

**LAKE WORTH COMMUNITY REDEVELOPMENT AGENCY
REGULAR MEETING
CITY COMMISSION MEETING ROOM
TUESDAY, JANUARY 22, 2008
6:00 P.M.**

I. ROLL CALL:

The Chair called the meeting to order at 6:02 p.m. on the above date in the Commission Chamber located at City Hall, 7 North Dixie Highway, Lake Worth, Florida.

Present were CRA Members Brendan Lynch, Matt Constantine, Matt Tompkins, Mark Rickards & Shanon Materio.

Also present was CRA Director, Joan Oliva

II. APPROVAL OF MINUTES:

- a. December 11, 2007
- b. December 20, 2007
- c. January 8, 2008

Action: Motion was made by Mr. Constantine to accept the minutes of December 11, 2007, December 20, 2007 and January 8, 2008 seconded by Mr. Lynch.

Vote: All Ayes

III. AGENDA – ADDITIONS/DELETIONS/REORDERING:

Action: Motion was made by Mr. Lynch to accept the agenda as written seconded by Mr. Constantine.

Vote: All Ayes

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

V. CONSENT AGENDA:

- a. Pledge of Allegiance- Request by Chairman to add the Pledge of Allegiance to the meetings

Action: Motion was made by Mr. Lynch to approve the consent agenda seconded by Mr. Constantine.

Vote: All Ayes

Mark Rickards entered into the meeting at 6:03 pm.

VI. PRESENTATIONS:

Each presentation will last 30 minutes followed by a 15 minute question and answer for each.

The CRA Board hired Robert P. Franke & Associates to prepare a Request For Proposals (RFP) for the subject site on August 29, 2007. Mr. Franke provided an approved RFP package for publication within 35 days. This was completed with the publication of the RFP on October 14, 2007. The RFP had a 30 day turn-around for responses (November 15, 2007). The two respondents will be making presentations to the CRA Board tonight. Mr. Franke stated that Pinnacle Housing Group, LLC made a request to withdraw from consideration.

The RFP process, approved by the CRA Board, included an initial submittal by interested proposers; as well as a request for additional information for short-listed proposers.

A Selection Committee was established to review submitted information, with the following participants:

1. Robert P. Franke (Consultant)
2. Chris Dabros (CRA Staff)
3. Sharon Jackson (PZHP Director)- only attended 1st meeting
4. Jamie Foremen (PZHP Board Member)
5. Ed Grimm (LWCDC Board Chairman)
6. Mike McManaman (City Purchasing)

The Selection Committee met three times, with the last two meetings publicly noticed. This first meeting was not noticed and no action resulted from that; however, it was determined that they should be open meetings, therefore the committee met formally, two additional times.

A copy of the selection committee's scores is available at the CRA office.

Considering the financial commitment to the property owner for a purchase price of \$1,800,000; as well as incentives to the property owner of approximately \$200,000; it is imperative for the CRA Board to consider the additional requests for CRA assistance in the project. The CRA Board must also realize the impact its contribution will have on the City of Lake Worth.

Each firm proposes a development with a final construction valuation of approximately \$12.5 million. How soon this project gets on the tax rolls should also be considered by the CRA Board. All proposers will complete their project in 2010.

Table 1. Brief Project Comparison

	Development Firms		
	Pinnacle	Housing Trust	Southport
Purchase Price	\$1,017,500	\$1,850,000	\$2,000,000
Requested Funding - Local Government Match	\$200,000	\$375,000	\$0
Housing Units	55 6 - 1 Bdrm 32 - 2 Bdrm 17 - 3 Bdrm	52 13 - 1 Bdrm 25 - 2 Bdrm 14 - 3 Bdrm	52 12 - 1 Bdrm 31 - 2 Bdrm 9 - 3 Bdrm
Maximum Net Rent	1 Bdrm: \$261 - \$647 2 Bdrm: \$314 - \$778 3 Bdrm: \$356 - \$892	1 Bdrm: \$286 - \$672 2 Bdrm: \$332 - \$796 3 Bdrm: \$386 - \$922	1 Bdrm: \$287 - \$650 2 Bdrm: \$340 - \$777 3 Bdrm: \$387 - \$891
Project Value	\$12,368,921	\$12,591,814	\$12,324,759
Project Timetable: Begin Construction	July 2009	February 2009	January 2009
Project Timetable: Completion	July 2010	February 2010	January 2010

The Housing Trust Group is the only firm proposing services to its residents for things such as:

- Homeownership program: five percent of rent is provided to tenants who go on to purchase a home.
- Tenant association
- Health and nutrition classes
- Financial counseling
- Literacy training
- On-site management

Because of this commitment to the tenants of the complex and the aesthetically pleasing architecture; as well as the other items identified in the ranking criteria, the Consultant would recommend the Housing Trust Group for development of the project.

a. Housing Trust Group

Randy Rieger with Housing Trust gave a brief power point presentation. Mr. Reaker introduced Mr. Shawn Wilson with Housing Trust Group. Gateway Commons Site Plan includes:

- 4,000 sq. ft. commercial facility with 8 residential units above it
- 44 unit 3 story facility with a breeze way
- Preserving the alley
- Noise mitigation
- Green elements

Residents will be selected based on their income, credit background check and prior rental history.

