

MARGATE COMMUNITY REDEVELOPMENT AGENCY BOARD

REGULAR MEETING

April 9, 2025

MINUTES

Present:

Arlene R. Schwartz
Antonio V. Arserio
Joanne Simone
Tommy Ruzzano, Vice Chair (via Zoom)
Anthony N. Caggiano, Chair

Also Present:

Cale Curtis, Executive Director
Larry Vignola, Assistant Director
David Tolces, Weiss Serota Helfman Cole & Bierman
Todd Nepola, Current Capital Real Estate Group

The regular meeting of the Margate Community Redevelopment Agency having been properly noticed was called to order at 7:03 p.m., on Wednesday, April 9, 2025, by Chair Anthony N. Caggiano. 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 – (3/12/2025 Regular)

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

MOTION: SO MOVE TO APPROVE

ROLL CALL: Ms. Schwartz, Yes; Mr. Arserio, Yes; Ms. Simone, Yes; Mr. Ruzzano, Yes; Mr. Caggiano, Yes. The motion passed 5-0.

2. PUBLIC DISCUSSION

Steve Strouse, resident, reminded the Board they would make decisions on behalf of approximately 58,000 Margate residents as it related to the City Center development. He said the City had a median household income of \$61,000 compared to Coconut Creek at \$75,000 and Coral Springs at \$90,000. He noted many residents could not afford the high-end stores that had been proposed for inclusion in the downtown retail area and pointed to the neighboring town of Boca Raton, where the median household income was \$102,000, which had shopping centers that included stores such as Marshalls, TJ Maxx, Homes Goods, Dollar Trees and secondhand stores. He encouraged the Board to consider rehabbing both plazas with the existing Mom and Pop stores so they could remain in the heart of Margate. He said those businesses could not afford the high rents they had to pay if they moved across the street to the east side of the road.

Tracy Van Winkle, resident, said the Board should support the existing businesses on Margate Boulevard that had been in the plazas for a long time. She said there was already a problem with a lack of parking in Margate and if new homes were built in the downtown, it would only get worse. She said she agreed with Vice Chair Ruzzano that long-term leases were needed for the existing tenants without termination clauses.

Elsa Sanchez, resident, shared her support for the businesses located at the Ace and Chevy Chase Plazas. She said they were friendly, helpful and family oriented. She also said they should be given long-term leases without termination clauses.

Jonathan Kraljic, resident, referred to the last MCRA meeting where a developer was selected for the City of Margate's future downtown and said it was clear the public's voice held no weight with regards to the Board's decision taken that night. He said the public should be allowed to comment on Zoom and provide feedback on the future of the downtown development whenever possible. He also said it was very important to hold meetings twice a month, especially in the coming year, and to make every effort to promote public awareness and involvement in the City's future downtown. Lastly, he said the City should work to obtain historical status for Ace Plaza and save it from the wrecking ball.

Joey Ruiz, tenant at 6217 Margate Boulevard (Ace Plaza), said he had met all the members of the Board through his store. He said he considered Ace Plaza as the original downtown and the tenants were very concerned about the uncertainty of the leases. He asked for the matter to be put on the agenda as soon as possible.

Rich Zucchini, resident, said he attended the recent town hall meeting and was disappointed in the content. He said it was difficult for most residents to provide comment on the downtown as they lacked the necessary experience in development, and it was too early in the process for such a meeting. He said there was a lot of discussion about the future of the Ace Plaza, however there was nothing historical about the building. He said he understood the tenants' concern regarding their leases; however, they were doing themselves a disservice by insisting on staying in that location. He pointed out when new retail stores were built along the west side of US 441, they would double and triple their income if they moved their businesses there. He said the Board should be creative and come up with a percentage lease scheme to assist the tenants of both plazas to move to new premises. He said he hoped the idea of a food court was still an option on the east side and urged the Board to cater to the demographics of the residents of the City.

Donna Fellows, resident, (speaking over Zoom) said she wished to speak on a matter on the agenda. Chair Caggiano said as it was on the agenda it normally would not have been allowed during Public Discussion; however, he would allow it this time. Ms. Fellows thanked him and said she did not want the scheduled start time of the meetings to change from 7 p.m. to 5 p.m. She said people who worked from nine to five or nine to six would be unable to attend the meetings, and this was a critical time for the MCRA. She said she also supported the family-owned businesses in Ace Plaza and did not agree they should be forced to move to another location.

