

SUMMARY MINUTES

REGULAR COMMUNITY REDEVELOPMENT AGENCY ADVISORY COMMITTEE MEETING

September 7, 2006

A regular meeting of the Chairman and Members of the Community Redevelopment Agency Advisory Committee (CRAAC) was held in the North Miami CRA Offices on Thursday, September 7, 2006, beginning at 6:10 p.m.

ROLL CALL

	Absent/ Present	Cumulative From 2/9/2006	
		(P)	(A) *
Blanca Cobo	P	7	0
Inez Couch	P	7	0
Judy Feldman	P	5	2
Dr. Smith Joseph (arrived 6:32)	P	6	0
Michael McDearmaid	P	7	0
Jean Monestime	P	2	0
Jesus Remon	P	4	0
Clark Reynolds	P	6	1
Bill Valentine	P	7	0
Duke Sorey	A	5	1

* Absences from special or rescheduled meetings are not counted

APPROVAL OF MINUTES: Regular Meeting – August 14, 2006 – Approved by the Committee

(Note: Judy Feldman commended the CRA Advisory Committee Liaison John O'Brien for the preparation of the minutes.)

ITEMS FOR REVIEW AND/OR DISCUSSION

ITEM III - Update regarding the CRA-Board Approved FY 2006-07 Proposed Preliminary Budget

The Executive Director reviewed the transmittal letter to Miami-Dade County of the preliminary budget that had been approved by the CRAAC and the CRA Board at their last meetings. The final budget will

be submitted to the CRA Board at the September 26 meeting. He explained that the revenue figures may change slightly as we await the adoption of the final millage rates for both the City and County, and expenses will be fine tuned as we meet with City staff and hammer out details on the work they will be completing for us. The updated budget will be sent to the CRAAC prior to the CRA Board meeting on the 26th, just in case there are any questions.

ITEM IV - Update regarding the proposed Downtown Improvement Program

The Executive Director stated that the Phase I of the Improvement Program was approved by the CRA Board on August 22, 2006. Pursuant to the interlocal agreement, service authorizations for the each of the tasks had been signed by the Executive Director and City Manager. The first pressure cleaning took place at the end of August, and all other work outlined in the attachment should be completed prior to the fiscal year-end on September 30, 2006.

Judy Feldman expressed concern over the removal of the mahogany trees on 125th Street. After the last series of hurricanes, the loss of canopy was significant, and she felt we should be adding back to the canopy, rather than reducing it even more. She would prefer they be replaced with deciduous trees rather than palm trees, as they are cooler. She passed out a one-page flyer titled *How Cool are Trees?*, and an article about what Broward County is doing to help replace its canopy. Inez Couch and Bill Valentine agreed and said they were against replacing those trees with Palm trees. Ms. Couch suggested trees be selected that could handle high winds and that money be allocated to trimming and maintaining trees so they could survive a hurricane.

The Executive Director appreciated the comments and stated that tree removal would be delayed until the allocation for tree replacement in Phase II is approved, and he would come back to this group to address this issue.

The Honorable Mayor Kevin Burns was in the audience and explained that the mahoganies on the south side of the street were carefully examined by the Parks and Recreation Director, Terry Lytle. Six months ago the Florida Department of Transportation (FDOT) said they were a danger, and they agreed to hold off removing the trees until the City was able to do its own analysis. It was a safety issue. Those trees are a danger - they have been hacked various times and are bent over the traffic. The Parks Department is looking for replacement trees, but must keep in mind that FDOT is very strict about what can be put there – we are limited to about 5 tree types. They tend to be palms, as there aren't many options as it's such a confined area. In other parts of the city the City is looking to increase the canopy.

Judy Feldman felt that the CRA should take FDOT to task on this. After all, who has been killed by these trees? Chair Clark Reynolds warned that it's very hard to deal with FDOT. Also, as a downtown property owner, he said that having a large tree in front of store, especially with limited foot traffic, is devastating for a business. He suggested 25 foot or higher palms.

