



**DEERFIELD BEACH COMMUNITY REDEVELOPMENT AGENCY
MEETING MINUTES**

Tuesday, August 9, 2011, 6:30 P.M.
City Commission Chambers, Deerfield Beach City Hall

The meeting was called to order by Chair Noland at 6:30 p.m. on the above date in the City Commission Chambers, City Hall.

Roll Call:

Present: Mr. Bill Ganz
Mr. Joseph Miller
Mr. Ben Preston
Vice Chair Martin Popelsky
Chair Peggy Noland

Also Present: Burgess Hanson, City Manager
Andrew Maurodis, City Attorney
Samantha Gillyard, Deputy City Clerk

APPROVAL OF MINUTES

DIGITAL TIME STAMP: 6:30:44

June 14, 2011

MOTION was made by Mr. Ganz and seconded by Mr. Miller to approve the June 14, 2011 minutes as submitted.

Voice Vote: YEAS: Mr. Ganz, Mr. Miller, Mr. Preston, Vice Chair Popelsky, and Chair Noland. NAYS: None.

APPROVAL OF THE AGENDA

DIGITAL TIME STAMP: 6:30:55

August 9, 2011

Keven Klopp, CRA Director, stated that there is a substitute proposal for Item 1, and that Item 2 would be withdrawn.

Mr. Miller asked if Item 2 would be presented at a later time.

Chair Noland replied yes.

MOTION was made by Mr. Miller and second by Vice Chair Popelsky to approve the August 9, 2011 agenda as amended.

GENERAL ITEMS

Voice Vote: YEAS: Mr. Ganz, Mr. Miller, Mr. Preston, Vice Chair Popelsky, and Chair Noland. NAYS: None.

ITEM 1**DIGITAL TIME STAMP: 6:31:48**

CRA Resolution 2011/017 - A Resolution of the Community Redevelopment Agency of the City of Deerfield Beach, Florida, approving Keith and Associates proposal for surveying and design of ADA Compliant Sidewalk Pilot Program for a lump sum of \$18,870.00.

Keven Klopp, CRA Director, outlined Item 1, requesting approval for a scope of services for Keith and Associates for surveying and design for the first phase of sidewalks in the CRA Area. He said that Keith and Associates did an analysis of feasibility of ADA compliant sidewalks in the beach area and a cost estimate which was programmed into the 5 year plan to do a certain amount of sidewalks each year. This will not be an easy undertaking as there are a lot of conflicts and varied opinions as to whether or not sidewalks should go in that are held by property owners and residents in the area; nonetheless, the City is under mandate to do this and the CRA believes this is an appropriate expense. The first step is to survey the property to do the engineering design. Therefore, the substitute proposal is a result of discussions about what can be done by CRA and City staff which resulted in a cost reduction of \$1,110. He said that this does not mean these tasks will not be done, but will be done by Staff.

Mr. Klopp introduced Hiep Huynh, the new civil engineer, and outlined his background and experiences in urban areas. Some of the tasks that would have been done by Keith and Associates will be done by the in house employee, resulting in a reduction in the cost. The total is now \$17,760.

Mr. Preston said that there needs to be an additional reduction. He said that he spoke with the President earlier today and referenced the last page of the proposal entailing a reduction of \$360.

Mr. Klopp asked if the meetings with Keith and Associates are included in the proposal. He stated that the response was that the meetings would occur without costs; resulting in a reduced cost of \$17,400.

Mr. Preston said that it is important that those who are overseeing these projects understand that they should be done in a very fiscal, responsible manner; which means constant scrutiny to make sure the proper savings are there.

MOTION was made by Mr. Miller and second by Mr. Preston to approve Item 1, CRA Resolution 2011/ 017.

Roll Call: Mr. Ganz, Mr. Miller, Mr. Preston, Vice Chair Popelsky, and Chair Noland.
NAYS: None.

GENERAL ITEMS - CONTINUED**ITEM 2****DIGITAL TIME STAMP: 6:38:06**

CRA Resolution 2011/ - a Resolution of the Community Redevelopment Agency of the City of Deerfield Beach, Florida, approving reimbursement to the City of Deerfield Beach for the creation of the Kester Point (Sullivan Park) Marina Conceptual Plan for a lump sum of \$47,256.49.

Stricken under approval of the agenda.

ITEM 3**DIGITAL TIME STAMP: 6:38:16**

CRA Resolution 2011/ - a Resolution of the Board of the Deerfield Beach Community Redevelopment Agency (CRA) authorizing the CRA Director to execute a contract for sale and purchase of certain property located at 1601 E. Hillsboro Boulevard, Deerfield Beach, Florida, for the purchase price of \$399,000.

Keven Klopp, CRA Director, outlined Item 3. He said that the Board has prioritized this property as a real estate acquisition. It was included in the CRA Redevelopment Plan, which was amended to identify five (5) properties that it would seek to acquire. They have received three (3) different appraisals for all properties and are in negotiations with several of them. This is the first that they made a formal offer and received an indication that the owner is willing to sell. He explained that this property was included in the redevelopment plan due to its proximity to Sullivan Park and the CRA's intention of expanding and redeveloping Sullivan Park. The property is owned by the Deerfield Beach Chamber of Commerce. He said not only does the CRA intend to go into the building with Staff in the short term, but with the intention of either renovating it for future use or demolishing it with the expansion of Sullivan Park. Those details will be determined at a later date. Additionally, Mr. Klopp said that the contract price is \$399,000 and that there is a requirement that the property be vacated within 30 days after closing.

