

**LAKE WORTH COMMUNITY REDEVELOPMENT AGENCY
WORKSHOP MEETING
LAKE WORTH CITY HALL
CONFERENCE ROOM
TUESDAY JULY 28, 2009
6:00 P.M.**

I. ROLL CALL:

The Chair called the meeting to order at 6:01 p.m. on the above date in the Lake Worth City Hall Conference Room.

Present were CRA Members Mark Rickards, Donna Ross, Shanon Materio, Wes Blackman, Wayne Marcinkoski & Ed Grimm

Also present was CRA Director, Joan Oliva.

II. PLEDGE OF ALLEGIANCE:

III. PRESENTATIONS:

a. Corner Stone Christian Academy- 230 South Dixie Highway

Next month representatives from Cornerstone Christian Academy will be presenting to the City of Lake Worth Planning & Zoning Board to request a special land use designation and variance. Cornerstone Christian Academy is a private school which expects to occupy the office building located at 230 South Dixie Highway. This building, which is currently underutilized, will house up to 60 students and staff members. The occupancy of the building will provide an exciting opportunity for residents and other nearby businesses. The school expects to expedite building permitting with the City in order to be open for the coming school year. Cornerstone Christian Academy will only be leasing the property and therefore the property is not expected to qualify for tax exempt status.

Representatives from Jon E. Schmidt & Associates (planning firm) will be at the CRA Board meeting to explain the special land use and variance requests. The CRA Board is being given the opportunity to provide any additional questions, comments or concerns before this request is presented to the Planning & Zoning Board. Chris Barry with John Schmidt and Associates gave the presentation to the CRA Board.

Chris stated the following:

- The exterior will not be changed in terms of the structure
- We will have to change some of the existing parking and add a play area for the school
- A use approval and variances for the play area for the 60 students and a variance for the landscape
- They will be going before the P & Z Board on August 5th to discuss these requests
- The interior of the building will not change. Due to budget constraints there are minor changes to make to be in compliance with Code.

CRA Board made the following questions and comments:

Questions were answered by Socrates Maradiaga, the Principal and Willin Amador, the administrator.

- The school currently exists and is located in Greenacres and has approximately 25 students. Most of the students come from Lake Worth. Parents pick up and drop off students they are not bussed. Students take one field trip a month.
- The parking in the back is at a 90 degree we have tried to angle it to force traffic to head northbound on the alley so that it will be a one way traffic pattern off of 3rd Avenue. The backup will be in the alley not on the main road.
- The age of the students go up to 16 years of age.
- The school is non denominational. This is a private school.
- The parking requirement varies on the age of the children. There will be a total of

14 spaces. No high school students will drive to school. No students are close enough to ride bicycles.

- The lease is a ten year lease.
- Chair stated that traditionally whenever someone is seeking P&Z approval or City Commission approval as a courtesy planning firms come before the Board to ask for input or suggestions and take it to the proper Board.
- The main entrance for the students is the side door. The children will be supervised constantly.
- Chris stated that they have not spoken with the property owners yet but they will be speaking with them to see how often they access that alleyway.
- Mr. Marcinkoski stated that the play area should have more shade.

Staff did not recommend talking about this project outside of a meeting with other Board Members due to the sunshine law.

b. Burkhardt Construction- 10th Avenue North Update

Vince Burkhardt with Burkhardt Construction came before the Board to give an update on the 10th Avenue Project. **Mr. Burkhardt stated the following:**

