



**Deerfield Beach Community Redevelopment Agency  
MEETING MINUTES**

Tuesday, April 24, 2012, 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. Joseph Miller  
Mr. Martin Popelsky  
Mr. Ben Preston  
Vice Chair Bill Ganz  
Chair Peggy Noland

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

Absent: None

**APPROVAL OF MINUTES**

**DIGITAL TIME STAMP: 6:30:24**

March 20, 2012

**MOTION** was made by Vice Chair Ganz and seconded by Mr. Miller to approve the March 20, 2012 minutes as submitted.

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

**APPROVAL OF THE AGENDA**

**DIGITAL TIME STAMP: 6:30:34**

April 24, 2012

**MOTION** was made by Mr. Preston and seconded by Vice Chair Ganz to approve the April 24, 2012 agenda as submitted.

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

**GENERAL ITEMS****ITEM 1****DIGITAL TIME STAMP: 6:30:45****Presentation of CRA mid-year accomplishments**

Keven Klopp, CRA Director, said that the importance of this item is not only the accomplishments, but where it leads the Board and what the CRA should do from this point forward.

Kris Mory, CRA Coordinator, highlighted a PowerPoint of the CRA mid-year accomplishments, for six (6) months. She said that there have been a series of construction projects beginning one after the next.

FY 12 CRA Budget Breakdown - Ms. Mory outlined the CRA Budget, Capital Projects 86%; other professional services, design services, and debt services paid annually for Hillsboro Boulevard bond. She also outlined other items in the budget, materials, staffing, and overhead.

Capital Projects - Ms. Mory said that in the first six (6) months of FY12, the Cove Shopping Center parking lot was successfully completed, on time with an October 14<sup>th</sup> end date and under budget, due to add ons that were not purchased. Also, the companion project was the reconstruction of the alleyway behind the shopping center on the south side; which project dealt with seven (7) underground utilities in the space of 15 feet, including space for draining. That project is now asphalted and the drainage system is in; the curbing is going on now and the wall painting will take place next week, completing the project. Ms. Mory provided photos of the parking lot today.

Fishing Pier Reconstruction - Ms. Mory said that this project went underway in November. She highlighted photos of the pier, the old building, the construction site, building a temporary, safe walk way for access to the pier. The temporary bait shop will be moved elsewhere after construction is complete. She also commented on dune protection per DEP; an onsite staging area for a massive construction crew; as well as an aerial view of the foundation and the actual footprint of the building.

Fire Hydrant Installation - Ms. Mory reported that the fire hydrant installation project was complete and ensures 100% coverage for public safety in the district.

Turtle Lighting - Ms. Mory provided photos of what the bollard lighting provides. She said that Deerfield Beach is one of few cities completely turtle compliant.

Property Acquisition - Ms. Mory stated that during the fall, the CRA began looking at five (5) properties that the Board identified; being successful with the purchase of 1701 Riverview Road, the Riverview Restaurant site, for \$2.2 million. Although, there were temporary fixes to secure the site. Additionally, reimbursement has been applied for through the Florida Inland Navigation District in the amount of \$553,000 to redevelop the park into an Intracoastal access and connections back to the Cove.

**GENERAL ITEMS - CONTINUED**

Cove Gardens Improvements - Ms. Mory outlined the boundaries of the Cove Gardens neighborhood; located between the Cove Shopping Center and Hillsboro Commons Shopping Center. The CRA has planned that it will be a walk-able pedestrian area. However, it currently suffers from a lot of problems: drainage, lack of lighting, landscaping, etc. The project has moved from the 50% design stage to 100% design and permitted through Broward County and is now a shovel ready project.

Main Beach Parking Area - Ms. Mory stated that the objective of the main beach parking area was to improve traffic flow, increase parking spaces, improved lighting and landscaping, the metered parking system, create a public gathering space; currently at the conceptual design stage.

Wayfinding Program - Ms. Mory said that they are in the process of implementing a wayfinding program which is a signage system that directs people through the district efficiently. The signage will benefit residents and visitors; more information is forthcoming.

