

SPECIAL/WORKSHOP
AUGUST 14, 2007

A Special Meeting of the City Commission of the City of Delray Beach, Florida, was called to order by Mayor Rita Ellis in the Commission Chambers at City Hall at 6:06 p.m., on Tuesday, August 14, 2007.

Roll call showed:

Present - Commissioner Gary P. Eliopoulos
 Commissioner Fred B. Fetzer
 Commissioner Woodie McDuffie
 Commissioner Brenda B. Montague
 Mayor Rita Ellis

Also present were - David T. Harden, City Manager
 Robert A. Barcinski, Assistant City Manager
 Susan A. Ruby, City Attorney
 Chevelle D. Nubin, City Clerk

Mayor Ellis called the special meeting to order and announced that it had been called for the purpose of considering the following items:

SPECIAL MEETING AGENDA

1. **REQUEST FOR RECONSIDERATION OF SPECIAL EVENT APPROVAL/PARKING/GARLIC FEST/CHILI COOK-OFF:** Consider a request received from Nancy Stewart to reconsider the approval allowing the event sponsor to charge and collect parking revenues in the park garages for the Garlic Fest and Chili Cook-Off events. Staff recommends denial of the appeal.

Robert Barcinski, Assistant City Manager presented this item. It was decided at a previous meeting that the City would collect the fees for the parking garages at the Garlic Fest and the Chili Cook-Off. The City would use the funds collected to offset the maintenance costs.

Susan Ruby, City Attorney advised the Commission they must make a motion to reconsider the approval to allow the event sponsor to charge and collect parking revenues.

Mr. Fetzer moved to reconsider the approval, seconded by Mrs. Montague. Upon roll call, the Commission voted as follows: Mr. Fetzer – Yes; Mr. McDuffie – Yes; Mrs. Montague – Yes; Mayor Ellis – Yes; Mr. Eliopoulos – Yes. Said motion passed 5-0.

Nancy Stewart, Executive Director of Delray Beach Arts Inc., discussed the events and parking garages.

Mr. Eliopoulos asked what is the projected parking revenue from the Garlic Fest/Chili Cook-Off event.

Ms. Stewart stated last year the revenue was just under \$5,000.

David T. Harden, City Manager, suggested that since we do not own the county garage, we might allow the Garlic Fest to have that, but keep operational the parking garages we actually own, the Federspiel and Old School Square (when it is complete).

Mayor Ellis agreed with Mr. Harden's suggestion.

Mr. Fetzer asked the dates of the event.

Ms. Stewart announced the Chili Cook-off will be October 20, 2007 and the Garlic Fest is February 8-10, 2008. She stated approval cannot be requested from Palm Beach County until there is a letter from the City that states they have approval.

Mrs. Montague questioned what parking facilities had been used up to now.

Mrs. Stewart stated event-goers are charged for parking in the Courthouse garage.

Mr. Fetzer moved to allow the sponsor to charge & collect parking revenues from the Courthouse garage only; seconded by Mr. Eliopoulos.

Mr. Fetzer amended his motion to allow the sponsor to charge and collect parking revenues from the courthouse garage as a "one-time approval only" for the Chili Cook-Off; seconded by Mr. Eliopoulos. Upon roll call, the Commission voted as follows: Mr. McDuffie – Yes; Mrs. Montague – Yes; Mayor Ellis – Yes; Mr. Eliopoulos – Yes; Mr. Fetzer – Yes. Said motion passed 5-0.

2. **AGREEMENT/NAMING RIGHTS/FUTBOLMASTERS, INC.:** Consider approval of a marketing agreement between the City and FutbolMasters, Inc. for the naming rights of the Tennis Center.

Robert Barcinski, Assistant City Manager, presented this item. He gave background information on some of the failed prior attempts to sell the naming rights of the Tennis Center. Mr. Barcinski stated three companies approached him to resurrect the idea of getting the naming rights of the Tennis Center so that the City could generate some additional revenue for the site and off-set some of the costs. Mr. Barcinski announced that Steve Leighton, Managing Director of FutbolMasters Inc., was present in the audience to answer any questions and offer more information on the company. The term of the agreement would be for six (6)-months and the compensation would be twenty percent (20%) of the annual Naming Rights fee; contingent that the Naming Rights are sold.

Mr. McDuffie moved to approve the Naming Rights Agreement with FutbolMasters, Inc. as proposed; seconded by Mr. Eliopoulos. Upon roll call, the Commission voted as follows: Mrs. Montague – Yes; Mayor Ellis – Yes; Mr. Eliopoulos – Yes; Mr. Fetzer – Yes; Mr. McDuffie – Yes. Said motion passed 5-0.

Mayor Ellis adjourned the Special Meeting at 6:19 p.m.

