



**MINUTES OF THE CRA ADVISORY BOARD MEETING
AT INTRACOASTAL PARK CLUBHOUSE
2240 N. FEDERAL HIGHWAY
BOYNTON BEACH, FLORIDA 33435
HELD ON THURSDAY, April 5, 2018, AT 6:30 P.M.**

PRESENT:

Linda Cross, Chair
Robert Pollock, Vice Chair
James DeVoursney (arrived at 6:39 p.m.)
Anthony Barber
Thomas Murphy, Jr.

Michael Simon, CRA Executive Director
Theresa Utterback, Development Services
Manager
Bonnie Nicklien, Administrative Services
and Grant Manager, CRA
Thuy Shutt, Assistant Director, CRA
Lisa Edmondson, Prototype, Inc.

ABSENT:

Allen Hendricks
Rick Maharajh

I. Call to Order

The meeting was called to order at 6:33 p.m.

II. Roll Call

Roll was called, and it was determined a quorum was present.

III. Agenda Approval

A. Additions, Deletions, Corrections to the Agenda - None

B. Adoption of Agenda

Motion made by Mr. Barber, seconded by Vice Chair Pollock, to adopt the agenda as presented. In a voice vote, the motion passed unanimously (4-0), with Dr. DeVoursney not yet present.

IV. Information Only

A. Financial Report Period Ended March 31, 2018

Mr. Simon stated there was nothing out of the ordinary.

V. Public Comment - None

VI. Consent

A. Approval of CRA Advisory Board Minutes - March 1, 2018

Motion made by Mr. Murphy, seconded by Vice Chair Pollock, to approve the minutes of the March 1, 2018, meeting as presented. In a voice vote, the motion passed unanimously (4-0), with Dr. DeVoursney not yet present.

VII. Assignments

A. Pending Assignments - None

B. Reports on Pending Assignments - None

C. New assignments from March 13, 2018, CRA Board Meeting - None

VIII. CRA Board Items for CRA Advisory Board Review & Recommendations

A. Old Business

1. Consideration of Parameters for an RFP/RFQ for the CRA Owned Property Located at NE 4th and NE 5th Avenues, a/k/a the Cottage District

Mr. Simon stated they have more linkage in the current budget to assets and financial offerings that are not set aside for the Cottage District. He did not think the CRA Board would be interested in moving funding that is now attached to Martin Luther King Boulevard out to this area. If this board were to favor any combination of housing mixes, they can “throw them” into the RFP/RFQ and allow the development community to find freedom in those categories. They all fit in the Master Plan. By doing that, they would recommend flexibility, and if funding sources are available, the body should recommend taking advantage of any opportunity and include that language in the RFP.

Mr. Simon remarked that they already know the general scope of work from previous RFPs, but asked if there are any additional ideas to include.

Another consideration would be to recommend (or not) the possibility of using the asset of the land owned as a potential incentive with a discounted value or flexibility in the cost of the property. That might draw more qualified interested parties.

Dr. DeVoursney inquired if the project would be affordable or workforce housing, and Mr. Simon said that would be another category of discussion. The CRA Redevelopment

Plan leans toward affordable housing, but is not restricted to very low or workforce housing. If the developer so desires, they can add a workforce element to the project. Mr. Simon explained the parameters for workforce housing.

In response to a question by Chair Cross, Mr. Simon explained that properties adjacent to the site are not available, with the exception of one very small lot (#115) which may be up for sale. Regarding the CCC building on the corner, Mr. Simon said that the owner wants to extend the footprint of the building. She can do that as long as there is adequate parking.

Mr. Simon advised that another property, Francois, has had no interest in selling so far. The McIntosh property, the Francois property, and the Oyer properties are not critical to the layout of the plan.

Chair Cross believed that flexibility for all the potential layouts would increase the number of RFP/RFQ responses.

Dr. DeVoursney thought the RFP/RFQ should be commensurate with the type of housing: that is, workforce, low-income, etc. Chair Cross added they could do a silent mortgage. Mr. Simon mentioned the various styles of projects they have done: garden-style, single family, townhouses, and others. The project could also feature a mix of styles.

Ms. Shutt reported that some of the more creative styles might require some modification of the Palm Beach County Subdivision Code. At this time, it requires fee-simple, attached townhouses, or multi-family with a shared parking lot.

Chair Cross said that an issue with developers is thinking they will be stuck with a particular product that the marketplace may not be able to support. Mr. Simon commented they would need to have a broad range of suggested housing styles. Perhaps land could be offered on a type of sliding scale or tied to the affordability range of people being served. It could be called an “affordable workforce project.”

