

MINUTES OF THE REGULAR MEETING  
BOCA RATON COMMUNITY REDEVELOPMENT AGENCY  
MONDAY, FEBRUARY 9, 2009  
\*1:30 P.M.

\*The Regular Meeting of the Boca Raton Community Redevelopment Agency was called to order by Chairman Arts at approximately 2:43 p.m.

**PLEDGE OF ALLEGIANCE TO THE FLAG:**

**ROLL CALL:**

Chairman M.J. Mike Arts  
Vice Chairman Bill Hager (absent – excused)  
Commissioner Susan Haynie  
Commissioner Michael Mullaugh  
Commissioner Susan Whelchel

Also attending the meeting were:

Boca Raton City Manager Leif J. Ahnell, Agency Director  
Boca Raton City Attorney Diana Grub Frieser, Attorney to the Agency

**AMENDMENTS TO THE AGENDA:**

*Motion was made by Commissioner Whelchel, seconded by Commissioner Haynie, to approve the agenda. Motion carried 4-0; Chairman Arts, Commissioners Haynie, Mullaugh, and Whelchel voting yes.*

**MINUTES:**

Minutes of the Regular Meeting of January 26, 2009

*Motion was made by Commissioner Whelchel, seconded by Commissioner Haynie, to approve the minutes as presented. Motion carried 4-0; Chairman Arts, Commissioners Haynie, Mullaugh, and Whelchel voting yes.*

**REGULAR BUSINESS - PART I - QUASI-JUDICIAL & RELATED PUBLIC HEARINGS:**

There were no items for consideration.

**PUBLIC REQUESTS:**

No one came forward to speak.

**REGULAR BUSINESS - PART II – RESOLUTIONS AND REGULAR PUBLIC HEARINGS:**

There were no items for consideration.

**OTHER BUSINESS:**

There were no items for consideration.

## **DIRECTOR'S REPORT:**

### 1. Sanborn Square District Discussion

Mr. Ahnell explained that, in addition to Crocker Partners' new Letter of Intent, dated February 3, 2009, and City staff's 12-page analysis of same, a new handout was being distributed that provided information related to questions Agency members tendered in regard to financing and so on. He noted that his main focus would be on staff's analysis of the Letter of Intent and began his presentation by providing background information on the pedestrian spine, which has been a long-term goal of the City. Specifically, there were three options available to accomplish completion of same: 1) private sector development, which resulted in minimal changes to the spine area; 2) public sector development (the City had identified \$30 million for the spine; however, due to property tax reform and the economy, that money has been eliminated); and 3) a public/private partnership; details were provided on all the above. At this time, Mr. Ahnell clarified for those present that the City was considering entering into a non-binding Letter of Intent with Crocker Partners that would ultimately lead to a binding development agreement.

There followed a review of Crocker Partners' proposal beginning with the project overview, which would involve approximately 1,446,000 square feet of mixed use development. Staff advised that approximately 288,000 square feet of development currently exists in the three-block area of the Sanborn Square District; therefore, the net increase in development would actually be 1.1 million square feet. Staff also noted there were no guarantees that Crocker Partners would be able to acquire the necessary land for the spine. In terms of parking, a significant amount would be needed and much of it would be constructed underground in order to achieve the right massing for the overall development.

Attention focused on five stages of development: a) execution of the development agreement, followed by b) acquisition of the land by Crocker Partners, c) design approval by the City/CRA, d) conveyance of public lands from the City, and e) construction and development of the project. Mr. Ahnell then reviewed other aspects of the Letter of Intent, including the term of the proposed development agreement (five years); design restrictions; phasing of the project; Crocker Partners' commitments; progress reports; construction of the pedestrian spine; parking; the Community Redevelopment Agency's (CRA) commitments; the City's commitments; and the expression of intent. Staff's analysis was provided in each of those categories, which included but was not limited to, the need for milestones or benchmarks over the proposed five-year period; the significant impact that transfers of development rights would have on all downtown property owners; the need for assignability of land purchase contracts to the City should Crocker Partners choose not to move forward; increasing the cap of \$5 million in TIF (Tax Increment Financing) funding allocated to the CRA; including the Sanborn Square District in any overall downtown special assessments; and reconstruction of Sanborn Square Park in connection with construction of underground parking.

