MARGATE
CRA

EMERGENCY AGENDA ITEM

TO: Margate CRA Board

FROM: Diane Colonna

DATE: October 14, 2015

DISCUSSION AND POSSIBLE ACTION: David McLean involvement in Singh Façade Grant Application. Request made by Commissioner Peerman.

Diane Colonna

From: Diane Colonna
Sent: Tuesday, October 13, 2015 2:51 PM
To: Frank Talerico; Joanne Simone; Joyce Bryan; Lesa Peerman; Tommy Ruzzano
Cc: Douglas E. Smith; Eugene Steinfeld; Joseph Kavanagh; Jennifer Johnson
Subject: CRA Meeting Agenda Item - Addition
Attachments: Discussion re Singh Facade Grant.pdf

Good afternoon

Commissioner Peerman has requested that the following item be added to tomorrow night's CRA meeting agenda:

"Discussion and possible action: David McLean involvement in Singh CRA façade grant application."

Attached is background information related to the item. Hard copies of this back up will also be provided at the meeting.

In order to consider the item, it will have to be added to the agenda at the beginning of the meeting.

If you have any questions let me know.

Diane

Diane Colonna
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Select Year: 2015 ▼ Go

The 2015 Florida Statutes

Title XLVI CRIMES | Chapter 838 BRIBERY; MISUSE OF PUBLIC OFFICE | View Entire Chapter

838.022 Official misconduct.—

(1) It is unlawful for a public servant, with corrupt intent to obtain a benefit for any person or to cause harm to another, to:

(a) Falsify, or cause another person to falsify, any official record or official document;

(b) Conceal, cover up, destroy, mutilate, or alter any official record or official document or cause another person to perform such an act; or

(c) Obstruct, delay, or prevent the communication of information relating to the commission of a felony that directly involves or affects the public agency or public entity served by the public servant.

(2) For the purposes of this section:

(a) The term "public servant" does not include a candidate who does not otherwise qualify as a public servant.

(b) An official record or official document includes only public records.

(3) Any person who violates this section commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

History.—s. 5, ch. 2003-158.

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FROM ADMINISTRATIVE INVESTIGATION Pages 16, 17, 18

A review of the transcript from the last recording obtained on this date which included audio not admitted at trial included detail that McLean discusses compelling the owner of the northern half of Singh's shopping center to complete improvements to both halves of the shopping center. McLean is heard stating "I'll call the city and make him do it."

Government Item 45 A (Recording) B (Transcript) – August 8, 2012
This audio transcript is between McLean, Singh, and Karl Smith (Contractor from R & K). Smith provides his background to McLean and Singh. This transcript is strictly related to improvements and a façade. McLean talks about his vision for the property. McLean discusses obtaining three competitive bids with Smith so that "it's legal." McLean talks about working on a drawing with Depaola.

A review of the transcript from the last recording obtained on this date which included audio not admitted at trial included detail that Singh's portion of the shopping center is estimated to cost $17k.

Government Item 46 A (Recording) B (Transcript) – August 9, 2012
This audio transcript is of McLean and Singh discussing a conversation with an unidentified person. McLean asked Singh if he remembered the drawings and states that he (McLean) is going to see Depaola. There is mention of being billed double, believed to be referencing doubling the estimate for the façade improvements. McLean agrees with the inflated billing so (we) "don't have to pay no money out of pocket."

This transcript is very brief and offered no further remarkable statements.

Government Item 47 A (Recording) B (Transcript) – August 30, 2012
This audio transcript memorializes a conversation between Singh and McLean. They are heard talking about what is believed to be a conversation that Singh had with a contractor. Singh discusses paperwork and money up front. McLean asks Singh if the unidentified person understands what they want him to do. Singh offers that he does and McLean says "money." It was inferred that the conversation is related to an overinflated estimate so that McLean and Singh may financially benefit from the CRA grant. McLean discusses upgrades that Singh has completed on his business thus far. Singh explains that all the modifications have been completed under a permit. There were no additional remarkable statements on this transcript.