Commercial Façade Program - Ms. Mory reported that two (2) successful façade projects have been funded of the completed project; USA Deerfield Parking Garage and 2 Georges at the Cove; photos were displayed.

Special Events - Ms. Mory commented on the special events funded by CRA, Second Annual Green Market, and Founder's Day.

Budget Priorities for FY 2013 - Ms. Mory said that a lot has been accomplished over six (6) months, but it is important to keep planning for the future. Now that much money has been spent in capital projects, the spending priority for FY 2013 has to be determined. The City's budget cycle, which the CRA complies with, has already begun; planning documents have been gathered to start working numbers for next year to follow the City's budgeting cycle.

Tax Increment Revenue - Ms. Mory said that by State Law, the CRA has to spend tax increment revenue within three (3) years of acceptance; which has been done. Since there will be a more limited revenue stream, moving forward, the Agency will be operated from the tax increment revenue; which is approximately \$2 million this year. She explained that though this may appear to be a lot, they have annual responsibilities, debt services, and regular operating expenses.

Continuing, Ms. Mory outlined the tax increment revenue graph which provided an overview of the direction of the CRA. She said that the CRA suffered the same general pattern of the economy; notwithstanding, she referenced a graph showing the CRA's operating directly from tax increment revenue. Conservatively, if the district continues to expand at 1.5%, given the overhead, the CRA would be limited to making smaller investments because of the lower budget. She said under the blue line scenario, they would be able to fund projects at approximately \$1 to \$1.5 million per year. The red line shows what would happen if the CRA went out to bond. She said bonding provides

**GENERAL ITEMS - CONTINUED**

immediate gratification and can be at the Board's direction, for capital projects, public/private partnerships, or return on investment partnerships that tend to generate additional TIF (tax increment funds) revenue. She said that the graph is based on a bond float of \$7 million. If we were to invest, there would be a big spike in year 1, from the project itself, the year that the project came on the books. She also commented on additional spike in year 2, based on other investments for that project. After the initial incentive, with a larger catalytic type project, there will be a slightly higher increase in tax increment revenue over the years. She said that bonding has advantages; immediate gratification, capital projects construction, and financing projects with historically low interest rates. Moreover, the State and County levels are looking at CRA's and trying to find out how to take their money; by going to bond, it would be a safety strategy to ensure that the City and CRA continue to have control over the funds until 2029 when the CRA sunsets.

Vice Chair Ganz clarified that the State would not be able to take money away from the CRA if the money is in a bond and is obligated to pay it back.

Ms. Mory replied that another entity, a County or State, would not want to take over bond debt. Any take over situation would be subject to negotiation; thus, it is a strategy to keep the CRA under City control and by issuing debt, no other agency would want to take over. If they took the CRA from the City, they would have to assume the debt.

In response to Mr. Miller's question, Ms. Mory replied that CRA's have different arrangements in the State, from Miami Dade up to Jacksonville and the panhandle. There is one constant, as cities and counties become crunched for money, they are looking at different alternatives and CRA's are ripe for the picking. She said that the City's CRA is safe because of the agreement with Broward County. In Miami Dade County, they are looking at what CRA's are not necessary or those that are not performing. At the State level, Governor Scott has signed an executive order directing evaluation and assessments of all special districts in the State to determine how effective they are and the cost of these agencies; it is a State driven initiative.

Mr. Klopp added that the ADA sidewalks project is shovel ready. This chart assumes that we would bond and go into public/private partnerships. He said that this sets the groundwork for the upcoming budget process.

Chair Noland asked if there are opportunities for public/private partnerships and if people are taking more of an interest in them; she referenced the Cove Shopping Center and Hillsboro Boulevard construction.

Mr. Klopp replied absolutely, people want to know what the CRA has to offer. He said that there are not any programs for public/private partnerships, but there is enough of a handle on the district that you can tailor to the current opportunities rather than prepare a broad program and ask for interest. He explained where there may be possibilities for a partnership.

**GENERAL ITEMS - CONTINUED**

Mr. Miller asked how fast a bond can be issued.

Mr. Klopp replied possibly six (6) months.

Mr. Popelsky said that we may not want to put a time line on it.