Lastly, the Executive Director noted that he is broadening the program, and that it should no longer be referred to as the “downtown” program, but the CRA-wide Commercial Corridor Improvement Program (CCIP). It will cover several commercial corridors in the City, including NW 7th Ave, NE 6th Avenue, West Dixie Highway, and NE 125th Street.

ITEM V - Update regarding the Proposed Development Agreement between North Miami Housing and the North Miami CRA for the construction of 136 Units of Affordable Housing on the Ruck's Park Development Site and the CRA Board's Action regarding the re-naming of the Ruck's Park site Affordable Housing Development

The Executive Director reviewed a copy of the memorandum sent to the CRA Board on August 22, 2006, which outlined the Developer's Agreement and the various unresolved issues. The three main issues were: Issue 4 - allocation of risk of force main; Issue 5 - environmental pollution liability insurance; and Issue 6 - conditions precedent to developer's obligation to proceed with construction.

At the August 22 meeting, the Board called for a special meeting which will take place on Sept 12, 2006, to review further due diligence on the force main issue, which is closely linked to the liability insurance issue. The Executive Director explained that a report is being prepared by civil, structural, and geotechnical engineers to assess and minimize the risk of building over the force main.

On Issue 6, there had been three preconditions that the developer had not agreed to take responsibility for. By the August 22nd meeting, the developer had taken responsibility for two of the preconditions. Therefore, the only precondition still outstanding is that the developers feel that the CRA should be financially responsible if the project does not get approved.

Jesus Remon asked what would happen if the parties don't come to an agreement? The Executive Director responded that the CRA would need to consider alternatives, and the developer would have to consider the investment they have already made into the project. The CRA Attorney, Steve Zelkowitz added that while there is no obligation to agree, he strongly feels that no one is going to hang up the project over this issue. He also clarified that the what the developer is saying is that only if they do everything they are supposed to do, and the City or another authority denies them, then they feel the CRA should be responsible.

Jesus Remon asked about the financing structure of the Pioneer Gardens development, to see if there are ways to break up the risk. The CRA Attorney explained that the financing is based on two tranches, one a pre-development loan and then a construction loan. This allows the project to go forward without having to meet the preconditions usually required for a construction loan. The first tranche is \$2 million, and this is the only amount that may need to be repaid by the CRA if the developer fails to get approvals for the project.

Jean Monestime asked about the fact that at the last council meeting, questions were raised about the developers fee. How much does this contract become a precedent with this developer and what does this do if we want to negotiate lower fees in the future? The CRA Attorney responded that there is a specific provision in the agreement that states that this agreement does not set a precedent. This project has been around for a while and it may not be the kind of relationship that would work for other projects. This provision benefits both parties. It means we will be looking to the Munisport agreement as a guide for future projects, not this agreement.

Mr. Monestime also asked if there is room in the Munisport agreement to allow for development by other developers, not necessarily NMH. The CRA Attorney said that this is a tough question that the Executive Director has raised with developers and we are looking at the question of exclusivity that we need to understand clearly as we move forward. We need to figure out what the intent was when agreement was signed and will get back to the Committee and the Board on this subject.

A member of the audience and one of the owners of NMH, William Wallace IV, noted that the developer of Biscayne Landing was chosen at the same time as the developer of the affordable housing as part of the Munisport agreement. He continued that the most challenging part of this deal is on the West side where there will be far more potential problems. He said that no one raised these issues with the east side of the project, so they shouldn't with the west side. He felt the subject of the fees should not be reexamined. He wants an even playing field with the east side, considering the merits of what NMH is doing, with real challenges. Jesus Remon explained some of the issues that the Planning Commission had with Biscayne Landing and added that NMH should get a decent return, but that it should be examined to see if it is indeed reasonable.

