

## SUMMARY MINUTES

### REGULAR COMMUNITY REDEVELOPMENT AGENCY ADVISORY COMMITTEE MEETING

**Monday, June 2nd, 2008**

A regular meeting of the Chairman and Members of the Community Redevelopment Agency Advisory Committee (CRAAC) was called to order in the North Miami City Council Chambers at 6:04 p.m.

(Phonetic spelling of each speaker's name may be used throughout the minutes unless correct spelling is known.)

#### **I. Call to Order**

<b>ROLL CALL</b>	<b>Absent/ Present</b>	<b>Absences 2007-08*</b>
Blanca Cobo	<b>P</b>	<b>3</b>
Inez Couch	<b>P</b>	<b>1</b>
Judy Feldman	<b>P</b>	<b>1</b>
Dr. Smith Joseph	<b>A</b>	<b>6</b>
Michael McDearmaid	<b>P</b>	<b>0</b>
Roseline Philippe	<b>P</b>	<b>0</b>
Clark Reynolds	<b>P</b>	<b>2</b>
David Rosemond	<b>A</b>	<b>2</b>
Duke Sorey	<b>A</b>	<b>4</b>
Armando Vidal	<b>P</b>	<b>3</b>
Mark Wolin	<b>P</b>	<b>0</b>
* Absences from special or rescheduled meetings are not counted		

#### **II. Approval of Agenda**

Mr. Wolin requested to add two items under New Business: the amended and restated Munisport Agreement, and the possibility of the CRA leasing new office space as was mentioned during the joint budget workshop with the CRA Board and the CRAAC that was held on 5/5/08. The agenda was then unanimously approved as amended.

#### **III. Approval of Minutes**

Mr. McDearmaid stated that he was not in fact absent from the last CRA Advisory Committee meeting as he arrived towards the end. Mr. McDearmaid also expressed his disapproval of the administrative change of the meeting start time without any discussion with CRA Advisory Committee members. Ms. Philippe

suggested that since the meeting was rescheduled without consent from the CRA Advisory Committee, absences from that meeting should not be counted towards member's attendance records. Mr. Vidal inquired as to whether he can vote for approval of the minutes if he was not at the meeting. The CRA attorney affirmed that he can still vote on the approval of the minutes. The minutes were then approved (including an amendment to reflect that Mr. McDearmaid was present at the meeting) 6-2, with Mr. Vidal, and Mr. Wolin against.

#### **IV. Items for Review and/or Action**

##### **Item 1 - Status update regarding the remediation of Pioneer Gardens environmental and site conditions**

The CRA Executive Director gave a status update on the environmental remediation of the Pioneer Gardens site. The CRA is now ready to move forward with the phase II of the remedial action plan, the first stage of which will be to make a determination of whether or not further remediation of asbestos is necessary at the subsurface level.

Mr. Vidal asked how R.E.P. Solutions was selected to perform the work. The CRA Executive Director replied that they were selected by Urban Residential Development Group after an open competitive bid process, and that selection was then ratified by the CRA.

##### **Item 2 – Proposed Development Agreement with Urban Residential Development Group for the Rehabilitation of the Bel House Apartments East Building**

The CRA Executive Director described the proposed development agreement for the rehabilitation of the Bel House Apartments East Building. The agreement stipulates that the work should be completed by December 31<sup>st</sup> of 2008.

Mr. Wolin asked why a particular sum of money has been allocated to this project without first having an actual estimate of the cost for the necessary work. The CRA Executive Director replied that the budget allocation is based on the original understanding that the CRA would not be allowed to spend more than 50% of the value of the property on rehabilitation without issuing new building codes. However new rules established in the City's Comprehensive Plan stipulate that any building can be brought back to it's original state without triggering the 50% rule, and the CRA now has a letter from the City Attorney to that effect. This means that the CRA has the ability to spend any amount that is necessary to bring all units in the building up to code and decent living standards, which will be the first goal.

Mr. Wolin then asked what will be the source of funding for the project, the CRA Executive Director replied that a loan will be the source of funding, the CRA will

first attempt to pursue a loan in their own name, if this proves difficult, the CRA will get the owners to access a rehabilitation loan on behalf of the CRA.

Mr. Wolin criticized the project, stating that the CRA is undertaking development of real estate without a budget, without financing, without a cost estimate, and without a realistic time frame. The project will ultimately be providing affordable rental units, but Mr. Wolin felt that a better goal is affordable home ownership. Finally he did not feel that the project really fits into any comprehensive redevelopment strategy in the city.

