



**PLANNING AND ZONING COMMISSION
MEETING MINUTES
TUESDAY, NOVEMBER 17, 2020 9:30 A.M.**

Please be advised that in keeping with a recent directive from the Town Council, the minutes of all Town Boards and Commissions will be "abbreviated" in style. Persons interested in listening to the meeting, after the fact, may access the audio of that item via the Town's website at www.townofpalmbeach.com or may obtain an audio recording of the meeting by contacting Kelly Churney, Secretary to the Planning & Zoning Commission at (561) 227-6408.

I. CALL TO ORDER AND ROLL CALL

Vice Chair Ainslie called the meeting to order at 9:29 a.m. All members participated via Zoom Webinar due to the COVID-19 Situation.

Michael Ainslie, Vice Chair	PRESENT
Rick Pollock, Member	PRESENT
Michael Spaziani, Member	PRESENT (left at 10:10 a.m.)
Richard Kleid, Member	PRESENT
Eric Christu, Member	PRESENT
Marilyn Beuttenmuller, Member	PRESENT
Jorge Sanchez, Member	PRESENT (left at 10:50 a.m.)
William Gilbane, Alternate Member	PRESENT

Staff Members present were:

Wayne Bergman, Director of Planning, Zoning and Building
Paul Castro, Zoning Manager
Brad Falco, Zoning Technician
Kelly Churney, Secretary to the Planning and Zoning Commission

II. INVOCATION AND PLEDGE OF ALLEGIANCE

Ms. Churney led the Commission with the Invocation and the Pledge of Allegiance.

Mr. Ainslie welcomed all in attendance at the meeting.

III. ELECTION OF OFFICERS

Mr. Bergman announced Michael Ainslie was elected as Chair and Richard Kleid as Vice Chair.

IV. APPROVAL OF THE AGENDA

Motion made by Mr. Kleid and seconded by Mr. Pollock to approve the agenda. Motion carried unanimously.

V. APPROVAL OF SEPTEMBER 15, 2020 PLANNING & ZONING COMMISSION MINUTES

Mr. Kleid requested minor changes to the September 15, 2020 minutes. Ms. Churney agreed to make the changes.

Motion made by Mr. Pollock and seconded by Mr. Spaziani to approve the minutes of the September 15, 2020 Planning & Zoning Commission meeting as amended. Motion carried unanimously.

VI. COMMUNICATIONS FROM CITIZENS REGARDING NON AGENDA ITEMS - (3 MINUTE LIMIT PLEASE)

There were no communications from citizens at this time.

VII. DISCUSSION OF EXISTING COMMERCIAL/RESIDENTIAL TENANT USE MIX FOR THE SECTION OF THE C-TS COMMERCIAL ZONING DISTRICT ON SOUTH COUNTY ROAD FROM ROYAL PALM WAY TO WORTH AVENUE

Mr. Ainslie reported that to understand the extent of the problem, he had toured Worth Avenue and found 13 stores vacant. On the vias leading off Worth Avenue and the adjoining streets, there were 16 vacancies. In addition, Neiman Marcus was vacant for the foreseeable future, for a total of 30 vacancies. He estimated 20 stores that were closed but still had the name of the tenant on the store and some merchandise, some of which would probably not reopen. He realized this was a pretty big problem.

Mr. Spaziani commented his background was real estate appraiser on the Island for close to 40 years and in his opinion, there were too many commercial buildings compared to the number of citizens. Some buildings had been sitting vacant for a decade and could be converted to residential use. He expected retail to turn around after vaccines were available. He discussed filling vacant retail with office space, commenting the reason office space had not been commingled with retail was it interrupted the flow of retail shoppers, who tended to go from store to store. He suggested doing this in an area where retail traffic was limited. He discussed shared parking, which seemed like a good idea, but could cause problems for the landowners of complicating mortgages and selling the property, and cautioned not to violate the comprehensive plan. He implored the Commission not to pass any new ordinances without knowing how the results would affect the Town, and using a wait and see attitude, noting the virus would be under control in the near future. He felt businesses not following the virus rules should have a more stringent fine. Mr. Spaziani announced an upcoming seminar on the South Florida real estate market through the eyes of the county appraiser's office on how the virus had affected commercial and residential real estate.

