenda that was distributed.

**B. Adoption of Agenda**

**Motion**

A motion was made by Vice Chair Norem to approve the revised agenda as presented. Ms. Horenburger seconded the motion that passed unanimously.

**IV. Consent Agenda:**

- A. Approval of Minutes - Retail Demand Analysis Workshop - March 23, 2006**
- B. Approval of the Minutes - CRA Meeting - April 11, 2006**
- C. Approval of Financial Results - April 30, 2006**

**E. Approval of Increase in CRA Per Diem Travel Rate**

Ms. Horenburger pulled Item IV. E. for discussion.

**F. Rescind Resolution 05-08 for "As Needed" Contract for Former Director**

**G. Approval of Job Task Analysis Work Product & Recommendations**

Vice Chair Norem pulled Item IV. G. for discussion.

**H. Approval of Contract with LJ Craig & Associates for CRA Strategic Plan Implementation**

**I. Approval of Façade Grant - Main Street Car Wash - \$15,000**

Mr. Sims pulled Item IV. I. for discussion.

**J. Review of Cost Analysis of Outside Consultants Employed by CRA**

Ms. Horenburger pulled Item IV. J. for discussion.

**Motion**

A motion was made by Vice Chair Norem to approve the Consent Agenda less the items that were pulled. Ms. Horenburger seconded the motion that passed unanimously.

**V. Public Comments:**

Chair Tillman opened the public audience for comments on issues not on the agenda. The following individuals spoke:

**Herb Suss**, spoke about the Heart of Boynton (HOB) project, the Liberti issue and recommended Phase II of the HOB project be put on hold. He indicated the CRA is advisory to the City Commission and suggested bringing the issue to the City Commission for a moratorium on Phase II. He explained traffic will be an issue, changes with eminent domain may make the issue invalid, and the citizens and taxpayers should have input on the regentrification.

**David Zimet**, representing the Boynton Beach Faith Based Community Development Corporation supported the sentiments of Mr. Suss. He expressed the importance of moving forward, and explained there are issues such as inclusionary zoning, gap financing, and other positive measures that should be addressed.

There were no further comments. Chair Tillman closed the public audience.

**VI. Public Hearing**

There were no items for public hearing.

**VII. Pulled Consent Agenda Items:**

**E. Approval of Increase in CRA Per Diem Travel Rate**

Ms. Horenburger asked whether there was any enabling legislation containing a standard for per diem travel expenses. Mr. Reardon responded the existing level of per diem rate is above the standard.

**Motion**

A motion was made by Ms. Horenburger to approve the increase in the CRA per diem travel rate. Vice Chair Norem seconded the motion that unanimously passed.

**G. Approval of Job Task Analysis Work Product & Recommendations**

Vice Chair Norem asked what the basis of arriving at the salary figures in the product was.

Lisa Bright, Executive Director, explained Dr. Lindsey Willis, who conducted the analysis, included the recommendations, which was not part of the scope of services. Ms. Bright indicated she would prefer to handle salaries in a different manner and had no objections to approving the item less the salary recommendations contained in Section C, Proposed Organizational Chart and Other Recommendations of the report. Ms. Horenburger questioned the likelihood of a staff reduction as it pertained to the new eminent domain changes. Ms. Bright anticipated staffing would remain at the current level.

**Motion**

A motion was made by Ms. Horenburger to approve Item G, with the exception of Section C as previously discussed. Vice Chair Norem seconded the motion, which unanimously passed.

**I. Approval of Façade Grant - Main Street Car Wash - \$15,000**

Mr. Sims questioned the amount of this item, which was listed in previous minutes as \$5,000. Additionally he requested clarification on the amount of match required for the program.

Mr. Vince Johnson, Planning and Development Manager for the CRA, responded the first request for \$5,000 was withdrawn by the owner who was still in the process of submitting invoices for payment. Mr. Johnson explained the owner spent \$34,000 on the improvements. As a policy matter, the program will allow for a match of up to 50% and the recipient was entitled to the maximum allowable match of \$15,000.

**Motion**

A motion was made by Vice Chair Norem to approve Item I, the grant award for Main Street Car Wash. Ms. Horenburger seconded the motion.

Ms. Horenburger suggested putting the Façade Grant Program to workshop. She expressed with so much redevelopment occurring, she would not want to see money spent on improving buildings that may be demolished or sold.

**Vote**

A vote was taken to approve the Façade Grant for Main Street Car Wash and the motion unanimously carried.

**J. Review of Cost Analysis of Outside Consultants Employed by CRA**

Ms. Horenburger requested clarification of this item. Ms. Bright explained Mr. Jonathan Ricketts was overseeing the services of Kimley Horn as part of the Burkhart contract for services. She explained that project is nearly complete. The Way Finding Signs was a Public Works project that the CRA became involved in. It has been over a year and seven out of ten signs will be erected this month. The signs not scheduled to be erected are on private property and are being worked on. Securing permission to install the signs, some of which are located in the Department of Transportation (DOT) Right-of-Way is still underway. Ms. Horenburger indicated the CRA paid \$300,000 for a professional to oversee professional engineers. She hoped this would not become common practice.

