

**MINUTES OF THE SPECIAL COMMUNITY REDEVELOPMENT
AGENCY BOARD MEETING HELD ON TUESDAY, JANUARY 20, 2009
AT 5:45 P.M. IN CITY COMMISSION CHAMBERS,
BOYNTON BEACH, FLORIDA**

PRESENT:

Jerry Taylor, Chair
Jose Rodriguez, Vice Chair
Marlene Ross
Ron Weiland

Lisa Bright, Executive Director
James Cherof, Board Attorney

Absent:

Woodrow Hay

I. Call to Order – Chair Jerry Taylor

Chair Taylor called the meeting to order at 5:52 p.m. He noted there was some miscommunication of the starting time for the meeting and in the interest of fairness, suggested the meeting be recessed until 6:30 p.m.

Motion

Mr. Weiland moved to recess the meeting until 6:30 p.m. Ms. Ross seconded the motion. The motion passed 4-0.

(Meeting recessed until 6:30 p.m.)

II. Pledge to the Flag and Invocation *(Joint with the City Commission)*

(Mayor Taylor called the City Commission meeting to order at 6:30 p.m. Reverend Rick Riccardi offered the invocation followed by the Pledge of Allegiance to the Flag led by Vice Mayor Rodriguez. A motion was made and unanimously passed to recess the City Commission meeting for the Community Redevelopment Agency Board meeting.)

III. Roll Call

(The Community Redevelopment Agency Board meeting reconvened at 6:33 p.m. All board members were present.)

IV. Consideration of Master Development Agreement with Auburn Group

Attorney Cherof advised representatives from the Auburn Group were not present.

A review of the documentation that had been provided was given by Attorney Cherof noting that the documents would have to be viewed in tandem. Chair Taylor indicated he wanted to have input from the City Manager, Executive Director of the Community Redevelopment Agency, Board members and any public input. Mr. Weiland suggested the City Manager be heard first.

Kurt Bressner, City Manager, had six major points with the agreement.

1) Phase IV Density – The agreement sets forth levels of density, building heights and number of units. The Heart of Boynton Redevelopment Plan will have to be modified, including land use modifications, with public discussion and input. The agreement has to be totally subordinate to the legislative discretion of the City Commission to approve any changes to the Redevelopment Plan.

2.) Phased Development -- There needed to be some type of assurance that any financial incentives due to the Community Redevelopment Agency, in conjunction with Phase II before the completion of Phase I, could be accommodated by the Community Redevelopment Agency budget out of sequence. Any change in the development sequence must give the Community Redevelopment Agency some flexibility for payments.

3.) Community Redevelopment Agency and City Land -- Parcels on the south side of Martin Luther King Boulevard, adjacent to the market area, were conveyed to the City by the County with deed restrictions. There is a reverter clause that the parcels must be replaced as open space or payment made to the County. In order to provide marketable titles to the parcels, the property would have to be swapped or otherwise accommodated with the County and not readily available to Auburn on a conveyance.

Mr. Rodriguez confirmed there was another provision in the agreement that allowed for the boundaries to be changed if the parcels were not available. Mr. Bressner cautioned the parcels in question were located in the middle of Phase I.

4.) Change in Business Terms -- The trigger to reduce the Community Redevelopment Agency contribution would be a reduction in units.

5.) Senior Center – The developer's previous commitment to maintain and operate a senior center in the Heart of Boynton for 50 years had been struck from the proposed agreement and should be clarified.

6.) Timeline for Community Redevelopment Agency financial review – Only 15 days had been allotted for the Community Redevelopment Agency to submit their review of the financial report and add any comments. It would not be sufficient time for public meetings and review. Mr. Bressner also questioned if the same accounting firm would be used for both the Auburn review and financial ability of the Community Redevelopment Agency to meet its obligations. He felt the ultimate determination should be a policy decision of the Board.

Vice Chair Rodriguez questioned the intent of the 30 day period, whether to complete the review or contract for the review. Attorney Cherof agreed the language was open for interpretation, but he felt “obtain” meant to have the completed report.

Mr. Weiland questioned the ability of the Board to move forward without Auburn representatives present. There were many changes required, but without Auburn present, progress could not be made. Attorney Cherof agreed it was a complex contract with many diverse points and views. He suggested a special meeting be set with negotiation of the terms and redrafting of the agreement, ending in a complete and final contract.

Mr. Hay expressed concern with the constant changes and was not in favor of any agreement until all the questions were answered. Vice Chair Rodriguez and Mr. Weiland concurred that the understanding was the agreement was to be finalized and not more changes. Mr. Hay would not agree to anything until a third party financial analysis was reviewed. Chair Taylor agreed and noted Auburn had reserved the right to make further changes also.

Ms. Ross indicated she was looking for some third party verification before any agreement could be made. She could not support the current document or the four phases. The residents, including those in surrounding areas, have valid questions and complaints regarding the proposed development plan. Their feedback needed to be considered. Mr. Hay wanted the developer to meet with the various neighborhood associations and residents and requested to be present at those meetings.