Mr. Ainslie asked Mr. Spaziani to provide his list of properties for distribution.

Mr. Kleid noted Mr. Spaziani had emphasized the coronavirus, which might not be the only reason for the demise of retail. It had been changing before the virus, and after the virus there would still be the problem of whether retail would be operating out of physical buildings, and the concept of retail was changing.

Mr. Pollock asked Mr. Spaziani the location of a property on his list. Mr. Spaziani responded there was a retail office building with residential in the back, which had been on the market for probably a decade at Cocoanut and Peruvian and thought it could be a great opportunity for townhomes. Mr. Pollock agreed with the decline of retail and commented this would be a very complex problem to discuss, but all discussion points were very valid.

Zoning Manager Castro introduced Jeff Cloninger, former Planning and Zoning Commission member and long-time real estate businessman in the Town. Mr. Cloninger provided his perspective on changing retail. He stated that in the last few years, because of Amazon and

similar businesses, the Town did not have the retail demand they had in the past, which combined with the virus had caused a lot of the vacancies. He represented a property owner who had not raised his rates in eight years and a number of people were looking at his spaces but hesitated on leasing because of the insecurity in the country right now. He personally would not invest in office space right now because everyone was working from home and he felt after the virus, things might not return to the same scenario as before. Allowing residential use of presently zoned commercial space was problematic because of parking issues. He suggested being flexible in the types of uses, possibly allowing office space on the ground floor and allowing various uses for existing commercial spaces. He cautioned not to over react and do something that would affect the future of Palm Beach when the present situation was gone. He suggested taking each long block and allowing office use in possible 20%-25% of the spaces. People did not want second floor office space, and he did not have people wanting retail space. He felt increasing density was a big mistake and the answer was being more flexible with types of use. Many New York boutiques used to have a secondary location in Palm Beach; now they were leaving New York and making Palm Beach their base. His opinion was to allow various uses over the next two years then ease back into retail, and not to add any more commercial space because there was more than enough. Retail vacancies were a problem all over the country now, but changing zoning regulations because of a short term problem would be a mistake.

Mr. Cloninger clarified for Mr. Ainslie that he felt existing vacant second story office space should be converted to residential.

Mr. Cloninger responded to Mr. Pollock's question about requests for office space by stating there had been no requests for office space. Mr. Ainslie thought there was growing demand for midsize financial firms coming here to make this their permanent home or a major alternate home from their northeastern presence. Mr. Cloninger responded those people needed large spaces but Palm Beach did not have that much, so they were going to West Palm Beach. Mr. Kleid asked about a specific landlord and Mr. Cloninger described the location of his properties. He cautioned not to lose how Palm Beach was built, as a residential community with a small commercial component, which was needed to have things that served the Town. The trick was for retailers to come up with something special, because they were competing with Amazon.

Mr. Ainslie asked why there were seven or eight vacancies on the west side of South County and none on the east side. Mr. Cloninger felt that was just coincidence.

Mr. Gilbane commented as a new member who had relocated from New York that there was an incredible amount of potential demand short term for pop ups because the business had either relocated permanently or had a longer term rental and were looking to serve their client base that had moved from New York. He believed retail would come back after COVID but would be more of an experience center, and gave an example of Restoration Hardware, which had been the first large retailer ten years ago to move to dining inside where you passed through their store on your way to the roof to eat. He felt the Commission should figure out how to get through the COVID situation without making long term decisions they might later regret. He was interested if Mr. Cloninger thought the landlords and the Town could work together.

Mr. Cloninger commented it was hard to have popups when others had suffered through the long off season. He felt retailers should have staying power and be able to serve the Town. Mr. Gilbane agreed, but also felt the specialized pop ups now were not competition for retailers

that were year-round, or might end up staying year round. Also, demographics were skewing younger. Mr. Cloninger commented it might be exciting to have the pop ups but it was not good for the landlord because it was too temporary.

Mr. Ainslie asked Mr. Gilbane to provide a list of service oriented uses that might relocate from New York because their clients had moved here.

Mr. Sanchez asked about retail and office rental pricing compared to nice areas across the bridge. Mr. Cloninger did not think that was an issue, the issue was demand. He brought up the parking issue in Palm Beach, which was probably not going away. Mr. Sanchez gave as an example someone who opened a store and had to close because of the rent, and was now flourishing in West Palm with the same clients. Mr. Cloninger commented on uniqueness and questioned why one would shop on Worth Avenue if it could be found in virtually any mall in America.