ITEM VI - Proposed Parameters/Guidelines for the Commercial Rehabilitation and Commercial Beautification Grant Programs

The Executive Director began by saying that this information has been before the CRAAC and that he is proposing to create two separate programs to replace the City's existing Commercial Façade program. These programs take the best from the City program and include parts of other programs such as the County's. He noted that the City used to fund this program using CDBG funds, but now they are not allocating any more once the existing funding is exhausted. It will all be CRA money from now on, for a total of \$795,000 in the FY 2006-07 Budget. These are revised programs without the federal strings attached and provide money both for property owners and leaseholders/businesses. The Commercial Rehabilitation Program funds larger improvements, up to \$80,000, with matching funds. The second smaller program is called the Commercial Beautification Program, and it provides up to \$15,000 for businesses or property owners, with no matching fund requirement.

The Executive Director asked Committee members to look at the matrix in their agenda packet, and explained that the first column contains a summary of both programs, and the other columns are just for comparison purposes. There is \$480,000 allocated in the 2006-07 budget for the larger program, and \$315,000 for the smaller program, each with sub-allocations for different commercial corridors in the CRA. The next step will be to create guidelines based on the matrix, and take it forward to CRA Board.

Inez Couch mentioned that in the visioning meetings related to the Comprehensive Plan update, various design and height issues were discussed and she wondered what would happen if greater height limits are allowed. The Executive Director explained that the programs proposed are flexible, and we can change it depending on what happens with the zoning changes.

Chair Clark Reynolds had several questions on the proposed guidelines:

1) He expressed concern about the City guidelines that say the grant is available for the front side of building and that side work must be auxiliary to the work done on the front. The Executive Director said that the grant certainly does cover all sides, but he also wants to make sure funding isn't just for landscaping. Dan Lima, the City's Economic Development Specialist that will be running these programs for the CRA, said that the current City program does allow for side of buildings, such as the Starbuck's in MOCA Plaza.

2) Another item brought up by Chair Reynolds is the requirement that the property owner must owner must notify all tenants of work to be done, and wondered if they could stop the process. The Executive

Director assured him that the goal is simply to make the tenants aware of the improvements so they are not caught off-guard.

3) He next asked about the requirement that applicants with code violations are not eligible. What if they have code violations that we want them to fix? Judy Feldman expressed her concern that funding the repair of code violations may discourage owners from their responsibility of keeping their properties up to code if they feel the CRA will eventually pay for this. Jesus Remon added that the CRA should require that the violation is fixed before giving them money for other improvements. Chair Reynolds felt that if the goal of the CRA is to eliminate blight, funding some of the code violation repairs would make sense. Mr. Lima said that in the past few years, the code violation issue has not been a major impediment to the program, and that he can work with Code Enforcement to delay citations when a rehabilitation for that property is in the works, and he has negotiated successfully with owners to fix minor violations before money is expended. The Executive Director said there is room for negotiation in the implementation of the programs, but we won't make it easy for people to pile up code violations.

4) Chair Reynolds next asked about a clause that says that improvements under the beautification program can take place with or without owner's permission. He and Bill Valentine argued that few changes can be made that do not require a permit and that the owners may get stuck with a problem initiated by the tenant. The Executive Director explained that the CRA will review the lease prior and determine what is allowed under it – if the proposed change is not allowed under the lease, the tenant would be required to seek approval of the owner or have the lease renegotiated.

5) Lastly, Chair Reynolds asked about the requirement that the applicant supply all the financials to determine financial need in order to receive a grant. The Executive Director explained that the CRA should not provide the grant to those who have the money and that decide not to invest and let their property deteriorate. They need to prove that without the CRA's investment, they would not be able to make the improvement. Judy Feldman agreed and asked how else could the CRA determine who should receive the grant? Inez Couch suggested that at this point there is a financial need requirement in the CRA programs, but we don't say what that need is. Is it the amount of cash they have, income, what? She felt it's too subjective and should be brought back to the Committee with more detailed guidelines that can then be discussed further.

