



Deerfield Beach Community Redevelopment Agency
SPECIAL MEETING MINUTES
Tuesday, August 30, 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 Marty Popelsky
Chair Peggy Noland

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

APPROVAL OF MINUTES

DIGITAL TIME STAMP: 6:29:02

August 9, 2011

MOTION was made by Mr. Ganz and seconded by Vice Chair Popelsky to approve the August 9, 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: 6:29:09

August 30, 2011

MOTION was made by Mr. Miller and seconded by Mr. Preston to approve the August 30, 2011 agenda as submitted.

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

GENERAL ITEMS**ITEM 1****DIGITAL TIME STAMP: 6:29:20****CRA Resolution 2011/019 - A Resolution of the Community Redevelopment Agency of the City of Deerfield Beach, Florida, adopting the Fiscal Year 2011-2012 Budget.**

Keven Klopp, CRA Director, said that the budget has to be adopted by the CRA Board and transmitted to the City Commission for approval by Resolution. He said that Kris Mory, CRA Coordinator, will provide additional information on the budget.

Chair Noland said that the new Secretary of Environmental Protection contacted the City and informed that we have the permits for the pier.

Ms. Mory requested to approve the CRA FY 2011/2012 Budget by resolution, and outlined the budget that was presented at a previous CRA meeting. She said that she would direct her comments to suggestions made at the last meeting. There were two (2) recommendations by the Board, in which consideration has been given; moreover, the items can be included in the budget as there is flexibility therein. Notwithstanding, additional vetting is needed.

Ms. Mory said that the first item was to consider a beach parking sticker discount program to attract people to the beach area, and the introduction of the trolley service. She said that the trolley program will take much vetting as it is an expensive proposition. She said that they started working with the Parks & Recreation Department to collaborate an estimate and the project would be approximately \$250,000 bare bones to introduce the program; however, they would like to partner with another entity to reduce costs. However, both programs can be approved in the budget and staff will continue to research and report back once they believe they have a good program. When presented to the Board, allocate funds can be approved at that time for the future.

Vice Chair Popelsky said that Century Village has a bus system and it may be advantageous for them to extend their schedule to coincide with some of the City events that are at the beach. He advised that Master Management controls the buses in Century Village.

Mr. Ganz asked if Founder's Day sponsorship was considered.

Ms. Mory replied yes. She explained for special events, they discussed adding additional criteria and doing a better cost benefit analysis. She said that when special events are not coming forward, that Staff work with the organizations to accept a special events application and to prepare a cost benefit analysis as to what the CRA dollars would be going toward and what the CRA gets in return. As the special events come in, they will vet them out and then present them to the Board for consideration.

In response to Mr. Miller's question, Mr. Ganz replied that although he is not a fan of having CRA money go toward special events, but since it was decided, he would like to

GENERAL ITEMS - CONTINUED

do it right. The biggest events that we have at the beach, with limited funding, is Founder's Day, a clear benefit to the CRA District; and attracts lots of people. If we are going to sponsor special events through the CRA, instead of trying to entice new events, why not go with one that has been in the City for a very long time, with much success, and with tangible means of determining what it brings to the City.

Mr. Klopp said that last year he had the assignment of reviewing Founder's Day budget and they do a good job of setting themselves up for the following year. Therefore, they do not necessarily need the funding, unless something happens, i.e. weather related or other, and negatively impact revenue for that year, then they will not have funds for the following year. Then they would require CRA assistance to reduce the risk; thus, it may be a loan to help them have the event continually.

Mr. Ganz said rather than spending money for new events, to make sure a great event does not fail. Additionally, he said that his idea for the beach sticker discount was to only do it for one week, sponsored by the CRA; the funds that the City would lose, by selling them at a 50% discount, would be picked up by the CRA. He asked if that is the direction we are looking at.

Ms. Mory replied yes. She said that it is a good suggestion because a high number of tickets are purchased when they are first introduced. Moreover, they have to determine at what level they want to support it. Therefore, she tried to time it to make sure that the window of opportunity is matched by the funding they want to put into it. Last year, the City sold \$120,000 in tickets.

Mr. Ganz asked how much were sold when they were \$50.

Ms. Mory said she was unable to obtain that information, but her research was geared toward the months that they were sold. The highest sale months were December, January, and February; nevertheless, more information is needed to answer Mr. Ganz's question. She said that it will be flushed out.

Mr. Ganz said that he did not envision having a prolonged discounted rate by the CRA, as the City ate the loss due to miscommunication. He reiterated having the sale for one (1) week as it creates a need to purchase in that small window of time. He asked if this can still be implemented this year, not knowing what the exact dollar amount will be.