Ms. Horenburger also discussed The Urban Group (TUG). Ms. Bright explained TUG is in place for relocation services and that service is the only reason the contract still exists. The board further discussed consultants overseeing contractors. Mr. Sims questioned the necessity of it, whether it was common practice and the bottom line justification.

Ms. Bright explained the Burkhart contract was structured that way by the former director so she could not answer with any degree of accuracy. She expressed Mr. Ricketts was basically put in place as a project manager. Mr. Reardon explained the Promenade project needed an overseer to gather the specifications, which is common practice if a staff person cannot serve in that capacity. He explained if the project is a major project, using a consultant may occur, but as a general practice, he clarified using a consultant for this purpose would not be likely.

Chair Tillman recommended when entering into a major project, requiring a design-build contract would be beneficial. It would allow maintaining the specifications to be built right into the contract services to be provided. It was noted there was a lot of overlapping. The contract requirement Chair Tillman suggested would alleviate the overlap.

**Motion**

A motion was made by Ms. Horenburger to receive and file the item. Vice Chair Norem seconded the motion, which unanimously carried.

**VIII. Old Business**

**A. TCRPC Presentation of HOB Plan Feasibility Analysis Results**

Dr. Kim Delaney from the Treasure Coast Regional Planning Council was present, along with Mr. Robert Hamilton, Market Analyst with Metrostudy to present this item.

Vivian Brooks, CRA Planner explained this was the culmination of a study to review the Heart of Boynton (HOB) Redevelopment Plan to determine whether the current land prices and construction costs in the HOB plan could be implemented by the private sector.

Dr. Delaney reported the analysis had become more complex than initially thought due to some unusual conditions that are taking place within the CRA area in this neighborhood, which may be the likely causes of the stagnation of redevelopment activity. Her presentation would review the findings of their work on the project, and contain preliminary recommendations. The report would be finalized in approximately one week.

Dr. Delaney advised the report encompassed a review of the history of the CRA area and the five CRA districts. The current development activity was noted as being strong and Dr. Delaney indicated the CRA financial future was robust. She indicated by the year 2009/2010, another bond opportunity may exist. Dr. Delaney explained she analyzed different density scenarios to determine what type of a Tax Increment Fund (TIF) yield may become available.

Dr. Delaney explained public participation and the desired outcomes (taken from the website i.e., maintaining the character of the neighborhood, encouraging home ownership, repopulating the neighborhood, minimizing gentrification were guiding principles) were reviewed. She expressed these were important elements they used in their analysis to determine the appropriate balance of financial feasibility. The densities needed to support financially feasible projects. She detailed the findings of the socioeconomic analysis, which showed there were about 3,200 residents affected having a median income of about \$27,000 per year. The residents were predominantly African-American within the low median income category. There were 15 separate neighborhoods having existing land uses that were mostly residential with somewhat low densities. They were identified as having a good amount of vacant land, parks and schools within the districts. Dr. Delaney reported this was similar in the geography with the West Atlantic portion of Delray.

The land use and zoning map in the plan indicates the densities were somewhat low at the time the plan was drafted. The densities are five units per acre west of Seacrest Boulevard. The existing densities are appropriate for the conditions that still exist today, which is low to very moderate densities. The analysis showed the parcels by size as having a significant amount of fragmentation, and a significant amount of individual owners. There were approximately 400 owner-occupied parcels out of about 1,100, which revealed there was not a high degree of home ownership.

Overall, Dr. Delaney indicated she was impressed with the plan. She elaborated it revealed a thorough job of embracing the community with sound planning recommendations as contained in the body of the document. She expressed a strong feature and good recommendation in the plan was reorganizing the neighborhoods from 15 neighborhoods down to seven, which provided an opportunity for creating a neighborhood identity. The land use recommendations were to convert two land use categories from lower density uses, to multi-family residential, with about 11 units per acre and a 45' height limit. The mixed-use light category would have up to 40 units per acres (with some areas restricted to 20, based on roadway frontage) and a height range of 45' to 75'. This was the baseline for their testing. Dr. Delaney explained the zoning recommendations were consistent with the land use recommendations. These were to increase the density around the Martin Luther King, Jr. (MLK) corridor to about 11 units per acre and 45' height limitation, and the mixed-use light category (mixed-use not mixed-use light in the zoning plan) with 20- 40 units per acre and 40' - 75' in height.

Dr. Delaney explained the three key programs recognized in the original HOB plan were the Cherry Hills neighborhood, the MLK, Jr., corridor and the SE quadrant. The land acquisition efforts have focused on the MLK, Jr., neighborhood as the premier opportunity to kick start redevelopment in the area. The design perspective revealed very appropriate scales for the neighborhood. The density and building heights along the MLK, Jr., and SE quadrant were appropriate based on the roadway and urban frame network. She explained the density is not so much an issue as the design. She explained density, designed properly, would bring a better product, often because there is more margin to improve the appearance of the building. She

noted the height limits adopted in the plan are appropriate for buildings on either side of the roadway network.