WORKSHOP AGENDA

1. Auburn Group/Delray Beach Housing Authority Presentation.

Dorothy Ellington, Executive Director of the Delray Beach Housing Authority introduced this item and stated they were here to update the Commission regarding their redevelopment project. Mrs. Ellington announced to the Commission they would apply for the HOPE VI Grant again and asked for the support of the City.

Cito Berguiristan, First Vice President of Auburn Development LLC, 1301 SW 10th Avenue, was introduced by Mrs. Ellington. Mr. Berguiristan did a PowerPoint presentation which discussed the status of the redevelopment plan for Carver Estates. After Carver Estates suffered major hurricane damage in 2005, it was condemned, and residents had to be relocated. In addition, Auburn Trace's funding from the State of Florida to keep it affordable with the rent restrictions expired.

Mr. Berguiristan stated Auburn Development LLC., is a for profit company with a "social" mission, which is to build affordable housing and thereby improve the quality of life for people, which is also the mission of the Housing Authority. The theme concept of the redevelopment area is "Villages," which ties into the present community. The integration of positive financial role models in the community would be an appropriate approach. The affordable homes and the market rate units would look identical and evenly distributed throughout the community. The redevelopment plan is a \$200,000,000 project. Mr. Berguiristan advised it is their commitment to recruit and process minority and women business enterprises to work on this redevelopment. Local firms in Palm Beach County would have the maximum opportunity to benefit from the investment dollars being made.

In addition to the PowerPoint presentation, Mr. Berguiristan made a request to the City for \$250,000 in funding per year in Community Development Block Grant (CDBG) funding for the affordable rental development starting FY 2008 for four (4) years for a total of \$1,000,000; this amount can be negotiated if needed. The affordable rental is the most difficult part to fund because it is the most restricted. It is for families that earn less than sixty percent (60%) of the area median income and the units still have to be built and financed. The State of Florida is providing equity through tax credits for the development of the housing, however it is not enough. An Urban Development Action Grant (UDAG) was acquired years ago from the federal government for the City. The money was in turn loaned to Auburn Trace for the construction of the affordable rentals at that time. Mr. Berguiristan asked that the portion that represents the low pro-rata or one-third (eleven acres) of the loan be forgiven. The loan will be paid as homes are sold on Village Lakes, the future development on the north of Auburn Trace. Payments will continue to be made as scheduled, even though a portion of the loan is forgiven, until it is paid off.

Mr. Berguiristan also discussed the retention and landscape and the City's partnership on the Community Workforce Housing Innovation Program's (CWHIP) application to get additional funding to provide down payment assistance for the workforce people in the City.

Mr. Eliopoulos loved the presentation, but requested more information on the time plan and Auburn Group's experience with a project of this magnitude. He wants to know what is expected of the City and wants to be sure the developer is not being stretched too thin.

Mr. Berguiristan discussed the feasibility, cost of land and pricing. He also discussed some of the accomplishments of the Auburn Group. Mr. Berguiristan requested he is asking the City for CDBG funding and forgiveness of the portion of UDAG loan given by the City, also, permission for beautification of the six-acre retention which is partnered with the Palm Beach County School Board and with CWHIP.

Mr. Fetzer asked about the grant application opportunities for this project and when this will need to be submitted.

Mrs. Ellington stated the applications are due November 7, 2007 and research is being conducted to complete the application. Funding is being looked at from all income levels.

Mr. Fetzer asked the effect of the economics on the CWHIP grant for this project.

Mrs. Ellington advised the CWHIP grant provides for a higher income group (140% of the median income) whereas HOPE VI is eighty (80%) or below the median income.

Mrs. Montague asked the estimated schedule of implementation of the plan.

Mr. Berguiristan explained he hopes to start sales October 2007 with construction to start February 2008. The first family will take occupancy October 2008 while rental communities will start April 2008. The entire fifty-four acre site would be completed in six (6) years.

Mr. McDuffie asked how realistic is the \$250,000 from funding CDBG per year. He also wanted to quantify the interest per annum for the forgiveness loan.

Mr. Berguiristan stated it is one third (1/3) of \$5,000,000; the number would have to be verified through finance and Mr. Harden.

Mayor Ellis stated she is very excited about the project and thought it was a wonderful presentation.

2. Old School Square Presentation – Executive Committee of the OSS Board of Directors

Joe Gillie, Executive Director of Old School Square, presented this item. He thanked Robert Barcinski, Assistant City Manager and City Liaison to Board.

Mr. Gillie introduced Brian Cheslack, President of Old School Square, Jay Alperin, Chairman of the Board for Old School Square, John Hinckley, Director of Finance/Comptroller of Old School Square, Peggy Murphy, Center Services Director of Old School Square, and Melissa Carter, Marketing & Public Relations Director of Old School Square.