Mr. Ahnell spoke to the additional packet of material containing information related to: 1) Sanborn Square District Parcels and Current Assessed Value, 2) Mizner Park Debt Service and Lease Revenues 2009-2018, 3) Downtown Master Plan Projected Infrastructure Costs, 4) Downtown Debt Service / Property Value Analysis, 5) TIF Analysis – Crocker Partners Reasonable Projections, and 6) TIF Analysis – Crocker Partners Optimistic Projections. Details were provided on all the above. Mr. Ahnell then concluded his presentation and answered questions from Agency members regarding the ultimate fiscal impact to the City, when the Mizner Park debt is paid off, whether downtown property owners have been notified of the proposed transfer of development rights, the timeframe for Crocker Partners to obtain approximately 520,000 square feet of office equivalent rights, the timeline for public hearings and input from citizens, why no value was assigned to the City's rights-of-way, how property owners would access their properties once the rights-of-way are conveyed, and whether the City/CRA would be privy to any of the land negotiations on the parcels. Responding to the Agency, Mr. Ahnell provided additional information in order to clarify the TIF in connection with land values.

Charles Siemon opined that the NOPC (Notice of Proposed Change) issue, specifically, the 520,000 square feet of office equivalency, was minor, easy to achieve, and would serve to assuage concerns of other property owners. He then spoke to the valuation of downtown property, stating the biggest threat is that the market had lost faith in where the downtown was going; consequently, there must be an upward trajectory. Details were provided.

Angelo Bianco, representing Crocker Partners, advised that he wished to obtain a nonbinding agreement today from the CRA, with the understanding that the aspects contained within the Letter of Intent are the business points from which the parties are to go forward. He added that, should the Agency still have questions or concerns, he preferred there not be a vote today. Mr. Bianco then answered questions from the CRA. Noting that most of the land required for the spine is owned by Greg Talbott, James Batmasian, and the City, concern focused on why the land acquisition would take five years. Mr. Bianco explained that he wished to create a meaningful assemblage of land; therefore, the spine may or may not be straight, depending on the land he is able to acquire. He also clarified that each individual property owner could still come to the City/CRA on their own to develop or redevelop their property; Crocker's proposal would simply prohibit another third party, such as Crocker Partners, from coming into the picture.

Robert Eisen, with Talbott Realty, agreed that positive direction was needed; otherwise, market values would decline. However, he found one provision of the Letter of Intent to be unfair, specifically, the condition giving Crocker Partners exclusive rights to public property in the area. He stated that no property owners would be able to do anything with these public properties, adjacent to their lands, without going through Crocker Partners; details were provided. Mr. Eisen suggested the CRA could move forward today with the rest of the Letter of Intent but leave out this provision, indicating that perhaps a first right of refusal might be instituted instead. He also suggested the land acquisition take place over a shorter period of time, such as two years, with the goal of putting land together first to create the spine; additional land could then be acquired later. Mr. Eisen emphasized the need for Crocker Partners to have an investment in the land, just as other property owners do, within a period certain.

Derek Vander Ploeg suggested that flexibility should be built into the document and indicated support for the nonbinding agreement.