Chair Reynolds disagreed with this requirement because he felt that the goal of program is to improve the appearance of the commercial corridors, and not a social program. He felt that anyone with a substantial building and the ability to come up with an \$80,000 matching grant would not qualify for the program, essentially killing it. Chair Reynolds and Blanco Cobo felt that the CRA needs successful investors, and they will need enticements to invest where we want them to invest, rather than on something else that may have a higher return. Bill Valentine added that the program should not penalize someone for being successful, as those are the people that can help us make the changes we want.

Jesus Remon suggested that as the CRA is just starting the revitalization process, and those who come in early will benefit more from our incentives. But maybe in a year or two when things are already turning around, all will see the value of investing in North Miami and the CRA will not have to provide incentives. He mentioned Lincoln Road or Miracle Mile, which required significant incentives when they began their programs, but now the incentives are not necessary.

Mayor Burns also spoke out on this issue, and recounted that when he first got into office there were significant CDBG funds from 2003-2005, that would have to be returned to the federal as the money had

not been spent on programs such as the Façade program. Part of the difficulty was that it cost people a lot just to apply for the money, so there were few takers. He continued that there are people that bought buildings for very little which are now worth millions, and they don't need to improve it to make money. He gave the example of the 99 cent store, where the owners went the extra step with the money the City gave them. He feels I think we need to jumpstart this program for a year or two because the existing blighted conditions have a lot to do with the commercial facades.

Mike McDearmaid added that even without the financial need requirement, the CRA could not be accused of "unjust enrichment" because the recipients will be putting this money into something people driving down 125th street will see, which will hopefully make them stop.

The Executive Director thanked the committee for an excellent discussion and reminded members that some of them may be serving on the selection committee for the Commercial Grant Programs.

MOTION

Made by Michael McDearmaid, seconded by Judy Feldman

Recommend the Commercial Grant Programs to the CRA Board, subject to eliminating the financial need requirement.

Motion passed unanimously 8 to 0

ITEM VII - Proposed Affiliate Agency Interlocal Agreement between the North Miami Community Redevelopment Agency and the City of North Miami for Access to and Participation in the City's Health and Dental Insurance, Life and Disability Insurance, and Retirement Plans by NMCRA Employees

The Executive Director said that in order to move forward with the employment and staffing plan of the CRA, he needs the ability to offer a benefits package that is attractive to perspective employees. The agreement before the Committee allows the CRA to have access to and participate in the various insurance and retirement programs that the City offers.

Bill Valentine took issue with the idea as he does not want the CRA to be saddled with the same fringe benefit that the City has, where for every dollar in salary, they must pay 62 cents in benefits. Blanca Cobo and Inez Couch agreed that the 62% figure is too high, considerably over what corporations offer, and that a limit be set to something in the neighborhood of 30-35%. The Executive Director explained that the agreement only gives the CRA access to the programs, and in no way obligates the CRA to offer those benefits. Jesus Remon suggested that as the CRA will have mostly office personnel and that some insurance such as workers compensation may actually be lower if the CRA goes into it by itself.

For clarification, the CRA Attorney described the legal aspects of the document and why it was put before the committee at this time. He said there is nothing in the document that obligates the CRA to offer any benefits, at any level, whatsoever. The reason for the document is that by itself with only a few employees, it would be prohibitively expensive for the CRA to create some of the programs the City already has. The agreement simply creates a mechanism to provide a particular benefit, but any suggested benefit would still need to be approved by the Committee and CRA Board. It is similar to the Services Interlocal agreement that the CRA has with the City, that established a mechanism for the City to perform work for the CRA, but any work still needs to be approved through a work authorization form signed by the Executive Director and the City Manager.

The Executive Director stated that he will be coming back to the Committee in a future date with personnel employee guidelines and policies that will address the specific benefits to be offered, but requested that a motion be made to move the agreement forward to the CRA Board.