Continuing, Mr. Klopp said that there was a thought of the Chamber leasing back the property to allow them time to transition out. They have indicated that their intent would be to move as quickly as possible once the sale has occurred and it has been changed in the proposed contract. The real estate acquisition policy is also included in the agenda backup; a summary of the appraisers, and the excerpt from the CRA Plan which identifies the purpose for the acquisition.

Mr. Miller expressed concern of taking immediate occupancy, if a City building, it would require ADA compliant. He stated that the roof leaks and a lot of things need repairing. He compared it to buying a really old house.

GENERAL ITEMS - CONTINUED

Andrew Maurodis, CRA Attorney, said that this could not function as a City administrative building, but could be used for CRA or park purposes.

Mr. Miller said that during his election, a handicapped person expressed concern with the entrance to the building. He said that the Board has no knowledge as to the costs for renovations and although he likes the idea, he wants the Board to be aware that this building is going to cost more than \$399,000.

Mr. Preston asked if we will be in a good position years from now with the market value. He asked if this is a good deal for the City.

Mr. Klopp said that it is a good deal because of the depressed market values right now and because it is less than the average of the appraisals received. Additionally, he said that it is a good value because of its location on Hillsboro Boulevard, along with the improvements being made on Hillsboro and at the Cove Shopping Center. Therefore, he believes this is a fair offer, recognizing that we need to approach this as a real estate deal with an entity that owns a property and not necessarily who that entity is. Notwithstanding, being a dependent Special District under Florida Statutes, we should be dealt with fairly in the real estate market.

In response to Mr. Preston's question, Mr. Klopp replied that this will be paid from the CRA funds.

Vice Chair Popelsky asked what is the assessed valuation of the property.

Mr. Klopp replied that there were three (3) appraisals; \$400,000, \$420,000, and \$435,000. The average of those three is \$418,000.

Vice Chair Popelsky asked if the assessed valuation was obtained from the County.

Mr. Klopp replied yes, that the assessed value has land at \$151,000 and improvements at \$329,000 for a total of \$481,000.

In response to Vice Chair Popelsky's question, Mr. Klopp said that the policy adopted by the CRA Board was that the Board would not pay more than 10% over the average assessed value. In this case, they offered 10% under the average assessed value and they counter offered with 5% under. He said that 10% under is \$376,000.

Vice Chair Popelsky said that it was his understanding that the building could be demolished immediately because of its condition and by demolishing it, it would help Sullivan Park. If demolished, we would not have to worry about the expenses Mr. Miller mentioned.

Mr. Miller said that there does not appear to be a clear vision because there are different ideas as to what will be done with the property.

GENERAL ITEMS - CONTINUED

Vice Chair Popelsky said that he is not looking to renovate or lease it to them for a year at \$3,000 per month, but it was his understanding that it would be demolished. He said that he does not care to be a landlord for this particular property because of the cost and age of the building, a lot of work will be required, and recommended offering \$375,000.

Continuing, Vice Chair Popelsky said that the Chamber's liability has been diminished and in less than a year ago. He said he does not know what they will do with the money, and will not look into that; nevertheless, he asked who gets the money as the Chamber of Commerce is a not for profit corporation and is sanctioned by the Chamber of Commerce of Washington D.C. He further stated that they are a separate entity, but pay a fee to Washington. In the past, the Chamber has taken a stand on political issues and some issues with the City; therefore, he is concerned about them continuing in that same building if purchased to expand Sullivan Park.

Burgess Hanson, City Manager, said that what has been planned for the building has been worked on for the past several months and with the recent planning with the ULI, that plays a part in it, but basing a decision on that does not have to be worked into the formula at this point.

Mr. Miller said that to renovate or demolish has a financial consequence.

Mr. Hanson said that anything done would be temporary to make it aesthetically pleasing and allow CRA to move over there. However, once the plans are finalized for the entire area, they would go from there.

Mr. Miller clarified that it would be minimal costs to make it look nice and then acquire other properties to incorporate into the entire parks area.

Mr. Klopp said that the real estate policy also requires that once we enter into due diligence, that an inspection is done, which provides a cost of estimate of minimal repairs required. If CRA Staff occupies it, they may have to modify the ramp for ADA access, or repair a roof; however, it may not come back to the Board unless he chooses to do so. He said that the intent was to occupy it for the time being with CRA Staff, until a final decision is made on either renovating or demolishing.

Mr. Ganz said that in the three (3) appraisals, some things concern him; having the pricing based on commercial zoning. He said that based on the appraisals, it appears that Staff has led them to believe that this will be zoned commercial. However, he doubts that the City Commission will change this to commercial zoning. Currently, it is not commercial; thus, the price reflects something that is not a reality; which bothers him. He reiterated the unlikelihood that the City Commission would change it to commercial zoning; thereby, he believes the pricing is elevated.

