

COMMUNITY REDEVELOPMENT AGENCY BOARD

REGULAR MEETING MAY 13, 2015

MINUTES

Present:

Tommy Ruzzano
Joyce W. Bryan
Lesa Peerman
Joanne Simone, Vice Chair
Frank B. Talerico, Chair

Also Present:

Diane Colonna, Executive Director
Eugene M. Steinfeld, Board Attorney
Douglas E. Smith, City Manager
Ben Ziskal, Director, Economic Development
Kim Vazquez, Project Manager, CRA
Jay Huebner, HSQ Group
Mecheala Rothman, Boys Scouts of America
Virgil and Barbara Willis

The regular meeting of the Margate Community Redevelopment Agency having been properly noticed was called to order at 7:00 p.m., on Wednesday, May 13, 2015, by Chair Frank Talerico. There was a moment of silence followed by the Pledge of Allegiance. Roll call was taken.

1A. MINUTES FOR APPROVAL: (4/8/15)

After Eugene M. Steinfeld, Board Attorney, read the item title, Ms. Simone made the following motion, seconded by Mrs. Bryan:

MOTION: SO MOVE TO APPROVE

There was no discussion.

ROLL CALL: Mr. Ruzzano, Yes, Mrs. Bryan, Yes; Mrs. Peerman, Yes; Ms. Simone, Yes;
Mr. Talerico, Aye. The motion passed 5-0.

2. PUBLIC DISCUSSION

Rebecca Case, Margate Chamber of Commerce, commented that she saw a line item in the CRA budget for \$5,000 for Chamber Events sponsorships and she asked if the CRA Board would consider sponsoring the Chamber breakfast in June to let the membership know about the responses from the Request For Proposals (RFP).

3A. SIGN WAIVER CRA-01-2015: HSQ Group, Inc., agent for Celebration Pointe North, LLC, for PERMISSION to place a monument sign within the right-of-way having a maximum height of 19 feet and 50 square feet of sign face area. Section 39.5 of the Margate Sign Code requires residential district monument signs to have a 5-foot minimum setback from the right-of-way with a maximum height of 7.5 feet and 32 square feet of sign face area. The subject property is located at 5555 Celebration Point Lane, Margate, FL. PUD Zoning.

Eugene M. Steinfeld, Board Attorney, read the sign waiver item title. All parties speaking on the item were duly sworn.

Ben Ziskal, Director, Economic Development, explained the sign waiver request was for the entrance to the Celebration Pointe luxury apartment community that was in phase one of construction; he showed PowerPoint slides of the proposed monument sign for the entranceway. He explained that the City Commission had granted approval of an agreement with the developer for water and sewer impact fees with conditions which included that the developer installs some water line improvements on the property and that

they enhance the entranceway including the median, sidewalks and landscaping. He pointed out how one portion of the proposed sign complied with the Sign Code, however, due to the manner in which the sign area was calculated, the inclusion of the column portion caused it be out of compliance. Also, due to the length of the name, Celebration Pointe, and the petitioner's desire to have the words Luxury Apartments underneath the name, and in order to have the proper letter height at 18", the total sign area was 50 square feet which exceeded the Code's maximum of 32 square feet. Mr. Ziskal said the proposed sign was in line with the direction of the Sign Code and staff recommended approval with a few minor conditions. The recommendation was to move the column away from U.S. 441 to the other side closer to the development, as well as some minor technical corrections to the drawings that were necessary for permitting. He said the developer agreed to those changes.

Ms. Simone said that the sign was nice, but that it was too plain for luxury apartments. She said she would like to see a water feature and she referenced one that she saw at a development on the north side of Wiles Road that was eye-catching. Mrs. Peerman said she recalled that one of the stipulations was that the development would have a nice entranceway that was more than just a sign.

Jay Huebner, HSQ Group, 1489 West Palmetto Park Road, Suite 340, Boca Raton, pointed out that there was a water feature further back at the roundabout which he said was approved in their site plan. Mrs. Peerman said they [City Commission] had requested a luxury-type water feature up front similar to Regency Lakes in Coconut Creek. Mr. Huebner spoke about the history of the property noting that the Florida Department of Transportation (DOT) owned the property and they worked with the DOT and City to get ownership of the land transferred over to the City and now they had a long term lease with the City. Mr. Huebner said that they had just a small space with which to work. Mrs. Peerman said that what they agreed to and envisioned was an entranceway with a focal point like Regency Lakes. She thought that was why the City got the property. Mr. Huebner said the main purpose for doing it was so that the sign would not be further back and unable to be seen from U.S. 441. Mrs. Peerman suggested listening to the tapes from the meeting where the project was discussed. Mr. Ruzzano said he thought it was at a City Commission meeting for sewer and water hook-ups and they [Celebration Pointe] had agreed to an elaborate entranceway feature. Mrs. Bryan agreed that the proposed entranceway was not dramatic enough. Mr. Ziskal said he also recalled that there was a discussion at a City Commission meeting and he said he would pull the tapes to listen to the discussion. Ms. Simone asked that they look at the development on Wiles Road which she said was on a very narrow strip of property and it two fountains, one up front and one behind. Mr. Talerico asked if the signs would be illuminated. Mr. Huebner responded that they would be illuminated.

