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Mayor Keith A. James
Commission President Christy Fox (District 3)
Commissioner Cathleen Ward (District 1)
Commissioner Shalonda Warren (District 2)
Commissioner Joseph A. Peduzzi (District 4)
Commissioner Christina Lambert (District 5)

CRA Executive Director Christopher Roog
City Attorney Kimberly Rothenburg
Deputy City Clerk Jacqueline Mobley

**City of West Palm Beach
Community Redevelopment Agency
PASS/FAIL Agenda
Monday, July 11, 2022
3:00 PM**

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, FL 33401, (561) 822-1210.

1. CALL TO ORDER

2. 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.

3. COMMENTS FROM THE PUBLIC

Public comments are limited to 3 (three) minutes. Anyone wishing to address the Commission should complete a "Comments by the Public" card and present it to the City Clerk prior to the Public Comments. When you are called to speak, please go to the podium and state your name and address for the record prior to addressing Commission. The Commission will not discuss the matter nor respond to the comment this evening. Comments made will become part of the record and may be addressed at a later date.

4. COMMENTS BY THE MAYOR AND CITY COMMISSIONERS

5. ADDITIONS / DELETIONS / REORGANIZATION OF AGENDA

6. CONSENT CALENDAR - **APPROVED**

All items listed under the consent calendar are considered routine and will be enacted by one motion. There will be no separate discussion of these items.

- 6.1. Minutes of the Community Redevelopment Agency Meeting of June 13, 2022

Originating Department:
Mayor's Office

7. RESOLUTIONS - **APPROVED: 7.1 thru 7.8 | CONTINUED 7.4**

- 7.1. Resolution No. 22-1 approving a purchase and sales agreement for the conveyance of CRA owned property located at 822 N. Tamarind and 824 N. Tamarind Avenue to P & L Corporate Solutions, LLC.

Originating Department:
Community Redevelopment Agency

Ordinance/Resolution:

RESOLUTION NO. 22-1: A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY APPROVING A PURCHASE AND SALE AGREEMENT BETWEEN THE WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY AND P&L CORPORATE SOLUTIONS, LLC, TO CONVEY CRA-OWNED PROPERTY LOCATED AT 822 AND 824 N. TAMARIND AVENUE, WEST PALM BEACH, FLORIDA; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES

Staff Recommended Motion:
Approve Resolution No. 22-1.

Background Information:

The CRA acquired the properties located at 822 and 824 N. Tamarind Avenue for \$54,000 by warranty deed in September 2011. The Community Redevelopment Agency will be paying for the construction and renovation of the existing historic building located on 822 N. Tamarind Avenue. Estimated Construction costs are \$264,000. The historic house will be repurposed as an office use. P and L Corporate Solutions will be owning and occupying the building as a staffing firm and will be relocating its corporate headquarters to 822 N. Tamarind Avenue. P and L Corporate Solutions will be purchasing the properties at appraised value. \$105,000 for 822 N. Tamarind Avenue and \$43,400 for 824 N. Tamarind Avenue. 824 N. Tamarind will be used for future expansion for P and L Corporate Solutions headquarters. This business relocation aligns with the CRA's goals for minority business attraction in the Historic Northwest. This project also

serves to remove slum and blight on the Tamarind Corridor in the Historic Northwest.

Commission District 3: Commissioner Christy Fox.

Fiscal Note:

CRA is paying to renovate the structure. Estimated cost is \$264,000. CRA is selling the properties for \$148,400. Account number to be used for the construction is: 105.012.012430.559.500621.30379043.

- 7.2. Resolution No. 22-21 approving a conveyance agreement between the Community Redevelopment Agency and Styx Design Build LLC for CRA owned property at 614 7th Street.

Originating Department:

Community Redevelopment Agency

Ordinance/Resolution:

RESOLUTION NO. 22-21: A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY APPROVING A CONVEYANCE AGREEMENT BETWEEN THE WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY AND STYX DESIGN BUILD, LLC, TO CONVEY CRA-OWNED PROPERTY LOCATED AT 614 7 STREET, WEST PALM BEACH, FLORIDA 33401, TO STYX DESIGN BUILD, LLC; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

Staff Recommended Motion:

Approve Resolution No. 22-21.