3A. RESOLUTION 745: ACCEPTING THE MCRA INDEPENDENT AUDITOR'S REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

After David Tolces, Board Attorney, read the resolution title, Ms. Schwartz made the following motion seconded by Mr. Arserio:

MOTION: SO MOVE TO APPROVE

ROLL CALL: Ms. Schwartz, Yes; Mr. Arserio, Yes; Ms. Simone, Yes; Mr. Ruzzano, Yes; Mr. Caggiano, Yes. The motion passed 5-0.

3B. RESOLUTION 746: APPROVING THE CHANGE IN THE START TIME OF THE MCRA SCHEDULED MONTHLY MEETINGS FROM 7:00 P.M. TO 5:00 P.M.

Chair Caggiano said he heard from older residents regarding their apprehension about driving after dark and wanted to give them a chance to attend an MCRA meeting at an earlier time. He said the same people usually came to the meetings, regardless of when the meetings were held throughout the year and wanted to provide an opportunity to increase and widen the audience at this extremely important time in the City's future. Mr. Arserio said a 5 p.m. meeting was a busy time for him personally, however he could manage to attend a meeting at that time if necessary. He said he also worried about how the time change might be perceived as trying to pass items through the agenda without public input. He said regular MCRA meetings could start at 5 p.m. but meetings with greater implications, such as developer agreements and town halls, should remain at 7 p.m. Chair Caggiano asked him to consider changing all the meetings to 5 p.m. if it was determined they were better attended. Mr. Arserio responded he might, however, he suggested they stagger the times from month to month. He said another advantage to earlier starting times would allow employees to attend meetings. Ms. Schwartz agreed with staggered meeting times for the upcoming workshops and town hall meetings, etc. Ms. Simone said she thought the 5 p.m. start time was a good idea. She said if it was a long meeting, everybody could still get home at a reasonable time, and she also agreed with Mr. Arserio regarding staff's ability to attend meetings if they were held at an earlier time. Vice Chair Ruzzano said he was not in favor of changing the time as it was inconvenient for people who worked until at least 5 p.m.

Ms. Schwartz made the following motion, seconded by Ms. Simone:

MOTION: SO MOVE TO APPROVE

Rich Zucchini, resident, said rush hour traffic would prohibit many people from getting to a meeting that started at 5 p.m. and the Board was trying to solve a problem that did not exist.

Steve Strouse, resident, said changing the time was a bad decision because working people would not even be able to watch the meetings on Zoom at 5 p.m. as they would still be in their cars driving home from work during that time. He added that all the back up to the meetings was uploaded prior to the meetings, therefore the Board should be able to get any answers needed from staff members prior to the meeting. He said that should eliminate the need to have any staff members present at meetings.

Tracy van Winkle, resident, agreed with the previous two speakers and said the meeting time should remain at 7 p.m. Additionally, she said residents should be allowed to comment over Zoom as that would give more people a voice during the meetings.

Jonathan Kraljic, resident, stated the Board Chair had suppressed the public's first amendment rights when he disallowed comment at public meetings and now attempted to change the start time to 5 p.m. when the working public would not be able to attend. He said MCRA meetings should be held at 7 p.m. so the public could attend and provide comment on the future of Margate's downtown development.

Joey Ruiz, resident, urged the Board to reconsider. He said most of the residents of Margate were working class people and had jobs from nine to five. In addition, he said the traffic at 5 p.m. would deter a lot of people from coming to the meetings at that time.

Elsa Sanchez, resident, said some workshops could be held during the day for the convenience of senior participation and they could also attend meetings at night via Zoom. She said she was in favor of leaving the meeting start time at 7 p.m. as people would only come to the meetings if they were interested in what was on the agenda, regardless of the start time.

Ms. Schwartz made the following amendment, seconded by Ms. Simone:

AMENDMENT: TO CHANGE THE START TIME TO 6:00 P.M.

Vice Chair Ruzzano said that every resident present at the meeting had spoken in favor of keeping the 7 p.m. start time and a 6 p.m. start time did not solve anything.