Mrs. Peerman made the following motion, seconded by Ms. Simone:

MOTION: TO TABLE UNTIL THE JUNE 10, 2015 CRA MEETING; TO LISTEN TO THE TAPES FROM THE CITY COMMISSION MEETING ; TO LOOK AT THE DEVELOPMENTS THAT WERE SUGGESTED.

Mr. Talerico asked about the extra landscaping on a neighboring property that had been discussed at the same meeting. Mr. Huebner said they prepared a landscape plan that tied the north and south properties together and it had been submitted some time ago. He said that the idea was that CRA would contact the adjacent property owners and work with them to improve their landscaping.

Mr. Huebner apologized that he did not recall the conversation about the waterfall fountain; he said that they have had the same sign detail since the beginning. He said he would listen to the tapes for clarification.

ROLL CALL: Mr. Ruzzano, Yes; Mrs. Bryan, Yes; Mrs. Peerman, Yes; Ms. Simone, Yes;
Mr. Talerico, Aye. The motion passed 5-0.

4A. **RESOLUTION 448:** Adopting the Housing Improvement Program (HIP) guidelines for the Margate Community Redevelopment Agency.

After Eugene M. Steinfeld, Board Attorney, read the resolution title, Ms. Simone made the following motion, seconded by Mrs. Bryan:

MOTION: SO MOVE TO APPROVE

There was no discussion.

ROLL CALL : Mr. Ruzzano, Yes; Mrs. Bryan, Yes; Mrs. Peerman, Yes; Ms. Simone, Yes; Mr. Talerico, Aye. The motion passed 5-0.

4B. **RESOLUTION 449:** Approving amended guidelines for the Commercial Property Façade Improvement Grant Program and the Commercial Property Landscaping Improvement Grant Program; clarifying certain aspects of the program and eliminating inconsistencies regarding eligibility.

After Eugene M. Steinfeld, Board Attorney, read the item title, Mrs. Bryan made the following motion, seconded by Ms. Simone for discussion:

MOTION: SO MOVE TO APPROVE

Diane Colonna, Executive Director, explained that the guidelines were clarified to reflect that the programs were available to business owners and tenants alike. She said they also clarified that the amount of the façade grant was based on the length of the façade of the building and not the length of the property.

ROLL CALL : Mr. Ruzzano, Yes; Mrs. Bryan, Yes; Mrs. Peerman, Yes; Ms. Simone, Yes; Mr. Talerico, Aye. The motion passed 5-0.

4C. **RESOLUTION 450:** Approving an Engagement Agreement between the Margate Community Redevelopment Agency and Frank, Weinberg & Black, P.L., for legal services to represent the Agency for the redevelopment of the Margate City Center in an amount not to exceed \$25,000.

After Eugene M. Steinfeld, Board Attorney, read the item title, Mrs. Peerman made the following motion, seconded by Mr. Ruzzano for discussion:

MOTION: SO MOVE TO APPROVE

Mr. Ruzzano asked when the agreement would take effect. Diane Colonna, Executive Director, responded that two proposals had been received from the Request For Proposal (RFP). She said the next steps would be for the Selection Committee to meet which would be followed by a recommendation to the CRA Board and then the negotiations with the selected team(s) would begin. Mr. Ruzzano said he was concerned about paying for something that might not come through. She said that services would be paid for based on the hours used.

Attorney Steinfeld commented that the firm had helped with the last **two** projects. He provided some background on Steve Deutsch and his father and pointed out that they were very knowledgeable about the type of development agreement needed and very experienced with development.

Chair Talerico explained that the CRA would need legal representation in the negotiations which could start after the June meeting and this firm and Attorney Steinfeld would be the right people to provide it. Mr. Ruzzano questioned the CRA's past dealings with them, how much they had been paid, and he commented that he felt it was a waste of money. Attorney Steinfeld said it was understandable to think the money was wasted if nothing happened. Rather than take the chance that the project fail, he said the CRA should be preparing for it to be successful.

There was a short discussion about how the billing would work and Ms. Colonna explained the timing. She said the attorney would participate in the Selection Committee meetings and once the CRA Board selected the developer(s), then the attorney would get more involved in negotiating an agreement which was complicated.

Ms. Simone pointed out the attorney's standard hourly rate was \$375 and they offered the CRA a reduced hourly rate of \$275 because of the established relationship they had with the CRA.

Mitch Pellecchia, 6890 N.W. 9th Street, commented on the attorney's hourly rate, questioning how it impacted what the CRA already paid to the City Attorney, and whether there might be an attorney that was less expensive. Ms. Colonna commented on the need for expertise and that the RFP stipulated that the development team would pay one percent towards costs such as legal fees.