Mr. Klopp said that the CRA has until 2029 and a 15 year bond is all you can get; anything below 15 years will be harder to bond.

Chair Noland said that we have to determine what direction the CRA wants to take. With a partnership you will get tax dollars in the district. She outlined various projects that have been funded and said that we have to consider what projects will bring in tax revenue. She commented on various areas, 2 Georges at the Cove and the Hillsboro Boulevard dry cleaner that can still generate tax revenue. Moreover, she said that it appears that Delray is having difficulty with their CRA because they put a lot into infrastructure and it is not paying back. She asked that it be looked into further to see if other CRA's have gotten involved with public/private partnerships to determine how the City would benefit. Lastly, she said that these properties still have to be maintained.

Vice Chair Ganz said that he is intrigued by the bond issue because if we can get the most for our buck that is the way we should go; nevertheless, he would like to explore the pros and cons and to move on this quickly especially considering the interest rates. He further stated that public/private partnerships do not usually benefit the City; it is not normally a 50/50 split. He said that he is open to any ideas that can be presented, whether it is economic incentives to bring in positive redevelopment to the area as it will be in line with the public wants and will increase the tax rolls.

In response to Chair Noland's question, Andrew Maurodis, City Attorney, replied that a vote is not needed, the Board can direct Mr. Klopp to get estimates on the borrowing costs and payments.

Mr. Preston said that as this goes forward, it is important to look at what businesses will come in the City in the quest to increase the revenue base. He said that it is the Board's job to protect the residents as the businesses goal is to make money, but it should not be at the expense of the residents. He said that he is open to a partnership; however, we must do all we can to minimize mistakes that will impact the residents.

Chair Noland said that the public is always made aware of public meetings and is allowed input, but recommended getting evidence of cities that are doing well with public/private partnerships. She commented on a partnership that brings a substantial increase in tax revenue, but ruins a part of the City; which she does not favor.

Mr. Maurodis said that borrowing the money will be an easy and fast part.

Continuing, Mr. Klopp said that it will be easier to borrow the money, but there is a possibility that if a financial institution becomes a partner and the arrangement is a way

**GENERAL ITEMS - CONTINUED**

of spreading risk. The banks are currently averse to lending to redevelopment type projects; however, with the CRA's commitment, private and banking commitment, it could possibly work.

Mr. Popelsky commented on County owned property in Deerfield Beach and to look at the Capone Island. He asked that communication be made with the County.

Mr. Maurodis said that it is a preserve, you cannot change it.

Chair Noland said that there are all types of problems with the area; part of it is owned by Palm Beach and there are issues with cleaning the island.

Mr. Klopp said that he recently toured the island with County Staff for the purpose of more coordination and partnership.

Chair Noland suggested looking at the roof on the north pavilion and described the state that it is in and that it cannot be repaired but will likely have to be demolished and rebuilt. Moreover, Chair Noland suggested purchasing a nice electric sign at the corridor of the City to announce various events.

Mr. Klopp explained on NE 2<sup>nd</sup> Street toward the pier, there will be a kiosk just to the south of the restaurant, which is an information booth for the CRA and/or public relations. He said that they intend to have video screens displaying the information; and attract you to the beach area.

Chair Noland outlined various areas where signs are needed, not in the CRA, but in the City because everyone does not go to the beach.

Mr. Klopp said that if you were to bond, it does not all have to go to public/private partnerships, but you could use it for smaller projects and get them done in a shorter timeframe; i.e. the north pavilion.

**ITEM 2****DIGITAL TIME STAMP: 7:12:19****Discussion regarding maintenance of the Cove Shopping Center  
Parking Lot**

Keven Klopp, CRA Director, outlined Item 2, maintenance of the Cove Shopping Center parking lot.