Government Item 48 A (Video/Audio Recording) B (Transcript) – September 12, 2012
This transcript depicts a meeting between McLean, Singh, and FBI Cooperating Witness Stephen Scacco of Target General Contracting. Scacco, according to his own testimony, is a Florida Licensed Contractor. McLean explains to Scacco his position with the City (Vice Mayor) and discusses his background. McLean talks about an upcoming election and states that he has accomplished more in his ten years in office then the other commissioners have done in 30 years.

Singh could be heard having a conversation with an unidentified male in the background. The conversation appears to be related to his business. McLean asks Scacco about the improvements to Singh's business and he (Scacco) appears disinterested, stating that the job has a low profit margin for him. Scacco explains to McLean that he is interested in jobs $200,000 and under. There were no additional remarkable statements on this transcript.

Government Item 50 A (Recording) B (Transcript) – September 18, 2012

This transcript depicts McLean and Singh discussing refuse removal bills from Waste Management. McLean contacts Tony Spadaccia by phone and requests to meet him. McLean tells Singh that he is going to meet Spadaccia and advises him that if Code Enforcement comes to tell them that the dumpster is full of scum, and Waste Management going to replace it. McLean advises Singh that he will have it all worked out that day.

A review of the transcript from the recording on this date which included audio not admitted at trial included detail in which McLean makes disparaging comments regarding Pellecchia.

Government Item 52 A (Recording) B (Transcript) – October 4, 2012
This transcript memorializes a meeting between Singh and McLean discussing the intricacies of the CRA Grant. Singh goes over figures with McLean as it relates to how much money he should request and what his profit would be. Singh states there would be $3,000 in excess that both could "split" between them if they inflate the estimate.

A review of the transcript from the recording on this date which included audio not admitted at trial included detail in which Singh and McLean discuss upping the contractor's construction estimate to $40k from $17k to fully fund the façade repairs with no out of pocket expense. They discuss splitting the cash difference between the true cost of the job and what the fraudulent grant would provide. Singh celebrates in receiving his occupational license for automobile sales.

Government Item 53A (Recording) B (Transcript) – October 10, 2012
This audio transcript between Singh and McLean is again referring to the scheme related to the CRA grant. During this recording, Singh contacts a male who he portrays to be Scacco and requests that he email an inflated estimate. McLean is aware of the call and asks Singh if Scacco is going to send it.

The majority of the conversation is related to Singh filling out what appears to be the MCRA grant paperwork while seeking McLean's input. Singh again discusses a profit from the MCRA grant for both he and McLean while completing the CRA paperwork. This statement was supportive that McLean had knowledge that a fraudulent, overinflated estimate was going to be submitted in an effort to obtain a CRA grant.

A review of the transcript from the recording on this date which included audio not admitted at trial included detail in which McLean and Singh discuss filling out the grant application and discuss their split on the grant overage. McLean urges Singh to Photoshop out some derogatory window covering from photos that are to be included in the application. On or about this date, McLean filled out the MCRA grant application for Singh's shopping center by hand, falsely increasing the amount of the construction estimate to approximately $47,705 thereby upping the match portion of the grant request to $25k. McLean then instructed Singh to redo the application in his own handwriting so that Margate employees would not recognize the handwriting.

Government Item 54 A (Recording) B (Transcript) – October 11, 2012
This audio recording between Singh and McLean memorializes the submission of documents related to the CRA grant. The initial portion of the audio discusses who is in charge of the CRA. McLean informs Singh that City Manager Blough is the Director. Singh expresses that the he is not the City Manager's favorite person. McLean states, "Yeah, fuck him. I'm not his favorite person. Right now he's giving me the cold shoulder." McLean explains how the vote for the grant is going to occur and that three votes are needed. McLean mentions Joe (Varsallone), Pam (Donovan), and Talerico. Singh asks McLean, "those

are our people?" McLean responds; "yeah." McLean expresses his displeasure with Commissioner Lesa Peerman for putting an election sign of another candidate in her yard.

The latter portion of this transcript captures the meeting with Margate CRA Coordinator Rita Rodi at the CRA. Rita asks both Singh and McLean how she can help them then recognizes that they have brought her, "information." Rita appears to go through documentation with Singh and McLean. She questions whether they have a drawing of the proposed changes and McLean responds, "Not yet." McLean tells Rita that they would like to get this (CRA Application) on the agenda. Rita responds by stating that the meeting may get delayed. There were no additional remarkable comments on this recording.