GENERAL ITEMS - CONTINUED

Continuing, Mr. Ganz said that it really concerns him that Staff informed the appraisers that if the building was privately owned, it would be zoned commercial. The three (3) estimates do not take in mind the condition of the building; moreover, one appraisal indicates that the information on the facility was based on the original County plans. Furthermore, the building's condition is not addressed. Therefore, he does not agree with approving the agreement and then performing an inspection. He said that he does not believe in making an offer on a house without an inspection. He outlined other objections to the appraisals. Additionally, Mr. Ganz said that the price is elevated and the CRA is in a rare position to be smart in purchasing. First, the market is very limited considering the zoning and actual size and condition of the facility. Regardless of the condition of the market right now, the price may be down, but you have to consider the reality of the situation. He said that he does not believe there will be a huge price demand and something seems wrong with the estimates. Fortunately, the Board is in a position in which they know the zoning and that it will probably not change and there is not a huge market for this facility. He reiterated that the pricing is elevated over the reality.

Moreover, Mr. Ganz said that the Board always ends up on the wrong end of the stick when it comes to negotiating. He said that with the uniqueness of the property and the actual zoning, the Board should go with a fair and reasonable price; and not be considering who currently owns the property; but based on whether it is a good economic value. He reiterated that the price is too high. He asked why City Staff told them that if it was privately owned, it would be zoned commercial.

Mr. Klopp said that it may have come from the Planning and Zoning office; however, he may have also influenced that thinking because the assessment that each of the appraisers did was to be fair and based upon the anomaly of the zoning, but the actual location and use of the property. He reiterated that the zoning is not appropriate for the use of that location.

Mr. Ganz clarified that the appraisers should not be punished because of the anomaly.

Mr. Klopp said that the appraisers should not have the benefit of the anomaly either.

Mr. Ganz said that they have already been given the benefit of the anomaly because all the estimates indicate that they are taking into consideration that the zoning would be changed to commercial. That is not a reality and once again the anomaly does not go in the direction that will benefit the City. He said that sometimes these anomalies have to go our way and in this particular situation, with zoning existing the way it is, without any guarantee that zoning would be changed to commercial, he does not like to hear that Staff may have influenced this making a comment that will sway the estimates in a different direction which seems to have occurred.

GENERAL ITEMS - CONTINUED

Mr. Preston said that we may need to look past the actual cost. He said that the first question that has to be answered is whether the building is salvageable. If so, then a cost factor must be attached to it. Once the building is bought up to Code, it may be in the City's best interest to consider it because it could serve as a building that is functional for some areas of the City in the near future. If you demolish it, you only have property, but if you can salvage the building, it would be beneficial. He asked if the building is salvageable.

Mr. Klopp replied yes.

Mr. Preston asked how much money would be required to make it useful.

Mr. Klopp replied he is not certain because we have not pursued that level of detail. He further stated the question is to make it useful for what purpose and what length of time? He said to make it useful for offices, probably minimal expense; for a community facility would be more expensive; or adding a second floor and renting out spaces with CRA on the first floor. He said that the Board's intent was to purchase the property for the expansion of Sullivan Park; without demolition or not, make it a useful part of the park.

Andrew Maurodis, CRA Attorney, said that you are restricted in the CRA, as funds cannot be used for a City facility or extra City offices, anything of that sort. Most likely, the real use will be for expansion and part of the improvement of Sullivan Park. He said that recreation uses would have to be reviewed; nevertheless, the uses for CRA money are restricted and other options would be reviewed on a case by case basis.

Chair Noland asked if CRA funds can be used for renovations.

Mr. Maurodis replied yes, assuming that the renovations were for a CRA permitted purpose; nevertheless, he suggested the baseline be the expansion as a part of Sullivan Park. If too creative, you may be disappointed in the end. He said that an appraiser is going for the highest and best use and if they can go with a commercial use, they will.

Chair Noland clarified that the County appraised it at \$481,000.

Mr. Klopp replied that is the County's valuation.

Mr. Maurodis reiterated that there are a limited group of uses for this.

Mr. Miller stated that we must consider this as our own money. Therefore, even within the scope of using it as a building, we must determine how much it would cost to make it livable before spending \$400,000. If a fair price, we must all determine the cost to renovate the building before making a proposal; which is something they should be able to find out in two (2) weeks.

GENERAL ITEMS - CONTINUED

Mr. Ganz said that if the Board starts looking at the actual facility, there are situations that should it be used for a certain purpose, it may not be eligible for CRA funding; therefore, if it is CRA owned and improvements need to be made and there was an agreement between the City and CRA, then City funds would have to be used to improve it.

Mr. Maurodis said that CRA funds have to be used for CRA purposes. The statute is very broad on what CRA funds can be used for. The Statute also tries to draw a line in certain areas to make sure the CRA is not a device for the City to do things that could be afforded in the General Budget. He said that you are essentially supplementing the General Fund. If it is in the 3 year Capital Improvement Element, you can not do it.