Dr. DeVoursney asked if the TIF funding would be available as an incentive in the RFP/RFQ. Mr. Simon replied that since the project price is on the low end, TIF would be like a front-end help. He would rather incentivize it and lower the cost to the end-user. The CRA could offer incentives to the developer, provided he meets certain conditions.

Chair Cross advised that the project will be done with next year’s money, so they can take care of it during the budgeting process once the RFP comes back in. That way, they would not be taking money away from a project that has already been voted on. Mr. Simon pointed out that it is unknown at this time what developers will want to do with the Town Square project, so it is therefore unknown what might be needed from this year’s funds.

Ms. Shutt commented that this is a different project than multifamily and mixed uses, where the developers are looking to sell the units as fast as possible while keeping costs down. If the land can be less costly, the developer can recoup their costs more quickly. Moderate homeowners would not have trouble getting financing, but the lower segment may have to be subsidized (either at the developer's end or the purchasing end) to get into the housing market.

Vice Chair Pollock was curious if there was a grant to subsidize down payments. Mr. Simon advised it could be structured several ways - through down payment assistance to the buyer or lower cost of land to the developer. He added that the current property is for ownership, not rental.

In response to a question, Mr. Simon remarked that Ocean Breeze West is a 60/40 split of workforce/low and very-low income housing. He added that was made possible by the early participation of the Habitat for Humanity program. Chair Cross mentioned that since that project is well established, there is a renewed need for another low-income project.

Mr. Simon stated that Ocean Breeze East has reached a milestone in the tax credit application process, and they are working their way through the process.

David Katz, 67 Midwood Lane, asked how the Cottage District site is platted at this time. Mr. Simon said the infrastructure is all city water and sewer, power, and cable, all running from the exterior street side - there is some evidence of piping. In response to another question from Mr. Katz, Mr. Simon remarked that Habitat for Humanity may build multiple houses at any one time, and they could be completed with weeks.

Mr. Katz suggested offering the land as an incentive, create designs that reduce the cost of the house, and work with Habitat for Humanity.

Mr. Simon noted that Habitat is always asking about the CRA properties, but have not submitted a letter of intent. It is quite possible they would respond to an RFP.

Dr. DeVoursney confirmed that there could be a provision that does not allow homeowners to rent.

Mr. Simon said most scenarios the CRA has participated in have involved some interior roadway to maximize building. Trying to build around the center of a project can be limiting. By having the land more developed, it eliminates the concerns of community safety and maintenance for the City. He said he would not be discouraged if nobody responded to the RFP due to the busy state of construction now. He said Habitat might consider building townhouses.

Mr. Barber asked how close or far away is the purchase price from what the CRA wants. Mr. Simon responded that the owner was asking about \$250,000 (700 square foot house, but it is upgraded). A tenant is currently in the house, and there is no recent

appraisal. He thought the CRA had reached its capacity for acquisition, unless the owner lowered her price dramatically.

Mr. Simon said they had spent a great deal of time with the owners of the child care center and their neighbors trying to move the parking lot. She would not sell that lot unless she were also to sell the child care center. The developer may be able to enhance the appearance of that lot. The CRA is going forward with the alley abandonment; they have done the geo-technical and the Phase I and Phase II.

Mr. Simon did not think they would get any multifamily townhome responses back since they did not get much response from the single-family request. Mr. Simon pointed out there were had too many restrictions the first time.

Ms. Shutt said there had been one inquiry afterwards for townhouses. They are fee-simple ownership; they share a common wall. Some of those would allow one or two more units, but she was not sure about the financial package.

Motion made by Mr. Barber, seconded by Vice Chair Pollock, to recommend that an RFP for development of the Cottage District:

- Utilize a discount based on the affordability range on the CRA owned land/land value as an incentive to the developer to reduce per unit costs
- Suggest affordable/workforce housing
- Suggest that the CRA is willing to fund certain upfront costs such as site plans, surveys, utilities, etc. as potential cost reductions
- Suggest any of the four options for the content of the development from single-family detached through multi-family townhouse/duplex attached style
- Require fee-simple ownership only – no rentals
- Insist on a quality development
- Encourage developer to seek opportunities to work with adjacent land owners to potentially secure a larger footprint for the development
- Open the RFP to include Habitat for Humanity.

In a voice vote, the motion passed unanimously (5-0).

2. Consideration of Parameters for an RFP/RFQ for the CRA owned parcels on the MLK Corridor

Chair Cross asked what is expected of the Board on this item, since they passed a recommendation at the last meeting. She read the recommendations/motion from the previous meeting, noting that they recommended Option #3 of a total of three options (The CRA would issue a Design/Build request for proposal or RFP for an entity which will provide a guaranteed maximum price for the design and development of the site approximately 12 months).

