

MINUTES OF THE REGULAR MEETING
BOCA RATON COMMUNITY REDEVELOPMENT AGENCY
MONDAY, JUNE 24, 2002
4:30 P.M.

The regular meeting of the Boca Raton Community Redevelopment Agency was called to order by Chairman Dave Freudenberg at 4:36p.m.

PLEDGE OF ALLEGIANCE TO THE FLAG:

ROLL CALL:

Chairman Dave Freudenberg
Vice-Chairman Susan Haynie
Commissioner Steven L. Abrams
Commissioner Bill Hager
Commissioner Carol Hanson

Also attending the meeting were:

City Manager Leif J. Ahnell
City Attorney Diana Grub Frieser
Executive Director Jorge Camejo
City Clerk Sharma Carannante

AMENDMENTS TO THE AGENDA:

There were no amendments to the agenda.

PRESENTATIONS:

There were no presentations.

MINUTES:

Minutes of the Regular Meeting of May 13, 2002.

Motion was made by Commissioner Abrams, seconded by Commissioner Hager, to approve the minutes, as presented. Motion carried unanimously; Chairman Freudenberg, Vice-Chairman Haynie, Commissioners Abrams, Hager and Hanson voting yes.

REGULAR BUSINESS - PART I - QUASI-JUDICIAL PUBLIC HEARINGS:

There were no quasi-judicial public hearings.

PUBLIC REQUESTS:

Esther Dance spoke in opposition to the proposed hotel to be constructed on the current site of the Washington Mutual Bank. She objected to the transfer of office equivalency development rights from Subarea B to Subarea C. She suggested that if transfers of buildable rights from one subarea to another takes place, it should be done equitably. Ms. Dance also commented on the increasing traffic in the downtown and suggested a moratorium on all IDAs until the TDM plan is in place.

Chris Peckham also voiced opposition to the proposed hotel project, citing loss of privacy, the possible devaluation of surrounding properties, and the dramatic impact that increased traffic will have in the area.

REGULAR BUSINESS - PART II - RESOLUTIONS:

1. Recommendation No. SUB 02-01CRP

A recommendation of the Boca Raton Community Redevelopment Agency for the approval, with conditions, of the Michelles Plat Tentative Plat (SUB 02-01CRP)

Executive Director Jorge Camejo gave the presentation, explaining that this tentative plat approval was being requested in order to comply with a condition of the IDA. This boundary plat would eliminate a number of the previous plats that were already recorded and in place for this property, which is also known as the 555/595 Project. Mr. Camejo stated that staff had reviewed this plat proposal and found it to be in keeping with the appropriate requirements and, therefore, recommended approval. He then answered questions from Agency members and confirmed with them that this recommendation would recognize all the actions that have taken place, to date, in order to implement the IDA approval.

No one wished to speak at the public hearing.

Motion was made by Vice-Chairman Haynie, seconded by Chairman Freudenberg, to recommend approval. Motion carried 3-2; Chairman Freudenberg, Vice-Chairman Haynie, and Commissioner Hager voted yes. Commissioners Abrams and Hanson voted no.

2. Resolution No. 2002-05-CRA

A resolution of the Boca Raton Community Redevelopment Agency ("CRA") establishing a policy that all agreements for sale, lease or purchase of property by the CRA shall contain a clause whereby the purchaser, lessee or seller affirms that neither: (A) the purchaser, lessee or seller, nor (B) any current or former officer (if corporation), partner (if partnership) or equivalent authorized person (if other type of legal entity) of purchaser, lessee or seller has been convicted of a public entity crime, as defined in Section 287.133, Fla. Stat.; providing that all solicitation of responses involving a sale, lease or purchase of property by the CRA shall inform potential responders of this requirement; providing for severability; providing for repealer; providing an effective date

The City Attorney explained that Commissioner Hanson had requested this resolution, which is a mirror of the resolution voted on at the last City Council meeting. However, this item contains information relating to the sale and purchase of property, while creating the same standards regarding the leasing of property. Ms. Frieser then answered questions from the Agency relating to various situations whereby this resolution could prohibit the City from acting in its own best interests. For instance, if the City needed to purchase land for a right-of-way and it was discovered that the landowner had committed a public entity crime, the City would be prohibited from transacting business with that individual. Upon further discussion, an amendment was proposed.