Mr. Pellecchia began speaking from the back of room. Chair Talerico advised Mr. Pellecchia that he was out of order.

There was back and forth discussion about the reasons to hire a law firm that had expertise in dealing with developers. Mrs. Peerman explained that the salary paid to the City Attorney was for him to sit on the CRA Board and advise them of the legalities. She said the prospective law firm had expertise in dealing with developers. Mr. Ruzzano said he was opposed to the hourly rates and suggested it might be a good time to find an Assistant City Attorney who had experience in working with developers. He commented that this project might last ten years which was a long time to have an attorney that was paid by the hour. Attorney Steinfeld reiterated that it was unlikely an Assistant City Attorney that had the necessary experience with developer agreements could be found. He added that the amount budgeted for an Assistant City Attorney would not be sufficient to cover the amount of time needed for them to work on the CRA project as well as other matters. Mr. Ruzzano commented that legal needs should have been addressed months ago. Attorney Steinfeld said he had been the attorney for the RFP and there were many things that he would continue to be involved in, but negotiating the developer agreement would require specific expertise. Attorney Steinfeld commented on the various types of legal support he provided to the CRA. Mr. Ruzzano said he preferred to find a CRA attorney because the hourly billing was an unforeseen amount. There was additional discussion about the need to hire someone with development experience.

Mrs. Peerman said that being paid by the hour was how it worked and that \$25,000 was the highest it would go without Board approval. She said she would prefer a CRA attorney over an Assistant City Attorney. Mr. Ruzzano said he was not opposed to hiring an attorney, but he said he questioned what the CRA got for what it paid them in the past. Mrs. Peerman responded that the reason it did not work out the last time was not because of the lawyer; it was because of what the developer wanted to do.

ROLL CALL : Mr. Ruzzano, No; Mrs. Bryan, Yes; Mrs. Peerman, Yes; Ms. Simone, Yes;
Mr. Talerico, Aye. The motion passed 4-1.

5A. **DISCUSSION & POSSIBLE ACTION:** Approving a request from St. Vincent Catholic Church for use of CRA-owned property at 1000 City Center from November 16 through December 6, 2015 for a Holiday Festival.

After Eugene M. Steinfeld read the item title, Mr. Ruzzano made the following motion, seconded by Ms. Simone:

MOTION: SO MOVE TO APPROVE

Ms. Simone stated that there had been very few if any problems with St. Vincent Church operating the carnivals in the past, but unfortunately other organizations had started holding carnivals too. She said she thought there had been too many carnivals and that they did not present a positive image for the City. She said she disliked saying no to St. Vincent's because they were the first ones to hold the carnivals before the others started jumping on board, but she needed to be consistent.

Mitch Pellicchia, 6890 N.W. 9th Street, commented that Ms. Simone's remarks made him sad because the St. Vincent Carnival was the most successful carnival that the City had held. He said it was very well attended and that St. Vincent Church had done many wonderful things for Margate. He said he was very surprised at Ms. Simone's position; he said he thought she had recently approved another carnival for another organization.

Mrs. Peerman stated, for the record, that Mayor Simone had been consistent in all her votes on carnivals and that she had not approved the last carnival. Mrs. Peerman said that her [Ms. Simone's] decision was based on feedback from residents. Mr. Pellicchia shouted an expletive from the back of the room and Chair Talerico told him he had to leave. Mr. Pellicchia left the meeting and Chair Talerico apologized for his outburst.

ROLL CALL : Mr. Ruzzano, Yes; Mrs. Bryan, Yes; Mrs. Peerman, Yes; Ms. Simone, No; Mr. Talerico, Aye. The motion passed 4-1.

5B. **DISCUSSION & POSSIBLE ACTION:** Approving a request from James Carl Fredrick American Legion Post 157 for the use of CRA-owned property at 1000 City Center to hold a Neighborhood Scout Rally-Show Off Scouting event on Saturday, August 8, 2015.

After Eugene M. Steinfeld read the item title, Mrs. Peerman made the following motion, seconded by Mr. Ruzzano:

MOTION: SO MOVE TO APPROVE

Diane Colonna, Executive Director, mentioned that the request also included the waiver of the fee. Ms. Simone asked whether the event was a fundraiser.

Mecheala Rothman, 7101 NW 84th Street, Tamarac, said she represented the Boy Scouts of America Troop 836 in Margate which she said was chartered by the American Legion Post 157. She said she was also the membership chair for the South Florida Council. She said that it was not a fundraising event. She said her troop had been in Margate for over 40 years and that scout participation nationwide was five percent but in South Florida it was at only two percent. She said they were trying to bring that number up by holding neighborhood scout rallies all over the local area. Ms. Rothman said their plan was to bring the scouting

values to the neighborhoods to try to get the kids to unplug. She spoke about the various venues and the types of skills that there were planning to showcase.