Mr. Simon explained that the parameters for the RFP will be discussed at the upcoming CRA Board meeting. They considered the CRAAB's recommendations in coming to their conclusions. They included both the north and south side in the RFP, and are not limiting the area to just the shell space. The developer may be able to construct a better package of properties. The CRAAB can suggest bullet points of what they would like the CRA Board to consider in the proposal from the developer. He suggested starting with incentives.

Mr. Simon stated that the \$1.2 million that has been identified in the budget should be used as incentive or as a cash offset to a successful response - as opposed to the suggestion that the CRA could use the money to start building. Ms. Shutt said they can limit the use of the \$1.2 million to construction versus having the developer come in and want to use the \$1.2 million for more land.

The money could also be used for relocation expenses or infrastructure. Mr. Simon noted that Sarah Sims park is being designed and is pushing for more than the original \$600,000 partnership with the City to get their desired amenities. He said they may be revisiting the budget as they go into the next fiscal year.

Mr. Barber suggested that if a developer comes in who will build the project with his own money, then the CRA could offer up to \$.5 million for land, limited to a particular contiguous parcel. He believed that should motivate the developer.

Chair Cross said that comment cards from the March 01, 2018, CRA Advisory Board meeting showed things that people did not want to see, such as a check-cashing store and Walmart. Mr. Simon advised that the CRA can specify what facilities can or cannot be built on the site during negotiations, but should not be concerned about it at this time.

The following were mentioned as items to include in the RFP:

- Commercial mixed use
- Purchase land contiguous to the CRA land
- Cash and land incentives
- Prefer north and south sides, not one or the other
- Incentive scoring or review points to a developer that has control of adjacent properties
- Encourage developers who want to seek out opportunities to purchase adjacent properties

Public Input

Reverend Bernard Wright, 713 NW 2 Street, said he had 201 signatures on his petition saying what they want in the neighborhood. They have a conceptual plan and know the neighborhood.

Chair Cross said they had looked at the petition, and she reviewed the points in it, including that they want an historical perspective in the RFP. She said they can put in the RFP that community workshops will be required. They are not trying to limit development, but need a developer who will build something that they think is marketable. The CRA will give them parameters.

Reverend Wright said that the same people come to all the (community) meetings.

End of Public Input

Mr. Barber said \$1.2 million was a lot of money, and wanted to be more specific in the way it would be spent. Perhaps saying cash incentives to infrastructure et al might be preferable to mentioning the amount.

Mr. Simon pointed out that the project is \$20 million as a whole, and \$1.2 million might make the difference between a developer looking at the site or not. The developer would not get the \$1.2 million until the sale on the property is closed (it would be a back-end incentive). Mr. Barber did not want the process to drag on longer than 12 months.

If nobody responds to the RFP, Mr. Simon asked if the CRA would develop the building on its own, become the landlord, etc. Another scenario would be if they get a response for only one half of the site. The response time should be 45-60 days; but they could insert a time frame on the back end that the selected proposer will only have a certain number of days to go to the next step. He asked the board if they would be amenable to a response that may include a proposal that may include SAIL or 9% as part of the package, with the CRA coming up with the monetary gap.

Chair Cross suggested using TIF money to fill the gap if that happens.

Ms. Shutt commented that a proposer may want to have the property closed so they can get financing. Perhaps they can add to the RFP that the first phase has to be done within a certain amount of time, such as a year or several years. She also suggested not limiting it to vertically integrated uses such as offices, commercial, etc. There might be one building on the south side that is commercial, and one residential (horizontally integrated).

Mr. Simon believed the height restriction was 45 feet and four stories. He discussed the height regulations and zoning requirements in the vicinity. However, if 200 people want a Continental Club built, he did not know how to bridge that gap between their vision and what can be built. He also said the CRA could build the shell of a building and incentivize the community to build what they want.

Chair Cross asked what would happen if nobody responds to the RFP. Mr. Simon recalled they had a similar situation with Ocean Breeze East. He said the CRA can incentivize the construction of a building, but cannot own and operate it. Chair Cross did not see how the CRA could proceed without a developer.

Mr. Barber said that if nobody responds, they have to let the public know. Mr. Simon commented it would not serve the community to have a lot of potentially failed businesses there. Ms. Shutt recalled that the residents want a full-service grocery, but it took five years for Delray to get a Publix, and they had the land. She thought they needed to concentrate on smaller commercial service uses such as doctors and barbershops that the community can operate and support.