Dr. Delaney then reviewed more specific areas. She reported the intersection of MLK and Seacrest showed appropriate design. Phase II of the plan, she confirmed was also appropriate in height for the roadway network. Phase III was represented as having more mass, and cautioned the roadways cannot handle the density. The area may need to be a four to six story profile, but no higher or it may be out of scale at that location and deteriorate the condition of the street. She indicated the west side of Seacrest has a lot of opportunity for continued implementation and the east side of Seacrest shows the initial comprehensive plan amendment and rezoning suggestions were not entirely implemented. She explained the CRA has set the stage for allowing increased densities in the plan but parcels need to come in on a parcel-by-parcel basis for zoning changes. She cautioned municipalities not give density away because it is the means government has to craft development. Dr. Delaney explained individual owners can request up zoning on a case-by-case basis.

The CRA has initiated condo conversions along Seacrest and moderately scaled townhome projects, that straddle Seacrest Boulevard with units east and west. Dr. Delaney explained this project revealed why development is not taking place at the pace the CRA would like to see. She explained there are some economic challenges to overcome in the neighborhood, which revealed the price points versus construction costs, left very little margin for developer profit. She further elaborated the CRA land assembly has compelled some speculation to take place which has driven property values up past the point where the deals are financially feasible. In comparisons with other CRA neighborhoods, she reported the appropriate land value is \$500K to \$650K per acre. The CRA's acquisitions averaged about \$1.1M per acre causing the private sector to acquire land at that rate, and not allowing the project to have enough margin to have a profit. The CRA will need to provide a subsidy and pay down the land to overcome market imbalances. The available land also provides the opportunity to have a pilot project. To obtain the price points, the CRA has to buy that down and will gain it back with future TIF revenues.

Mr. Robert Hamilton, Senior Market Analyst of Metrostudy, provided a market analysis of the Heart of Boynton areas. He explained his findings in the analysis showed the factors for the South Florida market revealed over-speculation and over-supply in the housing market. He anticipated the market would need 12 - 24 months of correction time before the market returns to equilibrium and would most likely not return to the 2004 and early 2005 levels. He explained individuals accelerated their buying decisions and purchased homes in 2005 instead of 2006, meaning some 2006 demand had already occurred. He explained investors who bought homes in 2005 and are trying to flip the homes are not having much success. He reported there is a substantial amount of supply, and housing prices are coming down a bit. After the 12 to 24 month slowdown, Mr. Hamilton explained the market should pick up to historic conditions. Presently, he noted, more and more speculator homes are being listed. This will continue over the next six months. The resale market is starting to show weakness, as had been forecast and with the advent of the hurricane season, he reported if the hurricane trend continues, the housing market may not recover.

The current development climate in Boynton Beach showed slower absorption and price reductions. Mr. Hamilton explained mixed-use projects are working better than single-use projects. The larger projects have generally weathered the slowdown well. Boynton Beach, as

a whole, should weather the downturn well, and in one to two years, the normal conditions will return. He explained the area has advantages such as roadway network proximity, i. ., close to I-95, main north/south roadways, close to Boynton Beach Mall and near major employment centers in West Palm Beach and Boca Raton, and is close to retail jobs along Congress Avenue.

He explained the market challenges for the HOB and within the CRA` showed a lack of successful seed projects. The Arches and the Promenade have been started which could be construed as the seed projects, and there is a small non-cohesive downtown area without any core commercial and retail areas from which to expand. Mr. Hamilton explained there are little to no development incentives being offered, such as subsidized land costs, increased density, or flexible development regulations that would allow for innovative design features. He also noted there is also a lack of demand for market rate housing in this area.

Mr. Hamilton explained they modeled the HOB under different density scenarios and developed three alternatives with four specific densities. The scenarios were based on proposed CRA zoning thresholds and housing densities from other CRAs in South Florida. Each model, was analyzed using 10.8, 20, 30 and 40 dwelling units per acre (du/acre). Other assumptions used in analyzing the models were using \$1.1M per acre on the assembled land prices. This price, is higher than the assumption of about \$650,000 for the land. The construction costs would range \$130 per square foot (sf) for the 10.8 du's per acre to \$175 per square foot for the 40 du's per acre. The prices proposed for construction were comparable to other CRAs and were geared towards families, retirees and non-professionals. These groups were more price sensitive than other groups and the unit size tends to be smaller than what is seen along the Intracoastal Waterway or other areas of Palm Beach County. Profit from these developments averages about 15%. Mr. Hamilton explained the minimum a developer would consider for profit is 8%, which is very low. Developer profit margins have increased to about 25% over the last few years. Proposed sales would be about \$215,000 for a 950 sf multi-family unit and would increase to \$265,000 for the 1,350 sf townhome unit.