Ms. Mory said that she answered his question based on worst case scenario. She said that 50% of \$120,000 is \$60,000 and they have the capability to incorporate that in the budget.

Vice Chair Popelsky asked if there is a charge on the number 48 bus.

Ms. Mory said that she believes that anyone that uses the bus has to pay a bus fare.

GENERAL ITEMS - CONTINUED

Vice Chair Popelsky suggested discounts to increase bus usage as it goes to the beach.

Mr. Preston asked how the different districts are made aware of the parking discounts.

Ms. Mory said that they would put a notice on the City's website and on the back side of the utility bill.

Chair Noland said that they can create flyers and leave them at the parks and in City Hall.

Mr. Preston said that he does not think placing them on the utility bills is the most effective method; he also suggested flyers and seeking other methods.

Chair Noland said that the Wave was a quarterly newsletter that was available to all the residents. She said that it was very informative and was City wide so all the districts received it.

Vice Chair Popelsky said that Century Village does not get utility bills and they would not get the notice. He said that he, Rami Altherr, Marketing Manager, and Chair Noland write monthly articles for the Reporter, a newspaper inside Century Village, and could get the information out through that media.

Ms. Mory suggested placing it in ReCreate, a Parks & Recreation newsletter.

Chair Noland clarified that ReCreate goes to the schools.

Mr. Ganz said that the City is going to the post card size water bills and may not be able to place the notice on there. He said that it is the City Commission's job to get the word out as much as possible; as there is a responsibility to inform people within reason. He objected to creating flyers because in the past, it was not done City wide and was disproportionate in who gets them. Furthermore, Mr. Ganz disagreed with sending advertisement to every single home, which can become costly.

Continuing, Mr. Ganz said that \$250,000 for the trolley service is staggering and is a major endeavor. He said that initially he suggested it to have it limited in scope, but thinks it would work best if it can expand to the west. He said that if the Board decides to do this, advertising has to be fully vetted; i.e. advertising inside the trolley, providing a CRA map to trolley travelers, listing businesses, to recoup costs for the CRA. He said that he is not sure that this is something that can be put into the budget.

Ms. Mory said that the \$250,000 was using City resources and that amount is a worst case scenario; notwithstanding, she said that money can be transferred toward that if necessary. Furthermore, she believes it can be done smarter by partnering with other entities, and possibly still be done this year given the budget.

GENERAL ITEMS - CONTINUED

MOTION was made by Mr. Miller and seconded by Vice Chair Popelsky to approve Item 1, adopting CRA Resolution 2011/019, FY 2011/2012 Budget.

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

ITEM 2**DIGITAL TIME STAMP: 6:49:13****Amendment to Agreement with Stiles Construction, Inc. to accommodate a two-step GMP (Guaranteed Maximum Price) for the Pier Reconstruction Project ***

Keven Klopp, CRA Director, outlined Item 2, a request for an amendment to an existing agreement with Stiles Construction. The existing agreement is the preconstruction services agreement, which brought Stiles Construction into the design team about six (6) months ago. The initial agreement leads to a construction contract; which is also an amendment to that agreement. He said that approval of Item 2 is an amendment to the agreement to indicate that the price for the construction will have to come in two (2) stages. When we initially entered the agreement with Stiles, it was not anticipated that we would have to start the ancillary building and temporary walkway prior to the rest of the project to maintain the schedule. The agreement is being amended, all parties are in agreement; technically, the amendment calls for one price, and they are now asking Stiles to provide it in two (2) phases, for the small building and the walkway, and the rest subsequent to that. He explained that you have to amend the agreement before accepting the first part of the construction contract, which is the next agenda item.

Chair Noland requested clarification if this is to provide for a temporary bait house and the walkway to have access to the pier while the old buildings are being demolished and reconstructed.

Mr. Klopp replied that is the next item. This item simply allows in the technical agreement for it to take place.

Mr. Miller asked if this could start before turtle season.

Mr. Klopp said that they will seek permission; however, they wanted to have the permit in hand before asking for other allowances.

In response to Mr. Miller's comment, Mr. Klopp said that before November 1st, we can build the small building since it is not on the beach, located on the grass adjacent to the pavers. The walkway goes to the beach and up to the extension of the pier, but cannot begin until November 1st. He said that it is very possible that DEP will allow construction earlier than November 1st depending on what nests are there now.

Mr. Preston asked if the guaranteed maximum price (GMP) is being adjusted or if they are splitting it, taking funds from that in one phase.

