

Regular Meeting of the
Downtown Development Authority
Thursday, June 10, 2010
Broward Center for the Performing Arts
Einstein Room

ROLL CALL

COMMUNICATIONS TO CITY COMMISSION

BOARD PRESENT: Dennis F. O'Shea, Vice-Chairman
Gregory Durden, Secretary
Tim Petrillo, Treasurer
William R. Scherer, Board Member
William H. Bodenhamer, Jr., Board Member
John Ropes, Board Member

NOT PRESENT: D. Fredrico Fazio, Chairman (participating by speaker phone)

ALSO PRESENT:

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|--|---------------------|
| John M. Milledge, DDA Legal Counsel | James Chohonis |
| Chris Wren, DDA Executive Director | Tom Vogel |
| Elizabeth Van Zandt, Planning & Design Manager | John Jones |
| Marti Brown, Administrative Coordinator | Ron Centamore |
| Chadwick Blue, Urban Planner | Gregory Salters |
| Kate Sheffield, Planning Assistant | Norm Adams |
| Mike Ferber | Jennifer Lee |
| Genia Ellis | Cornelius Van Liere |
| Karen Dietrich | Kelley Shanley |
| Nina Justice | Charlie Palmer |

PRESIDING: Dennis F. O'Shea, Vice-Chairman

Vice-Chairman O'Shea called the meeting to order at 8:35 a.m. Roll call was taken by Marti Brown. All Board members were present. Chairman Fazio participated by speaker phone.

CONSENT AGENDA

Vice-Chairman O'Shea asked whether there were any comments or if anyone wanted to pull anything and hearing none, he asked if there was a motion approving the Consent Agenda. ***A motion was moved by Mr. Bodenhamer and seconded by Mr. Petrillo. All Board members were in favor.*** The following items were unanimously approved:

- C-1) Approval of the minutes and follow-ups from the May 13, 2010 DDA Regular Board Meeting
- C-2) Approval of Outdoor Event Application-Mercedes-Benz Corporate Run, 3/30/11-4/1/11
- C-3) Approval of Outdoor Event Application- Fight for Air Walk, 10/1/11

REGULAR AGENDA

R-1 Police Report

Captain Dietrich introduced herself and reported that there were 460 citations on Las Olas (both pedestrian and vehicular). She also said that a man was arrested in the process of breaking into a car. She indicated that he was linked to other vehicle burglaries and since putting him away in jail, the number of burglaries has gone down.

She then turned to introduce Office Justice, who she reported was the downtown officer on the day shift who does the 5:30 a.m. sweeps.

She then welcomed Major Salters to present. Major Salters said he just got back from a 10 week training session at the National Academy. He indicated a lot has happened since he left, including the redistricting. He commended Captain Dietrich on her efforts while he was away.

The Board thanked the officers for their hard work.

R-2 DDA 2010/2011 Budget Schedule

Mr. Wren introduced the budget item and indicated he only needed a motion on the budget hearing dates. He skimmed through the office work plan and then said the initial figures from Lori Parrish's office shows a 7% decrease in existing commercial valuation, but \$50 million in value has been added due to new construction. He indicated that if the Board were to pass the same millage rate as the current year, it would be bring in approximately \$12,000 more in ad valorem revenues.

Mr. Wren gave a snapshot of each of the budget funds and indicated this would be discussed in more detail at the upcoming budget workshops.

Mr. Scherer expressed interest in the progress of the 2000 Bond Balloon payment. Mr. Wren indicated the options were still being explored through the finance committee and he plans to have these options presented at the July Board meeting.

Mr. Ropes suggested that other options for revenue be explored. He mentioned using apartments as commercial entities and to look at the agency's assets. **Mr. Wren said he would schedule one on one's with the Board members and include Chuck Adams.**

Mr. Wren asked for a motion to approve the proposed budget hearing dates. ***Mr. Durden made a motion setting the public hearing dates as follows: Rescheduling the regular DDA Board Meeting from 8:30 a.m. to 4:00 p.m. on September 9th with the first budget hearing at 5:01 and scheduling the second budget hearing for 5:01 on September 23, 2010. Mr. Petrillo seconded the motion and all were in favor.***

R-3 Commercial & Residential Activity (1st Quarter 2010)

Kate Sheffield reported on the residential real estate activity for the first quarter of 2010. She said that Alan Hooper could not make it to the meeting today. Ms. Sheffield explained that the first quarter of 2010 continued with steady rental success. She said Eclipse opened in January and is now fully occupied. She indicated closings picked up in February. Ms. Sheffield said another trend of the first quarter was the sale of foreclosed units. She added that while only one new foreclosure was

added to the market during the entire quarter, numerous foreclosures were sold each month.