Chair Talerico asked if they wanted any other services from the CRA. Ms. Colonna said they had only requested use of the property. Ms. Simone asked if the CRA had waived fees for any other non-fundraising organizations. Ms. Colonna said she was not aware of the CRA waiving fees for any other non-fundraising organization, but fees had been waived for other fundraisers including the baseball league and the Cokesbury Church car show. Ms. Simone said it was a concern and she asked Ms. Rothman whether they had tried to do any fundraising events to pay the City for the use of the property. Ms. Rothman said troops were not funded by the national organization. She said this initiative was being done on a district level and they had not done fundraising for this type of event. She said other cities like Coral Springs, and Lighthouse Point, as well as Festival Flea Market had donated space to them, and she was hoping Margate would be generous to her unit as it had been in the past. Mr. Ruzzano commented on the City's motto, "Together We Make It Great," and he made the following amendment:

AMENDMENT: TO WAIVE THE \$1,000 FEE

Chair Talerico advised that the waiver of the fee was already included in the request so an amendment was not needed.

Mrs. Peerman said she would have loved for them to hold a campout at the site. Ms. Rothman said there would be tents. She suggested that the property at the northwest corner of Margate Boulevard and State Road 7 might be better suited for the size of their event. Ms. Rothman said they were open to either location. She said they would also have other units in Broward County involved and they would be able to fill the space at the former Swap Shop site. Mrs. Peerman asked if the event was open to the public; Ms. Rothman responded, "absolutely." She said they wanted the public to stop by and check out scouting.

Mrs. Bryan thanked Ms. Rothman for presenting the idea and she asked her how the event would be marketed. Ms. Rothman said it would have to be through viral neighborhood marketing as they had no budget. She said they would use social media and work with the cities on signage. She said they also had some great national materials they could use, but it would be largely grassroots.

ROLL CALL : Mr. Ruzzano, Yes; Mrs. Bryan, Yes; Mrs. Peerman, Yes; Ms. Simone, Yes; Mr. Talerico, Aye. The motion passed 5-0.

6. EXECUTIVE DIRECTOR'S REPORT

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

A. MCRA Workplan for April, 2015

Diane Colonna, Executive Director, referenced the work plan that was included in the meeting back-up. Mrs. Peerman asked about the CRA office floor plan. Ms. Colonna said the CRA was looking at the former restaurant space in the Chevy Chase Plaza. Mrs. Peerman commented that the new benches looked great. Ms. Colonna noted that Public Works had done the installation. Mr. Ruzzano commented about how Broward County had lost the permit application for Coconut Creek Parkway and that he had a similar experience with them. Ms. Colonna said the CRA had to provide replacement plans and the project was scheduled to start May 26, 2015.

B. MCRA Off-Season Events-Preliminary Proposal

Diane Colonna, Executive Director, spoke briefly about the proposals for off-season events. She said the CRA would provide more specific details at the next meeting if the Board was in agreement with the proposed ideas.

Kim Vazquez, Project Manager, commented that the CRA had reached out to two other food truck vendors but they indicated that they were not interested if it was not going to be a long term contract. She noted that Gourmet Truck Expo had a good history with Margate and they were working with the CRA on the proposed plan.

Ms. Simone asked if the August event could be Caribbean and Hispanic together, and Ms. Colonna said the CRA would look into it.

Mrs. Bryan asked if local food businesses could also be included in addition to the food trucks. Ms. Colonna responded that the CRA could look at it but doing so had been problematic in the past because there was no electricity or other facilities on the CRA properties. Mrs. Peerman said that a problem in the past was that vendors were not allowed to use generators. She suggested that the vendors be allowed to use generators to keep their food warm. She also suggested the vendors work with the volunteer program to help provide staffing for the mom-and-pop businesses at the events.

C. Tenant Updates

Eugene M. Steinfeld, Board Attorney, spoke about a dispute between the present owner of O'Meara's which was Virgil Venture, LLC, of whom the principal was William McDonald, and the previous owner of the LLC, Barbara and Virgil Willis. He said the Willis's were granted a final summary judgment which gave them possession of two of the four bays of O'Meara's without giving notice to the Margate CRA. Attorney Steinfeld explained that this posed a problem because the judgment did not name the CRA, and the CRA had a lease only with Virgil Venture, LLC; however, the judgment did not give the LLC back to the Willis's. He said the CRA did not have a lease with the Willis's, and the judgment only gave them possession of two of the four bays. He said the biggest issue was that neither party was paying rent. After completing his research, Attorney Steinfeld said that both parties, Virgil Venture, LLC, and the Willis's would be named in an eviction process and he planned on going to court for the eviction of both parties. Attorney Steinfeld said he suspected that either or both parties would try to re-open the case between them and it could end up taking a while to resolve. He said it was unfortunate that the CRA had not been made a party to the dispute and that the judgment had been improperly drawn.