MOTION

Made by Michael McDearmaid, seconded by Inez Couch

Recommend moving the Affiliate Agency Interlocal Agreement to the CRA Board

Motion passed unanimously 8 to 0

OLD/NEW BUSINESS

ITEM VIII E - Request for NMCRA Commitment of Matching Funds in an amount up to \$500,000 for an application by MOCA to the County General Obligation Bond (GOB) Fund for Non-Profit Organizations [*Change order to allow Bonnie Clearwater to speak.*]

The Executive Director explained that this item is on the agenda after conversations with Bonnie Clearwater, the Director of the Museum of Contemporary Art (MOCA). Miami-Dade County announced that they are issuing a request for proposals (RFP) for allocations from a \$30 million general obligation bond program.

Ms. Clearwater said that there is very little time and that we need to act quickly as the County has a September 29th deadline. She went on to describe the importance of MOCA to the City of North Miami, as it has put the City on the world's cultural map. On any given day articles about the museum appear in *New York Times*, *Wall Street Journal*, *Miami Herald*, etc. Also, she said that in the latest edition of the *Lonely Planet* travel guide, it lists the top 5 museums in Miami, and MOCA is #1. She then quoted what the publication said about MOCA and about being in North Miami: "...located in North Miami, a rapidly evolving neighborhood and real estate magnet. For hipsters who have long since tired of the Miami Beach scene, MOCA has long been a reason to hike up there." Mayor Burns added that the Cultural affairs of Dade County ranked all cultural facilities in the County, and MOCA came out #1.

Lastly, Ms. Clearwater said that the museum has simply outgrown its building. They have an incredible opportunity to get one of the greatest collections in the World – but they need to have the space to show this collection. Beyond art, she also described the important role the Museum plays in the community. Their creative programs for children and teens have been extremely successful, and they have a long waiting list of people who want to join, but there is simply no room. They are currently working on a magnet school program with all the public schools in the City as well as working with the Hatian Cultural Heritage museum.

Therefore, the museum needs this money for capital improvements, and they need to apply to the County with a match. A \$500,000 investment by the CRA will result in a \$1 million grant from the County that will go towards Phase I of the expansion of MOCA. The Executive Director investigated the grant to determine how MOCA would go about evidencing the availability of the match and looked into the details of the bond issue. Because of the way the bond program is going to be implemented, he recommends that the \$500,000 obligation be added to the 2007-08 CRA Budget.

Discussion

Jesus Remon said that while he is a lover of the arts, he wanted the Committee to consider that the CRA's priority is low income housing. Tony explained that while affordable housing is a key part of the CRA's mission, this sort of investment in cultural and educational facilities is also encouraged by the CRA plan. Mr. Remon went on to say that sitting on another board, he had to review dozens of programs and then decide on which would receive the money, he found it disturbing that they are not looking at any other possible grantees. Blanca Cobo felt that this is a unique opportunity that has come from the County, and without the CRA's support they may not get that funding.

The Mayor said that the funding source Mr. Remon described is quite different, as the CDBG funds had to be distributed using its own formulas. On the other hand, CRA funds must be reinvested in a defined area to reduce blight, provide housing, and for cultural investments in the area. There is room for all these different goals, all part of the CRA's mission. He added that MOCA adds prestige to the City, and to consider all the disadvantaged kids that go through their program that otherwise would never be exposed to art.

Dr. Smith Joseph expressed his strong support, and commended MOCA for its achievements, to reach its international standing. He believes future generations would not forgive the CRA if it missed this unique opportunity to bring MOCA to the next level.

MOTION

Made by Inez Couch, seconded by Michael McDearmaid

Recommend to the CRA Board that a matching grant worth up to \$500,000 be allocated in the 2007-08 CRA Budget

Motion passed unanimously 8 to 0

Lastly, the Executive Director explained that the County is only planning on funding a portion of the \$30 million dollar in the next year, so he is not sure how much will be available. Bonnie Clearwater requested that the CRA fund MOCA even if the grant from the County does not come through and the Mayor added he would come back to the CRAAC seeking more money for MOCA as the continue on their expected \$6 million expansion.

ITEM VIII A - CRA Advisory Committee Membership, Applications, Disclosure Forms and Background Checks

The Executive Director noted that Jay Mann was at the meeting earlier, and that he is expected to be Michael Blynn's new appointee.

