

MARGATE COMMUNITY REDEVELOPMENT AGENCY BOARD

REGULAR MEETING December 5, 2023

MINUTES

Present:

Joanne Simone (Via Phone)
Antonio V. Arserio (Excused)
Arlene R. Schwartz
Anthony N. Caggiano, Vice Chair
Tommy Ruzzano, Chair

Also Present:

Cale Curtis, Executive Director
Larry Vignola, Assistant Executive Director
David Tolces, Weiss Serota Helfman Cole & Bierman

The regular meeting of the Margate Community Redevelopment Agency having been properly noticed was called to order at 7:03 p.m., on Tuesday, December 5, 2023, by Chair Tommy Ruzzano. Roll call was taken. There was a moment of silence followed by the Pledge of Allegiance. The meeting was held in the City Commission Chambers and was also accessible virtually through Zoom technology.

1A. MINUTES FOR APPROVAL - (11/8/2023 Regular)

After David Tolces, Board Attorney, read the item title, Ms. Schwartz made the following motion, seconded by Vice Chair Caggiano:

MOTION: SO MOVE TO APPROVE

ROLL CALL: Ms. Simone, Yes; Ms. Schwartz, Yes; Mr. Caggiano, Yes;
Mr. Ruzzano, Yes. The motion passed 4-0.

2. PUBLIC DISCUSSION

Steve Strouse, 5833 Margate Boulevard, Pete's Barber Shop, requested to have his lease renewed and extended for five years.

Chair Ruzzano asked Mr. Strouse how long he had been in business in Margate and he replied that it had been with Pete's Barber Shop for 18 years. Chair Ruzzano thanked him and suggested that the Board entertain his request.

Ms. Schwartz asked Jim Nardi to address the Board on the matter of the leases.

Jim Nardi, Advanced Asset Management, said all the leases had been renewed at the same time a couple of years ago as three-year leases with one-year terminations but without any rate increase. The renewal option was done for all existing tenants apart from Ace Hardware, who was on a five-year lease at that time, and they had opted to continue with their lease without change. He said those three-year leases were going to be coming up for renewal in the first quarter of 2024. It would be at the Board's discretion to decide whether to continue with the three-year leases with a one-year termination clause, noting that none of the leases was longer than three years.

Chair Ruzzano said he would be fine with a five-year lease if there was a one-year termination clause, and he asked Mr. Strouse if that would be satisfactory. From the audience, Mr. Strouse acknowledged it would be fine. Ms. Schwartz asked Mr. Nardi if he planned to offer the other tenants the same standard lease of three years with a one-year termination clause when it came time for renewal, and Mr. Nardi stated that the current lease term was for three years. Ms. Schwartz suggested it remain the same. Chair Ruzzano commented that a three, five, or ten-year lease was exactly the same because of the one-year termination. She questioned the reason to change the lease term at the present time since there had been no issues with the three-year lease. He explained that for a business owner, having a longer lease was better and made a difference with banks and for financial reasons.

Chair Ruzzano passed the gavel and made the following motion, seconded by Vice Chair Caggiano:

MOTION: TO APPROVE A FIVE-YEAR LEASE WITH A ONE YEAR TERMINATION

Ms. Schwartz said she did not see the difference and then asked Mr. Strouse if the length of the lease really mattered, and he said that it did for financial reasons. Vice Chair Caggiano said the lease term would matter to a buyer if Mr.

Strouse had possible plans to sell the business. Mr. Strouse said he planned to be there for another year or two at the most. She then asked Mr. Nardi if he must approve a sale or a lease of a new tenant if an existing tenant sold its business. Mr. Nardi responded that the same background check was conducted on any new potential tenant and, if approved, a new standard lease would be drawn up.

David Tolces, Board Attorney, said Mr. Nardi took direction from the Board with respect to leases in general, therefore, the Board should give Mr. Nardi specific directions moving forward with regards to the renewal of the upcoming expiring leases.

