

**LAKE WORTH COMMUNITY REDEVELOPMENT AGENCY
WORKSHOP MEETING
CITY OF LAKE WORTH
CONFERENCE ROOM
TUESDAY, JULY 22, 2014
6:00 P.M.**

I. ROLL CALL:

The Recording Secretary called the meeting to order at 6:20 p.m. on the above date in the City of Lake Worth Commission Chambers located at 7 North Dixie Highway, Lake Worth, Florida.

Present were CRA Members Madyln McKendry, Chip Guthrie, Kim Hanson, Sue Stevens, Leah Foertsch & Cary Sabol.

Also present was CRA Director, Joan Oliva

II. PLEDGE OF ALLEGIANCE:

III. AGENDA – ADDITIONS/DELETIONS/REORDERING:

IV. PUBLIC PARTICIPATION ON NON-AGENDAED ITEMS (3 minute limit):

V. DISCUSSION AGENDA:

a. Lake Worth Transit- Palm Tran Routes

CRA Board reached consensus to have the Executive Director draft a letter to Palm Tran to bring it back before the Board for review.

Commissioner Andy Amoroso stated that route 62 did travel from the beach and throughout the downtown but it stopped when the beach complex was under construction. Palm Tran has stated that bringing route 62 back is not in their budget at this point.

b. Commercial Beautification- Remove bars from the exterior of commercial properties

The Board reached a consensus not to draft letter to the Commission regarding bars on windows of commercial buildings.

c. Budget FY 14-15-Discuss Draft

Staff gave a general overview of the proposed budget. Substantial changes from FY 13/14 to 14/15 are described in detail as well as lines that contain multiple expenditures.

The calculation of ad valorem property tax revenue is dependent on two components, the assessed value of property in the district, and the millage rate. As they did last year, the values in the District increased. In FY 13/14 they increased 12% and this year, 19% for a total of 31%. If the City and County both keep the same millage as last year, our TIF revenues will increase approximately \$221K.

As a reminder, four years ago the City approved a contract with Palm Beach Fire Rescue and exempted the County MSTU from paying into the redevelopment fund. This coupled with the subsequent reduction of City millage rate, significantly reduced the amount of revenue the CRA receives from the City. The estimates for the County and City share of TIF revenues are based on preliminary rates. Once a final millage rate is determined these numbers may change but only slightly.

The proposed sources of funding for fiscal year 2014/15 budget are comprised of TIF funds, grant funding, interest earnings and a portion of the unreserved fund balance needed for budget stabilization.

Personnel

Personnel costs are projected to decrease from \$248K to \$225K. Last year \$20K was budgeted for the hiring of a part-time administrative person, because the office lacked someone who could fulfill those duties. We have taken that out of the budget this year due to budget constraints. Staff all felt the \$20k would be better spent on a project or program. Staff will continue to do administrative duties in addition to their regular duties. CRA Staff will continue to work on projects related to the NSP-2 program. A portion of Staff salaries will continue to be paid by the NSP program as projects arise.

Operating

Total operating costs increase slightly from last year's budget.

Rents and Leases include the office rent, the copier, and costs associated with downtown lots (L St.). This line item remains the same. Professional services increases slightly from \$25K to \$30K. Promotional activities include design costs and marketing materials and increases \$2K from \$10k to \$12K.

Professional Services increases slightly to \$7.5K to cover small scale professional costs that could include consulting services or studies.

The CRA/City Way-finding Plan may begin sometime before the end of this fiscal year. If however, a substantial portion of the plan is not completed, \$32K in funds is needed to complete the program in the beginning of the 14/15 fiscal year.

The Economic Development line item of \$20k was included to partially pay for a parking study of the downtown area that the City is interested in partnering with the CRA to produce or for a portion of a much-needed study to help improve the Dixie Highway corridor. \$20K is not enough money to commission a complete study but it can be leveraged with other funds from other agencies or groups.

Neighborhood Enhancement decreases from \$5K to \$1K for materials for clean-ups.

Banners and Decorations remain the same as in the previous year. Banners for 6th, 10th and downtown have been purchased these past three years so the cost of replacing damaged or missing banners is an expected cost. This line item also covers the installation of lighting and decoration of the Cultural Plaza in December.

Funding for the Cultural Facilities Grant is budgeted at \$150K. These funds, listed under revenues, will be provided by the State and will exclusively be used to renovate the old Shuffle Board Court building into an Arts Annex.