Mr. Hamilton explained the CRA recommended density at 10.8 du/acre for the UR3 Districts, 20 du/acre MU-Low 1 Districts, and 7.26 du/acre for the R1 Districts. Maximum units allowed would be close to 895. Assuming 15% of the project would be workforce housing, Mr. Hamilton indicated 134 units would be designated as such. Additionally, development by unit size, development cost by land cost, development potential by unit size, average sales price, and development potential at different densities were reviewed. Buyer profiles revealed townhomes tend to be dominated by families having both heads of households working (DINKS = double income, no kids). Low-rise condos, 20/du per acre are dominated (1,150 sf on average) by single head-of-households, DINKS, single professionals and some retirees. Low/mid rise condos at 30 du/acres 1050 sf, were dominated by DINKS, single professionals, retirees, empty nesters, and single parent families and roommates and for mid-rise condos, single professionals, retirees, roommates and a few DINKS were the major inhabitants.

Dr. Delaney indicated the board needs to make a policy decision and decide whom it wants to build housing for. The CRA can correct market problems and explained the mechanisms to use with the private sector are density, land ownership and Tax Increment Funds (TIF), which affords the ability to buy down land today, receive the desired products, and get paid back in 10 to 20 years. Dr. Delaney reviewed TIF revenues at the different densities and concluded the

plan is economically feasible, but cautioned the importance that scale and neighborhood cohesion plays in the success of the plan.

Dr. Delaney provided some preliminary recommendations, which were to not give density away. Increased value results in more speculation, she advised, and if the property is up-zoned, the product is not going to be absorbed any faster. Dr. Delaney recommended if property is upzoned, to make it time limited and require developers to have full construction plans within 12 months and be under construction within 12 to 24 months. If this doesn't occur, density goes back down again. This will control speculation. If considering density increases, Dr. Delaney cautioned to be very specific where they are considered. The analysis showed MLK could handle 30 du/acre and 40 du/acre at the corner of MLK and Railroad Avenue. In that area, the density should only be about one block deep.

It was suggested when increasing density, to use the value gap and make demands on the developer, indicating what density, architecture, workforce housing units, and whether infrastructure needs, parks, etc., are acceptable. The densities proposed by staff were reasonable but Dr. Delaney cautioned not going above 30 du per acres and no taller than three to four stories. She also recommended maintaining an appropriate scale based on roadway width and building height. A 1 - 3 ratio was suggested because the eye should see more street. Dr. Delaney stressed using the appropriate scale would enhance the neighborhood, as opposed to detracting from nearby neighborhoods. CityPlace has about a 1-1.5 ratio. All other surrounding development will hinge on getting the scale right.

When developing a pilot project, Dr. Delaney suggested there are opportunities to do this by using TIF to get a pilot project going to house the target market, and make it financially feasible. The HOB needs a success story to attract quality desired development and suggested the CRA carefully locate, price and size the project for immediate absorption. The project should have good visibility (Seacrest Boulevard or MLK, Jr.) and have enough units to be noticeable.

Dr. Delaney acknowledged there is a market imbalance. The appropriate scale of the HOB district is low and has lower densities than other products coming online. She explained CRAs exist, in part, to correct market imbalances that will not be delivered solely by market force and market demand alone. Tax Increment Funds can be used to buy down land, streetscapes, homeowner assistance and other costs. Dr. Delaney recommended using sophisticated developers interested in partnering with the public to make the project work. To develop a project quickly, a developer that is well funded and able to fund the infrastructure costs and then be paid back would be ideal. The last recommendation was to have a form based Code. She expressed the Boynton Beach Code is extremely difficult to navigate and moving to a form based Code would eliminate some confusion.

In response to board questions, Dr. Delaney indicated the CRA has overspent on land and would need to buy down the land to make it financially feasible to develop. Dr. Delaney suggested selling the land at discount and clarified only raw numbers were used in her analysis regarding public spaces or other facilities. The TIF monies, in the presentation, did not include current projects, and were developed conservatively just for the HOB district. The figures represented 3% appreciation and all units were calculated as being owner occupied with a homestead exemption, which Dr. Delaney expressed they don't believe the market will bring. She indicated her thoughts were the market would bring rentals that would not have the exemption and would appreciate at a faster rate. They used very low quantities of retail (50,000

sf for the 10 and 20 du/acre areas, and 100,000 sf for the 30 and 40 du/acre) and very long absorption timeframes because there is not a strong market for retail.

Dr. Delaney advised using a two-story minimum profile on MLK would act as a better gateway because it needs greater density to hold the street. The retail market was reviewed to determine what type of retail would be appropriate. Fifty thousand square feet of retail would take four to eight years to absorb on MLK at 10/20 du/acre. There is not a strong market for new retail but neighborhood retail makes sense. The CRA must participate as an agency to get development to take place. The CRA should assemble the land and discount it back to the developer so the community can be redeveloped back to the community and it will take a lot of money besides what has already been spent. Dr. Delaney explained some portions of the CRA may not require as much assistance as other areas of the CRA. There are TIF generators and TIF absorbers. There was not enough data to analyze infrastructure, although she did speak with the Utilities Department. Ideally there will be a 20 to 40 year generator, so the CRA would make strategic investments to act as catalysts to generate good development occurring around the downtown areas.