*Moved by Ms. Couch, seconded by Ms. Philippe*

**To pass on to the CRA Board without recommendation, the proposed development agreement with the Urban Residential Development Group for the Rehabilitation of the Bel House Apartments East Building**

*Approved 5-3, with Mr. Wolin, Mr. Vidal, and Ms. Feldman against*

### **Item 3 - Request for an increase in the grant amount for the Commercial Beautification Grant project located at 13036 NW 7th Avenue**

The CRA Executive Director explained the circumstances of the change in requested funds from the applicant and then asked the CRA Advisory Committee to recommend to the CRA Board approval of the increase in the grant amount.

*Moved by Mr. McDearmaid, seconded by Ms. Feldman*

**To recommend approval of the increase in the grant amount for the Commercial Beautification Grant project located at 13036 NW 7th Avenue**

*Approved 8-0*

### **Item 4 - Proposed Lease Agreement between the NMCRA and Miami-Dade County for the construction and operation of Fire Rescue Station Number 18**

The CRA Executive Director explained the circumstances by which the Miami Dade County Fire Department is seeking a parcel of land in the central section of the City of North Miami to build a new fire station. The CRA is proposing that a portion of the recently acquired land adjacent to the Pioneer Gardens site be leased to the fire department for \$1 per year; the fire department will then build a new station on that land.

Ms. Philippe did not like the idea that the CRA might be viewed as a “cookie jar”, giving out resources to other governmental institutions, and asked why the fire department closed down the original NE 8<sup>th</sup> Avenue station that served the central portion of the city. Ms. Couch asked how the noise from the fire station would affect the marketability of the Pioneer Gardens project next door. The CRA

Executive Director and other members of the Advisory Committee assured Ms. Couch that the fire department has operating procedures that make it possible to turn on their sirens after they are outside of the residential site.

Mr. Wolin pointed out that the three duplexes that the CRA purchased adjacent to the Pioneer Gardens site were originally presented to the advisory committee as necessary for the affordable housing project at Pioneer Gardens. Under that scenario, the CRA Advisory Committee recommended approval of a purchase price for one of those duplexes above the appraised value. Mr. Wolin asked at what point had discussions begun with the fire department for a possible land lease. The CRA Executive Director replied that preliminary discussions had begun for a land lease back in December of 2006, but for a different portion of the same block (the area in the Southeast corner of the site, not the location of the recently purchased duplexes).

Mr. Wolin argued that having a fire station next to the Pioneer Gardens site will definitely affect the marketability of a project on land that could already be considered as marginal, owing to the presence of an operating sewage pump adjacent to the site. Mr. Wolin felt that the CRA should ask the developers, Urban Residential Development Group, what their opinion of how leasing the adjacent parcels to the Miami-Dade Fire Department will affect the marketability of Pioneer Gardens.

The Mayor of North Miami, Mr. Burns then gave a brief history of “*Fire Station 18*” in the central portion of North Miami. Originally Fire Station 18 was a city operated station, located on NE 8<sup>th</sup> Avenue. When the City of North Miami’s Fire Department merged with Miami-Dade County, that station was considered redundant and it was closed, partly because of its small size and the presence of asbestos. However it is now apparent that in order to provide adequate fire service to the citizens of North Miami, a new “*Fire Station 18*” is needed in the central portion of the city, particularly with the problem of the FEC Railway tracks cutting off the Biscayne Blvd Station from accessing the central area during emergencies.

Mr. Vidal asked when the fire department will build the station, and if they have the financing in place. The North Miami City Mayor replied that the fire department is committed to building the station in the 08-09 Fiscal Year and already has the necessary capital funds.

*Moved by Mr. Vidal, seconded by Mr. McDearmaid*

**To recommend approval of the proposed lease agreement between the NMCRA and Miami-Dade County for the construction and operation of Fire Rescue Station Number 18**

*Approved 7-1, with Mr. Wolin against*

## **Item 5 - CRA Financial Status Report as of April 30, 2008**

The CRA Executive Director gave a brief overview of the CRA financial Status Report.

## **Item 6 - Request to Authorize the CRA Executive Director to negotiate the terms of a contract with selected firms in ranked order to provide Construction Management Services in response to RFQ/P #2007-9 Revised**

The CRA Executive Director described the process whereby the firms were selected for the provision of Construction Management services.

Ms. Feldman asked why certain firms that had scored very highly on the 1<sup>st</sup> tier evaluation had scored substantially lower on the 2<sup>nd</sup> tier evaluation. The CRA Executive Director explained that the first tier evaluation considered criteria relative to the general qualities of the firms; while the 2<sup>nd</sup> tier evaluation was based on an oral presentation by the firms and considered criteria relative to determining whether a given firm is the best match for the proposed scope of contract services.