Background Information:

Alfonso Hernandez Architect LLC, submitted a un-solicited proposal on July 8, 2022 to the Community Redevelopment Agency for the conveyance of Community Redevelopment Agency property located at 614 7th Street. The CRA then proceeded to submit a 30-day notice of disposal on 614 7th Street on August 10, 2022.

We received no offers on the property and began negotiations with Alfonso Hernandez.

Per the agreement, Styx Design Build, LLC (formerly Alfonso Hernandez Architect LLC) agrees to demo the property and construct a new building for Alfonso Hernandez Architects and Toby Barnhardt Construction corporate headquarters. The agreement also includes restrictive covenant language for restricting the sale of the property for five years and keeping it as its intended use for five years.

Commission District 3: Commissioner Christy Fox.

Fiscal Note:

No fiscal impact.

- 7.3. Resolution No. 22-29 approving the agreement with Redevelopment Management Associates, LLC for providing project services and operation to the CRA.

Originating Department:

Community Redevelopment Agency

Ordinance/Resolution:

RESOLUTION NO. 22-29: A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY APPROVING THE AGREEMENT FOR THE PROVISION OF PROJECT SERVICES AND OPERATION OF THE WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY BETWEEN THE WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY (CRA) AND REDEVELOPMENT MANAGEMENT ASSOCIATES, LLC. (RMA); PROVIDING FOR AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

Staff Recommended Motion:

Approve Resolution No. 22-29.

Background Information:

The City of West Palm Beach Community Redevelopment Agency ("the CRA") issued RFQ No. 21-22-400 requesting proposals to provide consulting services and staffing to the CRA. Redevelopment Management Associates, LLC (RMA), which has provided management and operation services to the CRA since its inception, was determined to be the best qualified firm to provide the services.

In the renewed agreement, RMA will provide all the following full time staff to the CRA:

- Project Manager II
- Project Manager I
- Construction Manager
- Real Estate Manager
- Marketing Coordinator
- Marketing Coordinator

Services provided by RMA will be inclusive of any service needed to meet the goals and objectives as established by the CRA, and to meet regulatory requirements, with the exception of major, non-routine assignments.

Remuneration under the new agreement will be \$897,000 annually, or \$74,750 monthly. This represents an annual decrease of \$299,280 or 25%

from the previous annual rate, due to the fact that the Executive Team of the CRA are now City employees. Additional services requested by the CRA may be negotiated on an as-needed basis.

The agreement is for an initial term of 3 years, with an option to extend for two additional years, and includes an escalation clause of 3% for each year. The Agreement may be terminated with cause upon thirty (30) days written notice, and without cause upon sixty (60) days written notice.

- 7.4. Resolution No. 22-30 approving a term sheet for a tax increment financing agreement totaling \$9,680,000 with WPB Fern Holdings, LLC, as incentive for the provision of affordable housing in compliance with the Downtown Master Plan Housing Incentive Program.

Originating Department:

Community Redevelopment Agency

Ordinance/Resolution:

RESOLUTION NO. 22-30: A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY APPROVING THE TERM SHEET FOR A TAX INCREMENT FINANCING FOR WPB FERN HOLDINGS, LLC, AS INCENTIVE FOR THE CONSTRUCTION OF RESIDENTIAL UNITS FOR FAMILIES WITH INCOME BETWEEN 100%-60% OF THE AMI WITHIN THE DOWNTOWN / CITY CENTER CRA DISTRICT; AUTHORIZING THE BOARD CHAIR TO EXECUTE THE TAX INCREMENT INCENTIVE AGREEMENT; PROVIDING AGENCY FUNDS FOR THIS PURPOSE; PROVIDING FOR AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

Staff Recommended Motion:

Approve Resolution No. 22-30.

Background Information:

The City of West Palm Beach has determined that workforce and affordable housing are strategic priorities to ensure continued economic growth. On August 9, 2021, the City adopted ordinance 4958-21 establishing the DMP Housing Incentive Program that applies to the Downtown Master Plan Area which concurrently is the Downtown/City Center CRA District. In coordination with the City, the Community Redevelopment Agency (CRA) can provide an additional incentive through tax increment financing (TIF) to assist with creation of workforce and affordable housing in the Downtown/City Center CRA District. Per the program developed by the City, developers can use a percentage of the taxes generated from a project to offset the reduction in rent from the market rate.