Kris Mory, CRA Coordinator, said that the main portion of the plaza was completed in October and the CRA has been funding the maintenance since that time. When the budget was created last year, \$5,000 was set aside for maintenance, but was unsure as to how much was needed. There is not enough money in that line item to continue maintenance; thus, funds will be depleted by the end of June or beginning of July. She outlined the services that the outside vendor provides; but not trash removal, tree

**GENERAL ITEMS - CONTINUED**

trimming, nothing beyond their limited scope of landscape maintenance. She said that fertilizer is not included; however, mulching, or sidewalk pressure washing is recommended once per year. The service is \$450 per service. During the winter, the services were infrequent because grass does not grow as quickly. Now that it is warmer and there is more water, Parks & Recreation has recommended a 9 to 10 day service cycle. Therefore, to complete the fiscal year with the current contractor, will cost an additional \$7200 because of the summer.

Continuing, Ms. Mory said that this initiated discussion for future maintenance of the project. Although State Statute requires CRA's to turn projects over to the City at the end, this project is done now. She asked for direction on future maintenance of the project as well as through the remaining fiscal year. Ms. Mory provided various alternatives for maintenance:

Model 1 - CRA continue to pay; the Board would take action and authorize balance transfer from another line item. Ms. Mory referenced a draft budget based on the expertise of the Parks Department and not outside bidders. The item included in an annual budget would be \$80,000; but does not include funding for someone to manage the maintenance scheduling, bidding, procurement, etc; that would be an additional expense.

Model 2 - Turn the project over to the City entirely;

Model 3 - Cost sharing arrangement with private property owners who benefit from the plaza. She said that the owners have expressed their satisfaction of the parking lot and said that it might be feasible for them to take responsibility for maintenance. That option can be accomplished by several different models, a special assessment, business improvement district which is a special district that would be set up and then define the purpose. She explained what a business improvement district can do; who contributes to the fund decide what to do with the money.

Chair Noland asked if the businesses in the shopping center would do the business improvement district.

Ms. Mory replied yes. Additionally, they would not all have to agree, 51% would have to agree.

Mr. Popelsky asked if there has been a calculation as to how to pay and how many businesses/property owners are in the Cove.

Ms. Mory replied that there are approximately 140 businesses, but there are 27 property owners.

Mr. Popelsky said that since the maintenance is roughly \$79,000 that could be picked up by the business owners.

**GENERAL ITEMS - CONTINUED**

Ms. Mory said that she researched this last year because many businesses approached her about group marketing; which led to her research on business improvement districts. At a Coral Gables seminar, she learned about business improvement districts; which they originally implemented for centralized valet services. She explained that the parking problem was alleviated and since the bid was approved, by 200 property owners, it has expanded its scope and now includes group marketing and sponsorship of special events.

Mr. Popelsky asked if it is likely that 51% of the owners will agree to more taxes, or assessment.

Ms. Mory said that this is not a tax, it is a maintenance fee. She said it is not just for maintenance, but other things that the businesses were asking for.

Mr. Popelsky suggested parking meters.

Ms. Mory said that parking meters would be under the City scenario because the City would enjoy the revenue from the meters, but the revenue has not been researched.

Mr. Popelsky commented on a tile company that wants to build on Sample Road, who volunteered to give \$5,000 toward the Sample Road improvement area for negotiation. He suggested looking into this alternative.

Ms. Mory said that she also researched common area maintenance (CAM) which is used by other shopping plazas or industrial buildings and is charged to its tenants for taxes, insurance, landscaping, roof repairs; anything that is a common area and benefits all the tenants. She said that CAM for retail is approximately \$13 - \$15 per square foot. In the Cove, it is zero per square foot. The rents of comparable areas, LA Fitness, Hillsboro Common Shopping Center is \$15 - \$18 per square foot. In the Cove, rental rates are between \$10 - \$12 per square foot.

Vice Chair Ganz asked how the CRA would be able to continue maintenance if it is required to turn this over.

Ms. Mory replied that at 2029, the CRA could not.

Vice Chair Ganz said that 27 owners based on \$79,000 - \$80,000 per year, is \$246.91 per month. He said he is not sure how you can break down costs based on square footage. The Deerfield Mall has a CAM and if the owner says you pay, then it is structured in the lease. He said that the City does not receive income from the two (2) parking lots that it owns and need to get out of. Notwithstanding, the parking lot in the CRA has worked out to the City's advantage because they have been able to invest funding to improve it and encourage the businesses to do better and increase occupancy. However, he does not believe it is right for the City to incur the maintenance fee; because we already have the liability and maintenance. He expressed concern with the owners taking on full maintenance of the parking lot. If it

**GENERAL ITEMS - CONTINUED**

was a partial maintenance, the City and the owners have to come to a consensus which would not be an easy road. He expressed support for possibly a CAM, district, or maintenance schedule.