There was discussion among the board members that the CRA received the tools and now is the time to take action. It was further discussed this was a major first step to put together something the entire community can embrace. Both sides of the community would need to give and take, and partnerships need to be put together. This is a great opportunity for Boynton Beach to shine. It was noted infrastructure needs to fit in and what type of infrastructure is needed will influence development. As the CRA moves forward, it was recommended a focus group from the community needs to step forward. The focus group would need to consistently and earnestly come before the CRA and indicate what they want to happen which would be forwarded to the City Commission. All parties would need to be on the same page and there are measures that can be undertaken that will make the job a realization. Chair Tillman thanked the Treasure Coast and Metrostudy for their presentation.

**B. Consideration of Amending the Homebuyers Assistance Program to include a Shared Equity Component**

Ms. Brooks reported the board approved the Homebuyers Assistance Program for prospective homebuyers within the CRA area, which provides gap financing. She explained the board had made inquiry about equity sharing. Ms. Brooks reported she met with Octavia Sherrod, Community Improvement Director, and developed a proposal where individuals could share in equity. The program would have lower equity during the first five years and increase as the homeowner remained in the home. In some instances, depending on the income of the family, the public subsidy could be quite high, up to \$125,000. This would permit wealth building, assist with neighborhood sustainability and encourage longer-term home ownership. It would also protect against the homeowner receiving large windfalls upon sale. Ms. Brooks recommended approval. She explained the last bond that was passed contained a line item of \$3M for the program. There is \$1M designated as a pilot program. The program already approved allows for up to \$50,000 in assistance. The amount of the difference between the housing prices in the CRA area and the recipient's income, constitutes the gap that needs to be filled. Up to \$75,000 has not been enough to close that gap, and these individuals qualify for a market mortgage.

Mr. Reardon explained the bond taken out has an 18-month sunset. If the funds are not expended, they must be returned to debt service or to another project. A marketing program will be prepared for the CRA program.

**Motion**

A motion was made by Vice Chair Norem to approve the program. Mr. Myott seconded the motion that unanimously passed.

**C. Discussion and Recommendations for Approval - Direct Incentive Funding Agreement**

Ms. Bright reviewed the item and explained she was looking for additional comments and direction from the board. The important issue is the incentive now is not guaranteed and each project must stand-alone and receive board approval. The Direct Incentive Program was separated into the affordable housing incentive and the public annuities program. The scoring portion was removed to allow for board flexibility to determine projects being more or less desirable, depending upon the area in the districts. The program also eliminates the developer being forced to back into the program to secure the incentive. The reporting requirement in the previous incentive package was not pro forma and the agreement would require greater accountability from the developer as it moves forward with the project. The TIF flexibility is changed by not capping it at 45%, and allows the board more flexibility. Affordable housing developers were given the option of either developing units within their projects, or donating monies to the community land trust. Attorney Spillias clarified the numbers in the draft were put in place for discussion purposes only and would be adjusted as the CRA's policies are promulgated.

The board expressed the documents can establish some standards and could be reviewed on a case-by-case basis. The board liked the flexibility of the agreement and it was suggested having standards and guidelines in place would avoid the appearance of unfairness.

**Motion**

Vice Chair Norem moved to authorize staff to finalize the document to be brought back to the board next month. Ms. Horenburger seconded the motion that unanimously passed.

**D. Parking Discussion**

Mr. Myott declared a Conflict of Interest and filed Form 8B, which is attached to the original minutes on file at the Office of the City Clerk.

Ms. Brooks indicated staff was directed to review parking concepts used with different projects. Staff is looking for direction in identifying an area for public parking containing about 400 spaces. Parking construction costs, exclusive of land, would be about \$35,000.

The board discussed taking a broad approach on the issue and suggested determining how many spaces are actually needed in the corridor area. The parking plan needs to be a broad comprehensive plan, which may need an authority. It was recommended looking at the cost and what revenues would be yielded by building the spaces. It was noted the possibility of a \$2 fee on rental cars passed the legislature last week with indications being the Governor will sign the bill into law. The Regional Transportation Authority (RTA) board was looking at a local

government match to assist passenger service on the Florida East Coast Railway corridor in three counties. It was suggested the board look at identifying parcels in the Ocean Avenue/Boynton Beach Boulevard area to determine what properties are available, where, and what the costs were since parking is needed and the rail may increase that need. Continuing the process, and investigating a parking authority was suggested. Staff will come back with information on this item. It was noted it would take about two months to collect the information and staff was directed to look between Seacrest Boulevard and the Intracoastal, to the south of Ocean Avenue within a reasonable walking distance of the railway.