Government Item 55 A (Recording) B (Transcript) – October 31, 2012

This audio transcript of McLean and Singh captures a discussion relating to errors that were made on the CRA Grant documents. Singh's math was not correct on the documents and the address listed on the application did not correlate to the Broward County Property Appraiser. McLean encourages Singh to go to Rodi, obtain the documents, and correct the errors as soon as possible. Singh ends the conversation by stating he is leaving (presumably to fix the documents).

A review of the transcript from the recording on this date which included audio not admitted at trial included detail in which McLean and Singh discussed fraudulently increasing the dollar amount of the estimate on the final application to $50k, for a grant match of $25k which will result in unencumbered $8k for them to split. Singh complied in boosting the requested amount. There were no additional remarkable comments on this recording.

Government Item 56 A (Video/Audio Recording) B (Transcript) – November 1, 2012

This audio/video transcript memorialized a conversation between Singh and McLean related to the approval of the CRA Grant that appeared to have occurred just prior to this recording. McLean explained the procedure of the meeting and how he had to abstain from the vote. Because no other commissioner was able to second the motion, McLean took the gavel thereby running the meeting and orchestrating the vote. Singh explains that he has to go to the bank and obtain some money to move forward with the grant. Singh asks McLean if he should give Commissioner Joe Varsallone "something." McLean tells Singh it is up to him and if he does it to make sure he does it without anyone knowing.

A review of the two transcripts from the recording on this date which included audio not admitted at trial included detail McLean and Singh discuss dividing up the ill-gotten proceeds, including giving former Commissioner Joe Varsallone some unsolicited money as a tribute.

Government Item 57A (Video/Audio Recording) 57B (Transcript) – November 2, 2012

This transcript begins with McLean and Singh going over monetary figures related to the construction and reimbursement of the grant. McLean states to Singh, "Don't let them (City) track it so quick." It is believed this statement relates to Singh's push to utilize the funds right away so they can profit. Singh continues the conversation with McLean by discussing ways to minimize his cash outlay for any construction by having a friend do some of the work.

This recording captures an additional payoff to McLean of $3k which took place in a parking lot on University Drive in the City of Coral Springs. Singh explains to McLean that he will owe him an additional $2k. McLean seems surprised by the offering. McLean is overheard saying "What, what's that? I didn't expect that." Singh explains to McLean that he told him they would split the money. McLean states to Singh that he didn't expect money because he owes Singh back rent.

The Margate Community Redevelopment Agency

Commercial Façade
Property Improvement
Matching Grant Application

(please type or clearly print)

Name of Property or Center (if any): _____

Address of Property to be Improved: 236 N.S.R #7 MARGATE FL.

Folio Number: 8136-04-0240

Current Use(s) of Property (Office, retail, etc): RETAIL

Property Owner's Name: LUTCHMAN SINGH

Property Owner's Address: 4075 BANYAN TRAILS DR. C.CREEK

Property Owner's Phone Number: 954 448 4002

Contact Name (if different from owner): SAME

Contact Address: " "

Contact Phone Number: " "

Anticipated Cost of All Improvements on site: $ 54000

Anticipated Amount to be Requested from CRA: $ 25000

Amount requested may not exceed:
- If property has frontage of more than 60 feet:
  - $20,000 for construction
  - $ 5,000 for architectural services
- If property has frontage of 60 feet or less:
  - $10,000 for construction
  - $ 2,500 for architectural services

Applications must be complete and correct for the MCRA to consider.

Please see page 2 for list of documents to attach to this form and signature.

Commercial Façade Property Improvement
Matching Grant Application
(please type or clearly print)

Please attach the following documents to this application:

1 – A site plan or survey that accurately reflects the property as it is today (does not have to be signed and or sealed drawings).
2 –Color pictures of the property as it exists today (must include at least two copies of a photo of the frontage to be improved).
3 – A legal description of the property.
4 – A short narrative describing the improvements that the owner would like to undertake. (This narrative will not in any way bind the owner to any specific improvements.)
5 – If the property is not represented by an individual owner, a notarized statement giving an individual the rights and responsibilities of representing the owner and the property to and before agents of the Margate Community Redevelopment Agency in any discussions, negotiations or issues regarding this program and/or property.

