

West Palm Beach
Community Redevelopment Agency Special Meeting Minutes
January 9, 2017 4:01 p.m.
City Commission Chambers

1. **Roll Call – Present: Chair Geraldine Muoio, Commissioners Sylvia Moffett, Keith James, Shanon Materio, Cory Neering and Paula Ryan, CRA Executive Director Jon Ward, CRA Attorney Kimberly Rothenburg, Treasurer Mark Parks and Secretary Hazeline Carson.**

CIVILITY AND DECORUM: The City of West Palm Beach is committed to civility and decorum by its officials, employees and members of the public who attend this meeting. The City Code, Sections 2-31(8), 2-31(18) and 2-31(22), provides in pertinent part:

- Officials shall be recognized by the Chair and shall not interrupt a speaker.**
- Public comment shall be addressed to the City Commission as a whole and not to any individual on the dais or in the audience.**
- Displays of anger, rudeness, ridicule, impatience, lack of respect and personal attacks are strictly prohibited.**
- Unauthorized remarks from the audience, stamping of feet, whistles, yells and similar demonstrations shall not be permitted.**
- Offenders may be removed from the meeting.**

COMMENTS FROM THE PUBLIC FOR NON-AGENDA ITEMS:

There were none.

COMMENTS FROM THE BOARD:

There were none.

ADDITIONS / DELETIONS / REORGANIZATION OF AGENDA:

There were none.

DISCUSSION (2):

2. Discussion regarding the Term Sheet for the Development of the Transit Oriented Development Project.

Jon Ward, CRA Executive Director, provided the history and background on the Transit Village Project. He stated that he has been back and forth with the developer on the terms and needs direction from the board. The request from the developer has been that the CRA fund the podium and plaza portion of the Transit Oriented Development (TOD). He said that Mr. Masanoff and his team have proposed a term sheet with a series of terms on how the project could move forward. He stated that the CRA is proposing that it will not be required to front load any cash nor bond income and the entire project will be built before we have any financial responsibility. The financial obligation is for \$114 million, which represents 100% of the Tax Increment Financing (TIF) generated by the project at completion. The question is whether we are supportive of that level of support. Staff has a hard time justifying support for it because it appears the dollar amount is in excess of what we will grant with incentives. He stated that he has spoken with the City Administrator and Finance Director and they are in agreement that they cannot support the proposal as presented.

Mayor Muoio stated that she, the City Administrator and the Finance Director are 100% opposed to giving \$114 million for this project. She stated that all of the TIF will be going back to the project and there is no benefit to the city. She said that she is not opposed to the project, just the amount that is being requested for funding.

Mark Parks, Finance Director, stated that tax payer dollars should be spent on the positive outcome of the largest group of people. He mentioned the TIF dollars given away and the precedent being set for other developments. He said that the project may be worthy, but there are no contributions to the City and the CRA other than the indirect dollars that may or may not be generated.

Jeff Green, City Administrator, said that the level of incentive is too large, not warranted and that it creates precedence.

Commissioner James said that part of his job as policy maker is hearing both sides of the issue. He wants to see what the development team perceives and wants to hear from them as to the benefits to the City.

Commissioner Ryan agreed with wanting to hear the other side of the issue.

Commissioner Materio asked if this will encumber the property if it never gets built.

Mr. Green said that the City does not have any obligation if it does not get built.

Commissioner Neering mentioned the Old City Hall project and the incentives that were given. He asked if the City's financial support of projects is generally based on the figures of how much it costs to build and if this relates to the current project.

Mr. Ward explained the difference between the projects and said that is why they proposed the \$25 million.

Commissioner Moffett said that giving away TIF money for 29 years is too long and she does not support giving \$114 million for the project. She feels capping at \$25 million is a good idea and that there should be other sources for the funding.

Bruce Lewis, representative of Transit Village TOD, presented this item. He said that once they go through the steps it will address all questions asked. He introduced the team who will be presenting this item. He also thanked all those involved in the process of this project.

Michael Karsh, Rice Pugatch Robinson Storfer & Cohen, PLLC, discussed the following: who are we; the Transit Village financial supporters; the timeline; and the milestones to create Transit Village.

Joe Herrington, Beck Architects, discussed the following: the current look of the site; the existing connection to the northwest neighborhood; the existing condition to Clearwater; the proposed public parking podium and plaza; and the current status of the project.

Michael Busha, Treasure Coast Regional Planning Council Executive Director, discussed the economic contribution, the unique attributes of Transit Village TOD, and the benefits to the city.