GENERAL ITEMS - CONTINUED

Mr. Klopp replied that the GMP has not been established yet, but with this item, they are requiring Stiles to submit it in two phases because they are not ready with the overall projected price yet, but need to get started on the temporary improvements now. So they were required to submit it upfront and then over the next month, they will be working on the overall price. Lastly, he said that the dollars are coming from the overall construction budget established.

Mr. Preston asked if there is a change in that.

Mr. Klopp said that this Item is not a change in the budget, only in the agreement.

Mr. Ganz expressed concern with separating it out. He asked if the cost for doing this was a part of the original budget for this job.

Mr. Klopp said when the original budget was established, no. We did not know what the method was going to be at that time, if access was going to be maintained. When they started planning, it was unknown whether it was possible to leave a portion of the pier for access during construction or do construction in phases to reduce the time it was closed. In the end, it was decided that the best way to do this was to build temporary access to the outside portion of the pier and close the entrance for the full construction period.

Mr. Ganz asked if the Board was informed that there would be additional costs outside the budget to determine whether to close the pier, have temporary access, etc.

Mr. Klopp said that he would like to go to Item 3 because a lot of what is being asked is part of the presentation.

Mr. Ganz said he hopes the intent is not to separate this out. He asked whether the next item is the overall budget for the project.

Mr. Klopp replied no. He said that construction is the first portion.

Mr. Ganz asked if this dollar amount that the Board would approve a part of the next item or if it is a separate dollar amount that has nothing to do with construction costs.

Mr. Klopp replied that they are all part of one. Moreover, he said that the reason for doing this has nothing to do with funding, but with timing. He said if the reason for doing Item 2 before 3 is because the Board would be approving the funding amount that they technically don't have the authority to ask Stiles to present to the Board. The first agreement was to say yes, we do accept and allow Stiles to provide the pricing in two (2) phases.

Mr. Miller said that the Board had come to an agreement to spend extra money on something that could be a permanent structure. Additionally, the Board also opted for a

GENERAL ITEMS - CONTINUED

substantial building to allow usage for other City departments; i.e. storage for the lifeguards.

Mr. Ganz said if the intent is to allow Stiles to require two (2) separate GMPs, then to proceed with the vote. He said that the schedule may seriously be affected depending on what happens on the next item.

MOTION was made by Mr. Ganz and seconded by Mr. Miller to approve Item 2.

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

ITEM 3**DIGITAL TIME STAMP: 7:00:02****Amendment to Agreement with Stiles Construction, Inc. approving the GMP (Guaranteed Maximum Price) for an ancillary building and temporary access walkway for the Pier Reconstruction Project***

Keven Klopp, CRA Director, said that Item 3 is the second amendment to the preconstruction services agreement. If approved, it will accept the cost of \$196,138 for Phase 1, temporary building and walkway. He said that he would like to make a presentation and take questions afterward.

Presentation Outline - Mr. Klopp outlined the presentation and each person's responsibilities. Mr. Klopp will provide the project background, importance of the project, the public input, and the approval process. Then, Steve Edwards, Garcia Stromberg, will present the vision and site plan; thereafter, Mr. Klopp will discuss permitting, which has been received from FDEP; as well as the construction manager at risk process. Finally, Stiles Construction will discuss the logistics plan, schedule, and the subcontractor selection process.

Project Necessity - About Safety & Compliance - Mr. Klopp said that the safety issues are that the structure of the pier needs to be replaced. In terms of compliance issues, the egress from the pier was constrained by the buildings being on top of the pier right now. He said that they would not be able to build it that way because it does not allow for proper egress in case of an emergency from the pier. Also, the building is not ADA compliant and the City is under a mandate to make all facilities compliant. These issues brought the project to necessity. Additionally, in order to repair the pier, the buildings have to be removed from off the top of it.

Continuing, Mr. Klopp highlighted the pier's structural elements. He said that that the pier has eroded and needs to be replaced. He said that this facility is commonly referred to as the icon of the City; however, its current condition is not what the face of Deerfield Beach should be.

GENERAL ITEMS - CONTINUED

Public Input & Approval Process - Mr. Klopp outlined the process that occurred over an 18 month process, public input workshop, approval through CRA Board, Planning & Zoning, and City Commission. In June 2010, the City Commission requested a LEED Certified project. Adjustments were made and now, they are confident that it will reach LEED Silver. Once approved as a site plan, it was presented to the FDEP. He said that FDEP had concerns, but Staff worked with them and made changes. Once they knew they could get the State permit, they submitted it to Broward County. Consequently, Broward County had veto authority over this project as there is a parcel to the south of the pier that was restricted, not allowing any building upon it. The County Commission saw the site plan and agreed that it was environmentally sound. Now, the State permit is in hand.