Chair Talerico asked about the current status. Attorney Steinfeld said that he had attempted to talk with the attorneys for both parties but he was not getting called back. He said he spoke to Mr. McDonald's attorney and told him that he would be making a recommendation to the Board. Attorney Steinfeld said he could attempt to re-open their lawsuit and attempt to have the judge redraft the order, but this was not his preference since it was between them. He said it was his understanding now that Mr. McDonald was looking to have the judgment set aside. Attorney Steinfeld said it would be easier for the CRA to evict both parties rather than to get involved in their litigation. He said his research showed that neither party was a sterling tenant at the subject location. He said he planned to proceed with the eviction of both parties unless the Board advised otherwise.

Mrs. Peerman commented that the matter was a hot mess. She noted that the Willis's had property with which they could not conduct business without a lease; Mr. McDonald had the lease but he only had the two outside bays; and, the eviction was being based on non-payment of rent after the property was returned to the Willis's. Mrs. Peerman suggested that the CRA stay out of the matter until the legalities were done, and then the CRA could decide what it wanted to do with the lease. Attorney Steinfeld pointed out that the hearing to set aside the judgment would not occur until July and, if it was not granted, the CRA's problem still existed. He said he wanted to try to get money for the CRA. He said the judge would either evict both parties or it would transfer the judgment back to the judge in that suit hopefully before July. The CRA was unable to collect rent because the Willis's attorney drafted an improper judgment he said.

Discussion continued between Attorney Steinfeld and Mrs. Peerman about the pros and cons of proceeding with an eviction. Mrs. Peerman suggested waiting for the courts to decide the outcome and then the CRA would deal with that person. Attorney Steinfeld said he favored eviction as it would clean things up because at it was, neither could do business and the CRA was not collecting rent. He said the attorneys were at odds with each blaming the other; the CRA needed to force the issue, otherwise the CRA would end up being the loser. Mrs. Peerman asked if the deposits would be returned if there was an eviction; Attorney Steinfeld said deposits would not be returned. He said the parties inadequately defended their own positions. He said Mr. McDonald was not present at the hearing and the Willis's attorney drafted an improper order and did not join the CRA. Mrs. Peerman questioned the need to evict and she suggested the CRA forgo rent until it was resolved. Mrs. Peerman said she understood that Mr. McDonald expressed a willingness to pay for two bays. Attorney Steinfeld reiterated his preference for evicting both parties and cleaning up the lease. He said if Mr. McDonald wanted to argue to the judge, he would put the two bays in there and pay the rent and put it in the registry of the court, but he said neither party could do business. Mrs. Peerman commented that neither could do business and so neither could pay rent. Attorney Steinfeld agreed and said that why exactly why the parties needed to be evicted so that the lease could be cleaned up at which point the CRA could grant it to whomever it wished. Mrs. Peerman said that Attorney Steinfeld was being partial because Mr. McDonald would lose the deposits on the lease. Attorney Steinfeld said Mr. McDonald needed to come into court and explain his position. Chair Talerico asked which party would get the lease after the eviction and who owned the property inside the bays. Attorney Steinfeld said if the property was attached and part of the leasehold, it belonged to the CRA; if not attached, it belonged to the last tenant.

Mr. Ruzzano asked when the judgment was received. Attorney Steinfeld said it was ordered on March 3, 2015, but he did not know when it was received as the CRA was not informed. Mr. Ruzzano commented that the rent was current as of March and he questioned how the tenant could be expected to pay rent when they were not able to do business. Mr. Ruzzano asked on what grounds they would be evicted. Attorney Steinfeld said they had possession for more than one month and they could move into the two bays for which they were granted possession, but because the business was an integrated establishment, they could not move into the other two bays for which they were not granted possession. He repeated that the order was improperly drafted by the attorney; therefore, possession was only given for two of the bays and it did not give them possession of the LLC. Attorney Steinfeld explained how the judge technically was interfering with the right of contract between the LLC and the City of Margate because he had no right to grant possession of property that was contrary to a lease. He said the judge could have granted them the LLC but the Willis's did not want the LLC because they thought they would be responsible for the debts but they also were responsible for the assets and the main asset was the lease. He said it was his understanding that the Willis's did not want the LLC but the CRA had a lease with the LLC, so the judge, without a hearing, made the decision. Mr. Ruzzano asked whether the CRA would be looking to collect past rent if the Board were to vote to not evict and to wait for the judge to decide. Attorney Steinfeld said it would be up to the Board but he did not see how they could do it. That was why he said the CRA should force the issue to see if he might be able to get a hearing before July.

Mrs. Peerman asked whether the order gave possession of the contents of the two bays for which the Willis's got possession. Attorney Steinfeld said the court order did not specifically mention the bar's contents in the writ of possession. She asked which party would be allowed to enter and obtain the contents if both were evicted. Attorney Steinfeld said it would be the last tenant in his view which would be Virgil Venture LLC.