No one wished to speak at the public hearing.

Motion was made by Commissioner Hanson, seconded by Vice-Chairman Haynie, to adopt Resolution No. 2002-05-CRA.

Motion was made by Commissioner Abrams, seconded by Commissioner Hager, to amend Page 3, Section 2, Line 6, of Resolution No. 2002-05-CRA to add language generally consistent with the following: "...except where the CRA determines, in connection with a sale, purchase or lease, that the interests of the CRA would be best served by the consummation of such transaction, notwithstanding the policy set forth in this resolution." Motion carried unanimously; Chairman Freudenberg, Vice-Chairman Haynie, Commissioners Abrams, Hager and Hanson voting yes.

The vote on the main motion to adopt Resolution No. 2002-05-CRA, as revised, carried unanimously; Chairman Freudenberg, Vice-Chairman Haynie, Commissioners Abrams, Hager and Hanson voting yes.

The City Attorney received direction from the Agency to bring the same amendment forward for tomorrow night with regard to Ordinance No. 4662.

REGULAR BUSINESS - PART III - CONSENT AGENDA:

There were no items for consideration.

OTHER BUSINESS:

There was no other business to discuss.

DIRECTOR'S REPORT:

3. Review of Mizner Park Retail Lease Net Operating Income (NOI) Statement

Director of Financial Services Mervyn Timberlake gave the PowerPoint presentation. He explained that the Retail Lease did not meet the 15% NOI. However, the Phase II Lease produced a positive NOI return to the CRA of approximately \$22,000. Mr. Timberlake stated that the decrease in NOI under the Retail Lease was directly related to three items: 1) settlement of the Liberties court case, 2) tenant improvements, and 3) lease commissions. These expenses were reviewed and found to be justified. Therefore, no NOI rent was due, and no further action need be taken under the Retail Lease.

Revenues from the Phase II Lease were approximately \$1,575 per unit per month, and expenses were approximately 42% of the total revenues. For a multi-family project of this size, staff felt that this percentage was appropriate, and no further action need be taken under the Phase II Lease.

Mr. Timberlake concluded his comments by stating that the independent audit was correct this year, the \$22,135 payment would be accepted, and staff would await the returns for the Year 2002. He then answered questions from Agency members. The City Manager and Mr. Camejo also provided additional information as requested.

4. Annual Audit and Management Letter

Mr. Timberlake mentioned the City's financial report, which was distributed to Agency members in April, and contains information regarding the CRA. He then turned attention to the 20-page, spiral-bound separate CRA report, produced by KPMG, which provided a more comprehensive overview. Mr. Timberlake pointed out the Statements of Revenue, Expenditures, and Changes to Fund Balance, and explained that the first revenue line item continues to increase, which assists in the forecast of the Mizner Park debt service payments. He stated that the City transferred approximately \$993,000 to the lockbox last year and expects to transfer approximately \$998,000 to the lockbox this year for the Debt Service Fund. The report also compared the budget with actual expenditures and provided footnotes relating to the financial statements, as well as details regarding the Mizner Park bond issue. Mr. Timberlake then concluded his comments and introduced Ken Dion and Bret Freedman from KPMG, who provided additional details on the financial statements.

Mr. Dion explained that an unqualified opinion had also been included in the report. He defined "unqualified opinion" as the best opinion an institution could receive. The Management Letter, which was also included in the spiral-bound report, was highlighted; Mr. Dion explained that no recommendations or observations were suggested for the current year's audit. Chairman Freudenberg confirmed with Mr. Dion that the actions the City took years ago have been implemented; the lockbox was created to put the City on solid financial standing. In addition, there are no immediate concerns regarding the status of the CRA for the next year. Mr. Dion then answered questions from the CRA.