The Parks/Greenspace line item contains \$120K. These funds are needed to provide the design and planning work needed before construction drawings can be developed for the 5th Avenue South Greenway project. The Metropolitan Planning Organization (MPO) grant was awarded to the CRA/ City last year and totals just over \$760K. 5th Avenue South from "A" Street to "F" Street will contain both bicycle and pedestrian amenities making it a linear park. Recent discussions with FDOT have revealed that in addition to design, engineering and planning drawings, the City is responsible to provide a Cultural Resource Assessment Survey of the surrounding area and a recreational determination study of the immediate ROW. It is recommended that the City/CRA hire an FDOT pre-qualified firm to produce both of these studies. These additional studies are expected to cost no more than \$10K, however they are needed to satisfy FDOT's release of construction grant funds in 2016/17. It is our desire to have all study's and preliminary plans/designs completed by September 2015.

Commercial/ Retail attraction is funded at \$10K. Although similar to commercial grant programs in the past, improvements will be made to the program parameters to attract new investment in a concentrated area.

BUILDING/ 1000 LAKE

The CRA was able to complete the purchase for the 20,000+ square foot building at 1000 Lake Avenue in FY 13/14. Although the site has attracted significant interest, the cost to redevelop the property is high due to its historic designation and its condition. However, Staff believes that interior demolition is needed to remove deteriorating walls and floors. The building, once an empty shell, can then be put out to RFP for possible development proposals. Demolition and regular maintenance costs are budgeted at \$35K. The insurance and utilities for the building change only slightly. The Utility line item includes costs related to 1000 Lake, the 812 Dixie parking lot and the downtown parking lots.

LULA PROGRAM

This year, the budget for LULA is more detailed. This is in response to the many different activities LULA now undertakes or participates in within the City. Overall, LULA funding increases from \$15K to \$25K. The \$25K includes funding for events, the mural program, the website, and walkers map including other smaller programs. Approximately \$15K is available from TIF funds while the remainder (\$10K) must be received from fundraising efforts.

DEBT SERVICE

A loan was issued to the CRA in 2005 for \$8M. According to the loan agreement, loan funds were to be used for capital projects including specific improvements to take place along the Gateways. This project was planned in 2005 and completed in late 2009. The annual debt payment totals approximately \$960K. Amortization of bond funds, the cost to issue the bonds paid over the life of the bonds, plus estimated bank costs total \$6K.

Last year, the CRA, with assistance from the City, was able to refinance the remainder of the debt, \$3.5M. Our payments for the next three years were reduced. However in 2016, when the final debt payment is due, a balloon payment of \$1.7M must be paid to retire the debt. In the event that the CRA cannot pay the full amount, the City will make the final payment and the CRA will then make yearly payments to the City until the entire debt is paid in full.

It is the intention of the CRA to pay the 2016 balloon payment to the bank. To do this, the CRA must set-aside money in its reserves so the City will not be obligated to make the final loan payment. This can be done if the CRA continues to keep costs low, budget conservatively and attract outside funding. Spending more money than what is currently budgeted will lead to spending money we simply do not have available.

Staff has taken substantial steps to keep discretionary costs low and budget the limited funds we do have on projects that we can do by partnering with the City or with the help of grant funds. NSP funds will continue to go towards improvements in the residential target area although at a much slower rate. The Government Finance Officers Association recommends a 5-15% reserve of operating expenses in fund balance. Staff has estimated, with allocations as shown in this draft budget, a 5% reserve. This reserve should remain to account for any short-fall in revenues next year and to protect the CRA from having to borrow money from the City to pay off our debt.

The positive news is that the CRA had a substantial increase this year of 19% in TIF revenue. There were 4 NSP2 home sales that occurred after the Property Appraiser's cut-off date, as well as the completion of La Joya Villages which will be placed on the tax roll next year. Currently five homes are under construction or will soon be under construction. This would indicate that more units will be placed on the tax roll this year and values in the district have a good chance of increasing again next year.

VI. ACTION AGENDA:**a. Legal Services Agreement- Approve Hourly Increase**

The Lake Worth CRA attained the legal services of Goren, Cherof, Doody and Ezrol, P.A. in 2005. A new contract was executed in 2006 for a two year term, expiring August 2008. Two amendments were executed in 2008 and 2013, respectively, extending the agreement until August 31, 2015.

Although the contract does not expire until 2015, David Tolces has provided legal services to the Lake Worth CRA for nine years at the rate of \$195 per hour. Over the years, his hourly rate has never increased. His expertise in matters pertaining to CRA's, redevelopment and his familiarity with the City make him an asset to this Agency. His knowledge and attention to detail significantly contributed to the success of all of our projects, in particular, the NSP-2 program.

The third amendment to the Agreement for legal services is provided for your review. The term of the new contract is for two years. The proposed hourly rate is \$205.

The CRA may award a contract for legal services without competitive bids or proposals. Legal services are expressly exempt from the requirement for competitive bids per FS 287.057 5(f)5.