ITEM VIII B - Update regarding the CRA Board's action relative to the Florida Redevelopment Association 2006 Annual Conference

The Executive Director said that per the CRAAC's recommendation, the CRA Board authorized the Executive Director's negotiating with the Executive Director of the Florida Redevelopment Association (FRA) to get conference registration for 20 people, plus a booth in the exhibit hall, plus an ad in the newsletter in return for a \$10,000 sponsorship. Things looks favorable, and he asked members to plan to attend the conference on October 17-20, 2006.

ITEM VIII C - Update regarding the CRA Board's action relative to City/NMCRA Participation in the Partnership for Recovery "No Blue Roofs" Program

The Executive Director brought to the attention of the CRAAC that in the initial recommendation, the CRA was going to match \$7,500 of the City's match, but due to problems with using CDBG Funds for this, the board passed a resolution for the CRA to pay for the full \$15,000 for the 6 identified homes, with the ability to negotiate with the partnership for an additional \$10,000.

ITEM VIII D - NMCRA Community Outreach Efforts – Staff Oral Report

The Executive Director asked members to review the prepared attachment that has a listing of the kind of outreach that has been undertaken since he came on board in May of this year. He has taken advantage of every opportunity to talk about the CRA and to reach out to the community in print, television, and radio. This includes a Comcast *Newsmaker* interview, which was aired at various times during CNN's Headline news in South Florida.

ADDITIONAL ITEMS

American Knights Program

Michael McDearmaid described how David Lawrence has been a major player in the South Florida community, first as the editor and publisher of the Miami Herald, and then by founding the Dade County Children's trust. In his honor they are naming the new school in North Miami the David Lawrence K-8 Center, and the Knights of Columbus are holding a dinner to recognize his contributions. Proceeds from the dinner benefit the David Lawrence Center PTA, and Knights of Columbus Charity.

MOTION

Made by Jesus Remon, seconded by Bill Valentine

Recommend to that the CRA purchase a table for 10 at the Knights of Columbus "American Knight" dinner for David Lawrence.

Motion passed unanimously 8 to 0

Chamber of Commerce Dinner

Bill Valentine then requested that the CRA consider buying a table at the Chamber of Commerce installation dinner, where Mayor Kevin Burns will be installed as the new President.

MOTION

Made by Jesus Remon, seconded by Michael McDearmaid

Recommend to that the CRA purchase a table for 8 at the Chamber of Commerce Installation and Awards Banquet.

Motion passed unanimously 8 to 0

NOTE: Various members expressed concern as to how the Committee should decide which events and other types of sponsorship opportunities the CRA should support. Chair Clark stated that no more commitments such as these would be made until this policy in place.

Comments by Mayor Burns

The Mayor wanted to let members know about a series of budget meetings being held that Saturday at various locations and times in the City. Also, on September 27, there will be a meeting in the Council chamber for owners of multi-family properties in North Miami, to discuss how they can help provide affordable housing, and to see how the CRA can participate.

Lastly, the Mayor brought to the committee's attention the opportunity to invest in the Miami Way Theater on West Dixie Highway. He has been in discussion with the owners who are willing to hold off on selling the property to see if the City and/or the CRA would be interested in doing something with it. The Mayor suggested that it could be made available to various community groups or as a community theater. Mr. McDearmaid would like to investigate restoring the theater and creating a meeting facility in the adjoining restaurant property.

Chair Clark warned that from his experience rebuilding the Carlye in Miami Beach, it may be very expensive to retrofit a theater to abide by current codes, and that it may be cheaper to tear the building down and start from scratch.

An audience member Penny Valentine supported the idea of creating a meeting place in North Miami, because there are no other alternatives. They hold dozens of events every year with 75+ attendees, and have to hold it at the Miami Shores Country Club. This could bring money in to help pay for the facility.

MOTION

Made by Mike McDearmaid, seconded by Inez Couch

Recommend to that the Executive Director pursue a feasibility study for the Miami Way Theater and adjoining facility.

Motion passed unanimously 8 to 0