New Pier Entrance Building - Vision of the Future - Steve Edwards, Project Architect, shared photos that led to the vision of this project. The images presented included historic architectural designs, i.e. the Butler House; the influences will appear in the pier project, giving Deerfield its own style of architecture.

Floor Plans - Mr. Edwards said that when they presented the concept, they saw the need to strengthen the axes, pedestrian circulation, and beachgoers involvement. He explained that the boardwalk did not have a formal or completed entry to the north beach so the boardwalk will continue through the pier and out the south end; that was all maintained. The other axes that helped with egress issues. He explained the process incorporated with the boardwalk and its stability and the egress issues. When they met with FDEP, there was an outdoor deck that had to be removed and replaced with enhanced dune plantings. Initially, they had to do a dune cross over to allow pedestrians to walk across without destroying the plantings. Currently, there is a cut through which is widening and destroying more of the beach dune and landscaping.

Proposed Site Plan - Mr. Edwards said that the site plan is fairly close to what they originally had. He outlined the placement of the temporary bait shop and the boardwalk extension, where the existing pier will remain, and where the new pier will be reconstructed. Once complete, the pier patrons will have complete access to the fishing pier. Also, FDEP wanted a vast dune restoration, as well as enlargement for their approval.

1st Floor Plan - Mr. Edwards outlined the building's features and restaurant plans, dining space, windows. The windows are specially tinted for energy and there are sunshades. He outlined other features of the restaurant, where the kitchen will be located, where the patrons can eat, storage rooms, the area maintained by Parks and Recreation, and the compacted area for trash, which is also a LEED item.

2nd Floor plan - Mr. Edwards said that at the request of BSO and Ocean Rescue, there will be a lifeguard stand on the second level, which has a 270 degree view of the beach. The administrative work will be on the second level and will not be accessible to the public. The TI will be in an air conditioned closet which will run the computers. He

GENERAL ITEMS - CONTINUED

continued to list other components of the floor plan. The restaurant dining room will be about 18 feet high. Furthermore, they will save a good portion of the second level deck, which will have its own restaurant, elevator, and service access, separate from public access. It will be open to beach patrons, but open for catered parties.

Current Pier Entrance - Mr. Edwards highlighted photos of the existing front entrance, a vision of the proposed pier entrance, which is a new 21st century style. He continued outlining photos of the proposed pier views, aerial views, dune landscaping, cross over, which is wide enough to allow everyone to walk across, as well as allow for surfers to bring their surfboards across and pass others. He said that FDEP requested 5 - 6 feet wide, but they decided 10 feet.

Ancillary Building - Mr. Edwards said that they designed the temporary bait shop to pick up on the architectural style of the pier, designed on four pilings on the corners. He said that if the building needed to be relocated, it would be unbolted and the crane would lift the building off the foundation. Therefore, the building had to be reinforced to make it portable. He outlined the construction of the building. Lastly, he said that the public would not access the inside of the building, but would walk around to a side window. Inside, there will be an ice machine, a beverage cooler, a bay freezer, etc.

Vice Chair Popelsky asked if the entire pier has to be repaired.

Mr. Edwards said the old section; it's where the stamped concrete extends. The new section will remain, but everything to the west will be completely replaced.

In response to Vice Chair Popelsky's question, Mr. Klopp said that the structural engineer, Volkert & Associates, inspected the pier and the portion on land needs to be replaced.

Mr. Preston said that a few years ago, the part referenced now was replaced with new wood and had a new face. He asked what happens to the wood that was put in.

Mr. Klopp said it will all be taken away.

Mr. Preston said that we paid for that project at that time and it appears that we are duplicating the effort again. He asked if anything can be reused.

Mr. Klopp said that there is some value in some of the materials, and that will be a part of the remaining negotiation with the contractor, as to what value they can get from the materials and it will be deducted from the price.

Permitting Status - Mr. Klopp outlined the permits received and said that the permit for the building and walkway has been submitted and they are preparing to submit for the remainder of the projects.

GENERAL ITEMS - CONTINUED

Construction Manager at Risk - Mr. Klopp outlined the process for hiring a construction manager at risk. Stiles Construction was selected in December 2010 and the preconstruction services agreement was initiated in March 2011. He said that the construction manager at risk is different from a low bid. It is about exchanging information in advance, finalizing the plans as a team, having everyone involved in the selection of subcontractors, and negotiating a GMP to avoid the questions of change orders and a contractor who was not involved in the design that does not understand the project.