Mr. Gillie provided information on Old School Square's impact on culture, art, and revenue throughout the City. Old School Square is expecting an \$80,000 budget cut from Palm Beach County as a result of the Tourist Development Council (TDC) funds lost and additional funds lost from revenue by the State. The Endowment program is growing and doing well. Funds collected are used to offset some of the cost for staff. Mr. Gillie also discussed the strategic plan that Mr. Alperin is working on at this time. He requested that the City continue with its partnership based on the impact Old School Square makes on its environment.

Mr. Eliopoulos acknowledged that Old School Square does a lot of the events, but all avenues will have to be looked into and questioned what is actually being "brought to the table."

3. Discussion regarding proposed budget for FY 2008 for the following:

- Suggested adjustments to proposed budget
- City Commission
- City Manager
- City Attorney
- Human Resources
- City Clerk
- Finance
- Police
- Fire-Rescue

Public Comments

Mayor Ellis announced this is a public meeting and opened the floor to public comments on the proposed budget for FY 2008.

Matthew Grabham 350 SE 7th Avenue, Delray Beach discussed how he is struggling with his taxes which have doubled. He does not understand why things are so drastically different compared to 2004. He stated any education that can be offered to understand this would be helpful.

David T. Harden, City Manager, discussed the back-up material that listed suggested adjustments to the budget and discussed the Capital Improvement Projects (CIP) Budget.

Mr. McDuffie questioned the benefit to property and business owners and more information on the increase of landlord permits and business taxes.

Lula Butler, Director of Community Improvement, addressed the question of the business taxes and landlord permit increases. Mrs. Butler explained that landlord permits are relatively low compared to other cities and business taxes can be increased every two years.

Mrs. Montague questioned the renovation of the building at Pompey Park, would the renovation be just the building itself? Will it include the bleachers and pool house?

Mr. Harden advised the renovation would be of the building itself. The renovation did not include the bleachers and pool house, which will be deferred to a later time.

Mr. Fetzer wanted to know how to approach cutting the budget. Cities to the South have done this differently and he was not sure if we did it better or they did it better. He stated he would like to eliminate positions that are not cost-effective or that are vacant to fund some of the programs where funding is being cut such as the library.

Mr. Harden stated eighteen and one-half (18 ½) positions were identified that could be cut, but it was his understanding that Commission does not want to lay anyone off, however the option is still there.

Mr. Eliopoulos stated that his personal concern were cuts in Public Safety where it would effect head count and response time to residents. He voiced a concern to not fill five currently vacant spots in the Police Department. Mr. Eliopoulos stated he does not favor any layoffs; however, he wants to eliminate any position that he can that is not cost-effective for the City under the current environment.

Mr. Harden explained that the Police positions would not be eliminated. The funding would be allocated to the three civilian positions in the Police Department that would have been cut and allow more overtime for Police. The two general employee positions which are currently vacant would be cut from the budget.

Mr. Eliopoulos requested to clarify his previous comments; he does not advocate the City do what Boca Raton did with its employees. He believes it is the job of the City Manager and staff to review positions for possible cuts. Although he does not advocate cutting wages, he would rather freeze wages to avoid layoffs.

Mayor Ellis advised that Commission has to cut and eliminate what makes the most sense to provide core services to the citizens and the people it takes to provide those core services. Because of the number of people that come through the departments on a daily basis for information and to conduct business, the North Wing of City Hall should be considered to be renovated. The other recommendations made are with the best intentions.

Mrs. Montague asked if the \$400,000 from the Community Redevelopment Agency (CRA) had been confirmed. She also asked about remodeling the IT Building and the North Wing. She wanted to know some of the repercussions to moving on with remodeling or if they choose not to move forward.

Mr. Harden explained the CIP projects listed on the handout given to Commission would not be completed unless additional funding comes through.

Mrs. Montague asked if the projects have to be done simultaneously.

Mr. Harden advised that they do not and the IT Building has not been bid out yet.

Mrs. Montague asked Mr. Harden what he is looking for from the Commission tonight.

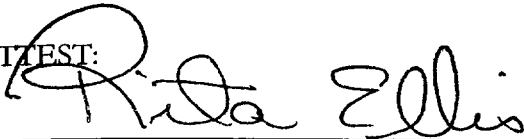
Mr. Fetzer stated he would personally like to go through each department specifically.

Mr. McDuffie concurs with Mr. Fetzer.

It was the consensus of the Commission to carry individual departments over to the August 21, 2007 Commission Meeting.

Mayor Ellis adjourned the Special Meeting at 8:16 p.m.

ATTEST:


MAYOR


City Clerk

The undersigned is the City Clerk of the City of Delray Beach, Florida, and the information provided herein is the Minutes of the Special Meeting of the City Commission held on Tuesday, August 14, 2007 which Minutes were formally approved and adopted by the City Commission on August 21, 2007.


City Clerk

NOTE TO READER: If the Minutes you have received are not completed as indicated above, this means they are not the official Minutes of the City Commission. They will become the official Minutes only after review and approval, which may involve amendments, additions or deletions to the Minutes as set forth above.