Mr. Wolin asked what role the construction managers will play. The CRA Executive Director explained that they will act as an extension of CRA staff, reporting to the CRA on the progress of the developers in building the Pioneer Gardens project, and any other projects, including the Bel House Apartments.

Mr. Vidal cautioned that, based on his own experience, and published standards from the American Society of Civil Engineers, the industry standard for construction management services is usually around 5-6% of construction costs, therefore the costs of construction management services for Pioneer Gardens would be much higher than that budgeted by the CRA in the coming year.

Mr. McDearmaid suggested that the construction management work may have some overlap with what the developers will be doing themselves; therefore, to a certain extent there may be some duplication of services. Mr. Vidal disagreed, saying that it is money well spent to have a separate entity specifically representing the owner.

Mr. Wolin asked whether there is any way to build in a financial incentive to ensure that the construction manager does the best job possible in upholding the CRA's interests in the project. Mr. Vidal replied that he had never heard of such an arrangement with a construction management contract in his experience.

Mayor Burns questioned what role the developers, Urban Residential Development Group, Inc. should be taking to earn their 15% developer fee? Mr. Vidal pointed out that the developers are more like a general contractor, not a representative of the CRA. Furthermore, they have no motivation to keep costs

down, seeing as their fee will increase with higher construction costs. In closing, Mr. Vidal stated that he will vote against this recommendation because he does not like the firms that the CRA selected for recommendation through the Construction Management Services RFQ.

*Moved by Mr. McDearmaid, seconded by Ms. Phillipe*

**To recommend that the CRA Board authorize the CRA Executive Director to negotiate the terms of a contract with selected firms in ranked order to provide Construction Management Services**

*Failed 4-4, with Mr. Vidal, Mr. Wolin, Ms. Couch, and Ms. Feldman against*

### **Item 7 - Draft Proposed FY 2008-09 Preliminary Budget with recommended funding priorities**

The CRA Executive Director introduced the preliminary budget for FY 2008-09, and stressed that this was merely a very preliminary draft of how things could possibly look for the coming financial year.

Mr. Wolin asked what the total costs of the phase I environmental clean-up of the Pioneer Gardens site amounted to. The CRA Executive Director stated that the total cost of phase I was \$510,000.

Mr., Wolin asked if the \$1 million figure in the budget includes all pre-development costs or just all remediation costs. The CRA Executive Director replied that it is for just all the remediation, including the \$510,000 cost of phase I.

With regards to the \$1 million allocated to the new water department debt service, Mr. Vidal asked whether or not the water department is supposed to be a self-supporting proprietary type department, Mayor Burns replied that it is supposed to be.

Ms. Feldman asked for a little more detail about how estimates were made for the cost of work for the single family home rehabilitation. The CRA Executive Director replied that Urban Residential Development Group had gone in and given a preliminary estimate of the cost for each home. Many of those rough estimates came back at more than the CRA's maximum subsidy amount of \$50,000 per applicant. City staff has indicated that for projects that top the maximum CRA subsidy, they could fund the difference. The next step will be for contractors, including those that have worked on city funded home rehabilitation projects, to go in and provide bid prices for the work required for the CRA applicant homes.

Ms. Couch wondered why there was no budget allocation for developer/owner incentives for affordable housing; she felt that in today's market this would be a golden opportunity. The CRA Executive Director replied that firstly, from prior

experience, there was little interest from developers in pursuing the program, and secondly, it is better to allow the applicants to choose any home they want to purchase rather than limiting them to a particular home.

The CRA Advisory Committee Chair mentioned that there is a new high speed wireless internet service being developed by Verizon that may make WiFi obsolete. Therefore the CRA should be cautious in pursuing funding of the citywide WIFI access points project.

## **VI. New Business**

### **A. New Office Space Lease for the CRA**

Mayor Burns described the proposed plan for the City to lease one of Mr. Reynolds's properties next to City Hall, and to sublet a portion of it to the CRA. Mr. Reynolds is also the chair of the CRA Advisory Committee, some members of the advisory committee felt there may be a conflict of interest in this situation. Mr. Vidal recommended that an opinion should be obtained from either the CRA or City Attorney.

### **B. Discussion on the Amended and Restated Munisport Agreement**

Because the meeting had run on so late, it was decided that the discussion on the amended and restated Munisport Agreement would be postponed to the next meeting.

***The next Advisory Committee Meeting was rescheduled to Monday, June 30<sup>th</sup>, 2008.***

## **VII. Adjournment**

**The meeting was adjourned at 8:28 pm**