Ms. Bright explained most members agreed that approximately 400 parking spaces would be sufficient. She requested confirmation that 400 spaces is the approximate number of spaces needed. There was consensus 400 spaces would be appropriate

**IX. New Business:**

**A. Consideration of MLK Self-Assembly added to the ILA and Resolution for HOB Phase I Eminent Domain Process**

Ms. Brooks explained this item is being presented to the board due to legislative changes taking place regarding eminent domain. Staff was speaking with the self-assembly members to ensure the properties were in the eminent domain areas. The five properties are in the center of the Phase 1 HOB Plan, and it was necessary to make certain there would not be holes in the plan, the plan not be delayed and that the project will move forward. It would be difficult to move forward without the properties, however staff did not want to lose the potential to use eminent domain. The time frame for the properties will be to move from the board, then to the City Commission next Tuesday night, and the Offer Letter will be sent the next morning. The process can be withdrawn at any time up to the Order of Taking.

The board discussed the process and timeline involved in eminent domain.

The Letter of Intent was executed by the various property owners. There has been no concept project or feasibility analysis conducted. Mr. Finkelstein has indicated via letter, their group is ready to move forward. The Letter of Intent was signed post the date it was supposed to be submitted to the City Commission. The letter, signed by all parties in the self-assembly group is ready for CRA Board signatures to be forwarded to the City Commission. The eminent domain action needs to remain separate. The properties in question are non-contiguous properties and if a participant pulled out, it would be a serious problem.

There was discussion on why other property owners whose properties were classified as eminent domain or owned by the CRA, did not have an opportunity to join the self-assembly group. Ms. Bright explained Mr. Finkelstein can provide letters of documentation that all property owners, at least on the south side, about two years ago were asked to join the self-assembly group.

It was clarified the Letter of Intent discussed at the February 14th meeting, has been executed but missed the City Commission deadline. However, the eminent domain, or Requests for Proposals (RFP's) will still move forward. There is a 50% chance the self-assembly group will come before the board with a concept. There are no sales contracts, and not all Letters of Intent materialize; however, there would be the backup of using the eminent domain.

Kurt Bressner, City Manager, was present and indicated the City Commission supported the notion of moving forward with the project. He indicated the City is a party to the transactions, and the properties are not contiguous. There would need to be land swaps or reconfiguration of property ownerships that the City is part of. He clarified the aforementioned was the basis for having the Letter of Intent go before the City Commission. He recommended moving forward with the letter.

**Motion**

A motion was made by Vice Chair Norem, seconded by Mr. DeMarco to move forward with the resolution as discussed. A vote was taken and unanimously carried.

**B. Consideration of Draft RFP Solicitation for HOB Phase I**

Ms. Brooks explained this item was drafted with the idea of not losing time and having information ready, if this avenue needed to be utilized. It requests proposals be submitted to develop the site on the east side of Seacrest, which is approximately six acres. The proposal will request the developers give them an appropriate cost for the property, and when the pro forma is complete, they will know what subsidy or land write-down would be needed. It was noted the Request For Proposals (RFPs) may not need to be released if good things happen fast with the self-assembly group.

Attorney Spillias explained there is a provision that needs to be added which is the CRA disclaimer which indicates the CRA has the right to reject all proposals, in the event the proposals are not satisfactory. This provision adds flexibility and protects the board. At the moment, the self-assembly group is at the 90-day mark and there has been no formal financial appropriation for the CRA to bear the cost of drafting the Development Partnership Agreement. The self-assembly group has not identified their finances; however, Mr. Finkelstein indicated they could front the funds.

The board discussed its previous action where the CRA authorized staff to enter into an agreement after the self-assembly group had conducted a feasibility study, not more than 90 days later, determining the financial viability of the CRA and City working with the self-assembly group to provide a redevelopment proposal for the HOB Phase I Plan. Ms. Bright explained the Treasure Coast feasibility study was the document that was going to be the feasibility analysis. That cost was borne by the CRA.

**Ms. Carolyn Young**, a member of the self-assembly group was present and indicated the group is ready, willing and able to develop Phase I. The group has been in a holding pattern waiting for CRA staff to develop a Joint Development Agreement. In February, it was discussed the project was going to be a joint venture to produce housing. and be a multi-use project in the HOB. From her perspective, she wants to proceed but was not certain what that next step would be. She requested direction, so the group can continue to make the project happen.

**Motion**

Vice Chair Norem moved that:

1. To continue working with the self-assembly group as they did with the letter of intent and go forward with that,
2. To go ahead and develop the proposed RFP in case things fall apart and

3. For the CRA and/or the City's attorney to work together to do the first draft of the Joint Development Agreement, with both sides to take care of their legal fees.

Mr. DeMarco seconded the motion.

The need to include the incentives going to the self-assembly group in the RFP was discussed. Ms. Brooks explained the RFP instead offers a price for land to make their project profitable and the developer will have to explain their rationale for the number. Ms. Brooks indicated it would be significantly less than what they paid for the land and that incentive is built in to the RFP process. Attorney Spillias explained, if the RFP process was used, specific incentives would not need to be included in the RFP, rather what is negotiated would be contained in the Joint Development Agreement. It was noted that the self-assembly group may have paid little for the land because they may have owned it for a long time and could offer a feasible development. It appeared it was an unfair playing field. Attorney Spillias received clarification that for the RFP, staff would add in any additional boilerplate or deadline type language in the document.