Ms. Ross was concerned about the encumbering of \$23.5 million of the Community Redevelopment Agency funds and its impact on the future of the Agency. Mr. Weiland pointed out the sum is dispersed over 12 years based on the progress of the project. Vice Chair Rodriguez stressed the future of the Community Redevelopment Agency was irrelevant in the project. The Agency was developed to eliminate blight and slum and the monies should accomplish that goal. Chair Taylor disagreed and contended the \$23.5 million encumbrances would disable the Community Redevelopment Agency to work on other projects. Mr. Weiland commended the Community Redevelopment Agency for the many projects that had been accomplished. The Heart of Boynton

project had been discussed for many years and a commitment to move forward had to be made. Chair Taylor added the project may not happen with this developer. Mr. Hay commented the project could not be undertaken blindly.

Chair Taylor suggested a motion be made to table the issue and a meeting scheduled with Auburn and Community Redevelopment Agency Board.

Motion

Mr. Hay, so moved. Vice Chair Rodriguez seconded the motion.

Ms. Bright requested direction on the third party verification. There was consensus of three board members; however, the timing was unclear. She had been searching for an avenue to piggyback an existing contract for the verification and analysis. In the alternative an RFP would be necessary.

Chair Taylor confirmed that there was total consensus that the agreement with Auburn would not be finalized until the third party analysis was received and reviewed.

Ms. Bright also requested clarification or a motion regarding the expectation of holding more public meetings. Mr. Hay explained his intent was, before the document is signed, input from the community was needed. Mr. Weiland commented if a piggyback could not be found, the process would take four to six months. Ms. Bright indicated if an amendment to the Heart of Boynton Plan and Federal Highway Corridor Plan would be sought, the City and Community Redevelopment Agency would be required to participate in any public meetings to be in compliance with State statutes.

Chair Taylor declared there was consensus to coordinate any meetings with all parties. Vice Chair Rodriguez understood there was a timeline for funding that could be missed. Ms. Bright advised a grocery store had to be built by the spring of 2010 to meet the basic requirements of the Florida Housing Finance Tax Credit Program. If built, it would allow Auburn to compete in the next cycle for funding in 2010.

Vote

The motion passed unanimously to table.

V. Consideration of Subordination Agreement with 3675 Acquisition, LLC

Attorney Cherof explained the subordination agreement with 3675 Acquisition, LLC involved the right of first refusal to purchase the property that used to be the former adult entertainment establishment. In conjunction with an attempt to sell the property,

the potential buyer wants to go out and borrow money and then exercise due diligence. The lender has requested the Community Redevelopment Agency to subordinate its right of first refusal. In the event of a default, the right of first refusal would be eliminated in a foreclosure procedure. The owner requests the subordination to facilitate their transaction with the developer and his lender.

Attorney Cherof noted without the subordination there would be no lender and the attempt to sell the property would fail and redevelopment delayed. Chair Taylor contended the Community Redevelopment Agency would probably not buy the property either.

It was recommended by Attorney Cherof, that the Community Redevelopment Agency not give up the right of first refusal. He speculated there would be another deal after this one and the right would be preserved.

Ms. Ross requested input from the Executive Director. Ms. Bright asserted it was a policy decision. She recalled it had been clear that the entity to buy the out parcel was 3600 Holding, so it could complete the square. Ms. Bright stressed a commercial development project may be missed.

Vice Chair Rodriguez wanted to avoid 3600 Holding getting a \$300,000 deal on the property and the Community Redevelopment Agency had given up its right of first refusal on the property. Ms. Bright reported Mr. Goddard would get \$800,000, but become part of the bigger deal with a larger commercial site. The total is \$2 million.

Attorney Cherof explained if the lender foreclosed on the \$800,000 loan it would also foreclose the right of first refusal and affect future transactions as well. Vice Chair Rodriguez was against the release.

Chair Taylor wanted to see the area developed and did not foresee the Community Redevelopment Agency purchasing the property. Attorney Cherof suggested tabling the matter and ask for more transparency of the contemplated transaction. The relationship between the developer and lender should be made more clear. The loan could be foreclosed the day after the subordination was release.

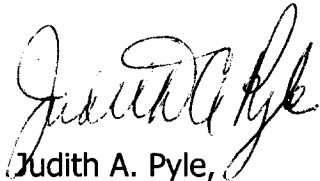
Motion

Vice Chair Rodriguez moved to table to get more transparency. Ms. Ross seconded the motion. The motion passed unanimously.

Mr. Hay disclosed he had talked to a representative of Auburn last week.

VI. Adjournment

There being nothing further to come before the Board, Chair Taylor properly adjourned the meeting at 7:07 p.m.



Judith A. Pyle,
Deputy City Clerk