



TPA TRANSITION STEERING COMMITTEE MEETING SUMMARY

August 15, 2018

Palm Beach TPA Office
2300 N Jog Road, 4th Floor
West Palm Beach, Florida 33411

PDF versions of the agenda, backup material and presentations as well as audio recordings are available for review at www.PalmBeachTPA.org/Meeting

Review Meeting Summary from June 12, 2018

Mr. Nick Uhren noted a summary was provided in the agenda backup and that minutes are not adopted for subcommittee meetings.

Motion to Recommend Execution of four (4) Admin Services Agreements

Mr. Uhren introduced the TPA's Chief Financial Officer, Mr. Matthew Komma, and noted Mr. Komma is providing assistance with the Administrative Services Agreements as well as the member dues. He also noted the TPA's General Counsel, Mr. Paul Gougelman, was not able to attend but would be available by phone if the need should arise.

Mr. Uhren reviewed the following:

- The TPA received executed Administrative Services Agreements from the Town of Jupiter, City of Palm Beach Gardens, Village of Royal Palm Beach and City of Boca Raton.
- On April 30, the City of West Palm Beach directed staff to move forward with the Administrative Services Agreement, which has not been executed to date.
- The agreements provide the following:
 - Each municipality provides the TPA with a loan of \$300,000, which the TPA retains for a period of five (5) years.
 - The TPA uses these funds to pay agency operating costs and then obtains reimbursements from federal planning grants.
 - The TPA pays each municipality an administrative fee of \$6,000 per year.
 - The TPA provides each municipality with an audited financial statement annually.

A brief discussion ensued on the details of the administrative fee the TPA pays each municipality and the status of the City of West Palm Beach on member dues and the Administrative Services Agreement.

MOTION by Mayor Marino, seconded by Mayor Pinto and carried unanimously 6-0.

Motion to Recommend Execution of a lease for TPA Office and Meeting Space

Mr. Uhren reviewed the aerial photos highlighting location, a summary of the key metrics, existing building façades, and proposed floorplans for 301 Datura Street, 426/428 Clematis Street, 301 Clematis Street and 250 Australian Avenue as potential sites for office and meeting space.

Mr. Uhren noted he does not have an answer as to whether the federal funding partners, Federal Highway Administration (FHWA) and Federal Transit Administration (FTA), will allow the TPA to execute a lease that requires the TPA to reimburse the property owner for upfront tenant improvement costs as they are incurred. He stated these agencies are accustomed to repayment over the term of the lease for the tenant improvements and not the noted scenario.

Mr. Steve Paige noted that the property owner would run the contract for design and construction, but the TPA would participate in the selection process.

A discussion ensued on the indemnification, Letters of Intent that have been distributed to the property owners at 301 Datura Street and 426/428 Clematis Street, and when an answer would be received from the federal funding partners.

Mr. Uhren noted that he expects an answer in a week and has been pressuring FHWA and FTA for answers. He also noted it is not possible to use federal dollars to pay a contractor directly to improve space that the agency does not control.

A discussion took place on the potential of using TPA reserves as collateral, if there is a precedence of the federal government changing their mind after approving funds being spent on a buildout, and the possibility of moving forward with the lease agreement without an answer from FHWA and FTA.

Mr. Komma noted that action cannot be taken until FHWA and FTA gives a definite answer.

Further discussion took place on the pros and cons for the potential sites.

Mr. Paige noted that on the 428 Clematis Street site, windows would be added to the west well above the adjacent building but the City of West Palm Beach's fire department might require exterior sprinklers along the façade. Additionally there is asbestos in the building with that removal cost being estimated in the buildout cost, and the potential for additional unknown problems.

Mr. Uhren noted the TPA has not consumed all of the federal planning funds for several years and has accumulated the ability to expend dollars in an upcoming year that are not recurring. The TPA can only use those dollars once and then must operate within the recurring fund amounts. If there is an annual expenditure of dollars that exceeds a recurring amount, the agency must decide if it is willing to start spending dollars to operate the agency (i.e. lease costs, salaries and benefits) that could have been spent on transportation projects. Other MPOs around the country have chosen to spend some of their production money on planning and operations of the agency. Staff believes this practice can be avoided for at least two more years with either site option but eventually the conversation will need to be had.

A discussion took place on the committee and staff's preference of sites with both noting 428 Clematis Street as the better option.

Mr. Uhren noted the following as staff follow-up:

- FHWA and FTA approval for reimbursement of buildout costs.
- Quantify the potential for sprinkling and associated cost.
- Quantify the asbestos cost to shore up the \$1.2M estimated to buildout the space.
- Next Transition Steering Committee meeting to take place on August 28th at 10:30 a.m.

MOTION by Mayor Marino to rank Site 2 (428 Clematis Street) ahead of Site 1 (301 Datura Street), to direct staff to quantify buildout costs for both sites, to obtain a firm response from FHWA on funding scenarios, and to report back to the committee before the next TPA Board meeting. The Motion was seconded by Commissioner Ryan and carried unanimously 6-0.

TPA Member Dues Status

Mr. Uhren noted a majority of TPA members have provided formal approval to contribute member dues in FY19. The member dues are to pay for non-reimbursable expenses the agency would incur, such as advocacy, promotional items, sponsorships of events, and individual professional memberships that add value to the agency.

Mr. Uhren noted Palm Beach County is expected to address this question on September 18, and he is working with the city staff from West Palm Beach and Delray Beach. He noted that some cities have been unresponsive, but that he will proceed presuming support. TPA staff will distribute a member dues request letter on October 1 stating the member dues amount and to remit payment by October 31. TPA staff will present a summary of payment status annually at the TPA Board meeting in December.

There was a consensus to move forward as noted.

TPA Transition Schedule Update

Mr. Uhren reviewed the transition actions that were identified in TPA Resolution 2017-08 to establish the TPA as an independent agency. The items are listed based on schedule and separated by action, the estimated completion date and current status. He noted the internal goal to move into a new office and commence fully independent operations is April 1, 2019.

A brief discussion took place on the terms of the current Staff Services Agreement with Palm Beach County. That agreement currently terminates on September 30, 2019 but can be extended for two additional one-year periods by 90-day notice from the TPA prior to the expiration date. That agreement can also be terminated early by the TPA by providing 90-day written notice of termination.

Steering Committee Members in Attendance:

Commissioner Hal Valeche, TPA Chair, Palm Beach County
Mayor Maria Marino, TPA Vice Chair, City of Palm Beach Gardens
Mayor Steven Grant, City of Boynton Beach
Commissioner Paula Ryan, City of West Palm Beach
Council Member Joni Brinkman, Village of Palm Springs
Mayor Fred Pinto, Village of Royal Palm Beach

Others in Attendance

Nick Uhren, Palm Beach Transportation Planning Agency
Matthew Komma, Palm Beach Transportation Planning Agency
Margarita Pierce, Palm Beach Transportation Planning Agency
Steve Paige, Reichel Realty