Mr. Ganz said that considering the current zoning, if someone wanted to put in an office building, would it be legal.

Mr. Maurodis replied, "it would be illegal."

Mr. Ganz said that the highest and best use definition in the appraiser indicates that the full criteria of the highest and best use must meet legal permissibility. The fact that they are jacking up the price based on it possibly being commercial does not match the criteria they are setting. He reiterated that the appraisals do not line up with the current uses and that the Board is in the driver's seat because there are not a lot of people that will consider purchasing this property due to the existing zoning and uses. He said that this is not a viable functioning building with a strong operating force. The facility is not fully operational, to its fullest extent, based on what is occupied there now. We are in the driver's seat and the appraisals do not meet their own criteria.

Chair Noland asked how much is owed.

Mr. Miller said less than \$170,000.

A gentleman from the audience said \$185,000 is owed on it as he holds the first mortgage plus interest.

Chair Noland said that it has not been rezoned for different uses.

Mr. Maurodis said that it is not unusual for appraisers to appraise a property for its potential uses.

Chair Noland spoke in favor of the City having this property added to Sullivan Park; however, she understands that it needs a new roof and that the bathrooms need to be renovated. She said that everyone should consider that it will be beneficial to the City; however, she was not told that it would be torn down, at least not in the next 5 - 10 years. Moreover, she was under the impression that we would be able to use the building for functions in conjunction with Sullivan Park and the renovations, possibly

GENERAL ITEMS - CONTINUED

relocating the CRA office there. Moreover, Chair Noland said that she does not want to be a landlord and once the building sold that the Chamber would vacate. Additionally, she said that the price is high and asked if facilities can inspect the building.

Mr. Hanson said that facilities maintenance is not registered.

Chair Noland asked about the building inspectors.

Mr. Hanson said that CRA would have to pay them.

Chair Noland commented on inspection services that will do a walk around and apprise you on what is needed; nevertheless, she said that we need to know what is going on which is why she recommended the City's facilities maintenance. She further expressed concerns about using an outside vendor regarding the costs. Continuing, she said that it does not matter what will happen with the money they make, as it is not the Board's concern. She reiterated having the building inspected and provide the Board with a firm price for renovations. Thereafter, she explained that there will normally be additional costs when it pertains to construction and renovations. Lastly, she said the amount of money needed for repairs is a determining factor.

Mr. Miller said that it is reasonable and prudent to inspect the property and get bids for any repairs needed which will provide a ballpark for what it costs to make the building inhabitable. He suggested not approving a contract without knowing the cost for repairs. Although, he wants the property, he does not want to pay an exorbitant amount for it. Additionally, Mr. Miller said that his motion would be upon satisfactory inspection and estimates, whatever it takes to bring it up to Code and revise the bid to the Chamber.

Mr. Ganz said that he would not mind being a landlord if it was a functional Chamber of Commerce, with the City of Deerfield Beach working together. Many cities have a strong Chamber that they work with hand in hand; however, this may have been taken off the table because the people who own it, the Chamber, has rejected the notion of renting the facility from the CRA. He said that he would encourage this, but it will not sway him on changing the price. Regarding a fair offer, he said that he is not sure what the cap is; however, based on a couple of the estimates, plumbing is an issue. However, he is not sure if their assessment is based on a plumber's evaluation or from an old statement.

Continuing, Mr. Ganz said it goes back to what they feel is a fair price and that everyone would love to have the property as part of the addition for Sullivan Park, but it does not mean that the intentions for Sullivan Park is hinged on the purchase of the property. Therefore, the Board should not be held ransom to a piece of property based on their plans as it happens far too often and sometimes, the Board is handcuffed; notwithstanding, this is not that situation. He said that the Board can offer a fair price based on the building's condition and the Board's proposed use. He said that if the

GENERAL ITEMS - CONTINUED

intent is to demolish the building, then determining its condition is a moot point. He said that he has a price in mind but does not want to throw it out there and it is not this offer. He said that if a motion is needed to reject it, then he would do so; and then propose an offer later.

Mr. Miller asked if this would be contingent on getting the inspections discussed.

Chair Noland asked if the building was going to be demolished or not.

Mr. Hanson said that when the Board targeted the five (5) properties, it was not about the Chamber building. He said that the Board is getting too caught up in inspections and uses. This building is the gateway to the barrier island and links to all the improvements: Cove Shopping Center, Hillsboro Streetscape, the Pier, new beach parking lot, and State Road A1A. Therefore, he is not suggesting that the price is good, but does not want to lose the big picture as there are a lot of positive things happening on the beach and in the CRA. Eventually, they will move westward as the economy improves in 10 to 15 years.

Mr. Miller said that this is relevant conversation as we are discussing purchasing this building for \$399,000; and at this point, we don't know what we are getting.

Mr. Hanson said that he does not want the Board to get caught up in inspections and outlining the improvements for the building before it is purchased.

Mr. Miller said that if he found out that it will cost \$200,000 to update the building, he would probably offer \$200,000. He said whatever the repairs are he would subtract it from the sales price and make that offer.