WPB Fern Holdings is developing a project located at Fern and Quadrille, the former location of the City's Health Care Clinic. The project will include luxury apartments and Wexford Real Estate Partners is requesting to

locate the workforce housing program obligation in a separate building located at 512 Clematis Street. The luxury apartment building is estimated to generate \$2,547,220 annually to the CRA. Applying the City's workforce housing program \$968,000 a year will be used to finance workforce and affordable housing. This will leave approximately \$1,579,220 to the CRA for continued redevelopment activities. Under the term sheet, the taxes generated from the luxury apartment development located at Fern and Quadrille will be applied to a workforce housing project located at 512 Clematis Street. The 512 Clematis Street Project includes:

- 88 Affordable and Workforce Units
- Rent rates from 60%-100% of Area Median Income
- Annual tax increment payments for ten (10) years
- Maximum tax reimbursement of \$9,680,000

The project located at 512 Clematis Street offers affordable and workforce housing at a premium location that is in proximity to a variety of jobs that will assist local businesses in the City of West Palm Beach.

The project is in the Downtown / City Center CRA District.

Project Location: Commission District 3: Commissioner Christy Fox.

Fiscal Note:

Tax increment reimbursement estimated to be \$968,000 annually for ten (10) years. Funds will be paid when the project is built.

- 7.5. Resolution No. 22-31 approving a purchase and sale agreement between the West Palm Beach Community Redevelopment Agency and Viktor Darashenka and Natalia Kazakevich, husband and wife, for the CRA's purchase of real property located at 901 N. Tamarind Avenue.

Originating Department:

Community Redevelopment Agency

Ordinance/Resolution:

RESOLUTION NO. 22-31: A RESOLUTION OF THE WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY APPROVING A PURCHASE AND SALE AGREEMENT BETWEEN THE WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY AND VIKTAR DARASHENKA AND NATALIA KAZAKEVICH, HUSBAND AND WIFE, FOR THE CRA'S PURCHASE OF REAL PROPERTY LOCATED AT 901 N. TAMARIND AVENUE, WEST PALM BEACH, FL 33401, LOCATED IN THE TAMARIND CORRIDOR; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

Staff Recommended Motion:

Approve Resolution No. 22-31.

Background Information:

The Community Redevelopment Agency reached out to Mr. Kazakevich to see if he would consider selling 901 N. Tamarind in 2021. Mr. Kazakevich agreed to let us do an appraisal and send a contract to purchase the property from him. 901 N. Tamarind is a part of a prospective future development at the Southwest corner of 9th and Tamarind. The acquisition also serves to remove slum and blight from the Historic Northwest District.

Commission District 3: Commissioner Christy Fox.

Fiscal Note:

\$94,000 plus applicable closing costs.

- 7.6. Resolution No. 22-32 authorizing the purchase of real property located at 5800 Broadway from 5800 Broadway Land Trust, ARSALI LLC., Trustee, for the purchase price of \$700,000 and approving, and authorizing the chair to sign, the Agreement of Purchase and Sale.

Originating Department:

Community Redevelopment Agency

Ordinance/Resolution:

RESOLUTION NO. 22-32: A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY AUTHORIZING THE PURCHASE OF REAL PROPERTY LOCATED AT 5800 BROADWAY FROM 5800 BROADWAY LAND TRUST, ARSALI LLC., TRUSTEE, FOR THE PURCHASE PRICE OF \$700,000; APPROVING AN AGREEMENT OF PURCHASE AND SALE BETWEEN THE WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY AND 5800 BROADWAY LAND TRUST, ARSALI LLC., TRUSTEE; AUTHORIZING THE CHAIR TO EXECUTE THE AGREEMENT OF PURCHASE AND SALE AND ALL RELATED ANCILLARY DOCUMENTS; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

Staff Recommended Motion:

Approve Resolution No. 22-32.

Background Information:

The property located at 5800 Broadway is a parcel on the Broadway Corridor containing .4355 acres. This property is of particular interest to the Agency because it is adjacent to the Agency's land asset at 5706 Broadway and will serve as a key piece in the Agency's continued efforts to redevelop the Broadway corridor.

