

MARGATE COMMUNITY REDEVELOPMENT AGENCY BOARD

REGULAR MEETING February 14, 2024

MINUTES

Present:

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

Also Present:

Cale Curtis, Executive Director
Larry Vignola, Assistant Director
David Tolces, Weiss Serota Helfman Cole & Bierman
John Jones, GAI Consultants, Inc. (via Zoom)
Tom Kohler, GAI Consultants, Inc. (via Zoom)
Ken Krasnow, Colliers International (via Zoom)

The regular meeting of the Margate Community Redevelopment Agency having been properly noticed was called to order at 5:02 p.m., on Wednesday, February 14, 2024, 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 - (1/10/2024 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. Simone, Yes; Mr. Arserio, Yes; Ms. Schwartz, Yes; Mr. Caggiano, Yes; Mr. Ruzzano, Yes. The motion passed 5-0.

2. PUBLIC DISCUSSION

Steve Strouse, 5800 Margate Boulevard, asked for clarification as to whether overnight parking was allowed on the streets by residents of the apartment building which he owned that was located on Margate Boulevard. Mr. Arserio replied that it was not. Mr. Strouse said that he was looking to the Board for assistance in finding additional parking for the 121 apartments in his building. He said there was an area by Building Number 2, on the eastern perimeter of the property, going south down 58th Avenue, where shrubs were planted by the road. He wanted to know if it was possible to replace the shrubbery with parking spaces. Mr. Arserio suggested that he email the Board and the matter could be investigated further.

3A. DISCUSSION AND POSSIBLE ACTION: UPDATE FROM GAI CONSULTANTS, INC. REGARDING THE MARGATE COMMUNITY REDEVELOPMENT AGENCY EXTENSION DISCUSSIONS WITH BROWARD COUNTY

Cale Curtis, Executive Director, introduced John Jones and Tom Kohler of GAI Consultants, Inc., (GAI) and said they would provide an update on discussions they had with Broward County with respect to the extension of the MCRA.

John Jones, GAI, said the County indicated in their initial discussions that they were not going to extend the MCRA but were open to discussing potential funding for MCRA projects in lieu of extending the timeframe of the MCRA's operations. Mr. Arserio asked for clarification as to whether the Board would be able to extend the MCRA itself but just not expect Tax Incremental Funding (TIF) from the County. Tom Kohler, GAI, responded that the City could certainly create its own CRA but it would not be able to follow Florida Statutes, Chapter 163 as it stated a CRA could not go below 50 percent of the increment calculations from the County. Further he said it would not have the legal authority to obligate future City Commissions to contribute beyond the annual appropriations to the MCRA trust fund.

Mr. Arserio asked what would happen to the money that was currently in the fund if the MCRA was to sunset. Mr. Kohler responded that the funds would remain as they were obligated to projects that have a three-year window of expenditure. He said it was also significant to note that GAI was trying to convince the County that the sunset year was 2027 because the MCRA did not formally adopt its plan until 1997 and no income was employed until the plan was adopted.

Mr. Jones said that two challenges identified by the County were affordable housing and infill development. He said the infill development item was primarily being addressed by the city center project based on its merits directly. He said by its very definition it was increasing its residential and commercial intensities suggesting a focus on enhancing urban density. However, affordable housing required a deeper discussion. He said the County would be willing to contribute up to \$50,000 per unit for affordable housing units that were developed within the County.

Mr. Arserio asked who the \$50,000 per unit would be disbursed to if the CRA had already sunset. Mr. Kohler said the funding would be disbursed for use on a specific downtown project. Ms. Schwartz asked about parking and whether it was included in any discussions. Mr. Curtis replied it was not.

Mr. Arserio asked if the \$50,000 per unit was only for rental properties and Mr. Jones said the affordable housing determination was based on the amount of household pay that was used for either rent or mortgage payment so it could be for both.

Mr. Jones explained that the PowerPoint presentation shown that evening would show the different income levels with the average median income (AMI) range and household income as it related to affordable housing in Broward County. Affordable housing started at the low end at 30 percent with the household income rate of \$30,000 to \$48,000 and went up to 80 to 120 percent of the AMI range of \$77,000 - \$115,000 household income. The next page showed cost burdened households (households spending more than 30 percent of their income on rent and utilities) and he said this highlighted the real challenge. In Broward County, 61 percent was cost burdened whereas in Margate that figure was almost 70 percent. He said statistics showed the AMI for a household of four in Broward County was \$88,000. Equating those salaries to the employment sectors, they align with the low to moderate ranges of the AMI for education, financial, business and healthcare sectors in Margate. When the rent allocation of 35 percent per household was applied to the monthly income it became apparent that household salaries would need to be at least \$7,150 per month to be able to afford a one-bedroom apartment in Broward County.