Staff recommended that the Board authorize the Chair to sign and execute the amendment to the contract for an additional two year period to retain the services of Goren, Cherof, Doody and Ezrol, P.A.

Action: Motion was made by Ms. Stevens authorizing the Chair to sign and execute the amendment to the contract for an additional two year period to retain the services of Goren, Cherof, Doody and Ezrol, P.A. seconded by Ms. McKendry.

Vote: All Ayes

b. Executive Director- Annual Review

The Executive Directors Employment Agreement executed July 9, 2013 dictates that an annual performance evaluation be conducted around August 1 and the Board recommend compensation for the ensuing year. The contract is effective until August 31, 2016. In the past, the Board approved a method of evaluating the Director's performance using an evaluation sheet. Chair passed out the Executive Director's evaluation forms for the Board. Staff recommended the Board complete the forms and provide feedback at the next meeting.

Action: Motion was made by Ms. Stevens to approve staff's recommendation to complete the evaluation sheets and provided feedback at the next CRA meeting seconded by Ms. McKendry.

Vote: All Ayes

c. Way Finding Design & Plan- Agreement with Kerestes/Martin Associates (KMA)

Earlier this year, on behalf of the City, CRA Staff solicited proposals to hire a qualified firm or consultant(s) to produce workable plans including schematic designs and recommendations for attractive directional signage placement throughout the CRA District, downtown, Dixie Highway and in portions of the City. This 'way-finding' plan is meant to project a consistent, artistic design to the Gateways and downtown area; guide visitors to the beach, parks and landmarks as well as distinctive areas. The enactment of such a program is supported by the CRA Redevelopment Plan which

includes goals and objectives that help create a safe, secure and efficient transportation system that links activity centers, develop measures that will increase traveling convenience and improves the investment image of the City.

On February 13, 2014 CRA Staff advertised RFP# 02-1314 (*An Opportunity for Way-Finding Signage Design & Implementation Plan*). The 30 day period of advertisement closed on March 13, 2014. As a result of the RFP, seven exceptional firms with way-finding experience submitted proposals for review and consideration. In late April, a selection committee made up of members of City & CRA staff reviewed the seven proposals. In addition, the committee member scores of the corresponding firms are listed below:

FIRM	SCORE (out of 400 possible points)
KMA Design	363
Tangram Design/Harbinger Signs	335
fd2s	334
Workshop + Star	333
National Sign Plazas (NSP)	327
Peter J. Smith & Company Inc.	234
Merje Environments & Experiences	177

Scoring categories of the submittals consisted of the firms': background, skills, project understanding, references/past projects and their team of employees.

At the conclusion of the selection committee meeting in April, all members agreed that the CRA Board should review the top three proposals as ranked by the committee. The three way-finding firms with the highest scores are:

1. *KMA Design*
2. *Tangram Design/Harbinger Signs*
3. *fd2s*

Copies of the proposals from the top three firms have been provided to CRA Board members. The Board is also encouraged to contact CRA Staff to review and contrast the proposals from the remaining four submitters.

The City has agreed to share its resources with the CRA to cooperatively solicit, rank, choose and hire an experienced firm to create a way-finding plan which could be presented to the community this year.

Staff encourages the Board to review the three top ranked submissions to CRA RFP#02-1314.

Staff recommends that the Board approve the agreement with *KMA Design* to provide way-finding planning and design services once funding becomes available.

Action: Motion was made by Ms. Stevens to authorize the Chair to sign and execute the agreement between the CRA and *KMA Design* for the production of a City Wide Wayfinding Plan and allow for the exclusion of carrying professional liability insurance seconded Ms. McKendry.

Vote: All Ayes

VIII. EXECUTIVE DIRECTORS REPORTS:

- Neighborworks America will be coming to Lake Worth to shoot the second half of a video documentary on NSP.
- Staff is finalizing a grant for Wells Fargo for the 2nd phase of the Arts Lofts
- This Friday at the Cultural Plaza the CRA will be showing the film the "Artist"
- Going A Wall this weekend live painting and music in the Downtown
- The August meeting has been cancelled, the next CRA meeting will be held on September 2nd

VIII. BOARD MEMBERS' COMMENTS:

Chip Guthrie- No comment.

Madlyn McKendry- Thanked Staff.

Leah Foertsch- No comment.

Kim Hanson- No comment.

Sue Stevens- First movie night was very successful. Can we please get an Armory Annex update for the next meeting.

Cary Sabol- No comment.

IX. ADJOURNMENT:

Meeting adjourned at 7:43 p.m.

Minutes Approved _____

12.9.14



Cary Sabol
Chair, CRA Board



Emilia Theodossakos
Recording Secretary