- Underground utility system is complete.
- The installation of the concrete curb with gutters and sidewalk is 95% complete on both sides of the street.
- The balance of the work will be completed when utility poles are removed.
- Sidewalk pavers are 80% complete at the corner features.
- All of the street lights are in.
- All power lines are off of the poles west of the FEC tracks and the power lines to the east of the FEC tracks will be coming down in the next two weeks.
- Irrigation is 70% complete.
- Root barriers and tree grates have been installed. Live Oaks will be installed the 3rd week of August.
- All of the street furniture is here.
- We have adjusted the size of the Live Oaks; they will be bigger than the ones on 6th Avenue.
- Medians have not yet been completed. The milling and finishing of the asphalt and the installation of the pavers at the cross walks and the intersections have yet to be completed.
- Road signage and street furniture will be installed as we come closer to the completion of the project.
- The mast arms will have cameras but they will not catch red right runners or speeders these cameras are used for vehicle detection to give us a left turn arrow. We intend to finish by the end of the year.
- If the trees are installed during hurricane season and they are damaged they will be replaced.
- Burkhardt has been in direct contact with the Principal from Highland Elementary School regarding the A Street signal.
- Burkhardt has not contacted the owner of the Circle K to put bollards up.

The Board complimented Burkhardt Construction on a job well done and project well managed.

IV. DISCUSSION AGENDA:

a. Budget FY 2009-2010

The calculation of ad valorem property tax revenue is dependent on two components, the assessed value of property in the district, and the millage rate. For the 2009/2010 fiscal year, both of these components have been significantly impacted. According to the Palm Beach County Property Appraiser's Office, the estimate of taxable value is 38% lower

than the previous year. This will result in a decrease in the tax revenue the CRA receives from both the City and the County. In addition, the City's decision to contract with Palm Beach Fire Rescue, exempt the County MSTU from paying into the redevelopment fund, and reduce the City's millage rate, will further reduce the amount of revenue the CRA receives from the City. The estimates for the County and City share of TIF revenues are based on estimates prepared by the City Finance Department. Once a final millage rate is determined these numbers may change.

Loan proceeds are no longer a component of the budget because the remaining funds have been appropriated to the Capital Project Fund for the Gateway project.

The proposed sources of funding for fiscal year 2009/10 budget are comprised of TIF funds, interest earnings, and a City "supplement" of \$500K and a portion of the unreserved fund balance needed for budget stabilization. The City supplement was discussed in February 2009. At the time, the City was formalizing the agreement with Palm Beach County for fire rescue services. The plan presented to the Board by the City's Finance Director included a provision to provide additional City funds to the CRA to partially offset the reduction in City millage and make the new plan "revenue neutral" to the CRA. In order to fund programs and projects that were a priority to both the Commission and Board, Staff has budgeted \$500K in revenues from the City and another \$1M from fund balance. If no supplement is given to the CRA, substantial cuts in programs and capital projects will be necessary.

Personnel costs are projected to decrease \$100K. This savings is realized because the intern position was not filled this current year and will be eliminated this next fiscal year. Also, a management position that was included and funded these past two years will not be filled. The CRA will continue to manage projects and programs with the current level of staffing. Regarding the rest of the administration and operating line items we made cuts wherever it was possible.

Regarding programs in fiscal year 08/09, \$340K was budgeted for Police Services. This line item was reduced to \$100K after the City contracted police services with the Palm Beach Sheriff's Office. The CRA funded a full-time Sheriff Deputy, assigned to the CRA district vs. paying overtime to the Lake Worth Police Department, as was the standard practice in prior years. During the current fiscal year, the CRA Deputy provided continual police protection to the CRA district, attended special events including Bike Night and Evening on the Avenues, orchestrated a children's bicycle rodeo and met with residents and businesses in the district offering advice and information. Having a Deputy assigned to the CRA district has certainly served the area in many positive ways. Due to the substantial decrease in CRA revenue and the overall coverage provided by the Sheriff's Department in the City, Staff is not recommending funding this position at this time.

The Code Compliance Officer remains in the 09/10 budget. The services provided by the officer continue to be of great value to the CRA in our redevelopment efforts, especially the Cultural Redevelopment Program.