Motion made by Mr. Murphy, seconded by Dr. DeVoursney, to include the following as parameters for the RFP/RFQ:

- Stress flexibility and creativity to maximize the use of the land and maximize the appeal to at least some of the types of businesses that the community wants (see above recommendation)
- Include north and south side properties on MLK, Jr. Blvd
- Suggest incentives to offer such as discounted land, site plan, surveys, utilities
- Suggest significant cash is available (not necessarily a specific dollar amount) in addition to the land discount for the purpose of (including but not limited to) assisting the developer in offsetting construction costs, infrastructure costs, to purchase additional parcels of land that are contiguous to the existing CRA-owned land, to provide relocation assistance to attract new businesses, etc.
- Note the Sara Sims Park amenities which will be in place
- Commercial/residential mixed use is required and is consistent with the plan for the Heart of Boynton
- Suggest that it would be positive to partner with or work with other adjacent land owners to gain a larger footprint for the development
- Work with the community for input/town halls before during and after the project is completed
- Maintain the historical perspective of the Heart of Boynton through design and attractions
- Stress that time is of the essence and require that significant work (some parameters needed here) must be done within 12 months of award of contract
- Suggest that portions of the development could utilize TIF, 9% tax credit financing, or SAIL financing.

In a voice vote, the motion passed unanimously (5-0).

B. New Business

1. Consideration of Purchase and Sale Agreement for the Properties Located at 211 NE 9th Avenue and NE 11th Avenue

Mr. Simon reviewed the two properties for sale. For the price they are getting, nobody but the CRA or City could make it work for something. The lots would not be usable for housing, parking lot, etc. Both properties are located within the E. MLK Jr. Boulevard

corridor and MLK Jr. Multi-Family area as outlined in the 2016 CRA Redevelopment Plan - Heart of Boynton District and adjacent to several CRA owned parcels.

Motion made by Mr. Murphy, seconded by Mr. Barber, to recommend purchase of the two properties. In a voice vote, the motion passed unanimously (5-0).

2. Consideration of US 1 Intersection Funding Associated with Florida Department of Transportation Improvement Project

Chair Cross asked why this would be a CRA function, and not a City function. Mr. Simon explained it is an enhancement that would encourage development and redevelopment; it is another way to draw identity to the community; there is no issue with the State maintaining the project; the CRA can build on it, but not take over management. Adding signage is allowed.

Dr. DeVoursney brought up the repaving of Federal Highway and thought the CRA should try to coordinate with that project. Ms. Shutt said that was discussed last year as part of the budget, but they were not very far along at that point. At this time, they will be doing milling and resurfacing, drainage, and curbing. It is above and beyond what FDOT would normally do and will enhance the pedestrian experience. There would be thermo-plastic paint that would provide a "sense of arrival" into the City.

Dr. DeVoursney recommended not doing Gateway and Federal Highway at this time because they will not be repaved until the following year. Ms. Shutt said they are only recommending four (out of seven) intersections where there is no entrance sign: Ocean Avenue and US1, Boynton Beach Boulevard and US1, Martin Luther King Boulevard and US1, and Woolbright and US1.

Mr. Simon explained they would reallocate money that was identified during the budget as the funding source if the project needed enhancement. Reallocations will be as follows:

- \$125,000 from the E. Boynton Beach Boulevard Parking Project line item
- \$33,500 from the Housing Rehab Project line item; and a total of \$71,500 from the Housing Rehabilitation, Property Acquisition and Survey & Appraisals line items

Mr. Simon said the first things the CRA wanted to make sure were done are major changes to pedestrian safety at intersections and enhancement of identification of bike lanes. FDOT is doing so much at the intersections so there was nothing else the CRA could do along those lines. Therefore, the CRA is doing visual enhancements that are beyond the safety issues.

Motion made by Mr. Barber, seconded by Mr. Murphy, to recommend approval of the US1 Intersection project. In a voice vote, the motion passed unanimously (5-0).

3. Discussion and Consideration of Lease Terms for the Property Located at 201 NE 9th Avenue

Mr. Simon explained there are two occupied duplex units on the property. The CRA tried to delay the closing until after the leases were up, but the owner wanted to close. Staff is now trying to get a 60-day extension for the current leases to give them a cushion to leave. He said one occupant is a health-challenged elderly person, and the other occupant has a small family. He noted they do not plan to demolish the buildings.

Chair Cross did not understand why the tenant whose lease expired in August should need 60 days now to move out. Mr. Shutt said they are trying to treat both tenants equitably.

Motion made by Mr. Murphy, seconded by Mr. Barber, to permit a 60-day extension on each lease. In a voice vote, the motion passed unanimously (5-0).

Mr. Simon said that it would be good to have them out of the units if a developer wants to move on the project.

IX. Future Agenda Items - None

X. Adjournment

Upon motion duly made and seconded, the meeting was adjourned at 8:42 p.m.

[Minutes transcribed by J. Rubin, Prototype, Inc.]