



**West Palm Beach
Community Redevelopment Agency**

**DRAFT
AGENDA**

**August 14, 2017
4:00 P.M.**

IN ACCORDANCE WITH THE PROVISIONS OF THE AMERICANS WITH DISABILITIES ACT (ADA), PERSONS IN NEED OF A SPECIAL ACCOMMODATION TO PARTICIPATE IN THIS PROCEEDING SHALL, WITHIN THREE DAYS PRIOR TO ANY PROCEEDING, CONTACT THE CITY CLERK'S OFFICE, 401 CLEMATIS STREET, WEST PALM BEACH, FLORIDA 33401, {(561) 822-1210}

**MAYOR
GERALDINE MUOIO**

**CITY COMMISSION
PRESIDENT CORY NEERING
COMMISSIONER PAULA RYAN COMMISSIONER SYLVIA MOFFETT
COMMISSIONER KEITH JAMES COMMISSIONER SHANON MATERIO**

**ADMINISTRATION
CRA EXECUTIVE DIRECTOR, JON WARD
CITY ATTORNEY, KIMBERLY ROTHENBURG
TREASURER, MARK A. PARKS
CITY CLERK, HAZELINE CARSON**

1. ROLL CALL

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, Secs. 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:

COMMENTS FROM THE BOARD:

ADDITIONS / DELETIONS / REORGANIZATION OF AGENDA:

PRESENTATIONS (2):

2. **Presentation by Joe Russo of Palm Beach Tech on the progress of the start-up project.**

[Agenda Cover Memorandum No.: 1481](#)

Staff Recommended Motion:

Accept the presentation from Palm Beach Tech

Background:

Palm Beach Tech, a start-up co-working space in downtown WPB received a development grant from the CRA in 2016 and staffer Joe Russo will give the CRA Board an update on the progress of Palm Beach Tech, as required by the grant.

Fiscal Note:

No fiscal impact

RESOLUTIONS (3-5):

3. **Resolution No. 17-36 approving a Conveyance Agreement between the West Palm Beach Community Redevelopment Agency and Habitat for Humanity for the conveyance of certain Agency owned properties located in the Pleasant City Neighborhood Redevelopment Area to Habitat for affordable housing development.**

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY APPROVING THE CONVEYANCE AGREEMENT BETWEEN THE AGENCY AND HABITAT FOR HUMANITY OF PALM BEACH COUNTY INC. CONVEYING CERTAIN AGENCY OWNED PROPERTIES LOCATED IN THE PLEASANT CITY

REDEVELOPMENT AREA; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

[Agenda Cover Memorandum No.: 1482](#)

Staff Recommended Motion:

Approve Resolution No. 17-36.

Background:

On July 3, 2016 the CRA staff published a thirty (30) day Notice of Intent to Dispose of Property, pursuant to Section 163.380(3)(a), Florida Statutes, for the disposition of certain Agency owned properties located in the Pleasant City Neighborhood Redevelopment Area.

On April 11, 2017, the Board passed and adopted Resolution No. 17-18 awarding five (5) vacant lots to Habitat for Humanity for the development of affordable single family homes for home ownership, pursuant to the negotiated conveyance agreement. Additional terms in the Conveyance Agreement includes an exhibit of the models to be developed, a schedule for completion and a reverter clause which provides that in the event construction is not fully completed within 365 days, upon the CRA's election all right, title and interest in and to the Property will revert to and revest in the CRA free and clear of all liens, financial obligations or encumbrances ("Right of Reverter"). Closing on the conveyance of the properties is conditioned upon issuance of a building permit for the construction of the models to be constructed on the parcels being conveyed.

4. **Resolution No. 17-35 approving the Conveyance Agreement between the West Palm Beach Community Redevelopment Agency and Brinmar Construction and Development, LLC for the conveyance of certain Agency owned properties located in the Pleasant City Neighborhood Redevelopment Area to Brinmar for housing development.**

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY APPROVING THE CONVEYANCE AGREEMENT BETWEEN THE AGENCY AND BRINMAR CONSTRUCTION AND DEVELOPMENT , LLC, CONVEYING CERTAIN AGENCY OWNED PROPERTIES LOCATED IN THE PLEASANT CITY REDEVELOPMENT AREA; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

[Agenda Cover Memorandum No.: 1483](#)

Staff Recommended Motion:

Approve Resolution No. 17-35

Background:

On July 3, 2016 the CRA staff published a thirty (30) day Notice of Intent to Dispose of Property, pursuant to Section 163.380(3)(a), Florida Statutes, for the disposition of

certain Agency owned properties located in the Pleasant City Neighborhood Redevelopment Area.