Mr. Klopp said that no motion is needed to reject it, but to simply move the agenda.

Chair Noland said that Mr. Maurodis said we are looking at the building, but need to look at the land. She agreed with Mr. Hanson that this is the gateway. She also commented on the cost of other improvements, upcoming improvements, and other improvements that have been made by other entities. Further, Chair Noland said that this building can only be used for certain things. Notwithstanding, we are not certain if we can rent it out, but CRA offices can be moved there. If a CRA office, she does not know if it would have to be ADA compliant.

Continuing, Chair Noland said that over the last several years, we have not had a strong Chamber of Commerce; they should be hand in hand with the City for tourism, economic development, etc. This is not the case; however, the Board's job is to get the best price that is fair and equitable for the community. Additionally, she would like the Chamber to succeed as they have all attended some of their functions. She also commented on the Historical Society and their needs. She asked that the Board give prices.

GENERAL ITEMS - CONTINUED

Mr. Ganz said that there is also a gateway when you cross over the bridge; nevertheless, we are setting a precedent and all the other properties selected were selected because of the location and use. Looking at this property, we must take into consideration how would this odd shaped parcel of land benefit the CRA and the vision for Sullivan Park. He said that when you purchase a property, you try to negotiate the best price possible. He said that he does not want the building, he wants the land. His offer for the land would be \$250,000 and the Board needs to figure out what it would be worth for the CRA to have it; moreover, he said that the Board should not be married to it to the point that they overpay on it.

Chair Noland said that she has \$250,000 written on her paper.

Vice Chair Popelsky said he has \$200,000.

Mr. Preston said that we have to look at this as a business proposition and what the return would be. He said that sometime you buy a house at a slightly higher price because there is potential and the return later will be a tremendous benefit. He suggested reopening negotiations and looking at the building and determining a cost of how much it will take to get it up and running and then advise the Chamber of Commerce that the price could be better. Whatever the renovations cost, it should be a part of the negotiation. Then make an offer entailing that the Chamber would absorb the costs for renovations, and then the Board can buy it.

Discussion pursued regarding the purchase return on investment.

Mr. Maurodis said he is not sure if Mr. Klopp needs to communicate a refusal to make sure our other offer is not on the table.

Mr. Klopp said that they are here this evening and that the offer is contingent upon the Board's approval.

Mr. Maurodis said that without approval, the offer is not valid.

ITEM 4**DIGITAL TIME STAMP: 7:32:04****CRA Resolution 2011/018 - A Resolution of the Community Redevelopment Agency of the City of Deerfield Beach, Florida, to reimburse the City of Deerfield Beach for costs associated with the Dunn's Run special event in an amount not to exceed \$9,787.**

Keven Klopp, CRA Director, said that the Dunn's Run event is not 100% in the CRA, but the associated activities are and that there is a little bit of an overstatement in Staff reports.

Kris Mory, CRA Coordinator, outlined Item 4. She said that the event takes place largely in the CRA and although the run takes place outside the district, the event is

GENERAL ITEMS - CONTINUED

projected to bring approximately 5,000 people to the district on October 2nd. This is a budgeted expense and events are approved by the Board on a case by case basis. She outlined what the funds would cover; staff time, BSO, Fire Rescue, Parks & Recreation overtime, and other rentals.

Chair Noland asked why the event changed completely to Deerfield Beach from Lighthouse Point. She said that although it brings 5,000 people to the City, it is from 6 am - 9 am; therefore, the visitors are not using our hotel or restaurant facilities. She asked if the funds all go towards the Boys & Girls Club.

Ms. Mory replied yes.

Chair Noland asked how much does it generate.

Ms. Mory said that Parks & Recreation estimates that approximately \$2,000 goes to the Boys & Girls Club.

In response to Chair Noland's question, Ms. Mory replied yes, part of it goes toward the Jim and Jan Moran Foundation.

Mr. Ganz said that if we are going to fund special events and serving as a Community Redevelopment Agency that acts as an economic stimulus arm for the City, we need the real numbers of who the money goes to and get an estimate of what the financial impact is for the City. He said that Dunn's Run does attract people and disagreed with Mayor Noland's comments that it does not affect the breakfast establishments. He said that the Boys & Girls Club benefits this City and although it may not be financially tangible in some ways, but as far as the goodwill, being able to brag about it in a way is a good thing. He said that he is not opposed to this small amount for an outstanding event. He said that Dunn's Run is seen everywhere and there is normally a lot of coverage. Considering the small cost, he reiterated that he is for this, but in the future, he would like to see real numbers and an estimate on economic impact as far as what type of benefit it will bring to the City.

MOTION was made by Mr. Ganz and second by Mr. Preston to approve Item 4, CRA Resolution 2011/018.

Roll Call: YEAS: Mr. Ganz, Mr. Miller, Mr. Preston, Vice Chair Popelsky, and Chair Noland. NAYS: None.

There was a brief discussion regarding the Fourth of July.

Mr. Miller left the meeting at 7:38 p.m.