Mr. Ward commented on the number of jobs mentioned in the memo and asked how many are going to be actual new jobs coming to the community and thought a vast amount of the jobs may exist today.

Mr. Lewis clarified the number of jobs mentioned in the memo. He discussed the Community Benefit Framework.

Mr. Herrington discussed the community Return on Investment (ROI) additional sustainable tangible benefits.

Michael Masanoff, Transit Village President, referred to the term sheet previously provided to the City Attorney for review and distributed a hard copy to the commission. He discussed the following: the structure of Transit Village's term sheet; the financial risk mitigated; no development risk to the City and CRA; the parking spaces; and the proposed financial model for each use that will be built.

There was discussion regarding the TIF amounts that will go to the project and the amount that will come to the City.

Mr. Masanoff explained that they are asking for dollars to build a landmark transportation gateway in the City. They are not asking the city to front dollars, but to back them on their own credit which allows them to borrow at a lower interest rate.

Public comments were made by the following: Jeff Koons, Frank Knott, Bob Meisel, Mark House, Ron Davis, Teresa Johnson, and Barrett Singer. Mayor Muoio mentioned that Landry Loving, Kellie Maher, and Michael Spruce were in support of the project.

Commissioner Materio said that she feels it is a great benefit to the community, but what is missing is that it does not speak specifically to the neighborhood that it will have the greatest impact on. She hopes if approved, that they will sit down with Northwest Community Consortium, Inc. (NCCI) and others about transformational

opportunities for long term solutions.

Commissioner James mentioned his research on TODs and said that many things he found are things the City is already working on. He mentioned the positive effects from TODs and said it is a game changer for the City. He stated that he is in support of moving ahead and negotiating the term sheet and wants to commit the full TIF for the 29 years.

Mayor Muoio said that she supports the project, but suggests 50% of the TIF and not the 100% requested.

Commissioner Neering mentioned his meeting regarding the project and feels it is a good project. He expressed concern about the future leverage of the CRA and asked if we support at 100% will that tie our hands on future projects. He stated that he feels it is a good project, but not a game changer. He will support the project, but cannot support a full 100% TIF amount. He said that at even \$25 million, they are setting a precedent.

Commissioner James further commented on TOD projects and the benefits of this project to the City.

Commissioner Ryan commented on this item and mentioned the benefits this project will have to the community.

Motion was made by Commissioner Ryan to approve the term sheet proposed in the development term sheet and negotiate a TIF agreement.

Kimberly Rothenburg, City Attorney, stated that she is unclear on the motion. She asked if it was only regarding the TIF amount. She said that if it is not, the City Attorney's office made other changes based upon some legal issues with the terms, such as, how TIF was defined and other changes and she wants to make sure those things are not included in the motion.

Mayor Muoio clarified that the vote will approve the term sheet with a change in the amount of money.

Mr. Masanoff said that there are two redline term sheets.

Mr. Green explained the two term sheets dated December 30th and January 4th.

Mr. Masanoff said that the terms in the January 4th term sheet are revised and explained the December 30th term sheet. He said that they cannot accept the changes in the January 4th term sheet as it alters a deal which is not financially feasible.

Ms. Rothenburg explained some of the changes made to the term sheet.

Motion was made by Commissioner Ryan, seconded by Commissioner James, that the CRA accept the 100% percent not to exceed \$114 million and work out final details related to the term sheet for the TIF agreement.

Commissioner James asked that since the term sheet is non-binding, why we cannot approve the December 30th term sheet that has the terms as opposed to returning to the negotiating table.

Mayor Muoio said it was because there are terms in the December 30th term sheet that they did not agree to.

Ms. Rothenburg stated that some significant terms have changed.

Commissioner James said that he hopes what will not happen is that this not be used as a ploy to blow this deal and that staff will negotiate in good faith.

Thereafter it was voted as follows: Ayes: Commissioners James, Materio and Ryan. Nays: Commissioners Neering and Moffett. Motion therefore carried 3-2.

ADJOURNMENT:

There being no further business to come before the Board, the Community Redevelopment Agency meeting was adjourned at 6:05 p.m.

**APPROVED AT THE COMMUNITY REDEVELOPMENT AGENCY
MEETING OF FEBURARY 13, 2017.**

APPROVED:

X *Geraldine Muoio*

Signed by: Geraldine Muoio

PRESIDING OFFICER

ATTEST:

X *Hazline F. Carson*

Signed by: Hazeline Carson

SECRETARY