Mr. Preston spoke in opposition of meters being a part of the scenario. The residents currently pay when they go to the beach; therefore he is not in favor of them paying at the Cove. This is another way of nickeling and diming the public. He suggested an assessment of a certain amount to cover the maintenance. Other than that, the tax payers are picking up part of it.

In response to Mr. Miller's question, Ms. Mory replied that if a CAM were done through a business improvement district, when the district is formed, you can stipulate how the business improvement district operates and who could control it.

Mr. Miller commented on the various forms of maintenance that could be utilized, i.e. twice a month or four (4) times per month. He suggested looking at various options for the maintenance, to include parking meters. As he believes in user fees, and would examine the pros and cons of both systems; however, not to penalize the businesses if there was some way to grant an hour free for a haircut or type of service without penalty.

Burgess Hanson, City Manager, said that he is opposed to pay and display or parking meters, as it is difficult to enforce. Additionally, there are upfront costs, and enforcement takes away from the revenue as well as equipment maintenance. Notwithstanding, someone has to pick up cash, which creates a safety issue. Lastly, when you go to court, you get very little back.

Andrew Maurodis, City Attorney, said you have to pay \$10 for every case filing.

Mr. Hanson continued to outline reasons for opposing the pay and display/meters. He said that he would like a guaranteed flow of revenue to cover the cost. Furthermore, the businesses are benefiting from the parking lot and should pay their portion.

Chair Noland asked what the cost is if the City decided to do a special assessment.

Mr. Maurodis explained that the initial costs would be higher. Then there would be annual costs. Also, the assessment has to be prepared at the beginning, and provide for the formula for assessing to show a special benefit which could be done. Nor would you be able to assess for 100%. At the beginning, there would be attorney's fees, expert fees resulting in startup costs of \$20,000 or \$30,000, then the annual cost. Consequently, you can try to get on the tax rolls to get the rate of collection high, but there are costs in that; which is fairly high comparable to the amount assessed. He reiterated not being able to do 100% and additional fees. Once done, the annual fees will be less on an annual basis. He said if you do something like fire assessment, each year a resolution is done.

**GENERAL ITEMS - CONTINUED**

Mr. Hanson said that he does not believe that the resolution is necessary and you may not have to do it every year. Currently, with the fire assessment fee it is being done because there are so many turnovers with business that the City wants to capture the full amount of square footage. In the Cove, that may not be necessary every year because there is better knowledge of square footage and the turnover.

Chair Noland said that the special assessment would be the way to go because residents use the area for various events and you could not do 100%. She said that it would be an annual assessment so that the next commission would not have to worry about that.

Mr. Maurodis said that you would have to do the assessment resolution annually.

Chair Noland asked if it will increase in price.

Mr. Miller said it depends on inflation.

Mr. Maurodis said if you want to explore then we can come back with the methodology.

Chair Noland asked for scenarios on the special assessment, pay and display, but to leave the 2 hour perimeter in front of the businesses. She also commented on the owners not agreeing to a CAM or business district. Lastly, Chair Noland said it would be best to receive prices to include all the caveats that would apply.

Mr. Hanson said that he will look at parking enforcement and meters, and determine the revenue we may be able to receive. He said that he will reach out to people that do the fire assessment.

Ms. Mory said the next meeting is May 8<sup>th</sup>.

Mr. Hanson said we may not have all the information by then and may have to schedule a special meeting to discuss.

Chair Noland said she has no objection with an additional \$7,900 to make it until June. As the Board will not be able to make a decision quick enough to come up with those funds; therefore, the Board should allocate those funds to keep maintaining the area at the current level.