**ROLL CALL ON
THE AMENDMENT:** Ms. Schwartz, Yes; Mr. Arserio, Yes; Ms. Simone, Yes; Mr. Ruzzano, No; Mr. Caggiano, Yes. The motion passed 4-1.

Ms. Schwartz suggested that after a few months it was apparent the time change really did not work then it should come back before the Board for review. Mr. Arserio said it was important that all the Board members should be present at the meetings, and he hoped the new time change would not affect that in anyway. Ms. Schwartz reiterated that she would bring it back in front of the Board if the time change was shown to pose a problem.

**ROLL CALL ON
THE MOTION
AS AMENDED:** Ms. Schwartz, Yes; Mr. Arserio, No; Ms. Simone, Yes; Mr. Ruzzano, No; Mr. Caggiano, Yes. The motion passed 3-2.

3C. RESOLUTION 747: APPROVING THE MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE MCRA AND BPG ACQUISITIONS, LLC., RELATING TO THE NEGOTIATIONS OF THE LONG-TERM LEASE DEVELOPMENT AGREEMENTS ASSOCIATED WITH THE DEVELOPMENT OF THE MARGATE CITY CENTER PROJECT

After David Tolces, Board Attorney, read the resolution title, Ms. Schwartz made the following motion seconded by Mr. Arserio for discussion:

MOTION: SO MOVE TO APPROVE

Attorney Tolces said the Memorandum of Understanding (MOU) was requested by BPG Acquisitions, LLC., (BPG) which was the selected developer Brookfield Property Group (Brookfield). The MOU was between BPG and the MCRA and allowed for a period of 12 months to conduct public education and negotiate developer agreements. Mr. Arserio said he understood that Brookfield wanted exclusivity whilst discussions took place. Attorney Tolces said himself and the Executive Director, Cale Curtis, made sure to put language in the MOU that provided for good faith commitment as well as the ability to terminate with 30 days' written notice should either party fail to perform their obligations satisfactorily. He said it was important to note that if it became apparent 6 months into negotiations that the Board wished to terminate the agreement, they could do so without waiting until the end of the 12-month period.

Mr. Arserio confirmed that he had a meeting set up with Brookfield in the next couple of weeks and would let them know what he considered deal breakers. He said if every Board member did the same thing, they would know where

they stood and could move forward. If not, he said they would not have to wait the full 12 months to move on to another developer.

Cale Curtis, Executive Director, said the City and the developer wanted to conduct extensive community outreach, produce an agreeable set of site plans and negotiate a developer's agreement. He said that would take some time. He said Brookfield would commit \$100,000's towards negotiations, public outreach efforts, etc. and they wanted to be sure of some level of structure in place. Ms. Schwartz asked if the outlay of funds by the developer was to be reimbursed by the City and Mr. Curtis replied that it was not.

Vice Chair Ruzzano asked if the MOU included all of the MCRA property and Attorney Tolces replied it included all the property that was part of the original public offering Colliers had prepared, however, all the properties were subject to negotiation until there was a signed agreement. Vice Chair Ruzzano expressed concern about signing an MOU that might restrict the Board's ability to negotiate additional leases with the Ace Plaza tenants. Attorney Tolces said there was nothing in the MOU that prevented the Board from taking action with respect to leases that were currently in place. Vice Chair Ruzzano asked if the Ace Plaza could be removed from the MOU at this time as he did not want to see it as part of the development. Mr. Curtis reiterated the MOU was a commitment from both sides to negotiate in good faith and the entire portfolio was included in the public offering. He said it did not mean the Board was committed to include all the parcels in the final site plan but simply they would not market the properties to anyone else whilst they negotiated with Brookfield for an exclusive 12-month period with the option to terminate should either side fail to meet the other's expectation. Mr. Arserio said all the properties should be kept in the portfolio during the negotiations. Some discussion ensued about the exclusivity agreement and the 30-day notice period if either party could not come to terms. Vice Chair Ruzzano asked the Board if they would be willing to amend the timeframe of the MOU from 12-months to a six-month period. He said he had tried unsuccessfully to add the extension of the leases to an upcoming MCRA agenda and added an MOU would only stall negotiations on any new leases for another 12 months without the developer's permission. Ms. Schwartz said there was no change in the situation in the last number of years that should cause the tenant's additional concern as they had always known the development was planned. She said it would take quite a few years before there was a shovel in the ground on the west side of the street, so she did not understand the tenants' sudden sense of insecurity. Vice Chair Ruzzano explained the tenants in the Ace Plaza wanted to stay where they were and now the City had partnered with a developer, he said they perceived the plaza was one step closer to being shut down.