ITEM 5

DIGITAL TIME STAMP: 7:38:41

Presentation of Proposed FY2012 CRA Budget

GENERAL ITEMS - CONTINUED

Kris Mory, CRA Coordinator, said that this presentation is for informational purposes and discussion. She said that the 5 year Capital Improvement Plan now leads into their annual budget. Additionally, State Statute requires them to present and discuss the budget, and for the Board to approve prior to September.

Ms. Mory outlined the CRA budget via a PowerPoint presentation; to include the mission statement. She said that the CRA is tasked with building infrastructure and supervising the installation of infrastructure and coordinating that with different agencies; City of Deerfield Beach; they also coordinate with the County and State partners. The CRA is also charged with communicating goals, objectives, and accomplishments to the public and keeping that communication open.

Revenue Summary - Ms. Mory said that this year's budget is based on revenue that equals a 10% decrease in revenue from last year. Last year, the CRA coffers had approximately \$13.5 million and this year, the spending plan includes approximately \$10.6 million. She said that there is also a decrease in the Tax Increment Revenue of approximately 10%. For example, the County's contribution to the CRA Fund dropped from \$1.3 million last year to \$1.2 million this year.

CRA Fund Summary - Ms. Mory outlined the expenses from previous years and the upcoming fiscal year.

CRA Budget Breakdown - Ms. Mory said that the pie chart shows how CRA funds are expended: salaries and wages, employee benefits, materials and supplies, other professional services, which include debt service. Every year, the CRA pays a little over \$500,000 in debt service which entails improvements to Ocean Way and Hillsboro Boulevard; this is an ongoing commitment for years to come. Additionally, a bulk of the budget goes toward Capital Projects; this year, it is anticipated that approximately 86% will be spent in this category.

New Activities for FY2012 - Ms. Mory said that these activities derived from goals and objectives and the capital plan. She outlined the activities that will occur next year: real estate acquisition, maintenance of Ocean Way and the Cove Shopping Center. Once Hillsboro Boulevard is complete, they will incorporate a maintenance pattern there as well. Additionally, Ms. Mory outlined the unified district signage (Wayfinding) which will allow someone to come in and put together a signage program that gets rid of too many signs and creates a unified identity for the CRA District. Moreover, there will be a CRA website, used as a marketing tool; and the visual images for the Wayfinding program will be reinforced. The CRA will also purchase a ShowMobile. Currently, funds are expended in bringing a ShowMobile in for special events; this would be a one time capital investment for special events in the CRA.

Chair Noland asked if the ShowMobile can be used outside of the CRA because it is used all over the City.

GENERAL ITEMS - CONTINUED

Ms. Mory said that the CRA could use it with other entities through an interlocal agreement.

Capital Projects - Ms. Mory said that they have budgeted additional funds for the pier construction project which is due to begin in November.

Cove Gardens Improvements - Ms. Mory said that a little more than \$1 million has been budgeted to begin the full design and implementation of drainage and streetscape improvements to the Cove Gardens area. This is a residential neighborhood, south of Hillsboro Boulevard, between the Hillsboro Commons and the Cove Shopping Center. She said the area has very poor pedestrian facilities, drainage, and the roads are in a terrible state; it is almost void of lighting and has a very unfriendly pedestrian area; and needs major infrastructure improvements.

Commercial Façade Program - Ms. Mory said that they have allocated \$500,000 for the Commercial Façade Program. She said that the Antilla Plaza, now known as the Billabong Store site was a successful façade participant this past year. Additionally, approximately 3 - 4 Cove property owners having showed serious interest about participating next year. Therefore, she would like to strongly market the program to get others involved.

Beach Enhancements - Ms. Mory said that they proposed funding additional beach enhancements in 2012. In the past, Ocean Way was funded; however, this next year, the plan is to provide six (6) lifeguard stations in the CRA, access improvements to NE 4th Court, and installing flexible pavement surfaces around the tree grates to reduce the amount of maintenance currently spent.

Main beach parking area - Ms. Mory said that they are working on a concept that promotes better circulation, stops people from entering the area from SE 1st Street, and encourage entering from Hillsboro Boulevard, to help the traffic circulate more from a north to south pattern; upgrading the drainage, landscaping, turtle compliant lighting, installing storage areas for Parks & Recreation, and improving the public area between the parking lot where public events and concerts are held. She said that \$1.6 million has been budgeted for improvements in the area; construction is due to begin sometime next summer. Thereafter, she entertained questions by the Board.

Mr. Preston asked how much the sign study would cost.

Ms. Mory replied that she is not sure; however, she has surveyed other redevelopment districts throughout the state and depending on the size of the area, she extrapolated \$25,000. This project would go out to competitive bid.

Mr. Preston asked if the City Staff can handle this.

Burgess Hanson, City Manager, replied no. He said that we do not have the expertise or staff time to handle something like this.

GENERAL ITEMS - CONTINUED

Mr. Preston said that in reviewing the budget, this year we have \$10 million and last year there was \$13 million. He said that he is trying to find a savings anywhere, and anytime these projects come up, we should look in house to see what projects can be handled.

Mr. Hanson said that we do use City staff whenever possible, and a portion of their salary is paid from CRA depending on their involvement. He said that sometimes it is better to use outside companies because they can be less biased.