Chair Talerico asked how long the process would take. Attorney Steinfeld stated that the matter could go beyond July if the order was amended which would mean there would need to be another hearing because Mr. McDonald said he had not received notice and, therefore, did not appear and the Willis's won. If the judge refused to do it, the CRA would be back to square one he said. Attorney Steinfeld said he asked the Willis's attorney to go back and amend the order, take the LLC and obtain the other two bays but the attorney does not call him back. This was why he wanted to force the issue. Chair Talerico said he agreed with Attorney Steinfeld because if it went to the courts, it could be dragged out for months and the space could not be rented during that time. If evicted, the parties could remove their belongings and start from scratch. There was a short discussion about trespassing. Attorney Steinfeld said if they were evicted they would not be trespassing; they could argue about what was in there. Mrs. Peerman commented about how all the legal proceedings that the parties had been through would be meaningless if they were evicted. Attorney Steinfeld reiterated that it was because their attorney drafted an order that was improper. Mrs. Peerman disagreed and said it was because of the non-payment of rent because if the rent were paid, there would not be cause to evict. Attorney Steinfeld said that was correct but the reason they could not do business was because of the improper way that the order was drafted. Chair Talerico asked if it were to go before a judge again. Attorney Steinfeld said it was his understanding that the next hearing would be in July and that would be to set aside this order. Then there had to be a hearing at some time in the future as who would get the property.

Mrs. Bryan asked whether the parties would have the opportunity to appeal if the CRA were to evict. Attorney Steinfeld said they could but it would be with a different judge. He said the judge could grant the eviction or he could transfer it back to the other judge but at least he [for the CRA] would be included in the suit and could explain the CRA's position.

Mrs. Peerman asked what happened to the parties' case when both tenants were evicted. Attorney Steinfeld said they had damages between each other. Attorney Steinfeld commented that the CRA would not be able to get past rent if he did not go to court.

Mrs. Peerman questioned how the CRA could charge past rent when they [the tenant] did not have access or the ability to do business. She said the CRA should have been told to stop collecting rent after March and let it go through the courts; it was the non-payment of April and May's rent on which the eviction was being considered. Attorney Steinfeld said he could back off if that were the wish of the Board. He reiterated his advice to file an eviction because the parties were not moving. Mr. Ruzzano said he did not think filing an eviction was the right answer. He asked to find out when the writ of possession came in and to find out how much money was owed up until that date and let both parties know that whoever won the case would need to come up with that amount. Attorney Steinfeld responded that it was not a bad idea but if the judge gave possession to either party and the CRA had not preserved its right, it was very possible the CRA could not collect past rent. Mr. Ruzzano suggested giving them a timeline to work it out. Attorney Steinfeld asked what would happen if the timeline was not met and they were still in litigation in a year. Mrs. Peerman responded that the court order was dated March 3, 2015 and the Sheriff's office came out that following Friday and changed over possession. She said March rent was paid by Mr. McDonald but he did not have possession of the property due to the repossession by the Sheriff's office.

Mrs. Peerman made the following motion, seconded by Mr. Ruzzano:

MOTION: FOR THE CRA TO DO NOTHING FROM THE DATE OF WRIT OF POSSESSION. MARCH 3, 2015, INCLUDING RENT COLLECTION UNTIL THE MATTER WAS RESOLVED.

Chair Talerico asked if rent would still be due if there was an eviction. Attorney Steinfeld said back rent would still be due, and it would be the LLC that would owe the rent because the CRA had the lease with the LLC. Chair Talerico commented that it was fairer and faster to proceed with the eviction and then let them work it out in the legal system; the CRA could wait. He said it was a no-win situation for all involved. Mrs. Peerman agreed but said if both parties were evicted, the Willis's would lose their ability to get their money and their ability to bargain. Chair Talerico then suggested a six month timeline and if the matter was not resolved, then they would face the eviction process; he made the following amendment, seconded by Mrs. Peerman:

AMENDMENT: TO ALLOW A SIX MONTH TIMELINE TO RESOLVE; IF NOT RESOLVED, THEN FACE EVICTION.

Mr. Ruzzano asked if either party could come back in as a bar prior to the case being settled. Attorney Steinfeld said if the Willis's attorney amended the order to get possession of the LLC and the two other bays, the Willis's would have possession. Attorney Steinfeld said the problem with that was if the Willis's were amending the order, then Mr. McDonald may tell the judge that he wanted to be heard because he was not heard the last time. He said there was no incentive for him [McDonald] to amend the order. Mr. Ruzzano suggested the timeline be set for November 30, 2015, so as to allow time for it to be ready for the holiday season.

Mrs. Bryan asked about the possibility of mediation. Attorney Steinfeld responded that it was a possibility and that the parties should ask the court to assign a mediator to work things out.

Ms. Simone asked Attorney Steinfeld if he was comfortable with the six month timeline and what his first preference was. Attorney Steinfeld responded that his preference was what he had suggested. He said he understood that these were two very well-known parties; he wanted the CRA Board to make the determination and he could live with the Board's suggestion. Ms. Simone said that CRA was not making it hard for them; they needed to go after their attorneys.