On April 11, 2017, the Board passed and adopted Resolution No. 17-18 awarding three (3) residential CRA owned lots located at 507 17th Street, 511 17th Street and 534 19th Street within the City of West Palm Beach, Florida to Brinmar Construction and Development, LLC for the development of single family homes for home ownership, pursuant to a development agreement being negotiated and presented to the Board for approval at a future CRA Board meeting. The Agency has negotiated the Conveyance Agreement between the Agency and Brinmar Construction and Development, LLC for three (3) residential single family homes on CRA owned lots subject of the approved resolution. Additional terms in the Conveyance Agreement includes an exhibit of the models to be developed, a schedule for completion and a reverter clause which provides that in the event Construction is not fully completed within 365 days of closing, upon the CRA's election all right, title and interest in and to the Property will revert to and revest in the CRA free and clear of all liens, financial obligations or encumbrances ("Right of Reverter"). The properties are being conveyed to Brinmar at no cost. Closing of the conveyances of the properties is conditioned upon issuance of a building permit for the design and construction of the models to be constructed on the parcels being conveyed.

5. **Resolution No. 17-37 establishing terms and approving an Incentive Agreement for Tax Increment Refunding in the amount of \$25,000,000 for the proposed Podium Plaza component of the Transit Oriented Development.**

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY ESTABLISHING TERMS AND APPROVING AN INCENTIVE AGREEMENT FOR TAX INCREMENT REFUNDING FOR THE PODIUM PLAZA TRANSIT ORIENTED DEVELOPMENT; PROVIDING AN EFFECTIVE DATE AND FOR OTHER PURPOSES.

[Agenda Cover Memorandum No.: 1484](#)

Staff Recommended Motion:

Approve Resolution No. 17-37 providing tax increment refunding to support the construction of the Podium Plaza component of the TOD in an amount not to exceed \$25,000,000.

Background:

UPDATE: As the Board is aware, developer Michael Masanoff and his team have proposed the development and construction of a Transit Oriented Development (TOD) on real property referred to as "The Wedge", located adjacent to the City's Seaboard Train Station and presently owned by Palm Beach County. At the regularly scheduled July 17, 2017 meeting of the CRA Board, staff presented the results of a series of negotiations with the proposed developer, focused on arriving at an appropriate level of TIF support. The Board did not support the funding request of the developer nor did it support staff's recommendation and the proposed Resolution 17-34 failed.

In the interim period since the last CRA meeting, staff has continued to negotiate with developer representatives and the developer has agreed to accept the CRA's offer of \$25,000,000 in Tax Increment refunding. Among other terms, the CRA will annually refund 95% of the Tax Increment collected from and directly attributable to the TOD project for a period of time until a refunding totaling \$25,000,000 has been reached. Staff recommends that the Board approve of this refunding proposal.

BACKGROUND: Transit Village (Developer) desires to redevelop the Wedge parcel to establish a Transit Oriented Development anchored by a public transit gateway to the Downtown / City Center District, provide enhanced pedestrian connections to the Northwest Neighborhood as well as the City's Clear Lake and TOD Districts, provide a park-once environment for the City's Downtown, provide transit and community amenities, create tax assessed properties whose assigned incremental tax increment will partially offset the additional costs of developing Transit Village, and provide community benefits to its neighbors. The Project is intended by the developer to promote the use of public transportation in the City of West Palm Beach and make the area more pedestrian and bicycle friendly. The redevelopment is planned to be a transit-oriented mixed-use development including residential, office, retail, and hotel uses, along with a parking garage, plaza and coordinated transit podium ("the "Public Podium Plaza") as well as certain public realm improvements parking uses (collectively, the "Project").

Pursuant to Sec. 163.387, Florida Statutes, the developer desires reimbursement of a portion of its development costs from the tax increment revenue produced by the Project. The total amount to be reimbursed from tax increment must be established by the CRA Board. As of this date, the developer has reduced its request to \$25 million from tax increment revenue. The developer must recognize that payment of the tax increment reimbursement is subordinate in all respects to the CRA's 2006 Series Bonds, the 2010 Series Bonds, and any additional bonds issued under CRA Resolution No. 06-93. Neither the CRA nor the City will guaranty any of developer's debt payments or obligations.

The entire transaction will require the continued negotiation and finalization of the Incentive Agreement, CRA Option Agreement, the Podium Plaza Lease, the Nominee Option Agreement, and a lease for the Seaboard Station. The Incentive Agreement also requires the Developer to identify community partner(s) and negotiate a Community Benefit Agreement identifying benefits to the surrounding neighborhood to result from the Development.