Mr. Timberlake reported that he attended a GFOA conference last week and gave a financial presentation; Mizner Park was utilized as a case study/example of how a formerly blighted area can be transformed into a thriving district. The presentation was well received, with many people approaching Mr. Timberlake for additional information.

5. Report on final survey for Boca Raton Museum of Art, Inc.

Mr. Camejo explained that a slight discrepancy of three inches exists in relation to the placement of the Centre for the Arts amphitheatre. He requested authorization to institute a "de minimus" change in order to correct the oversight. The term, "de minimus," was defined as being so small in nature as to be almost insignificant.

Motion was made by Council Member Hager, seconded by Chairman Freudenberg, to authorize the de minimus change, as requested by Mr. Camejo. Motion carried unanimously on a voice vote; Chairman Freudenberg, Vice-Chairman Haynie, Commissioners Abrams, Hager and Hanson voting yes.

ATTORNEY'S REPORT:

The City Attorney had nothing to report at this time.

COMMISSIONERS' REPORTS:

Commissioner Hanson referenced Jefferson Place and questioned whether the Certificate of Occupancy was being delayed due to traffic concerns. Mr. Camejo stated that sufficient capacity was available for the first eight floors of the structure and expressed hope that a TDM program/policy would be in place shortly. A temporary Certificate of Occupancy has been issued for the health club, in order to market the units. In addition, partial occupancy of the first three floors has been authorized. Mr. Camejo then explained that an amendment to the Downtown Development Order would allow staff to re-analyze the traffic element, as one major modification is required under the current Downtown Development Order, which has since been deemed not feasible or necessary by staff. Specifically, the modification would require two additional through lanes, going east and west, to be created at the intersection of Dixie Highway and Camino Real. Private property would need to be acquired on the north and south sides at considerable expense. An amendment would address this issue and any other similar issue that may occur in the future. Ms. Hanson brought forth the suggestion that "jitneys" be used as a form of transportation in the City.

Commissioner Hanson asked whether the City had received any RFPs relating to the current site of the International Museum of Cartoon Art. Mr. Camejo stated that no official proposals have yet been received. The deadline for submittal is July 15, 2002.

Vice-Chairman Haynie referenced the Via Mizner buildings on South Federal Highway, stating that they had been painted an orange color and were now being painted in a shade of pink. She inquired whether requests for re-painting of existing structures must come before the Community Appearance Board. Mr. Camejo confirmed that such requests must come before the CAB; he is to follow up on this issue.

Chairman Freudenberg introduced Katha Twiner, the property manager for Mizner Park, who gave a report on the valet parking situation. She stated that Teachers Insurance and Annuity Association commissioned a parking study by a parking consultant, which has been completed. Those recommendations, in combination with complaints received about the previous valet service, resulted in

the hiring of an actual parking management company instead of simply a valet service. USA Parking was selected as the company of choice. Ms. Twiner then commented on the current parking of vehicles in front of restaurants without impeding the flow of traffic, which was a major problem with the last valet service. Responding to Chairman Freudenberg, she provided details as to how the decision was made to change valet services and the different procedures being utilized by the current service, which include the use of radios and the use of upper-level floors of the parking garages. It was noted that lower-level floors are being made available for people who do not wish to valet-park their cars. Ms. Twiner provided additional information to the Agency as requested.

Chairman Freudenberg asked that Agency members consider restricting the building mass of parking garages for new developments, which would increase the green space. Mr. Freudenberg agreed that this action might create a need for more on-street parking; he stated that parking spaces in the downtown should be "turned over" for customers and suggested that incentives/options need to be reviewed.

ADJOURNMENT:

Motion was made by Commissioner Hanson, seconded by Commissioner Hager, to adjourn the meeting. Motion carried unanimously on a voice vote; Chairman Freudenberg, Vice-Chairman Haynie, Commissioners Abrams, Hager and Hanson voting yes.

The regular meeting of the Boca Raton Community Redevelopment Agency adjourned at approximately 5:46 p.m. Monday, June 24, 2002.

Dave Freudenberg, Chairman

ATTEST:

Sharma Carannante, City Clerk