Lenore Wachtel stated there were more negatives than positives to this project and that development would be frozen for five years. She advocated using special assessment bonds to put in the spine along NE 1 Avenue, suggesting that some streets be closed and alleyways opened in order to install sidewalks and landscaping as well, all of which would promote lower-scale development without the need to transfer development rights. Ms. Wachtel suggested that if Crocker Partners had to buy buildable rights from property owners, the proposal might be acceptable. She then advised that a big concern of the Golden Harbor neighborhood was traffic; details were provided. She urged the City to figure out how to take care of the traffic on West Palmetto Park Road and 20<sup>th</sup> Street and Federal Highway before considering another million square feet of development in the Sanborn Square area. Ms. Wachtel concluded by questioning whether the CRA was receiving the rental overages from Mizner Park. Mr. Ahnell advised that the minimum rent received was \$1,180,000; details were provided. He then answered additional questions from Ms. Wachtel, explaining that if private property owners want to develop their property, they are required to install their own infrastructure as there is no overall partnership with the City and noted that the biggest problem they have relates to parking.

Arlene Owens, with the Boca Raton Pioneers Club, stated it appeared that Crocker Partners still wanted to dig up Sanborn Square and put in parking underground. She noted there are thirty 25-year-old Royal Palms valued at approximately \$10,000 a piece in the park and they don't transplant well. Ms. Owens advocated leaving Sanborn Square Park alone. Mr. Ahnell clarified that Crocker Partners would have a right to, assuming they built the entire project, remove Sanborn Square, put in underground parking to reduce the mass above ground, and then plant and reconstruct the park.

Mr. Bianco responded to concerns and comments made by citizens and answered additional questions from the Agency, as did Mr. Siemon. At this time, Mr. Bianco provided information to the CRA related to assignability of land contracts.

Armand Batmasian, with Investments Ltd., voiced concern over the five-year land acquisition period, saying property owners should not be limited in conducting outside negotiations for a certain period of time.

*Motion was made by Commissioner Whelchel, seconded by Commissioner Haynie, that the CRA accept the Letter of Intent proposed by Crocker Partners, dated February 3, 2009, which would replace the prior Letter of Intent, dated December 29, 2008, and direct staff to negotiate with*

*Crocker Partners and bring back, if possible, a proposed development agreement for consideration by the CRA.*

Discussion ensued as to the concerns and unanswered questions brought forward today. The City Attorney provided additional clarification as requested. Ultimately, the following amendments were made to the original motion.

*Motion was made by Commissioner Mullaugh, seconded by Commissioner Whelchel to amend the Letter of Intent proposed by Crocker Partners, dated February 3, 2009, to add the following conditions:*

- 1) The development agreement should provide for milestones, benchmarks, or performance requirements with a specified timetable and, specifically, focusing on acquisition of land, and*
- 2) The development agreement should address the concerns regarding restrictions of property owners' rights or abilities to request and acquire City lands or rights-of-way, and*
- 3) In the event the development agreement should terminate, any contracts for acquisition of land that have been obtained by Crocker Partners would be assignable to the City or CRA at their election.*

*Motion carried 4-0; Chairman Arts, Commissioners Haynie, Mullaugh and Whelchel voting yes.*

*The vote on the main motion, as amended, carried 4-0; Chairman Arts, Commissioners Haynie, Mullaugh and Whelchel voting yes.*

Responding to the Agency, Mr. Bianco indicated he understood that things could change tomorrow; what occurred here today constituted a handshake and a meeting of the minds; and it was all nonbinding.

**ATTORNEY'S REPORT:**

The City Attorney had nothing to report at this time.

**COMMISSIONERS' REPORTS:**

The Commissioners had nothing to report at this time.

**ADJOURNMENT:**

*Motion was made by Commissioner Whelchel, seconded by Commissioner Haynie, to adjourn the meeting. Motion carried 4-0 on a voice vote; Chairman Arts, Commissioners Haynie, Mullaugh and Whelchel voting yes.*

The regular meeting of the Boca Raton Community Redevelopment Agency adjourned at approximately 4:40 p.m., Monday, February 9, 2009.

\_\_\_\_\_  
M.J. Mike Arts, Chairman

ATTEST:

\_\_\_\_\_  
Sharma Hagerty, City Clerk