The property is owned by 5800 Broadway Land Trust, Arsali LLC. The Agency began negotiations with the Arsali family for the purchase of the property and submitted a contract for the purchase in March, 2022. The LLC executed the agreement on June 8, 2022. The agreed upon sales

price is \$700,000. This is over the appraised value of \$435,000. Staff feels that this purchase is justified because it will significantly advance the redevelopment of the Broadway Corridor.

Approval of Resolution No. 22-32 will authorize the purchase of the property for \$700,000 and authorize the Chair to execute the Agreement of Purchase and Sale.

Northwood/Pleasant City District.

Commission District 1: Commissioner Cathleen Ward.

Fiscal Note:

\$700,000 plus applicable closing costs.

- 7.7. Resolution No. 22-33 approving a redevelopment loan in the amount of \$470,000 for KWA Properties, LLC, for the redevelopment of the Hamburger Haven restaurant and property at 1020 N. Tamarind Avenue.

Originating Department:

Community Redevelopment Agency

Ordinance/Resolution:

RESOLUTION NO. 22-33: A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY APPROVING A FOREGIVABLE LOAN TO KWA PROPERTIES, LLC, IN THE AMOUNT OF \$470,000 FOR THE REDEVELOPMENT OF THE COMMERCIAL PROPERTY AT 1020 N. TAMARIND AVENUE; PROVIDING AGENCY FUNDS FOR THIS PURPOSE; PROVIDING FOR AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

Staff Recommended Motion:

Approve Resolution No. 22-33.

Background Information:

The West Palm Beach Community Redevelopment Agency ("CRA") undertakes activities for redevelopment and to remedy blight in the Downtown/City Center Community Redevelopment District of the City of West Palm Beach.

Amendment No. 16 to the Strategic Finance Plan for the Downtown/ City Center District which includes the Historic Northwest, recognizes that the Stull and Lee report proposed a Tamarind "Business Campus", consisting of a mixture of uses for the Tamarind Corridor. The CRA has begun property acquisition to aggregate parcels for sufficient development. The Strategic Finance Plan indicates that a mixture of uses will be an integral part of spurring redevelopment in this area and will also provide for job creation. The Strategic Finance Plan recommends that the area be

developed, allowing for buildings to be occupied by one company or by several smaller businesses.

The CRA's Relocation and Development Assistance program is designed to encourage the rehabilitation and renovation of existing buildings in targeted business corridors to assist in the creation of vibrant commercial corridors.

Hamburger Haven, owned by KWA Properties, LLC, is an established family owned business since the early 1940's and is located on the Tamarind Avenue commercial corridor.

KWA Properties, LLC, applied to the CRA for financial assistance under the Relocation and Development Assistance program.

KWA Properties desires to renovate and expand its commercial functions along the Tamarind Corridor, and has been working with CRA staff, Palm Beach County staff and the Bank of Belle Glade on a comprehensive funding package that will allow the business to demolish the inside and renovate the interior and exterior of its existing building; expand the building to provide additional commercial space for two other tenants, one of which is proposed to be D'Best BBQ which now serves out of a food truck across the street.

Additionally, the CRA owns the adjacent parcel of land, known as 1028 N. Tamarind Avenue, which is a non-conforming lot. If conveyance of this lot is approved by the CRA Board by a companion agenda item, this lot will be unified with the property at 1020 N. Tamarind Avenue to provide additional area for open air seating and entertainment.

The total project cost is estimated at \$1,884,500. The sources of funding include:

- a. A Section 108 Loan in the amount of \$470,000 from Palm Beach County;
- b. A loan in the amount of \$380,000 from the Bank of Belle Glade; and
- c. A loan in the amount of \$470,000 from the CRA.

The CRA loan will be secured by a second priority mortgage (co-equal with Palm Beach County's mortgage) on the property. The Bank of Belle Glade will hold the first priority mortgage.

The CRA loan will be a 20-year loan, without payments, which will be forgivable provided that the property is not sold and the business continues to successfully operate during the 20-year period.

CRA staff finds that this project ensures rehabilitation of a historic structure, allows two new business to locate to the area, assists the property owner in obtaining the highest and best use of the property, and eliminate slum and blight.

Resolution No. 22-33 approves the loan with the described terms and authorizes the execution of all required documents.

CRA District: Downtown / City Center District.

Commission District: 3: Commissioner Christy Fox.

Fiscal Note:

105.012430.559.500816.30379085; Project Line Item CC 105.