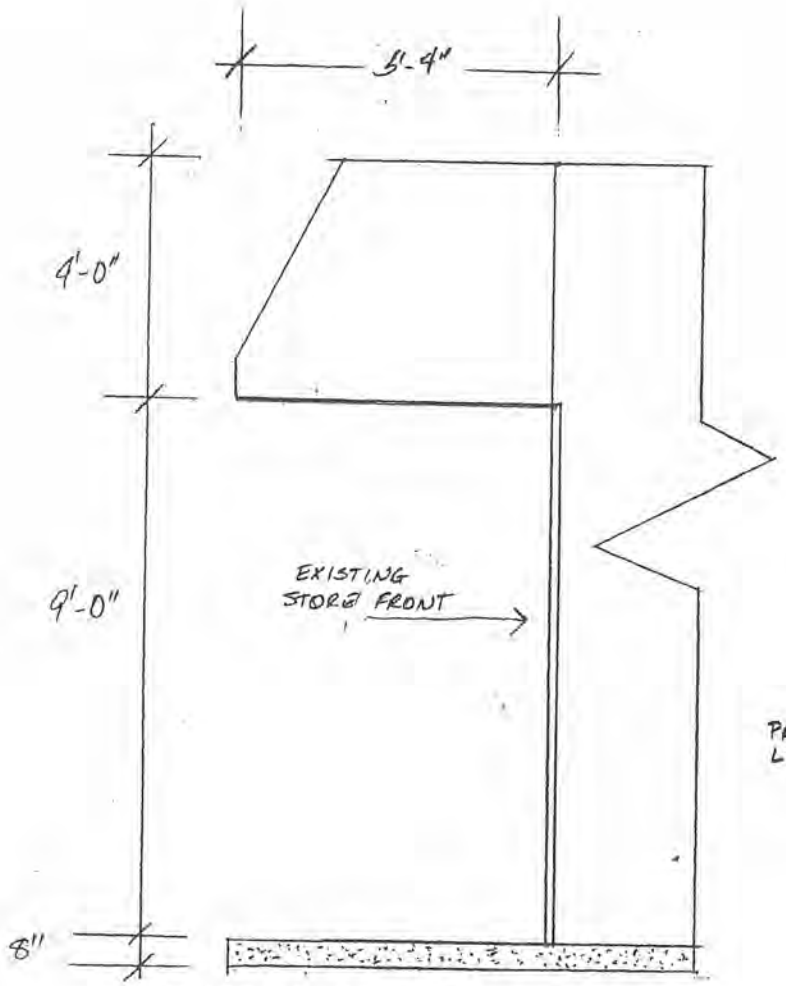
All required attachments must accompany the application form.

I hereby submit this form and all required attachments as application to the Margate Community Redevelopment Agency (MCRA) to be considered for a Matching Grant under MCRA's Property Improvement Grant Program. I understand that no work may be performed nor any contracts for work or drawings entered into by the property owners or their agents until approval of this request is received in writing from the MCRA. I further understand the Margate Community Redevelopment Agency Board has, at its sole discretion, the right to final determination for all aspects of the Property Improvement Grant Program. This final determination may include, but not be limited to, ranking of applicants, final amount granted to any applicant, applications to be funded, all conditions of funding, approval of all architectural plans and materials to be used in any construction.