Ms. Sheffield said the number of closings in February almost reached that of July, 2009, the highest since these reports began. She said March continued the increase of new listings trend, but saw a comparative drop in sales. She said that rental-only buildings continue to perform well, with the Eclipse (which opened this past January) reaching full occupancy last month.

The First Generation Units (the original, developer-owned units) continued to decline in the first quarter. The Foundry and the Mill sold several, as did Las Olas Riverhouse. Overall, the majority of the rental buildings have kept their rates per square foot around \$1.50, which she said has proven effective in attracting tenants. **Mr. Scherer asked that Ms. Sheffield include information on the condo rentals (not just the rental only buildings).**

Ms. Sheffield then introduced Norm Adams, of Stiles Realty, to present the commercial real estate report.

Mr. Adams passed around his report and said that activity is relatively the same within the downtown commercial market. He said some deals were made in the first half of the year, but they continue to be lateral moves from building to building. He indicated there are no new companies moving in from outside the downtown. He mentioned that Franklin Templeton is moving from 500 E. Broward Blvd. to Stiles' corporate headquarters and that Stiles is moving to 301 E. Las Olas Boulevard.

Mr. Adams mentioned that while rates increase, it's not the base rate that increases, but the operations costs. Mr. O'Shea said that the DDA needs to provide incentives for businesses. Mr. Ropes said that there should be an economic liaison to draw businesses into the office space.

Mr. Adams said the education sector is growing and suggested a downtown satellite campus for U.F. and University of Miami.

Mr. Petrillo said the DDA needs a strong approach with the City to get incentives in place to lure businesses to the downtown.

Mr. Scherer said that a study was completed and asked what the largest industry was. Ms. Sheffield responded, "the legal industry." Mr. Scherer said lawyers will fill the offices with the construction of the new courts.

Mr. Durden wanted to expand on Mr. Petrillo's idea of keeping our educational facilities in downtown. He suggested creating a committee for the arts and education in downtown.

Mr. Petrillo asked how the DDA can champion companies and mentioned how the quality of education in South Florida is affecting whether or not businesses want to locate here. He continued to say that Delray Beach invites companies to tour their downtown and those are the activities the DDA should be doing. Mr. O'Shea said that the DDA should start with the Mayor.

Mr. Petrillo requested the Board focus on City incentives and to reach out to Stephen Scott.

R-4 DDA Office Space

The Board did not express interest in any type of criteria is selecting office space. **They requested**

staff bring back the lease proposals for their review.

R-5 Additional Residential Units

Mr. Wren introduced the item and Mr. Milledge added that given the timeframe of the Amendment 4 vote, it is unlikely that the flex zone process will be completed beforehand. He assured the Board that, "it won't legally be an issue once the vote is made" and therefore, recommended to not pursue the consultant work at this time.

Mr. Petrillo asked that the Board revisit this once the 2000 Bond Balloon payment is addressed.

R-6 Summary of DDA Visioning Workshop

Mr. Ropes led the discussion. He said that the meeting moderator prepared meeting follow ups, included in the Board package. He highlighted the mission statement changes and focusing on arts, education and residential as integral ingredients to the success of downtown.

He asked for status on the legal determination for taxing apartments as commercial uses. Mr. Milledge responded that he had not done enough research to provide a concrete answer, but indicated he should be wrapping up his analysis shortly.

Mr. Ropes made a motion to form a committee of Board Members and other downtown stakeholders to focus on outreach initiatives to keep education facilities downtown. Mr. Durden seconded. None opposed.

Building on Mr. Petrillo's focus earlier, Mr. Durden indicated he'd like to form a committee that focuses on recruitment into the downtown and on keeping facilities in the downtown.

Mr. O'Shea said the DDA needs to function like the Broward Alliance and Mr. Petrillo said it should be the concierge of downtown. Mr. Petrillo suggested Mr. Wren take the Delray DDA Director to lunch. ***Mr. Petrillo then made a motion to form a committee to look at the broader mission of recruitment and keeping facilities downtown, as it relates to all uses. He also motioned to work with the City on this effort. Mr. Durden seconded.*** Mr. Petrillo volunteered, as did Mr. O'Shea and Mr. Durden.

DIRECTOR'S REPORT

Mr. Wren had nothing to report.

As there was no other business, Vice-Chairman O'Shea adjourned the meeting at 10:30 a.m.