CRA Board made the following comments:

- Full working drawings will not appear until the final approval of the housing credits
- Housing Trust would re-apply in the 2009 round if they were not successful with the housing credits in 2008. The other alternative would be to get a bond deal.
- There is only one gate on the south side
- Card readers are provided for people entering the development
- Soft impact glass to bounce sound off of windows
- Neighborhood commercial zoning
- Cost of building from foundation up is at \$135 a sq. ft.
- Total sq. footage of building over 50, 0000

b. Pinnacle Housing Group, LLC (Withdrew)

c. Southport Financial Services, Inc.

Scott Secongerr with Southport Financial gave a brief overview of Southport Financial Services. Mr. Szerdi of the Living Designs Group gave a brief power point presentation on the project. The site plan for City Commons includes:

- 52 units multi family
- Mixed use
- 2- 11 unit structures (2 story)
- 5 structures- allowing more natural light and ventilation
- 4800 sq. ft. commercial space
- Predominately 2 bedroom
- 12- 1 bedroom units located on 6th Avenue South
- Multi zoned parking lot
- Building will be a concrete structure

CRA Board made the following comments:

- Each unit will get a balcony
- Pool located to the southern end
- Southernmost structures are down to 2 stories
- Pavilion area

- 31 of the units are 850 sq. ft.
- No play ground
- 8,000 sq. ft. of common interior courtyard space
- Rents are not charged on a per square foot basis
- This developer has not built anything in South Florida
- 24 hour on site management

VII. ACTION AGENDA:

a. Authorize Executive Director to enter into a development agreement with the first ranked proposer for 1105 6th Avenue South

Staff stated that the carrying costs on the Pugh Property for the CRA are approximately \$14,900 a month.

Mrs. Materio stated that she liked the first project better than the second. The first project included amenities and one entrance into the development which offers security.

Mr. Franke stated that both site plans present issues for access onto 6th Avenue South. There is no median to prevent west bound turns. These issues would need to be addressed during the site plan approval process.

Mr. Franke recommended that we go on with the selection committee and do a financial and background check on each respondent prior to signing the development agreement.

Mr. Franke stated that we are under contract with the property owner to carry the option to term. If a development agreement is signed prior to the option expiring then we can add language into the agreement that acknowledges the fact that this project will be funded in part through tax credit financing.

Housing Trust Group stated that they are submitting 6 applications for tax credits. Southport stated that they are submitting 22 applications, 3 of them in Palm Beach County.

Legal council stated that in the event that the developer does not perform as agreed you would include the right to repurchase in the agreement. The final agreement should come back before the Board for final approval.

Mary Lindsay- I live on 401 North B Street across from Southport's Project and they have been very good. My concern with these projects is they are both school areas and there are 5 schools within a mile their may be an issue with traffic and there should be an onsite manager that lives there. Third party management makes me very nervous.

Action: Motion was made by Mr. Constantine to authorize the Executive Director to enter into negotiations to create a development agreement with Housing Trust Group for 1105 6th Avenue South seconded by Mr. Rickards.

Action (Amended): Motion was made by Mr. Constantine to authorize the Executive Director to enter into negotiations to create a development agreement with Housing Trust Group for 1105 6th Avenue South consistent with the proposal that has been submitted to include the submittal of financials for the Executive Director and Board's review and any other information that is necessary to consider the agreement.

Vote: 4 Ayes 1 Nay

VIII. EXECUTIVE DIRECTOR'S REPORT:

The Board authorized staff to draft a memo to the City Clerk and City Commission making them aware that the CRA Board has two vacancies and that the City Clerk can begin interviewing.

VIII. BOARD MEMBERS' COMMENTS:

Brendan Lynch- This project is a lot of work. Thanked everyone for taking the time to read these lengthy documents. Although I am opposed to this I am on board with the whole. I will back the decision of the group but I am tired of us being the crutch for the County and enabling them by adding more units.

Shanon Materio- Thanked everyone on the Board for their ability to ask good questions and showing major concerns about spending tax payers' money.

Matt Constantine- Very difficult decision. We need to keep a really close eye on this project. To date our affordable housing expenditures have been lacking this can be a pretty big bang for our buck.

Mark Rickards- No comment.

Matt Tompkins- Thanked everyone for voting to put the pledge of allegiance on the agenda. We have a lot of different projects, but we have not spent any of our affordable housing money. I think that this is one of the prongs of our redevelopment plan. We need to start finding ways to bring jobs into town.

IX. ADJOURNMENT:

Meeting adjourned at 8:40 p.m.

Minutes Approved 2/26/08



Matt Tompkins
Chair, CRA Board



Emilia Theodossakos
Recording Secretary