Signature of Owner

LUTCHMAN SINGH
Print Name

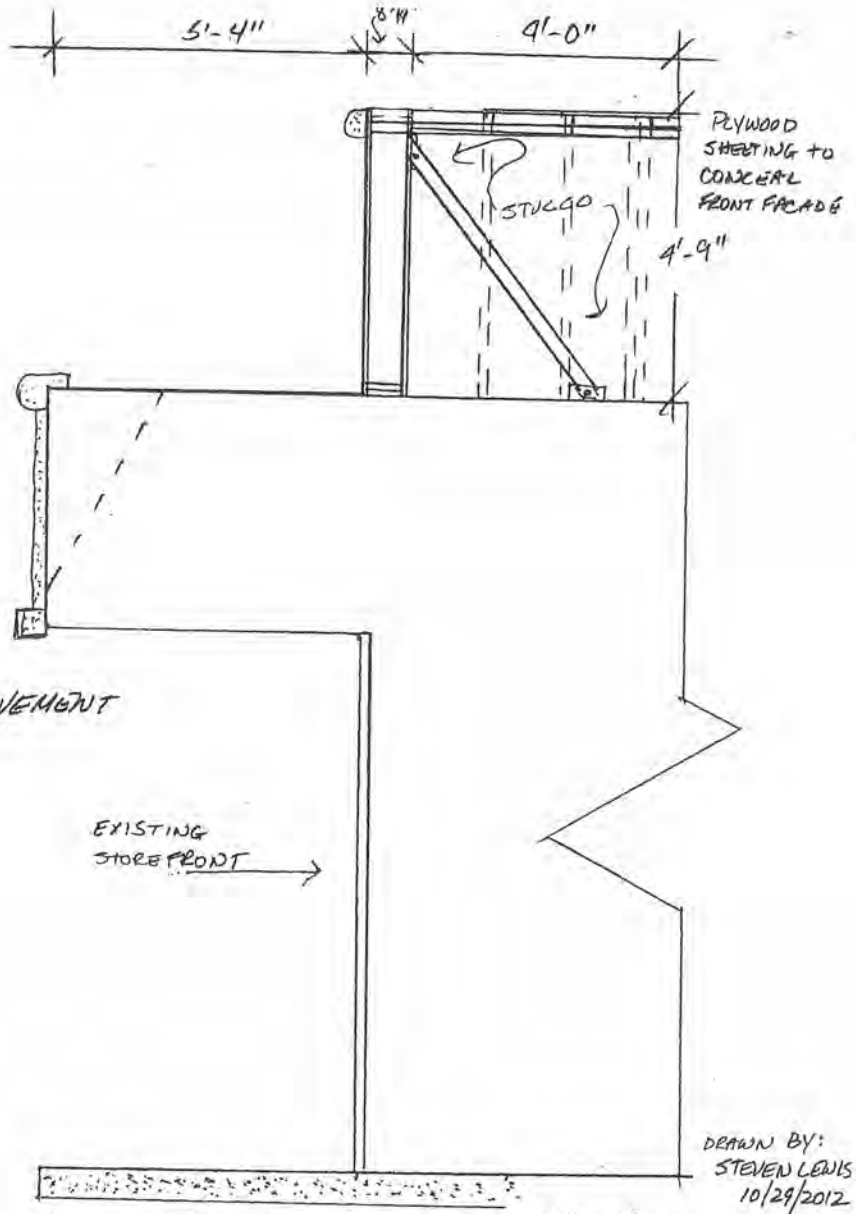
If the owner wants someone to represent her/him, the owner must submit an affidavit attesting to this as part of the submittal.