Mr. Preston asked what the cost entails.

Ms. Mory replied just because a certain amount is budgeted does not mean it is spent. She said that everything that is in the budget is presented to the Board for approval before funds are expended. Notwithstanding, the \$25,000 is based on comparable communities and what they have spent on consultants; however, she will try to avoid spending that amount of money. Consequently, the person that does this is a rare blend of urban planning and the consultant has vast knowledge of FDOT requirements and scenic highways; to include extensive knowledge of graphic design. Additionally, they would handle the design.

Chair Noland said that while in New Jersey, she noticed that the street signs were nice and designed well. She also commented on the neighborhood signs in the City and there is no gateway entrance to them and sometimes it detours traffic from going through the neighborhoods because there may not be an outlet.

Mr. Ganz said that in regard to property purchases, would it be better to push off the budgeted amount and reduce the price elsewhere. He said that obviously, we want to be able to budget ourselves so that we have buying power. Lastly, he asked how the estimates were derived.

Ms. Mory said that the CRA budget is not like the General Fund; whereas, State Statute requires that TIF money be spent, it cannot be carried over. She said that every year the CRA budget is prepared it has to total the amount that is in active fund. If the Board desires, money can be taken from real estate acquisition and program it somewhere else. The amount that is in real estate totals what Staff believes will cost to purchase 3 of the 5 properties.

Mr. Ganz talked about funding Founder's Day because a bulk of the activity is in the CRA District. He suggested that Staff determine whether the event will have a substantial economic impact for the beach area; if so, then consider funding. Initially, he voted against funding special events and instead of letting an event die, he wants to find a way to keep it going. He commented on the Art Festival's success, which is funded through the City. Moreover, he suggested that the CRA partner and provide the ability to maximize the impact on the area. In closing, he said that he would like to see an economic evaluation on the Green Market.

GENERAL ITEMS - CONTINUED

Ms. Mory said that this will be presented at the next meeting for approval.

ITEM 6**DIGITAL TIME STAMP: 8:00:27****Report on 4th of July Special Event**

Kris Mory, CRA Coordinator, said that Item 6 is for informational purposes only; it is a report on the economic impact on the 4th of July. She reported that Parks & Recreation distributed 50 surveys this year to 4th of July attendees. Approximately 60,000 people, attended the event, which is larger than years past. The average person traveled 168 miles roundtrip, spent \$218 on fuel, one (1) night in lodging at \$124, and \$110 on food and beverages. Overall, the participants rated it 4.2 on a scale of 1 to 5. The economic impact was much greater than expected. The only downside was parking. She said that improvements can be made next year; getting vendors on the street earlier and having a penalty for vendors who do not show up.

Chair Noland said that while in Cape May, it was \$5 to go on the beach and 25 cents for 15 minutes of parking and she drove around for almost 40 minutes before she could find a park. She said that no matter where you go, this is the beach condition; moreover, she said that this is how they take care of their beach.

Mr. Preston said that this does not accurately reflect that this money was spent in Deerfield and it is unknown whether these economics impacted the City.

Chair Noland asked if the survey asked if the participants stayed in Deerfield.

Walt Bratton, Acting Director of Parks & Recreation, said that the survey is only as good as the respondents' answer and as part of the event, Staff is taking in good faith that their responses are a part of the event. He said that in regard to the hotel, they specifically asked if the respondent stayed in the City; however, where they purchased gas is unknown.

Additionally, Mr. Bratton said that from this point forward, they can add these points to the impact study for future special events where the questions are more accurate.

Chair Noland said that you can ask the hotel what their occupancy rate was for special events.

Mr. Preston suggested that there be an incentive around the 4th of July, to ensure that most of those dollars are spent in Deerfield. He said that fuel and lodging could have benefited other cities and not Deerfield.

Chair Noland suggested working with the hotels on the beach to offer coupons for beach businesses. She said maybe the Island Partnership can get businesses to participate and give a 10% discount on various amenities through the hotel.

GENERAL ITEMS - CONTINUED

Ms. Mory said that they may consider that for the month of September.

Mr. Ganz said that he would like to see an enlarged sampling size. He said that this is a nice step in the right direction as far as providing an economic impact that should be provided on every event.

Mr. Hanson asked Ms. Mory to discuss the logistics for the next 4th of July due to the pier.

Keven Klopp, CRA Director, said that they have been discussing that subject weekly with the pier construction team. He said that Parks & Recreation has been very helpful and have inquired with other entities that have their fireworks from a barge; which is probably what they will use next year. Additionally, he said that the Fire Department has been involved and believe that they will not be allowed to transport the fireworks through an active construction site. Even if they were able to figure it out logistically, there would not be approval to do so; therefore, a barge is the way to go and Parks & Recreation is finding out how to accomplish it as it is not a simple undertaking and could be a more costly endeavor. The decision will be brought back in the future, under the assumption that there will be a 4th of July fireworks celebration next year.