The Professional Services (streetscape) line contains approximate charges for the many streetscape-related charges the CRA will incur. These include litter control, landscaping and pressure cleaning for areas currently maintained by the CRA such as 6th Avenue South and Lake and Lucerne and for future areas such as 10th Avenue North and the Dixie Highway parking lot. Costs for these services will increase from \$142K to \$215K. Staff has met with the City Public Works Department on several occasions regarding streetscape maintenance. By having the City grounds maintenance crew provides the services we currently bid out to private contractors, we will not only save money but also have a dedicated in-house staff that can provide service quickly and in accordance with City landscaping guidelines.

The Property Management line increases by \$2700, from \$6800 to \$9500 and includes the FEC annual maintenance fee for 10th Avenue North and some funding for the CRA office.

The Utility line item includes costs related to CRA capital projects. These include 6th Avenue South, 10th Avenue North, and the community garden at 6th Ave. North and downtown lots. This year some utility costs for the 812 parking lot are included. The budgeted amount totals \$75,300, an increase of \$19,400.

Patrons Attraction decreases from \$44K to \$30K. During the 08/09 fiscal year, an additional \$15K was added to the Patrons Attraction line item due to numerous applicants seeking funding. A total of \$59K was spent on the funding of events, including Evening on the Avenues, the Street Painting Festival, Bike Night and others.

Economic Development will increase from \$100K to \$200K. This line item could be used to fund programs developed to address two of the top five priorities the CRA Board and Commission identified earlier this year. These include Entrepreneurial Development/Job Creation and TCRPC Master Plan Implementation.

The line item previously titled Commercial Façade is now called Commercial/ Retail Attraction. This line item increased from \$120K to \$350K to fund another identified priority: Downtown Grocery Store/ Retail Attraction.

The Housing line item decreases from \$300K to \$100K. Residential rehabilitation was ranked #11 on the list of priorities by the Board and City Commission. In addition, the Cultural Redevelopment Program will be used to address housing as well as commercial needs as part of the revitalization of the area. However, Staff recommends providing funding for income qualified homeowners in need of basic repairs and to address code violations with the understanding that a revised program would need development and additional funds sought from other sources.

Transportation, which could include partial funding for a trolley or other enhancements increased from \$80K to \$100K. Some of this line item will be needed to pay for any improvements done in the FEC right-of-way on 10th Avenue.

Land decreases from \$500K to \$60K and could be used for park development, especially in the target area. The majority of land acquisition costs will be realized in concert with the Cultural Redevelopment Program and are therefore listed in that department.

The line item titled Traffic Calming is now called Traffic Calming/Corridor Improvements to address the #7 priority identified by the Board and Commission. It includes \$50K of funding.

Gateway Enhancements decreased from \$250K to \$50K. Funding was included in this line item to cover any unforeseen costs that may be incurred before the end of the calendar year and project completion. It is a precautionary measure and if not needed, funds can be allocated elsewhere.

Transportation Enhancement increases slightly from \$40K to \$50K to cover the costs of implementing the Bicycle Network Plan.

The Tax Increment Rebate line item includes funding for the annual payment owed to the Lucerne per the Agreement dated May 2004.

A Maintenance line item was added last year so the Agency could set aside funds in

anticipation of rising maintenance costs that may occur in the future due to capital projects undertaken by the Board. This year \$25K of additional funds were set aside.

The Cultural Redevelopment Program was ranked as the top priority for the Board and Commission. A total of \$700K was allocated to this program. It includes funding for program management, land acquisition, rehabilitation, marketing, and incentives.

Current and projected future funding for this program was used as a partial leverage commitment for the Neighborhood Stabilization Program application. If all of the funding allocated to this department is not used in FY 08/09, the remaining budget should be re-appropriated in FY 09/10 so that funding can be used towards the revitalization of the Target area.

The CRA was issued a loan in 2005 for \$8M. According to the loan agreement, proceeds are restricted to capital projects, including transportation improvements, underground electric utilities, water and sewer utilities, storm drainage, and lighting and landscaping in connection with the beautification of 6th Avenue South and 10th Avenue North. The annual debt service payment is approx. \$960K. To ensure payment in future years, Finance recommended the CRA set aside one-third of the total annual payment, or \$320K per year for the next three years, as a fund balance reserve.

