

**LAKE WORTH COMMUNITY REDEVELOPMENT AGENCY  
REGULAR MEETING  
LAKE WORTH CITY HALL COMMISSION CHAMBERS  
TUESDAY, NOVEMBER 10, 2009  
6:00 P.M.**

**I. ROLL CALL:**

The Recording Secretary called the meeting to order at 6:00 p.m. on the above date in the Commission Chambers located at 7 North Dixie Highway, Lake Worth, Florida.

Present were CRA Members Peter Meyerhoefer, Andy Amoroso, Donna Ross, Ed Grimm, Jessica Rockstein, Cary Sabol & Michael Hyde.

Also present was CRA Director, Joan Oliva

**II. PLEDGE OF ALLEGIANCE:**

**III. APPROVAL OF MINUTES:**

**a. September 22, 2009**

**Action:** Motion was made by Mr. Hyde to adopt the minutes from September 22, 2009 seconded by Mr. Sabol.

**Vote:** All Ayes

**IV. AGENDA – ADDITIONS/DELETIONS/REORDERING:**

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

**VI. PRESENTATIONS:**

- a. Board Member Plaque- Wayne Marcinkoski**
- b. Board Member Plaque- Shanon Materio**
- c. Board Member Plaque- Brendan Lynch**

Chair presented each previous CRA Board member with a plaque for service.

**VII. ACTION:**

**a. Lucerne-Consent to Assignment of Agency Payment for the Lucerne**

On May 25, 2004, the CRA entered into an Agreement for Redevelopment of Property with the Lucerne, LLC for the development of a property located on Lake Avenue between "L" and "M" Streets (the "Agreement"). Pursuant to the Agreement, the property was to be developed as a mixed-use project consisting of eighty residential units, approximately 5,000 square feet of ground floor commercial space and a structured parking garage.

In June, 2007, the project was completed, and the improvements constructed by the Lucerne, LLC, were placed on the property tax roll. Pursuant to the Agreement, once the project was completed, the CRA was obligated to pay the Developer up to ten annual

payments equal to the actual increment revenues attributable to the project. The ten annual payments are to be made until the total amount of payments made by the Agency totals \$1.2M. As of the date of this memorandum, the CRA has paid approximately \$361,000. A purchase agreement between the Lucerne, LLC and Sonoma Capital was executed in May 2009. Pursuant to the purchase agreement, the Lucerne, LLC sold its interest in its right to the annual Agency payments to Sonoma Capital, LLC. Pursuant to Article 15, of the Agreement between the Lucerne and the CRA, the Lucerne, LLC has the right to sell, convey or assign any or all rights, title, interest or obligation in and to the Project with the prior written consent of the CRA. In the event of any sale, conveyance or assignment of any portion of the Agreement by the Developer, the assignee/purchaser shall also be bound by the terms of the Agreement.

The purchase agreement between the Lucerne, LLC and Sonora Capital, LLC was entered into without prior written consent of the CRA. Although only the Lucerne, LLC's right, title, and interest to the Agency payments have been assigned, pursuant to the Agreement, written consent from the CRA was required. Therefore, at this time, the Lucerne, LLC has requested the CRA's written consent. Notwithstanding the assignment, the Lucerne, LLC will still be subject to the responsibilities and conditions as provided in the original Agreement with the CRA.

Staff requested the CRA Boards' consent to the assignment of Agency payments from the Lucerne, LLC to Sonora Capital, LLC, and authorizes the Executive Director to provide a letter to the Lucerne, LLC advising of the CRA's consent to the assignment.

Legal counsel stated that Article 15 of the agreement is the assignment. The first paragraph states the assignability. Ms. Rockstein wanted to confirm that we did not receive anything in writing. Staff stated that we received a letter a month ago regarding this matter with a request for payment.

Legal counsel stated that the CRA is still in agreement with the Lucerne LLC but they are looking for the CRA to send the payments to Sonora Capital. Mr. Hyde wanted to know what the basis was for the CRA to make a \$1.2M commitment over a period of ten years. Staff stated it was for the benefit of developing the property the CRA would give a refund of tax increments over a period of years. Ms. Rockstein stated that because they did not obtain our written consent it is a breach of the agreement; we have not legally explored what the CRA's obligation is to the developer. Legal counsel stated that regardless of who the check is made to the CRA will still have to make the payments. It is not a material breach.

Ms. Rockstein stated in the termination clause of the agreement on pg. 32 it states that the developer would make general assignment for the benefit of its creditors. What does that mean? Legal counsel stated as you are building the developer must assign to the creditors to facilitate the process of paying suppliers, contractors and laborers while money is coming in. The CRA has already signed off on the note.

Gary Koolik, the developer from the Lucerne LLC, stated that they are also Sonora Capital. This was strictly an internal funding mechanism. Mr. Koolik stated that the Board can keep cutting the checks to the Lucerne if the Board prefers. The agreement is not to exceed \$1.2M. The agreement was not being assigned the agency payment was being assigned to Sonora Capital. The Lucerne LLC is a single purpose entity and does not own any assets at the Lucerne Building.

Mr. Hyde stated that on pg. 41 of the agreement it states any time there is an affiliate transfer the developer should give 30 days' notice. They do not need our permission but they do need to give us notice.

**Action:** Motion was made by Mr. Hyde to approve the assignment

Motion died for lack of a second.