BOARD/ADMINISTRATION COMMENTS

Keven Klopp - Future CRA Meeting - Keven Klopp, CRA Director, said that the next meeting would be held on August 16th, a presentation by the Urban Land Institute of the technical advisory panel results will be made. However, the Board discussion will be held at the August 30th CRA Meeting. He said that this meeting is important because the Board has to adopt the CRA Budget before the City Commission adopts it in September, and a pier item will also be presented.

Mr. Ganz - Beach Parking Sticker - Mr. Ganz said that he spoke with several residents who said that the small window of opportunity to purchase discounted tickets caused many people to purchase a sticker even though they had never bought one before. He said that he does not know the economic impact, but suggested providing a 7 week period to discount the stickers and the CRA sponsoring the weeks by reimbursing the City the difference. He asked that there be further research into this.

Trolley service - Mr. Ganz suggested having a trolley service in the CRA to help transport people to the hotels and beach; this will assist with reducing the traffic, help disadvantaged areas that may not have an opportunity to get people down to the beach; as well as enhance bringing more people to the businesses.

Vice Chair Popelsky said that there is a County bus that goes up Hillsboro Boulevard to the beach and runs every ½ hour.

GENERAL ITEMS - CONTINUED

Mr. Ganz said that someone suggested advertising on City vehicles; notwithstanding, he said that advertising could be purchased for the trolley, with limitations, to bring in additional revenue.

Chamber of Commerce - Mr. Ganz said that it appears that a large contingency from the Chamber of Commerce exited after the item was discussed. However, they are never here for any meetings; but have received many e-mails regarding the Chamber of Commerce's desire to work with the City. He said that as a CRA, he would expect that the entire group would have stayed to find out what is going on, to either provide input, or see what the budget forecasts. He said that it appears to only be one (1) gentleman here from the Chamber of Commerce; and expressed disappointment that they all left.

Chair Noland agreed and recommended that Kris Mory to do some of these things that the Chamber should be doing. She said that every business in Cape May along Ocean Way is required to provide change in quarters for the people who visit the beach, and the businesses on our beach should assist in this manner.

Mr. Ganz said that the CRA should figure out a way to work with the Chamber. He said that Vice Chair Popelsky spoke about how the Chamber was involved in politics, but that is not a concern for him as it should be about economic development. He further commented on other organizations that should be present and that the organizations should work together toward a common goal, improving the economic conditions in Deerfield Beach.

Chair Noland said that an olive branch was extended, as she, Mr. Ganz, and Mr. Miller have attended different functions by the Chamber and other events. However, they do not attend the meetings unless they want to complain about something or if they want something. She said that she has no problem trying to again extend the olive branch, but they need to do it too.

Vice Chair Popelsky said that when he started here 6 years ago, he extended an olive branch after changes were made to management. He said he went to one of their breakfasts and was given a cold shoulder. He said that the City and the Chamber have asked each other to enter into a partnership, but there have not been any efforts. He commented on an article in the Observer that was negative against the City. He said he hopes that the Chamber understands their plans for Sullivan Park and that they do not have them over a barrel as far as the dollar limit they have to pay for something that will benefit the entire City. He said that they previously discussed demolishing the Chamber because of its condition, aside from ADA compliance and the possibility of doing something with Sullivan Park; it never came about.

Additionally, Vice Chair Popelsky said that when he asked about their liability, he remembered it being approximately \$190,000; moreover, he said that deals were made with the former City Manager on paying their bills. They were delinquent a number of months and when the Commission found out about it, they wanted to know why exceptions were being made. He also discussed recently with the City Manager, why

BOARD/ADMINISTRATION COMMENTS - CONTINUED

the City continuously advertises for the Chamber. Vice Chair Popelsky also commented on events that the Chamber funded; wherein, he participated in all of them. He said that he hopes that the Chamber comes forward and that everyone turns the cheek.

Continuing, Vice Chair Popelsky said that he does think we can utilize the building which is why he thinks demolishing it is the way to go and not have to worry about getting an independent inspector to estimate repairs. He said that he thinks that whatever quotes the Board gives, the Chamber will reject. Vice Chair Popelsky said that he still has doubt because of what the Chamber did personally for three (3) of the Commissioners on the Board at that time for at least two (2) years; the Commissioners took a brunt of their arrogance and ill feelings, and the Chamber took it out on them; however, he has not seen this in a couple of years and hopes that it will be better. He said that when he went to the breakfast, he paid for it because he did not want to accept it as a gratuity as he thought it was wrong. The Chamber must understand that this is a partnership and they have to extend it also. He reflected on him having attended a meeting, but then he would get abused in the round table discussion. He said that if you can do anything in that area, he will support it.

In closing, Vice Chair Popelsky said that the participation is bad, but for items of interest, the attendance is great.

PUBLIC INPUT

Pam Militello, 884 SE 19th Avenue, Deerfield Beach, agreed about public participation, but said that the Original Save Our Beach people are not bad guys; they saved the beach so that they could do smart development and smart growth in that area and they are at all the meetings. She said that they love the community.

ADJOURNMENT:

There being no further business, the meeting adjourned at 8:29 P.M.

PEGGY NOLAND, CRA CHAIR

ATTEST:

ADA GRAHAM-JOHNSON, MMC, CITY CLERK