By using a portion of the unreserved fund balance this year for budget stabilization and creating a reserve to meet debt service payments, the remaining fund balance total is approximately \$575K. The Government Finance Officers Association recommends a 5-15% reserve in fund balance. The budget, as developed by Staff, will result in a 15% fund balance reserve.

Staff stated that the CRA has to pay their own utility costs. Staff stated that we are not including any contribution from the City in the current draft budget. Staff stated that Publix is looking at different sites within the City to build they will probably come before the CRA Board to request an incentive. The budget needs to be approved by the CRA Board by August and then brought before City Commission.

Mr. Marcinkoski requested that we come up with a line item to show what we have spent from the budget thus far. Staff stated that the alleyway grant that was given to the City came out of last year's budget and they are in the process of beginning the alleys in the next few weeks. The 95K you see before you has not been spent. Staff stated that the official loss in property value within the CRA district is 37.7% and the City overall is at 24%. Staff stated that she is waiting for cost from the City Horticulturist on additional landscape for 10th Avenue and A Street. Staff stated that Hammon Park did win the grant and they are still deciding if they are going to move forward or not with the project. Mr. Marcinkoski questioned if we will have enough funding to pay the consultants for the Cultural Redevelopment Plan. Staff stated that this will be a policy decision for the Board. Hands on Consulting will be coming before the Board to give an update. Staff stated that if the Board decides to cancel the contract with Hands on Consulting then we will need to find other leverage for NSP-2. Board reached consensus to workshop the Cultural Redevelopment Program. Mrs. Materio stated that Hands On should have been at every meeting giving updates. Staff stated that property management covers the FEC license agreement that we have to pay because the City has taken control of 10th Avenue North.

Chair stated that we must reach general consensus on the comments we have already provided to staff and further carve out where they need to come from.

Rene Varella- The Commission has made it clear that these economics times are tough especially for the CRA. It's noble of you to honor the agreements that you have with the City. Leverage these agreements for the supplement.

Herman Robinson- I want to complement the Board with the way they consider the importance of what it is that you are doing.

Ms. Ross stated that we need to touch on the administrative line item. Staff stated that the lease for the office is a 5 year lease. Staff stated that the training line item is specifically for conferences that are attended. The CRA office only went to the FRA this year. Staff stated that we pay the City 25K because they handle all of our finances and procurement. Mr. Marcinkoski would like legal counsel having to attend the workshop meetings removed from our bylaws.

Mrs. Materio stated that the parking lot is a big ticket item. Staff stated that in FY 07/08 we budgeted 400K for Dixie Hwy. However capital items are supposed to carry over however there is an ongoing debate as to why the money did not carry over. Mr. Marcinkoski requested that we look into hiring an outside company. The Board did state that the ranking of the priorities may not be accurate because everyone had a difference in priority. The City has yet to give us an answer on the supplement. Mr. Marcinkoski suggested that Staff call each Commissioner so that they understand our budget and get feedback.

The Board made the following comments:

- This budget is based on receiving the supplement from the City
- Cut the 100K from Economic Development
- Postpone the construction of the Dixie Highway Parking Lot and pull the \$100,000 from the alleyways
- We need to have a meeting to discuss if we do not complete the parking lot project this FY or next.

V. EXECUTIVE DIRECTOR'S REPORT:

Hands on Consulting gave an update at the last City Commission meeting. He will be presenting at our next CRA meeting. The Board reached a general consensus to have a workshop meeting to discuss the Cultural Redevelopment Program.

VI. BOARD MEMBER COMMENTS:

Shanon Materio- No comment.

Wes Blackman- No comment.

Wayne Marcinkoski- I need information on money that we have spent this FY.

Donna Ross- No comment.

Mark Rickards- No comment.

VIII. ADJOURNMENT:

Meeting adjourned at 8:36 p.m.

Minutes Approved 8-25-2009



Mark Rickards
Chair, CRA Board



Emilia Theodossakos
Recording Secretary