Mr. Nardi added that when the Board previously decided to do the three-year leases without increases, all new leases were written with an increase. The expectation was that when the three-year period was up, all new leases would start to have the CPI (Consumer Price Index) increase up to a maximum 3% added into the new lease agreements. The Board was in general agreement with this statement. Board Attorney Tolces clarified and restated the motion:

MOTION: TO AUTHORIZE ADVANCED ASSET MANAGEMENT TO NEGOTIATE THE NEW LEASES THAT WERE EXPIRING IN THE UPCOMING YEAR TO PROVIDE FOR A TERM OF UP TO FIVE YEARS WITH A ONE-YEAR TERMINATION PROVISION AND TO INCLUDE A CPI INCREASE WITH ALL CURRENT TENANTS.

Cale Curtis, Executive Director, asked for clarification as to whether the Board meant “five years” or “up to five years” and the Board all agreed that the terminology should include “up to five years. The motion was revised accordingly.

ROLL CALL: Ms. Simone, Yes; Ms. Schwartz, Yes; Mr. Caggiano, Yes; Mr. Ruzzano, Yes. The motion passed 4-0.

Jonathan Kraljic, resident, stated the Fair at Margate, which had recently been at the MCRA property located at 1000 North State Road 7, had set up camp several days before the agreed upon arrival date of November 10, 2023. He said he was concerned about the precedent that had been set by allowing the Fair to set up camp several days prior to the agreed upon date without permission or authority from the MCRA. He wanted to know if there had been any consequences brought against the trespassers. Lastly, he said the long-time Margate restaurant Roosters was due to close its doors at the beginning of 2024, and one of the reasons was that it no longer had a location out of which to operate. He suggested that the MCRA should offer a space within the new development if one became available. He said if the restaurant were to close for good, it would leave Margate with the need for another great restaurant to fill the void and suggested a Flanigan's might be a nice choice.

3A. DISCUSSION AND POSSIBLE ACTION: APPROVAL OF THE MCRA MEETING SCHEDULE FOR 2024

After David Tolces, Board Attorney, read the item title, Vice Chair Caggiano made the following motion, seconded by Ms. Schwartz:

MOTION: SO MOVE TO APPROVE

Chair Ruzzano commented that the schedule was very flexible and could be amended if needed. No conflicts were mentioned.

ROLL CALL: Ms. Simone, Yes; Ms. Schwartz, Yes; Mr. Caggiano, Yes; Mr. Ruzzano, Yes. The motion passed 4-0.

3B. DISCUSSION AND POSSIBLE ACTION: GENERAL DISCUSSION ON DIRECTION FOR CHEVY CHASE PLAZA IMPROVEMENTS

David Tolces, Board Attorney, read the item title.

Chair Ruzzano referred to the beautiful job that had been done on the Ace Plaza and said similar improvements were needed at the Chevy Chase Plaza. He said the Plaza, along with the parking lot, needed a facelift and he wanted the Board to have a discussion to give the Executive Director and Jim Nardi some direction on the improvements and expenditures. He acknowledged that an entire new roof would be extremely expensive but perhaps the Board could investigate alternatives such as rubberized roofing that claimed to extend the life of the existing roof another ten years or so.

Ms. Schwartz said she had seen the commercials for the coating of the roofs and suggested it might be a good short-term and cost-efficient solution.

Cale Curtis, Executive Director, said he expected the plaza would continue to exist for the next five years; as such, the MCRA needed to put money into making some improvements. He went on to say that with construction costs as they were, a complete change of façade would not be possible, but there would be expenses related to repairing the parking lot, repairing columns, painting, the sidewalks and cost-effective roof repairs. He said he was looking to the Board for their firm support to utilize funding to make the improvements that would make the plaza something to be proud of as a minimal goal.

Chair Ruzzano asked Mr. Curtis about the quote threshold with which he had to come back to the Board, and he responded that it was \$50,000. Mr. Curtis then said that the roof and the parking lot were both going to be more than that individually. He went on to say that he had received an Engineer's Opinion of Probable Cost on the parking lot that was excessively expensive but was designed to last 50 years. It did, however, consider all the requirements for slopes, pitches, ADA improvements, etc., that would need to be met if they were to undertake the entire parking lot overhaul. He said that he was working with City staff to come up with a more conservative plan for improvements to the parking lot that would last for perhaps 10 years at most.