Mr. Christu asked if Mr. Cloninger had observed people who had moved from New York or California wanting to open a business and needing a smaller space. Mr. Cloninger responded he had seen that in Phipps Plaza.

There were no public comments at this time.

Mr. Ainslie called for Mr. Bergman's report. Mr. Bergman commented Brad Falco and Paul Castro had walked the street South County Road from Royal Palm down to Worth Avenue and made a list of the businesses by name, type of use, first or second floor, and vacant square footage if known. He was interested in continuing this to get data for the entire town. The current report could be used to look at the various uses, and staff could do the analysis of the actual zoning code for what was or was not permitted. He discussed types of uses for specific locations.

Mr. Castro provided a history of the zoning code and how it evolved. He noted areas where changes in the code were needed, but care must be taken if allowing a bigger mix on the first floor, which was typically a pedestrian activated and pedestrian concentrated area that the town wanted. He cautioned to make sure the mix was right so as not to detract from the retail aspect.

Mr. Castro advised he had conducted a site survey looking at both sides of the street at the South County Road commercial shopping Town serving area, and taking an inventory of the specific uses for the vacant spaces and using business tax receipts to obtain square footage. He reviewed the survey spreadsheet

Mr. Kleid indicated he was pleasantly surprised because the survey showed pretty good occupancy.

Mr. Bergman believed that staff could continue the survey over the next two months to complete Worth Avenue from the ocean heading west and continue up South County to include those blocks north of Royal Palm.

Motion made by Mr. Ainslie and seconded by Mr. Christu that the Planning and Zoning Commission suggest to Town Council that they direct the Director of Planning and Zoning to undertake the analysis described by Mr. Bergman. Motion carried unanimously.

Mr. Bergman commented the first step in building possibilities for conditional uses as a third category was to look at special exception uses, some of which might be moved to that third category.

Mr. Ainslie commented that could be a theme of the December meeting, and asked Mr. Bergman to send out information. He also asked the commissioners to try to come up with additional ideas, which could be used to make a recommendation to the Town Council for a conditional use category. Mr. Pollock felt that would help him formulate a decision about where the Commission was headed with the decision to change the zoning ordinances for residential or commercial.

Mr. Ainslie spoke in favor of utilizing a retail strategy consultant, and suggested that the Commission recommend a nationally recognized retail strategy firm. He recommended a way to get the private retail sector to fund this project, by a coalition of landowners, associations, and others, such as The Breakers, which might have an interest in this. Six to ten donors might put up \$10,000 each. He did not want the Town to be the major funder, but might ask them to be a contributor. Mr. Christu stated he was in favor of this. Mr. Ainslie advised the benefit of going to a private funding model was a small committee could vet applicants and do it much faster than the Town's RFP process, and this was an urgent problem. Messrs. Kleid, Gilbane, and Ms. Beuttenmuller also believed this was a good idea. Mr. Kleid suggested the civic association might be a contributor.

Motion made by Mr. Christu and seconded by Mr. Pollock to recommend to the Town Council the retention of a retail strategy consultant with the possibility that the majority, or all, of the cost be covered by some of the players involved. Motion carried unanimously.

VIII. COMMENTS FROM PLANNING AND ZONING COMMISSIONERS AND THE PLANNING, ZONING AND BUILDING DIRECTOR

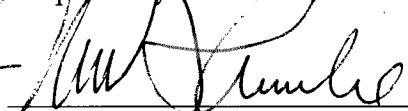
Mr. Bergman provided a background on this discussion and stated the Town Manager's office wanted staff to review the makeup of the Commissions. Staff felt the Commission sizes were too large and recommended a reduction through attrition to a 5 member board with two alternates. Town Council requested that staff speak with all of the Commissions to gain their feedback on the size of the Commissions.

All of the Commissioners provided their feedback on the issue.

IX. ADJOURNMENT

Motion was made by Mr. Kleid and seconded by Mr. Pollock to adjourn the meeting. The meeting was therefore adjourned at 11:13 a.m. by unanimous vote.

Respectfully Submitted,



Michael Ainslie, Chair
Town of Palm Beach
Planning & Zoning Commission