Mr. Curtis said the MOU had no impact on the current standing of any of the MCRA tenants. He said entering the MOU with the developer would allow for public outreach and a lot of discussions and negotiations to take place. He said 12 months was a very aggressive timeframe to put together a 50-acre city center development that would meet with the approval of the majority and he would be very surprised if it took less than 12 months. He said once the MOU was signed the Ace Plaza would be part of the Board's negotiations.

Rich Zucchini, resident, said the Ace Plaza had no historical significance and should not be preserved. He said the best use of the land was horizontal development. He added the Board could offer the tenants assistance to move to new locations when they were built along the west side of US 441. Those locations would be better suited to some of the existing business owners and would dramatically increase their revenues, which in turn would help them pay higher rents. He added that the businesses might be a historical part of Margate, however the plazas certainly were not. He urged the Board to think creatively when it came to the issue of the tenants and the plazas but insisted the plazas should not remain outside of any proposed development.

Steve Strouse, resident, agreed with Mr. Zucchini, however, the Board should give the tenants a five-year lease without termination clauses while the development plans took shape.

Elsa Sanchez, resident, asked for clarification on the timeframe of the MOU as she had heard different timeframes mentioned. Ms. Schwartz said the MOU was for a 12-month period. Mr. Arserio added he planned on meeting with the developer in the next few weeks, as did all the Board members, and they would know very quickly, whether Brookfield would be a good partner for the City or not. He said the City would not have to wait until the end of the 12-month period to send them a 30-day written notice if they wanted to terminate their relationship with Brookfield and wished to speak to another developer. Ms. Sanchez said she understood, and she added that she also supported the tenants in the Ace Plaza and they should be given five-year leases without termination clauses.

ROLL CALL: Ms. Schwartz, Yes; Mr. Arserio, Yes; Ms. Simone, Yes; Mr. Ruzzano, No; Mr. Caggiano, Yes. The motion passed 4-1.

4A. DISCUSSION AND POSSIBLE ACTION: CONSIDERATION OF A REQUEST BY CURRENT CAPITAL REAL ESTATE GROUP FOR GRANT FUNDING IN AN AMOUNT NOT TO EXCEED \$600,000 FOR

RENOVATIONS TO THE ATLANTIC CENTER SHOPPING PLAZA LOCATED AT 6828-6896 WEST ATLANTIC BOULEVARD

Todd Nepola, Current Capital Real Estate Group, said he recently acquired the shopping plaza located at 6828-6896 West Atlantic Boulevard. He said there was a lot of excitement about the growth for the downtown development but there was little going on with the east side of Margate. He said the previous owner had let the property go into disrepair and he wanted to renovate the entire property. He stated his proposal was to spend about \$1.2 million on the exterior alone, which did not include the interior spaces that required tenant improvement. He added that his real estate group had worked with other CRAs such as Hollywood, Miramar, Lauderdale Lakes and Lauderdale with great success. He explained the parking lot, sidewalks, lighting and landscaping had been included in their planned renovations if the MCRA granted their request for funding.

Mr. Arserio acknowledged that he was familiar with the plaza as he had helped a former tenant who faced great difficulty when they tried to move in because of the conditions of the plaza. He said the Board could grant the request contingent upon the list of final exterior improvements. Chair Caggiano suggested the Executive Director draw up an agreement that could be brought back before the Board. Cale Curtis, Executive Director, agreed and recommended he draw up a stand-alone agreement specific to that property that would come back before the Board for approval based on final renderings and site plans. Mr. Arserio agreed and said it was better than the 50/50 matching PIP grant where the Board had no say in how the money was spent.