Construction - David Lowery, Stiles Construction, introduced Mark Rubenstein, Preconstruction Manager, and Wit Markham, Senior Project Executive.

Site Logistics - Mr. Markham outlined the site logistics plan which was developed in a group effort to determine how to secure the site, meet the requirements of FDEP in relation to turtle code, and make sure that pedestrian and bicyclists had access from the north pavilion to come down to the south side and vice versa. He provided an overview of the site logistics. He explained the perimeter of the project, what precautions they have taken for the turtles and the pedestrians. He said that a walkway was developed down from JB's and Ocean's 234 restaurants from the existing path; the north walkway has been maintained. They are taking a section from their site and fencing it in; that will be the existing parking lot. He also outlined other components that they will add to the site; i.e. jersey barriers, barricades that are knee high to separate the traffic from the pedestrians/bicyclists. Parking has been allowed for Parks & Recreation and BSO. He outlined the access to the site and exiting, as well as the staging compound. They are also providing a barricade that allows pedestrian to access the walkway to the pier and not have access to the site; the site will be fenced and blocked. The red dots are signage for various designations, i.e. restroom availability, pedestrian directions, construction exit and entrance to stop pedestrians from wandering onto the site.

Project Timeline - Mr. Markham said that they plan to begin construction on the ancillary building by September 12th. He said that they want the building and temporary walkway completed as soon as possible so the pier can remain open and they can move into construction. The ancillary building is on the west side of the shoreline; two months is needed to build it. FDEP will not allow them on the beach until turtle season ends on November 1st, which is when they will start with the pilings for the temporary pier; projected to be completed by November 25th. On November 28th, demolition of the existing structures and new construction will begin, with the intent of October 23, 2012, everything is complete. On November 1, 2012, they will remove the temporary walkway which should take approximately 2 weeks.

In response to Vice Chair Popelsky's question, Mr. Markham replied that there are 11 bollards included in the contract; therefore, they will not put in bollards and tear them out; they are coordinating that with the other contractor.

Mr. Lowery introduced Wayne Messam, President and owner of Asset Builders.

GENERAL ITEMS - CONTINUED

Sub Contractor Selection - Mr. Messam said that the sub-contractor selection is very important as it relates to local participation. He said that he will discuss the activities that took place for GMP 1 ancillary building and planned activities for GMP 2, maximizing participation for sub-contractors. Thereafter, Mr. Messam outlined the demographics of the 483 companies that were invited to bid. The demographics included race, income threshold which certifies them as a small business, small business enterprises, women owned businesses, African-American, Latino, and other race demographics, as well as Federal certified businesses. He said that there were nine (9) Deerfield Beach sub contractors that responded to the bid. For the pre-bid meeting, the bidders were contacted to participate; wherein, they were able to inquire about the project specifics.

Continuing, Mr. Messam said that during GMP 2, they will have another pre-bid meeting, before moving onto the next phase. At that point, they will leverage their relationship with Broward County. The Office of Economic and Small Business Development provides monthly communication to certified firms. He said that he is the Advisory Board Chair that makes recommendations to the Broward County Board of County Commissioners; whereby, he will leverage his relationship with them to increase communications as related to the announcement of other projects. Since Deerfield Beach does not have its own certifying process, you are leveraging the resources and certification process of Broward County and other agencies so that the City can identify firms that are small, local, as well as minority and women owned. This can be used as a guide to make sure these firms are notified and the City will have a good idea as to what the invited firms look like.

Sub-Contractor Selection - Bid Process - Mr. Rubenstein explained the process for the invitation to bid. He said that they also send a trade summary to the sub-contractors which tells them how to breakdown costs, moves them through plans quicker, clarifies whether a scope of work is in one or in another sub-contractor's purview, exposes and point out potential items that are not easily identified or unique to a project, etc. He said that it enables the sub-contractor to look at projects and make sure the bids are apples to apples.

GMP 1 - Mr. Klopp said that this is a request for GMP 1 only, which is the ancillary building and access walkway, \$196,138, about 5% of the overall construction budget, \$3.85 million. The reason it is being separated is because of turtle season. Thereafter, he entertained questions by the Board.

Mr. Ganz asked if the sub-contractors physically exist in Deerfield Beach.

Mr. Rubenstein replied yes.

Mr. Ganz clarified that there are 9 businesses that are in the City.

Mr. Rubenstein replied yes, for this portion of the project.

GENERAL ITEMS - CONTINUED

Mr. Preston said that based on the timeline given, are there any anticipated setbacks; if so is there a plan in place to prevent additional costs.