**Action:** Motion made by Mr. Sabol to reject the assignment seconded by Ms. Rockstein.

**Barbara Aubel-** It seems fairly straight forward; it is essentially a name change. This building is built and happening. Let's move forward and give the Lucerne a break.

**Susan Mulvehill-** It is a legal issue that needs legal guidance. I don't see from the backup that there was enough information to make a decision.

Mr. Sabol stated that it is unnecessary to spend money on legal fees. It is clear they were supposed to ask for permission and they did not. They are not asking for a valid assignment.

Ms. Rockstein stated that the bigger question is that there is a lot of feeling within the City that it was developed with a scandal and backdoorness. Could the City and the CRA benefit from this savings of \$1M? Mr. Sabol stated that we could benefit from the savings but we are obligated to pay it.

**Vote:** 4 Ayes, 3 Nays

**b. Interlocal Agreement- Maintenance services with City**

Since 2007, the CRA has hired private contractors to pay for landscaping and maintenance services for downtown, 6th Avenue South and the vacant lot at 812 Dixie Highway. The contract for such services was put out to bid prior to the beginning of each fiscal year.

Last year, the annual approximate costs for each area were as follows:

- Downtown area (from the traffic circle at A Street on the West Side to the east side of Golfview Road) - \$50,480
- 6th Avenue South (from A Street to Dixie Highway) - \$59,460
- 812 N. Dixie Highway - \$1,800
- L and M downtown parking lots – no charge from the City

Last year, the CRA paid approximately \$112K for services. This year, the CRA will additionally be responsible for the maintenance of the soon-to-be constructed parking lot at 812 Dixie Highway and 10th Avenue North from "A" Street to Dixie Highway.

This year, in an effort to save money and have more control over the services provided, CRA Staff met with the Staff from Public Services to coordinate efforts. By having the City grounds maintenance crew provide the desired services, the CRA will have in-house Staff that will be more responsive to immediate needs and all work will be done in accordance with City landscaping guidelines. The partnership arrangement was

endorsed by the CRA Board at the FY 09-10 budget workshop.

Highlights of the agreement include:

- The CRA shall pay the City up to \$130K for the services to be provided in quarterly increments
- The City shall provide quarterly reports documenting the City's expenditures due fifteen days after the end of each quarter
- The agreement shall commence Oct. 1, 2009 and end on September 30, 2010 but can automatically renew
- Either party may cancel the agreement with at least 30 days notice

Staff recommended the Board approve the interlocal agreement between the CRA and the City of Lake Worth.

Mr. Hyde asked if this was a fixed sum or not to exceed. Staff stated that this is a fixed sum to be billed quarterly.

Mr. Amoroso questioned what is encompassed in the \$130K.

City services stated the following is included:

Trash pick up

Landscape

Paver clean up

Resnding of pavers

Repairs

General landscape

Ms. Ross asked about the parking lot behind Studio 205. Staff stated the lot behind Studio 205 is on private property and the property owner will not allow the CRA to go in and clean up. Ms. Rockstein thanked CRA staff for having a partnership with the City.

**Action:** Motion was made by Mr. Grimm to approve the interlocal agreement between the City and CRA for Public Services seconded by Mr. Amoroso.

**Vote:** All Ayes

#### **VIII. EXECUTIVE DIRECTOR'S REPORT:**

Staff stated that Bicycle Network Plan by Kimley Horne was presented to the City Commission at a work session. I will send the power point to all today. I hope to get it on the next City Commission meeting for approval.

December 11<sup>th</sup> ribbon cutting for 10<sup>th</sup> Avenue.

December 12<sup>th</sup> Holiday parade and tree lighting. We are accepting bicycles or checks at the CRA in order to buy bicycles for the children on that date.

The CRA will be having a workshop meeting on the 24<sup>th</sup> to discuss budget and the work plan. Staff stated that we can re-schedule the budget meeting to a later date in December.

#### **IX. BOARD MEMBERS' COMMENTS:**

**Mr. Hyde-** Stated that in the packets there is a document that states that there are tax credits available based on people upgrading the energy efficiency for businesses in the community this will encourage them to go green.

**Mr. Sabol-** I don't need folder for my packet just drop off the paper.

**Ms. Rockstein-** Is it possible to get the agendas earlier? It is difficult for me to get the

packet and do the research that I need to do before the meeting. Can staff and Commissioner Grimm prepare a report based on the FRA Conference that everyone attended. At last night City Commission meeting Commissioner Mulvehill spoke on a need for the Commission and the CRA to work together more collaboratively on "big" ticket items. It is in the best interest of the CRA to work in collaboration with the Commission on large dollar items.

**Ms. Ross-** How many newsletters are we printing? Staff stated that we are printing ¼ of the newsletters. The paper is 100% recycled.

**Mr. Amoroso-** Can we set up an outreach program for the neighborhood associations as well as other groups in the area to educate them on the CRA and the programs that are offered.


**Mr. Grimm-** I am scheduled to attend Tropical Ridge Neighborhood Association meeting.

**Mr. Meyerhoefer-** Thanked staff for Publix.

**X. ADJOURNMENT:**

Meeting adjourned at 7:08 p.m.

Minutes Approved 12.08.09

  
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Peter Meyerhoefer  
Chair, CRA Board

  
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Emilia Theodossakos  
Recording Secretary