A summary of the significant terms of each agreement follows:

INCENTIVE AGREEMENT: Sec. 163.387(1)(b), Florida Statutes, gives CRAs the authority to enter into agreements with a private party which provides that the tax increment for a specific private project be refunded as reinvestment in the project, including debt services, when such project is consistent with the community redevelopment plan. Such agreements must specify the total amount of tax dollars to be refunded. The significant terms of the Incentive Agreement include the following:

1. Incentive Payment Total. The CRA will refund tax increment from the Project up to \$25 million.
2. Percent of Tax Increment. Each annual payment toward the total tax increment refund will be based on 95% of the tax increment revenue directly attributable to the TOD project received each year.
3. Extension of CRA. The term of the Incentive Agreement will be through 2046, requiring an extension of the CRA.
4. Covenant to Budget. In accordance with Florida law, the CRA may covenant and agree to budget and appropriate in its annual budget, from Legally Available Funds in each fiscal year, amounts sufficient to satisfy the Incentive Payments. As a matter of law, and in accordance with CRA Bond Resolution No. 06-93, such covenant to budget and appropriate legally available funds is subject, junior, inferior and subordinate to all existing issued bond obligations, and any future bond obligations or other debt which will be secured by a pledge of CRA tax increment revenues or legally available funds. Notwithstanding, the CRA Treasurer and bond counsel estimate that there will be sufficient revenues to satisfy the Incentive Payments, especially if the Project proves to generate the tax revenue estimated by the Developer.

CRA OPTION: The CRA will be granted an option to purchase the Developer's condominium interest in the Public Podium Plaza, subject to the Developer's financing and the Public Podium Plaza Lease. The Purchase price will be the conveyance costs. If the Public Podium Plaza is valued at \$19 million, as estimated by the Developer, the purchase price could be approximately \$200,000. The Developer (or its assignee) will retain the option to purchase the Public Podium Plaza back from the CRA. Upon the exercise of the CRA Option, Transit Village will execute a lease of the Public Podium Plaza that contains a PILOT provision requiring the tenant of the Public Podium Plaza to make periodic payments in lieu of taxes ("PILOT") during the term of ownership of the Public Podium Plaza by the CRA. In such event, the tax increment payments will come from the PILOT payments. Transit Village will retain an option to acquire the CRA's interest in the Public Plaza Podium and to terminate the PILOT and return the Public Podium Plaza to regularly assessed taxes and assessments.

PUBLIC PODIUM PLAZA LEASE: The Public Podium Plaza will be leased to Transit Village PPP, LLC, as the Tenant for a term of 60 years with an option to renew for an additional 30 years. The Tenant will be responsible for all operating and capital expenses related to the Public Podium Plaza. The parking in the Public Podium Plaza will be open to the public, subject to the ability of the owners and occupants of the Project to park in the facility. The Tenant will be obligated to utilize the incentive payments received from the CRA for debt service on the Developer's financing of the Project.

COMMUNITY BENEFIT AGREEMENT: The Incentive Agreement will require the Developer to enter into a Community Benefit Agreement with representatives of the surrounding neighborhood, to providing benefits, as determined by the community, such

as job training and job opportunities arising from the Project. The Developer will need to identify community partner(s) and negotiate the community benefits to be provided. The CRA will not be a party to nor administer the Community Benefit Agreement.

CITY OBLIGATIONS: The Incentive Agreement is with the CRA. It contemplates, however, that the City will agree to additional obligations:

A. RELEASE OF REVERTER. The City will release all existing rights of reverter in a portion of the Project property currently held by the City pursuant to the Agreement Relating to Reverter between the City and the Developer, dated October 22, 2014.

B. SEABOARD TRAIN STATION LEASE. The City will lease the parcel of real estate which includes the Seaboard Station for a term of sixty (60) years to the Developer for nominal consideration (\$10). The Developer will bear all costs of remediating the deferred maintenance of the Seaboard Station and will make improvements to expand the Seaboard Station to increase interior space and provide an open-air pavilion with the intent of providing space for transit-related retail and more efficient functioning of the station. All improvements will conform to the standards for historic structures.

Resolution No. 17-37 approves a tax increment rebate for the Transit Village Development in an amount not to exceed \$25 million, subject to the extension of the CRA's sunset date, and approves and authorizes the Incentive Agreement, CRA Option, Podium Plaza Lease and related documents, provided the final terms are agreed to by the CRA Executive Director and CRA Counsel's Office.

Fiscal Note:

No fiscal impact until TOD project conclusion. Reimbursements shall be paid from tax revenue generated by the project through 2046.

ADJOURNMENT:

NOTICE: IF ANY PERSON DECIDES TO APPEAL ANY DECISION OF THE CITY COMMISSION AT THIS MEETING, THAT PERSON WILL NEED A RECORD OF THE PROCEEDINGS AND FOR THAT PURPOSE MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED. THE CITY OF WEST PALM BEACH DOES NOT PREPARE OR PROVIDE SUCH A RECORD.