Chair Talerico asked if both parties were present to speak. Attorney Steinfeld said the Willis's were present. He said he told Mr. McDonald's attorney earlier that day that the matter would be brought to the CRA Board that night. He invited the Willis's to speak.

Rick Riccardi, 4829 South Hemingway Circle, President, Chamber of Commerce, expressed compassion for the people involved. He said it seemed there would not be a problem if the rent would get paid. Attorney Steinfeld responded that the Mr. McDonald said that he would pay half the rent, and Mr. Willis suggested that they might pay the rent if they had possession of both sides, but Mr. McDonald had the other side. Attorney Steinfeld said he could not accept payment from the Willis's because the CRA had a lease with the LLC, not the Willis's. Mr. Riccardi said he was in agreement with the timeline.

Virgil Willis, 1656 N.W. 65th Avenue, Margate, stated that the issue had been going on for two years and they had three breaches of contracts with Mr. McDonald. He said they tried mediation and it had not worked. He said that when his attorney first started the process years ago, the Willis's only had two bays and the attorney was not aware that two bays were added; therefore, the final judgment was given

from the original paperwork which stated only two bays. Mr. Willis commented about how there were two different LLC's: Virgil Venture; and Virgil's Ventures which caused confusion. Attorney Steinfeld said Mr. Willis should have told his attorney that the property had increased to four bays and the attorney should have known to join the property owner, the CRA, in the legal action. Mr. Willis said that he may have made some mistakes but they had not been sitting back waiting for this to happen.

Mr. Ruzzano asked why Mr. Willis could not go back, put the walls back up and open the bar. Mr. Steinfeld said he could not let him operate because the CRA had the lease with the LLC. Mr. Willis said Mr. McDonald did not want to relinquish the lease and Mr. McDonald was the president of Virgil's Ventures. Attorney Steinfeld said that the judge drafted an order giving possession to someone who did not have a lease. Attorney Steinfeld told Mr. Willis to get his attorney to get possession of the LLC. He said the CRA had a lease and an order that dispossessed the CRA of property.

Mrs. Peerman asked Mr. Willis whether he wanted to be evicted or to have the property to use as an asset. Mr. Willis responded that he wanted the business back because he sold the business and did not get paid for it. He said he did not want to take on the LLC because then he would have to assume all the debt. Attorney Steinfeld told Mr. Willis to get his attorney to give him notice, have a hearing, argue to the judge and let the judge decide what to do. Mr. Willis said the only positive to being evicted would be that there would not be a lease and it would give them an opportunity to come in and renegotiate a lease. Mrs. Peerman said that would be a possibility but not a guarantee. Mr. Willis said that when the eviction went through, they could show up at court and argue their side as they have done in the past. Mrs. Peerman said if the CRA evicted them both, they would both lose because without the asset, there was no reason for McDonald to go to court. She said they had been given a judgment but it did not work for them. Mr. Willis said the judgment was for two different things: it was for monies owed and for the possession of the bar. Mrs. Peerman said that before they got possession of the bar, he had a judgment for money. Mr. Willis said it happened at the same time. Chair Talerico commented that Mr. Willis had said that mediation had been going on. Mr. Willis he had depositions and the depositions would turn into a mediation instead of a deposition. He said another contract would be written up and it would be breached. Chair Talerico said the CRA was asking him to do the same thing the Willis's had been doing and it got them nowhere. He said maybe eviction was the best answer.

Barbara Willis, 1656 N.W. 65th Avenue, commented that the mediations and continuances had been ongoing for two years. She said it had been tough on them and with all they had been through, they could not move forward. She said they were trying to recoup their losses. She said she understood that things might not have been done properly but it was their choice because they did not want to take on the corporation's debt. She said they continued to receive phone calls from people trying to collect on the corporation's debt, even though the paperwork showed they no longer had the corporation. Mrs. Peerman asked Mrs. Willis if she wanted the eviction. Mrs. Willis said she did not know. She said she felt ignorant about what their rights were. She said it was not their goal to get the bar back; they just wanted to get paid. Mrs. Willis said that the lease was stopping them from moving forward. Mrs. Willis referenced the lease that the CRA had with Mr. McDonald. She asked what affect it had if Mr. McDonald did not fulfill the requirements in the lease for the concessions given to him within the timeline specified in the lease. Attorney Steinfeld responded that if the lease terms were not followed, it would be grounds for eviction. She asked whether evicting him [Mr. McDonald] because he did not meet the obligations of the lease would speed up the process. Attorney Steinfeld said he did not think it would because it was the same thing as him not paying rent. He said Mr. McDonald could contend that he could not use the property because he did not have possession.

Attorney Steinfeld said the easiest way to move forward was to evict both parties. He noted that the Board had suggested that the CRA wait six months and to give them another chance to gain possession of all four bays. He said he would abide by it if they were given all four bays, even if it were not in the LLC's name.