**Commissioner Ensler** explained prior to this item, the CRA agreed to go forward with eminent domain of all remaining properties in Phase I. That would allow the CRA and the Commission, where approvals are needed, to go forward with the entire project with one developer without interference from someone who did not own property. He questioned why, since there is total control over Phase I, would the CRA not want to have competition. Other board members supported Commissioner Ensler's thoughts in order to receive the best quality product. It was noted Phase II was done the same way and the CRA voted to work with the self-assembly group. Having the additional protection of the RFP was agreed upon.

**Tom Balf**, representing Intown Development Group, Inc. indicated his group is very interested in developing Phase I and is the only entity to come forward with a specific proposal. He indicated they are prepared to come forward with \$4M to fund the acquisition of Phase I, and expressed his belief this entity is the only one that can pull off this project and would like to be included on the playing field.

#### **Vote**

The Secretary repeated the motion and called the roll. Motion passed 5-1 with Mr. Sims dissenting.

### **C. Consideration of Contract with Culpepper & Turpening, Inc. for CRA TIF Analysis and Forecasting**

Robert Reardon, CRA Assistant Director explained the need for the analysis was determined during a discussion between Julie Turner, from RBC Dain Rauscher, their financial advisor, and Ms. Bright to concretely forecast what the TIF revenues would look like for the next ten years. He suggested, in view of the emphasis on the TIF revenues, obtaining a professional to make the forecast.

The board discussed having an accounting firm conduct the analysis, and inquired why the proposal names the service being provided as providing redevelopment consultation. Mr. Reardon explained the service is to forecast the current projects from an engineering point of

view as far as a timeline for construction. The job would be to gather all the information on all the projects and the ones coming up in the future. The board inquired whether CRA staff could conduct the analysis. Mr. Reardon expressed he is not a TIF expert and he did not feel comfortable guaranteeing revenues. It was also noted the term of the data is good for approximately three years. Ms. Bright explained on a prior project TIF revenues were estimated to be about \$770M.

**Motion**

A motion was made by Vice Chair Norem to approve the contract with Culpepper and Turpening. Mr. Myott seconded the motion that unanimously passed.

**D. Six-month CRA Plan**

Last week, the City Commission gave the CRA direction to bring back a six month CRA Remedial Plan. Ms. Bright explained a draft was included in the board packets and Dr. Willis was present to review the item, a copy of which is attached to the original minutes. The document contained her findings and recommendations based on her analysis of the CRA and was to improve Understanding and Implementation of the CRA Policy and Directives, and Governance and communication between the CRA Board and staff. There were several recommendations made.

Vice Chair Norem left the dias at 9:47 p.m.

Vice Chair Norem returned to the dias at 9:52 p.m.

Ms. Bright explained the purpose of the document is to realign staff for a first line of communication. Attorney Spillias recommended a motion be made to receive and file the report. The suggestions regarding the Rules of Governance will be further incorporated. Any specific actions staff should take will be placed on next month's agenda.

**Motion**

A motion was made by Vice Chair Norem to receive and file the report. Ms. Horenburger seconded the motion that unanimously passed.

**E. League of Cities Gala Dinner Dance & Installation**

Ms. Bright announced Vice Mayor McKoy is being installed as President of the Florida League of Cities. The CRA was asked to sponsor a table of 10 for this event.

**Motion**

A motion was made by Ms. Horenburger to sponsor a table for the event. Mr. Myott seconded the motion that unanimously passed.

**X. Future Project Preview**

**Town Center at Waterfront Park and Ocean Point Tower**

Ms. Bright indicated she asked this developer to reschedule their presentation.

**XI. Comments by Board Members**

Ms. Horenburger announced she was in Tallahassee and learned the CRA does not have a registered lobbyist. The City Manager indicated Mr. Ballard's firm is the City's lobbyist and is being charged with working with the eminent domain issue. Years ago, the CRA was asked to share in the cost of a lobbyist, but it appeared that did not take place this year. Ms. Horenburger suggested if the CRA is paying for a lobbyist, they should be registered as the CRA's lobbyist, or have a small separate add-on contract. Ms. Horenburger gave an update on eminent domain amendments and indicated it appears the end of eminent domain is near.

Mr. Sims commented in reading the CRA materials, he found it refreshing the CRA is taking measures to establish rules and increase accountability. He noted training is continuous and encouraged training components be continuous. He indicated it would be beneficial to gain a perspective of what staff does on a day to day basis and elaborated it would assist him in his behavior when interfacing with the director and staff.

## **XII. Comments by Board Attorney**

Attorney Spillias reported he has met with the City's HR Director and the City Attorney regarding an initial draft of an interlocal agreement to provide HR Services to the CRA. Also the Rules of Governance were discussed and it was noted, no matter what rules are in place, the rules are only as good as people's willingness to follow them or have enforcement mechanisms for someone to follow them. Enforcement comes from the City. The City Attorney is cognizant of the CRA issues and is moving forward and they are being addressed. He reported a board member notebook will be delivered to members in approximately a week. He requested the members review the information and if there is anything else that would be helpful to members, the notebook could be supplemented accordingly. This could be addressed in a workshop that was previously discussed and should be held.