EXISTING SOUTH PROFILE

FACADE IMPROVEMENT
PROJECT
246 N SR7
MARGATE, FL

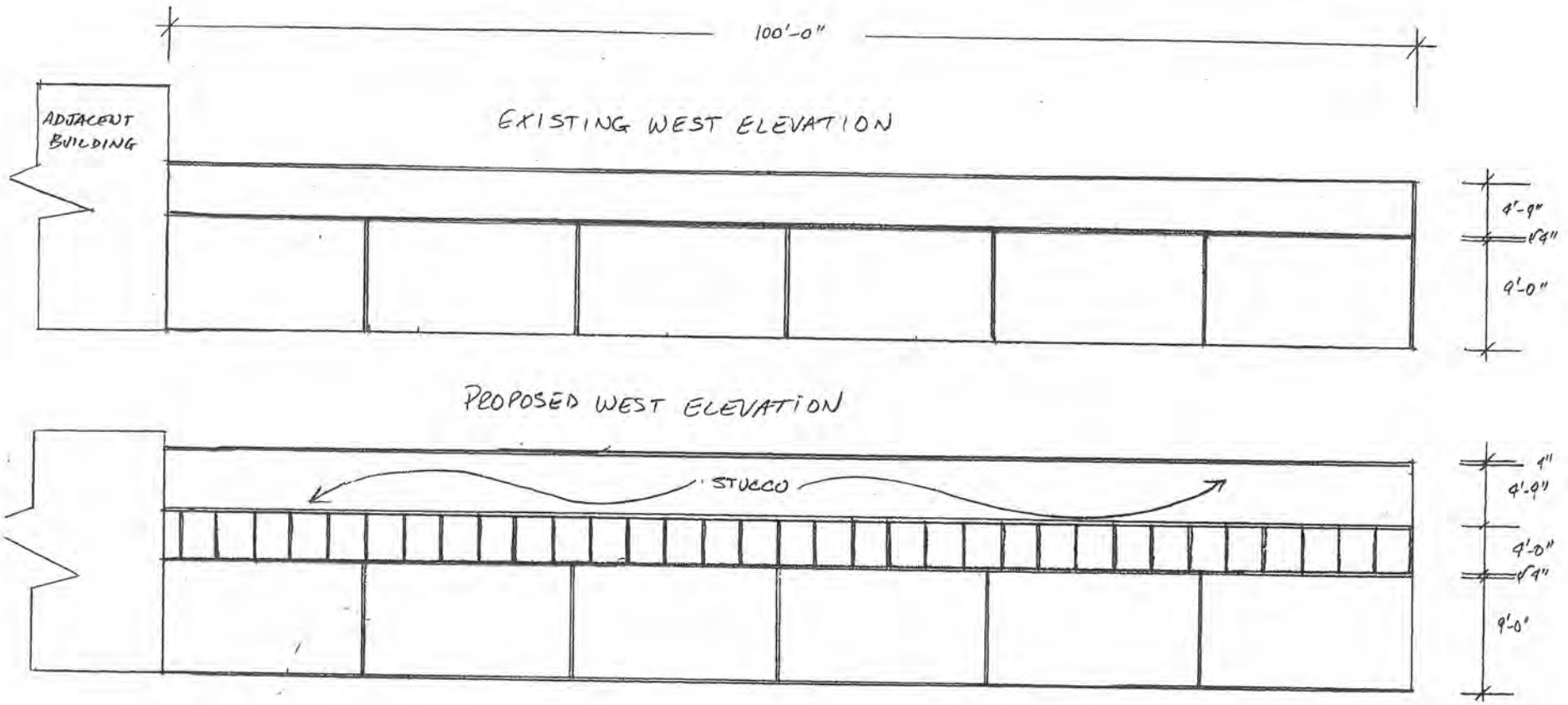
PREPARED FOR:
LUTCHMAN SINGH



PROPOSED SOUTH PROFILE 1/2" = 1'

DRAWN BY:
STEVEN LEWIS
10/29/2012

A-2



FACADE IMPROVEMENT PROJECT

246 NORTH STATE ROAD 7
, MARGATE, FL

PREPARED FOR:
LUTCHMAN SINGH

DRAWN BY: STEVEN LEWIS
10/29/2012

SCALE: 1/8" = 1

← N

A-1

AUTOTRONICS
VISTA
10/11/2012 10:52

AUTRO
Sound • Security • Performance
10/11/2012 10:53

COMMUNITY REDEVELOPMENT AGENCY BOARD

SPECIAL MEETING
NOVEMBER 1, 2012

MINUTES

Present:
Lesa Peerman (arrived 5:12)
David McLean
Joseph Varsallone, Vice Chair
Frank B. Talerico, Chair

Also Present:
Jerry A. Blough, Executive Director
Eugene M. Steinfeld, Board Attorney
Dennis Holste, Assistant Director
Gail Gargano, Director, Finance
Lutchman Singh, Petitioner

Not Present:
Pam Donovan

The Special meeting of the Margate Community Redevelopment Agency having been properly noticed was called to order at 5:00 p.m., on Thursday, November 1, 2012 by Chair Frank Talerico. There was a moment of silence followed by the Pledge of Allegiance. Roll call was taken. It was noted that Pam Donovan was absent and excused; Lesa Peerman would be arriving a few minutes late.