There was a short discussion about the property inside. Attorney Steinfeld said the property that was attached would go to the lessee of the property as determined by the judge. If both parties were evicted, the property belonged to the CRA and the CRA would decide who would get the tenancy. Mrs. Willis said she had made arrangements with the owners of music equipment that was inside to pick it up.

Ms. Simone said her heart went out to Mrs. Willis. She said she thought Attorney Steinfeld should evict both parties so both could start afresh. Mrs. Willis questioned how that would be in her best interest. Ms. Simone said the matter was complex and it required the attorney's to handle and the only way for the attorney's to handle it was to evict.

Chair Talerico asked if the CRA evicted both parties and took possession of all things attached, who would decide if both parties asked the CRA for a lease. Attorney Steinfeld said administration or the CRA Board would decide. Chair Talerico commented that the parties had an incentive to try to work it out in six months; otherwise, at the end of six months, they would both be evicted.

Mr. Ruzzano commented that the timeline was good for them. He said if they were evicted, they would not have the LLC which they needed to do business. He said that if the Willis's won, they would get possession of and be responsible for all four bays. He asked the Willis's if they were okay with that. Attorney Steinfeld said the CRA would obey the court order if they got all four bays and it would rent to them. Mrs. Willis asked about the work that needed to be done, such as the bathrooms. Attorney Steinfeld said that he thought the work had been done. Diane Colonna, Executive Director, clarified that the inside flooring was to have been replaced but the tenant was grinding down the concrete to make a polished concrete. Attorney Steinfeld said that whoever had the tenancy would need to complete the work. Ms. Colonna said the CRA was responsible for some repairs and the tenant was to do some repairs. She said the items would need to be negotiated with a new lease based on the cost of the repairs that needed to be made. Mr. Ruzzano asked if the CRA was still pursuing the installation of a fire sprinkler system. Ms. Colonna said nothing was being done at this time.

Mr. Ruzzano said he hoped the deadline would work for them and that he thought the eviction was too harsh. Mrs. Peerman said that neither party would have anything if evicted. She said they would have to come back to the CRA to get a lease. With the additional time they were being given, she said there was the possibility it could go either way. Ms. Simone said she would like to have it done as quickly as possible and she suggested a three month timeline. Mrs. Peerman pointed out that we were at the mercy of the courts; the attorneys could ask to move it up but there were no guarantees with the courts.

Mrs. Willis asked Attorney Steinfeld whether the next hearing was going to be about showing that Mr. McDonald had been served in the proper manner only. Attorney Steinfeld said it would be except that the judgment was only for possession of the two bays. She said they could show the judge it was for the four bays on that court date when he was properly served, and then it should be finished, if the judge agreed.

Mr. Ruzzano questioned why if the judge was awarding it to Virgil Ventures. Attorney Steinfeld clarified that that the judge awarded against Virgil Venture and to the Willis's individually, and that was part of the problem. Mrs. Willis said that was at their request because they did not want the liability that came with the corporation. Mr. Ruzzano asked why they would not want an eviction then if they did not want the corporation. Attorney Steinfeld said technically there was nothing that said the CRA had to rent to them once they were evicted. Mrs. Willis said they planned to start a new corporation because they did not want the debt or negativity of the old corporation. Mr. Ruzzano said that eviction might be a better option.

Attorney Steinfeld asked Mrs. Willis is they wanted six months to try to solve the matter. Mrs. Willis responded that she guessed that what they wanted.

Mrs. Peerman reiterated that they would be done if they were evicted. Mrs. Willis said they did not want to be done; they did not want the corporation. Mrs. Peerman said the Willis's wanted to go back in under a new name to either run it or to sell it, and they cannot do that if there were evicted. She said the CRA was probably not going to sign a lease with somebody who had been evicted from their property.

Attorney Steinfeld repeated the motion which was to give them until November 30, 2015, and if there was no resolution, then to file an eviction.

ROLL CALL : Mr. Ruzzano, Yes; Mrs. Bryan, Yes; Mrs. Peerman, Yes; Ms. Simone, Yes; Mr. Talerico, Aye. The motion passed 5-0.

6. BOARD MEMBER COMMENTS

Mrs. Peerman: Mrs. Peerman commented that the new benches looked good.

Mrs. Bryan: Mrs. Bryan thanked Ms. Colonna for providing her with information on the CRA Basics course that she attended. She said Carol Westmoreland was a fantastic teacher and a great resource.

Mr. Ruzzano: Mr. Ruzzano said the pavers looked great. He commented on the monument sign at Celebration Pointe and asked about doing something similar on Winfield Drive.

Ms. Simone: Ms. Simone agreed with the other comments and said that things were looking good.

Mr. Talerico: Mr. Talerico did not have any comments.

There being no additional business, the meeting adjourned at 9:33 p.m.

Respectfully submitted,

Transcribed by Rita Rodi

Frank B. Talerico, Chair