Mr. Markham replied we have a 5 day week work schedule, but will use Saturday as a makeup day if there are rainy days or other. He said that they expect rain during this season and will work through it. However, they have not prepared for catastrophic events, such as hurricanes. If it happens, they will address and formulate a plan.

Mr. Miller asked where the building will be moved to.

Mr. Klopp said it has not been decided, but based on Staff and public comments, it will be moved slightly to the south, to the point where there is an intersection of a street, Ocean Way and not in front of any particular building, in place of the shack for beach concessions.

Mr. Miller asked if the material from the temporary pier access will be used.

Mr. Klopp said that it is a possibility; however, Staff has also considered a handicapped access to the beach. He said that the feasibility is unknown, but they will come up with something.

Mr. Ganz asked for clarification on the provision in the contract for escalation.

Mr. Rubenstein said that the pricing is based on bids from the sub-contractors; thus, if released, they are bound by their bids. However, there is nothing going on that should cause a spike.

Mr. Ganz asked if it pertains to a situation wherein the Board wants a new feature, or is it a general item that is placed in their contracts.

Mr. Rubenstein replied that it is more of a general item.

Mr. Markham said that it relates more to material increases, unforeseen, drastic material increases.

Mr. Ganz asked if there is a spike in price for concrete, for example, that the contract does not protect the CRA.

Mr. Markham replied correct; moreover, it puts an unnecessary burden on the project.

Mr. Ganz asked what determines a huge spike.

Mr. Markham said that concrete is a good example, he provided an incident that drove prices up and those events could not be accounted for.

GENERAL ITEMS - CONTINUED

Mr. Preston said that with the bidding process, and the contractors having to stay close to bid, why would there ever be a problem.

Mr. Markham said that when we contract with them, it is for that amount to include pricing for the duration of the project. In fairness to the sub-contractor, they did not plan on an event that would drive their material costs up. Typically, they will inform them that if there's a normal increase, then there is a problem. He said that it is to handle the events that you cannot make provisions for without increasing the contract price. Overall, they are tied in and have to come back with a good reason for an increase.

Mr. Klopp said that there are outside determinants whether something has accelerated beyond normal market; it would not be the City's or Stiles decision, but a defined incident that the market would agree that it is an unexpected escalation.

Vice Chair Popelsky commented on having a certain percentage over the cost in the contract, in case these things do happen. He asked if they included 5% or 10% above, or is the pricing close to the vest.

Mr. Rubenstein said that it is pretty close to the vest; notwithstanding, there is a line item for contingency which is 1%.

In response to Vice Chair Popelsky's question, Mr. Klopp replied that in this contract, the overall figure is \$196,138. He said that he prefers not to discuss the overall cost as they do not have anything from Stiles, but is open to discussing it from cost estimates and budget standpoint.

Mr. Klopp said that the watch word for this project has been quality for the community to take pride in what we are going to receive. He said that while being mindful of the budget, they have not lost track of those expectations. This transformation will make us proud, it is not extravagant, but the quality elements that have been presented to the public from the beginning, will remain in the project, even as the actual costs were recognized. When Garcia Stromberg was hired, it was because of their vision and creativity. The project plan delivered will cost more than budgeted, but the concern is the difference between the two (2) estimates, the architect and contractor. Garcia Stromberg and Stiles Construction have done an adequate job, but City Staff is working with them to reconcile the gap in pricing. He said that he is confident that by the time the project is presented for the overall approval, every clarification will have been made and all the bids will be in, and there will not be any concern. He suggested recognizing the difference between the two estimates, a 14% difference, assuming an approval of the \$196,000 taken out of that.

Mr. Ganz said that there is a 14% difference between the two, but an overall 12% increase on the overall project.

Chair Noland asked if they should move to a vote, as Stiles has a great reputation.

GENERAL ITEMS - CONTINUED

Mr. Klopp responded to a previous question asked. He said that the architect's price is \$3.6 million and \$4.2 million from Stiles which consists of market volatility. As this is what we are seeing in the bids; in some cases it is 200% different. He explained that the figures from Garcia Stromberg are book values; however, Stiles' figure represents the actual numbers from the bids. Notwithstanding, there are other elements to the pricing difference; the general condition and other logistics. However, 14% difference is explainable, but they are not letting up on it, with hopes that the price will come down and making sure Garcia Stromberg's plans are adequate. Additionally, they are expecting one more cost estimate with the assurance that the price will come closer before final approval of the overall project.