Ms. Schwartz questioned Mr. Nepola about the condition of the property prior to the purchase and what he would have done in the event there was no grant money available to him. Mr. Nepola said the roof and the lighting at the plaza were a safety issue and had to be fixed regardless. He said he was known to purchase properties where grant programs existed, however, if the funding was not available, he would not have been able to afford the full extent of planned improvements. Some discussion ensued about what was included in the list of improvements. Vice Chair Ruzzano asked if any additional space would have been created by the improvements that were being made and Mr. Nepola replied there was none. Vice Chair Ruzzano asked Mr. Nepola how much rent he received at the plaza and Mr. Nepola replied between \$10 and \$20 per square foot, which depended on the size of the space. Ms. Schwartz referred to the proposal in the back up and asked Mr. Nepola if he planned on similar renovations. Mr. Nepola confirmed the property photographed in the proposal was in Hallandale, and they planned very similar improvements to the plaza in Margate. The Chair then polled the Board members individually and each Board member verbally agreed to give the City Attorney and Executive Director direction to work on an agreement which would be brought back before the Board.

5. EXECUTIVE DIRECTOR'S REPORT

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

Southgate Boulevard Median Improvements – The installation of the neighborhood sign was one of the final components of that project and it was expected to begin the following week. He said the installation would take approximately ten days and then some paving would be finalized. He stated the project should be completed in about a month.

MCRA Extension – Commented that he spoke to Broward County earlier that day and they were open to the request to extend the MCRA with the City's Tax Incremental Financing (TIF) funds only. He said the next step would be to send a request to begin negotiations on an Inter Local Agreement with the County.

City Center Development – He said he wanted to assure the Board and everybody in the public that there would be extensive efforts to ensure public participation on the project. He stated these would be led by Brookfield who would provide presentations that would be thought-provoking and engaging for the residents to give their full input.

David Tolces, Board Attorney, said there was legislation pending in Tallahassee that related to Community Redevelopment Agencies. He stated there was some discussion about possible amendments to the Bill and he hoped to have some updates in the coming weeks. He wished everyone a very Happy Easter and Happy Passover and said he was always happy to be in the City of Margate.

5A. TENANT UPDATES

Ms. Schwartz asked if there had been any updates on the rent since they had been uploaded into the system. Jim Nardi, Advanced Asset Management, said two tenants in Chevy Chase and two tenants in Ace Plaza still owed rent. He said he would pursue them and collect the rent. Ms. Schwartz asked if any tenants' leases were up for renewal,

and he responded that there were two. She asked for how many years they would be renewed, and he said the current standard was a five-year lease with a one year out clause which was the standard MCRA policy.

6. BOARD MEMBER COMMENTS

Ms. Schwartz - She referred to Mr. Curtis' comment about the MCRA extension and said she was glad progress had been made. She said she attended the International Fair and made special mention of the Japanese Martial drumming group, Fushu Daiko, whom she said were amazing. She said the event was well attended and she thanked all the staff in attendance. She praised the part-time fire explorers from Margate that participated in a competition on the previous Sunday which she had attended. She said they took home the all-around trophy as well as six others and impressively beat 17 other competitors from all three counties. She said they would now move on to the fire academy and she hoped, one day, they would return to Margate when they graduated. She wished everyone a Happy Passover and Happy Easter.

Mr. Arserio – No comment.

Ms. Simone – She wished everyone a Happy Passover and Happy Easter.

Vice Chair Ruzzano – He wished everyone a Happy Easter and Happy Passover. He referred to the MOU and said he did not vote for it because of the Ace Plaza tenants. He asked the Board to consider a change from the current standard MCRA lease with the one-year termination clause to a five-year lease without a termination clause at an upcoming meeting. He said he wanted to preserve the plaza and keep it in the City.

Chair Caggiano – In response to the Vice Chair's comments about the leases, he said he was not in favor of putting the item on the agenda and he asked the other Board members. Mr. Arserio and Ms. Simone said they did not want to put it on the agenda at this time. He said he was also in attendance at the International Fair and agreed with Board Member Schwartz that it was an amazing event. He wished everyone a Happy Passover and Happy Easter. He also reminded everyone that April 1 marked the start of the rainy season and June 1 the start of hurricane season. He encouraged everyone to prepare early.

There being no additional business, the meeting was adjourned at 8:47 p.m.

Respectfully submitted,

Transcribed by Fiona Christmas, CRA Coordinator

Anthony N. Caggiano, Chair