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1. **MINUTES FOR APPROVAL**: (9/19/12)

After Chair Talerico read the item title, Mr. McLean made the following motion, seconded by Mr. Varsallone:

MOTION: SO MOVE

ROLL CALL: Mr. McLean, Yes; Mrs. Donovan, Absent; Ms. Peerman, Absent; Mr. Varsallone, Yes; Mr. Talerico, Aye. The motion passed 3-0.

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2. **RESOLUTION 389:** Approving an agreement between the Margate Community Redevelopment Agency and Akerman Senterfitt for bond counsel services to refund the taxable Community Redevelopment Agency Revolving Line of Credit Bond Series 2006 and bank qualified Tax Exempt Community Redevelopment Agency Bond Series 2006.

After Eugene M. Steinfeld, Board Attorney, read the resolution title, Mr. McLean made the following motion, seconded by Mr. Varsallone:

MOTION: SO MOVE FOR APPROVAL

Dennis Holste, Assistant Director, advised that four bids had been obtained for bond counsel services. He said Akerman Senterfitt came in the lowest; the others came in at $25,000, $20,000, and $17,500. In addition to being the lowest priced responder, they also recently provided bond counsel services to the City of Coconut Creek and came highly recommended.

Attorney Steinfeld, pointed out that the meeting back-up included a waiver from them because they had provided bond counsel services to SunTrust unrelated to this bond issue.

Mr. Holste said the CRA would save $1.299 million over the life of the bonds which was 9-1/2 years.

ROLL CALL: Mr. McLean, Yes; Mrs. Donovan, Absent; Ms. Peerman, Absent; Mr. Varsallone, Yes; Mr. Talerico, Aye. The motion passed 3-0.

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3. **RESOLUTION 390:** Approving an Architectural Services and Construction Reimbursement Agreement with Lutchman and Khalmanie Singh, owners of 236 N. State Road 7 in Margate, Florida.

After Eugene M. Steinfeld, Board Attorney, read the resolution title, Mr. Varsallone made the following motion; the gavel was passed to Mr. McLean and Chair Talerico seconded it:

MOTION: SO MOVE

Dennis Holste, Assistant Director, advised that the petitioner would be making a modification to their proposal in accordance with the CRA's Storefront Design Guidelines. The modification would be to change the current 90 linear foot flat line roof by adding a gable to make it more architecturally pleasing.

Lutchman Singh, petitioner, said he agreed to make the modification.

ROLL CALL: Mr. McLean, Abstain; Mrs. Donovan, Absent; Ms. Peerman, Absent; Mr. Varsallone, Yes; Mr.Talerico, Aye. The motion passed 2-0.

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4. **RESOLUTION 391**: Authorizing the execution of a lease agreement between Shoes 2 Go, Inc., to be located at 1031 North State Road 7, and the Margate Community Redevelopment Agency.

After Eugene M. Steinfeld, Board Attorney, read the resolution title, the following motion was made by Mr. McLean, seconded by Mr. Varsallone:

MOTION: SO MOVE FOR APPROVAL

Dennis Holste, Assistant Director, stated that the lease would be for five years. The tenant would have a beauty supply warehouse as well as sell shoes.

Mr. Varsallone asked what cost factors were being extended to the tenant. Mr. Holste said the foundation in the rear where there was once a walk-in cooler would be leveled out. Also, the old walk-in cooler equipment that was stacked in the back would be removed. He said they would also receive six months free rent; the first two months of the free rent would be for them to prepare the space for their use. He said January and February, 2013 would be free rent as well as November and December, 2013. The six months of free rent equaled $65,368; noting that they were not operational the first two months. Mr. Holste advised that the tenant would be doing significant improvements including the installation of four 10-ton air conditioning units, cleaning the floors, repairing the walls, possibly replacing the front glass windows, as well as plumbing and electrical work. He said their investment was a minimum of $40,000 for the air conditioners alone and all other improvements were permanent as well.

Mr. McLean thanked Jim Nardi for his efforts in leasing the property.

ROLL CALL: Mr. McLean, Yes; Mrs. Donovan, Absent; Ms. Peerman, Absent; Mr. Varsallone, Yes; Mr. Talerico, Aye. The motion passed 3-0.

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5. **DISCUSSION & POSSIBLE ACTION:** Surplus of freezer equipment at 1031 North State Road 7.

Eugene M. Steinfeld, Board Attorney read the item title.