Mr. Ganz said that the estimate is 12% over the budgeted amount for the entire project. He said that he assumed that if they were going to give us a budget then we would stay within the budget. He said that Stiles appears to have a better grip on what the actual costs are; however, he expressed concern with the 12% overage before construction even begins. He suggested bringing the price down to the original budget. Although he understands that Stiles has an outstanding reputation, he is concerned that we will be nickel and dimed until we are outside of the intended budget. He said that it will be very easy to get confused as far as the overall costs without having a running tab; but he is not satisfied with this and is not sure that it will stop here. Moreover, our job is to treat this money as if it is our own. He reiterated his concerns with being 12% over before construction. Notwithstanding, changes were made with LEED certification, which was an addition to the project. Mr. Ganz again expressed dissatisfaction with the overage.

Mr. Preston concurred with Mr. Ganz. He said that his concern is the gap in the percentage difference.

Mr. Klopp said that they have been working together for a couple of weeks to identify what the gap entails. The number one thing is that Stiles has taken a slice of the market, they are gathering prices from subcontractors; whereas, the prices from Garcia Stromberg went by the book. He referenced page 9 of the backup, which illustrates sub-contractors pricings being wildly different. He said that there is volatility in the market right now; nevertheless, there are other explanations, i.e. the site logistics plan being a little tighter, more robust, versus the cost estimate. He also mentioned the expertise of Stiles, a slight difference in the profit and overhead that the architect planned versus what Stiles is suggesting. Those type of things add up.

Mr. Preston said that before the proposals came in, the same model should have been used. One person is going by the book and the other is going out for proposals; therefore, there would be an immediate difference. If the same model had been used, then an honest comparison could have been made. He said that he can understand Stiles method rather than quoting book prices.

Mr. Miller said that looking over the bids, there is a 66% difference between the low and high bid. He continued to outline the disparity in the figures. He said that Mr. Ganz

GENERAL ITEMS - CONTINUED

made a good point, but asked what assurance we have that we will live within this budget.

Mr. Klopp said that the City's experience is the best assurance we have. We have used GMP in the past and the increase, after construction started, was 1% to 1.5%. He said that you receive a very good price upfront using this method. When you do the low bid, the contractors have never seen the plans before, there is no communication between the contractor and architect, they give a price for the low bid and then there are myriad problems with price run ups. He said that we will not have that problem with this method as you are getting the right price from the beginning.

Mr. Miller asked if Stiles built the Mitigation Operations Center (MOC).

Mr. Klopp replied yes.

Mr. Miller asked if the difference in original budget to final within 1% or 2%.

Mr. Klopp replied 1%.

MOTION was made by Mr. Miller to approve Item 3.

Mr. Preston said that based on Mr. Miller's question; there should not be a 12% or 14% spike.

Mr. Klopp replied correct for GMP 2. After we have the final price from Stiles and the architect, it will be more than what was budgeted. What is budgeted now \$3.85 million, subtract \$196,000 from that and there will be roughly \$3.6 million left. At a minimum, the remaining project will cost approximately \$3.9 to \$4 million, although there will be an increase; the amount of the increase is left to be determined.

Mr. Preston clarified that if it is \$4.3 million, there is a problem.

Mr. Klopp said that was budgeted. If it is \$4.3 million, and that is what they come up with, then they will have to come back to the Board for a different budget change.

Mr. Miller said that based on history and Stiles working in our City, once we get the final figure, they come within 1% of that, not 14%. Doing it this way, we don't get change orders throughout.

Mr. Ganz said that the change orders are built in. We know we are over budget before we start and so there should not be any surprises toward the end.

Mr. Miller said the budget was faulty; moreover, the budget is a prediction, this is reality.

Vice Chair Popelsky said that there is a certain percentage that will happen, but 12% is \$400,000 over the cost of the total project. \$500,000 - \$600,000 before the project

GENERAL ITEMS - CONTINUED

starts is a lot to take in. He said if the Board agrees upfront, the budget will not be below that number. He asked what the other option is if they refuse; they won't do the job. Do you stop and start all over. He said that our hands are tied.

Mr. Ganz said his concern moving forward is that other projects are priced in a textbook format. He expressed frustration with this. He said that Stiles figures are based on real time numbers, but moving forward, whoever designs it, they are not basing it on reality. Do we rely on the construction firm for the true price or someone who does not know the real costs? The figures Mr. Klopp quoted is an \$80,000 discrepancy and will put the cost at approximately \$550,000 over the original estimated budget. He reiterated his frustration over the figures provided and said that it makes the budget suspect; therefore, he requested clarification on what is being approved.

Mr. Klopp said that the request is to approve \$196,138.