Vice Chair Ganz said that this is not to discourage businesses over there, but they are using the City's lot and it needs to be fair; besides the west does not have the benefit of the CRA. He commented on the shopping centers that have to pay a CAM, the square footage prices, and the other luxuries that the Cove owners partake of. Therefore, this is about being fair and it is not fair for the Board to put it on the City to continue to pay.

Chair Noland said that this has been going on for years.

**GENERAL ITEMS - CONTINUED**

Mr. Maurodis said that the assessment would be from the City.

Chair Noland said that they have a beautiful shopping center and believes it will be a special assessment because of the number of businesses that participated in the façade improvement. She said that the CAM will be a hard sell and although the assessment would cost a few dollars up front, it would be done.

Mr. Miller said that the least he would not like to see are the old meters, and to examine all the options.

Vice Chair Ganz said that the alternative is that the City gets out of the parking lot business and sell the lot to a private entity. He asked if that is possible.

Mr. Maurodis said you can vacate it and it goes back to the property owner.

Mr. Popelsky said that Century Village is in a situation now that in 2018, the 50 year lease is due. They have to decide on what to do with the common property; it's the same thing. He suggested giving it back to them. He commented on the lake in Crystal Lake, with the City being deeded to it, and not having to insure it. However, if they do not want the property back, then they will come up with the square footage which is the most equitable way and does not burden the rest of the City. He reminded that the owners will pass any costs to the tenants; notwithstanding, some have re-signed a five (5) year lease which include special stipulations. He spoke in favor of square footage as some will pay less than \$2,000 per year.

Ms. Mory said that it is 174,000 square feet of real estate; thus, the CAM would be less than 50 cents per square foot.

Mr. Miller said that you will need at least \$7,000 a month.

Mr. Popelsky said it should be based on square footage.

Chair Noland clarified that she wants to look into a special assessment.

Mr. Hanson said that starting in the near future, pay and display will be along Ocean Way, even though they may not be going with the design yet. There will be a lot of extra meters, resulting in a cost savings, if the Board decided to go that route instead of purchasing pay and display meters.

Mr. Miller commented on signs at the north pavilion that are too small and is difficult to read from the car.

**PUBLIC INPUT****DIGITAL TIME STAMP: 7:54:39**

North Pavilion - Rita Masi, 19<sup>th</sup> Avenue, Deerfield Beach, said that there is a severe problem at the north pavilion; the ADA is not sufficient. When people pull up to go to

**PUBLIC INPUT - CONTINUED**

the beach, they use this area because it is easy to unload their cars and therefore block it so you cannot get out of the pavilion. It's only the one area where it is ADA accessible; thus, two (2) or three (3) are needed. Additionally, she said that there are a lot of senior citizens that would be glad to volunteer to check the meters and issue tickets if they are placed in the Cove.

Burgess Hanson, City Manager, said that he looked into that, but it is very complicated. He referenced issues with drivers who have disabled placards; you are allowed to park 4 hours and enforcement will chalk their tires on the inside and the drivers will wipe the chalk off.

In response to Ms. Masi's comment about Citizens on Patrol, Mr. Hanson said that they do not have any enforcement authority, they contact a BSO Deputy and they respond. To hand out a parking ticket, you have to go through a process.

Lastly, Ms. Masi reiterated the problem at the north pavilion and the accessibility.

Sullivan Park - Marge Hilton, 1101 SE 5<sup>th</sup> Court, Deerfield beach, said that she is a part of the Cove Neighborhood Watch and there was information from the City asking for input on Sullivan Park. She asked if the input would be shared.

Keven Klopp, CRA Director, said that the Cove neighborhood has started a crime watch and their most recent meeting was held at the Chamber of Commerce wherein he asked Michelle Wayne, Crime Watcher, to ask people to look at the property. He said that the suggestion, he does not believe, was carried out and he has not received any input from anyone. He welcomed input from anyone on ideas for Sullivan Park.

Ms. Hilton said she was told that someone sent it through e-mail.

**ADJOURNMENT**

There being no further business, the meeting adjourned at 7:59 p.m.

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PEGGY NOLAND, CRA CHAIR

ATTEST:

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ADA GRAHAM-JOHNSON, MMC, CITY CLERK