- 7.8. Resolution No. 22-34 approving a Conveyance Agreement between the West Palm Beach Community Redevelopment Agency and KWA Properties LLC, for the conveyance of property located at 1028 N. Tamarind Avenue for an amount not-to-exceed \$10 to KWA Properties, LLC.

Originating Department:

Community Redevelopment Agency

Ordinance/Resolution:

RESOLUTION NO. 22-34: A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY APPROVING A CONVEYANCE AGREEMENT BETWEEN THE WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY AND KWA PROPERTIES, LLC, TO CONVEY CRA-OWNED PROPERTY LOCATED AT 1028 N. TAMARIND AVENUE, WEST PALM BEACH, FLORIDA, TO KWA PROPERTIES, LLC FOR NOMINAL CONSIDERATION IN THE AMOUNT OF TEN DOLLARS; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

Staff Recommended Motion:

Approve Resolution No. 22-34.

Background Information:

This is a companion item of Resolution No. 22-33. The parcel of land known as 1028 N. Tamarind Avenue is a nonconforming lot of record. It will be unified with the adjacent parcel at 1020 N. Tamarind Avenue and used for public open air seating and entertainment. As part of the overall redevelopment the improvements to this parcel will exceed \$150,000.

Commission District 3: Commissioner Christy Fox.

Fiscal Note:

Conveyance of land at no cost.

8. DISCUSSION - **SELECTED: BRAND ATLANTIC**

8.1. 314 Clematis Street Purchase and Sale Discussion

Originating Department:

Community Redevelopment Agency

Staff Recommended Motion:

Board Direction Needed

Background Information:

The Community Redevelopment Agency purchased the property located at 314 Clematis Street in 2019 for the purposes of encouraging businesses to downtown. While the CRA is currently following direction from the Board to renovate the structure, the real estate market has shown interest in the property.

On March 7, 2022, by Resolution No. 22-20, the CRA Board approved the disposition of the property in order to entertain formal proposals for the sale of the property. The CRA received five proposals to purchase the building and the proposals were presented by staff at the April 18, 2022.

Offers were received from:

- 1909, proposing a mixed use, including an innovation hub;
- AltAcoom Group, proposing a hotel use;
- Amud Aish Memorial Museum, proposing a holocaust memorial museum;
- Blue Water FL Acquisitions; and
- Brand Atlantic, proposing a mixed use including residential, office and parking.

Proposals were based on the following evaluation criteria:

- Purchase price including deposits, and term of deposits.
- Intended use of the building after renovations.
- Funding and financing of the entire project, proof of funding, source of funding, terms, if any, associated with funds. Include information related to funds and financing for the purchase of the structure, renovation of the structure and five (5) years of cash flow to cover

the costs of operations and maintenance of the structure. Due Diligence and closing period requested including extensions and terms of extensions, if any.

- How the offer and proposed use meets the goals of the CRA and City.
- The public benefits associated with the offer including estimated property taxes generated from the structure with the proposed use.
- Experience in the purchase, renovation, operations and maintenance of commercial space. List of any redevelopment team members identified, including developer, financing partner, general contractor, architect, property manager and tenants.
- Impact of the offer and final use of the building on public services such as parking, sidewalk seating or use, alleyway usage if any, commercial loading/unloading.
- Timeline of project completion, including due diligence, closing, permitting, renovation, leasing, final build-out and soft/grand opening.

After hearing presentations of the proposals on May 16, 2022, the CRA Board directed staff to enter into a purchase and sale agreement with 1909 based on their proposal. CRA staff has developed a draft agreement. However, in order to proceed with finishing the agreement, a joint venture agreement was needed from 1909. Staff had requested this agreement be submitted to CRA staff by Monday, June 27. CRA staff did not receive the agreement. Instead, 1909 submitted a letter of intent to enter into a joint venture agreement with Blue Water Capital. The letter of intent states that Blue Water would be in an 85% ownership position among other items.

The current proposal from 1909 is a substantial change from what was presented to the CRA Board on May 16th. Therefore, Staff will need direction from the Board on how to proceed. A cone of silence is still in place relating on this matter.

The 314 Clematis Street property is located the Downtown / City Center CRA.

Property Commission District 3: Commissioner Christy Fox.

9. 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