Mr. Ganz asked if the rest is negotiable.

Mr. Klopp replied correct.

Mr. Preston said that he agrees with Mr. Ganz. The Board's job is to protect the public's interest at all costs. A company's reputation is not what it is about from this position. He said that in tough situations, it may be better to start over rather than have the public not get the best end of the stick. If we are not sure or comfortable, then why move forward. We are in this position to be thinkers and to consider the public. He said where you went wrong is when you used two (2) different models and although he thinks Stiles is more realistic, but since the other was used and compared, there is a big difference, and then it has to be considered because it is on the table.

Mr. Klopp said that is the essence of the negotiation; why does it cost more than estimated and whether the costs can be brought closer to what they should be. The difference is in the market volatility; which they would like to continue to work on. He further stated that he is presenting more information than typical, as this is the process that usually occurs right up until the GMP is presented. However, because of the timing, the GMP has to be presented in two (2) phases; therefore, the Board is getting a view of a negotiation in progress. The cost estimate and final plans are still being worked on to bring that number in.

Chair Noland said that if it was explained that the figures from the architect were text book and not actual, then it would not be difficult to accept. When Stiles received the plans from the architect, they went out to sub contractors and got actual pricing. The first figures were not realistic.

MOTION was made by Mr. Miller and seconded by Mr. Preston to approve Item 3.

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

GENERAL ITEMS - CONTINUED**ITEM 4****DIGITAL TIME STAMP: 8:15:10****Discussion regarding the acquisition of 1601 East Hillsboro Boulevard**

Keven Klopp, CRA Director, said that at a previous meeting, the Board discussed potential acquisition of the building at 1601 East Hillsboro Boulevard. The property is owned and occupied by the Deerfield Beach Chamber of Commerce. He said that the appraisers revised their appraisal because the zoning was not well considered by the appraisers as it should have been. He also convinced them to revise their estimates and the revised estimate average is \$376,000, the original estimate average was \$420,000. There was a substantial decrease due to risk and the process for having it rezoned for the highest and best use, which is office. Notwithstanding, there are several representatives from the Chamber present and wish to address the Board.

MOTION was made by Mr. Preston and seconded by Mr. Miller to allow the Chamber to speak in regard to this issue.

Mr. Ganz asked in situations where you are purchasing property is it common to have presentations from the sellers; and is not sure of the nature of the conversation.

Andrew Maurodis, City Attorney, said he too does not know the nature of the conversation, but the context in which the Board is working as a public body is different than a private transaction; thus, it is difficult to make an analogy. Legally there is no problem. He suggested that they listen, but not allow it to lead to a negotiation.

Chair Noland suggested just one speaker and the Board would not make any comments.

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

Kiku Martinson, Board of Directors Chamber of Commerce, also the Director of Real Estate at Campbell Rosemergy Real Estate for over 24 years, said they did not come to negotiate the sell, but to provide information. The Chamber is currently a group of volunteers; there are no employed persons. She said that the City should have a Chamber of Commerce and they are eager to have a nice relationship with the City which is their goal.

Ms. Martinson distributed informational packets for property values to each Board member and Staff members on the dais; thereafter she outlined the information in the packet. She suggested that Mr. Preston and Mr. Miller contact her because their tax appraised amount is out of whack for the neighborhood, as well as Mr. Maurodis; she said that she can guide them. She continued outlining the pages in the packet distributed. She asked if anyone would sell their property for the appraised value, they are lower than what is going on in their neighborhoods. She said that the appraised value for 1601 E. Hillsboro Boulevard is \$481,980 and if the

GENERAL ITEMS - CONTINUED

Board members would not sell their own properties for less than appraised value, why would someone sell this building for less than the appraised value.

Continuing, Ms. Martinson said that appraised values should be taken into consideration particularly when they are related to poor market value. She said that they should not negotiate here, not face to face, once everyone has gone through the information.

Lastly, Mr. Martinson said that on Thursday morning at the Embassy Suites, Congressman Allan West will come to speak and his office asked who will be there.

Chair Noland and Mr. Miller said that they would attend the breakfast.

In closing, Ms. Martinson also invited the Board to the Gala at the Hilton; tickets can be purchased on their website, or a Chamber member could deliver them.

BOARD/ADMINISTRATION COMMENTS

No Report.

PUBLIC INPUT

There was no one from the public to speak.

ADJOURNMENT:

There being no further business, the meeting adjourned at 8:30 PM.

PEGGY NOLAND, CRA CHAIR

ATTEST:

ADA GRAHAM-JOHNSON, MMC, CITY CLERK