## **XIII. Comments by Executive Director**

Ms. Bright requested clear direction from the board on the mechanism she should use when her authority is overridden and she receives staff complaints about board members dropping in and giving direction to staff. She explained she is taking back the authority given to her from board members who are unwilling to give her that authority.

Attorney Spillias explained there is no enforcement mechanism in terms of board member discipline. The only mechanism available now is to direct the Executive Director to notify the board when she feels those types of activities are occurring. The notification can be verbal, memo, e-mails, or listed on the agenda under reports. The board discussed having a report go to the City Commission; however, it was noted the discussions are public record.

Ms. Bright advised she and the Chairman met last week regarding a recommendation that had been preliminarily approved to be brought back to the board regarding Mr. Reardon, who is in a contract position. The Chairman explained he desired to focus on the management plan objectives and initiatives, and she explained to him that was part of the strategic plan. She was still unclear about the issue and pulled the item off the agenda. Mr. Reardon had been serving in an interim Assistant Director capacity for thirty days. Ms. Bright indicated Mr. Reardon wanted to be compensated.

Ms. Bright explained that because she was accused of micro-managing, Ms. Bright agreed the Chairman could speak with Mr. Reardon about the issue. She was out of the office when the discussion between Mr. Reardon and Chairman Tillman occurred, but it did not go well, and has created a divide in the office. She expressed she would have preferred the item stay on the agenda and let the Chairman explain why the item should be pulled. Ms. Bright elaborated she wants to be able to agree to disagree with the Chairman and that all members of the board have equal authority. She explained it was within her authority to bring the issue before the board at that time.

Chairman Tillman explained the board was trying to establish governance procedures and there was a volatile climate. In terms of the salary increase, he indicated he thought it would not be fair or that it would be done correctly. He elaborated one individual's salary would go extraordinarily high and would have a negative impact on staff. Because of the Rules of Governance, and Management Based Objective (MBO) plan that would be tied to performance, he explained he believed those items should be presented first and could be made a model. He reported he had previously agreed the interim director should be made permanent assistant director, but the issue was, if an MBO was in place at the time the increase was given, it could be used as a model. He clarified that was his only contention. He offered an apology if he approached the matter inappropriately. Ms. Bright explained there is already was a pay plan in place, and because Mr. Reardon is a contract employee, the issue needed to be approved by the board.

Attorney Spillias explained Ms. Bright could contact the board members individually if things are occurring that interfere with her ability to conduct her job, and there are mechanisms about having the conversations and/or having special meetings. Since the time the Rules of Governance were implemented, they specifically stated that she is responsible for hiring and firing staff. In that context, she had already appointed Mr. Reardon as assistant director and the board does not need to vote on the issue. With the compensation, when an individual moves into an interim position, after 30 days they receive the pay scale. Ms. Bright indicated she has the authority to promote and demote.

The board discussed that staff falls under Ms. Bright's purview so long as she does not exceed the budget. Ms. Bright advised, going forward, she will issue a memo when instances arise where the delineation of duties has been breached.

Ms. Bright announced a volunteer is needed from the CRA to serve as a representative on the Arts Commission. Ms. Horenburger volunteered.

Ms. Bright reported she had been approached by some board members regarding enacting a resolution against a former director. Attorney Spillias indicated the board cannot issue a resolution retroactively. If the resolution was already in place, this could occur. The board discussed other governments have measures in place restricting former officials from working within the next two years. This item will be brought back to the board.

On May 16th, Jeanne Heavilin, former CRA Chair will be receiving an award from the City Commission. It was further announced the downtown Visioning Workshop is moving forward. The City Commission is considering a late September/early October workshop. Ms. Bright will notify the City Commission of a possible scheduling conflict with the FRA (Florida Redevelopment Agency) event.

**XIV. Comments by Staff**

**XV. Future CRA Workshops:**

**A. Savage Creatures Discussion - June 22, 2006 at 6:00pm  
Holiday Inn Catalina, 1601 N. Congress Avenue, Boynton Beach**

Attorney Spillias explained the CRA has spent a great deal of time reviewing permitting issues for the Savage Creatures concept. The CRA will be making a presentation on the legal and practical issues that would be involved, possible costs and a strategy which can be implemented should the CRA choose to move forward. He noted it was important to have all the information presented before any decision is made. This is a major project on the Intracoastal and there are significant environmental challenges involved.

**XVI. Adjournment**

**Motion**

There being no further business, a motion was made by Mr. Myott and seconded by Mr. DeMarco to adjourn the meeting. The motion unanimously passed. Meeting adjourned at 10:40 p.m.

Respectfully submitted,

---

Catherine Cherry-Guberman  
Recording Secretary  
(051006)