Chair Ruzzano suggested landscaping the worst areas of concern within the parking lot given that it was such a large area. Mr. Curtis said there was a little over \$1,000,000 budgeted for the plaza which would provide funding for a variety of different projects and he expected to use all that funding.

Ms. Simone asked about the possibility of raising the tenant's rent to help with the expense of the improvements, considering they were already getting a great deal on their rent. Mr. Curtis said it would not be out of place to charge market rate rents and common area maintenance (CAM) fees to cover the cost of these improvements if the MCRA were able to offer long-term leases to the tenants without one-year termination clauses. However, it was not necessarily the right thing to do to ask them to pay for improvements to a building they were likely to be asked to vacate on short notice. Ms. Simone said she was surprised to hear his reaction to her suggestion as she had mentioned it to him previously and he had not raised any objections at that time. She asked him to please let her know in the future if he had a change of heart, to which he replied that he would.

5. EXECUTIVE DIRECTOR'S REPORT

Cale Curtis, Executive Director, provided the following capital project updates:

Margate Boulevard Improvements – He said the project was nearing final design. The goal was to have 100% of the plans submitted and approved to the City within 45 days; however, the project was currently with Broward County for review and so was highly contingent upon that.

Southgate Boulevard Median Improvements – He said the plans had been through Florida Department of Transportation (FDOT) and Broward County. FDOT had recently raised concerns about the exact placement of the sign in relation to the Right of Way (ROW) so City staff were working with FDOT on the possible relocation of the sign and their authority over the ROW. He said permit applications and bid documents were being prepared, and he looked forward to starting the project very soon.

5A. TENANT UPDATES

Jim Nardj, Advanced Asset Management, said he had no additional updates.

6. BOARD MEMBER COMMENTS

David Tolces, Board Attorney, was pleased to report that he had forwarded to the MCRA Board Members a copy of the order entered by the 4th District Court of Appeals that day denying New Urban's Motion For A Written Opinion. He said that should conclude the appeal process for New Urban other than some motions related to attorney's fees and costs. The termination provisions of the agreement would still need to be looked at by counsel, and he would discuss that with the Board at another opportunity.

Chair Ruzzano commented that it had been a seven-year battle, but that justice had prevailed.

Ms. Simone asked if any attempts would be made to repair the potholes on Margate Boulevard ahead of the upcoming Winterfest. Mr. Curtis responded that he would work with Public Works to either temporarily repair or mark off the areas in question.

Ms. Schwartz wished everyone a Happy Hannukah. She encouraged everyone to come out to Winterfest on December 15th and said she was looking forward to Shopping with a Hero on December 16th. She also wished everyone a Merry Christmas. Lastly, she noted there was a new tenant, Charrito Loko Taqueria, and asked Mr. Nardi when they could look forward to doing a ribbon cutting for them to which he replied he thought it would be within the next 60 days or so.

Vice Chair Caggiano wished everyone a Merry Christmas and Happy Kwanzaa. He said was very much looking forward to Sounds at Sundown starting back up on January 6th and hoped everyone would come out to the upcoming Winterfest taking place that Friday, December 15th.

Chair Ruzzano reiterated that Winterfest, one of the largest events of the year, would take place on December 15th. He said there would be snow and a band, and he encouraged everyone to come out and enjoy themselves. He gave recognition to Paul Robinson, Development Services, and the staff at the Department of Environmental and Engineering Services (DEES) and thanked them both for their efforts. He said he received two calls during the week from recently opened businesses in the City who reported that Paul was the most pleasurable person to work with. Also, there was a recent incident with a gas line that Curt Keyser, Randy Daniel, and the rest of their crew over at DEES had been called out on. They were advocating for the homeowners against the big businesses, TECO and FP&L, and keeping the City looking great whilst doing so. Lastly, he wished everyone a very Merry Christmas, a Happy Hannukah and a safe holiday.

There being no additional business, the meeting adjourned at 7:39 p.m.

Respectfully submitted,

Transcribed by Fiona Christmas, CRA Coordinator

Tommy Ruzzano, Chair