Ms. Schwartz questioned the source of the information, specifically the average annual income salary listed for an educator in the presentation. Mr. Jones said it came from the Bureau of Labor Statistics for Occupational Employment and Wages in the Miami and Fort Lauderdale West Palm Beach area and from the Broward County Alliance, non-agricultural employment. Ms. Schwartz said as a former employee of the School Board of Broward County she could attest that starting salary for teachers in Broward County was \$47,000 and it would take them a long time to reach the level applicable in the presentation to afford a one-bedroom rental. Mr. Jones said she had a valid point because, if the salary level was lower, then the cost burden on those folks would also be lower.

Mr. Jones said the figures presented were meant to provide discussion points as to what level of affordable housing, if any, the Board could support. Mr. Arserio said it was difficult for him to say how many units he would be willing to support at this time. Mr. Jones then said the Board should first come to a consensus on the component of affordable housing in the city center.

Mr. Arserio said if the County was allowing the MCRA to choose the range of affordable housing it would put into the downtown development, then of course he would want the highest tier. He would want to see healthcare and business professionals who could afford the higher tier of affordable housing move to Margate. Ms. Schwartz reminded the Board that any new homeowners or renters should also be able to support the businesses that the new downtown development area hoped to attract. Mr. Arserio said it was difficult to plan without knowing whether the downtown development would have all rental properties or some privately owned condominiums or townhomes. He asked if it was possible to get some input from Ken Krasnow from Colliers International.

Ken Krasnow, Colliers International, proposed that the Board continue to have productive discussions with the County as proposals were received from prospective developers. Mr. Jones agreed with this course of action and discussion ensued.

Mr. Arserio then asked Mr. Krasnow if he believed the Board would be reliant on funding from the County at all. Mr. Krasnow responded that if the Board encouraged some form of affordable housing as part of the downtown development, then based on the rents shown in the presentation that evening, the Board would need some funding from the County to bridge the gap. However, if the Board was open to market rate housing, which was the more likely scenario, then it would not be needed. Ms. Schwartz asked if the \$50,000 per unit was a one-time payment and Mr. Jones confirmed that it was. Additional discussion ensued.

Mr. Curtis reminded the Board that part of the discussions with the County was asking for an extension of the Margate CRA which included an extension of their annual contribution.

Chair Ruzzano referenced a project in Oakland Park that the County was in partnership with and said the County was not only giving funding for affordable housing but also for commercial building. He asked Mr. Jones and Mr. Kohler if they had discussed that with the County in particular. Mr. Jones replied that one of the items discussed was retail development. He said the County realized the only way towards advancement was if the redevelopment could increase the residential density and commercial intensity of the areas that were slated for development.

Some discussion ensued about funding for affordable housing versus infill development. The general consensus was to advise the County that the Board would continue to look into affordable housing as well as other available options while waiting to see what proposals come back from developers.

Rich Zucchini, resident, said the County was guilty of bureaucratic overreach. He said new construction should be directed towards the south end of Margate which needed to be gentrified. He said the developers should also be invited to develop in that area at full assessment value. He wanted to know why the County was not pushing cities like Parkland, Weston, and Cooper City into building affordable housing, whereas Margate already had affordable housing.

Mr. Arserio said that the city of Parkland was building two-bedroom townhomes that were selling for between \$1.2 and \$1.4 million. He said these could not be termed affordable housing. Mr. Curtis clarified the County was not placing an obligation on anyone to build affordable housing. It simply was offering to provide project-based funding in lieu of extending the TIF, however it was tied to affordable housing. Mr. Arserio agreed that the best course of action was to send a thank you letter to the County and put them on hold for the time being.

Mr. Krasnow said he had some very productive conversations over the last few months pertaining to the downtown development. At the end of 2023, it was a challenging time globally with war in the Middle East and Eastern Europe and the market was quite volatile with unstable interest rates and inflation. However, the beginning of the year brought a renewed optimism that people would be able to underwrite a worst-case scenario in terms of interest rates, and construction costs had stabilized to a certain degree to give developers a confidence to engage in a project of this size. He said Colliers should be able to come back in front of the Board in the next couple of months to give a general overview of the expected revenue framework over the course of the development. He emphasized that the numbers would not be exact but only meant as a general overview to give the Board an idea of what to expect in terms of revenue.

4. EXECUTIVE DIRECTOR'S REPORT

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

Wayfinding Signage – The Request for Proposals (RFP) would be advertised that week and bids would be back by the middle of March. After that, it was anticipated to have several vendors to choose from and start moving forward quickly with the different neighborhood, entryway, and park signs.

Southgate Boulevard Median Improvements – By moving the sign back a few feet out of Florida Department of Transportation's (FDOT's) right of way, the project was able to move forward. The most up to date rendering showed that the sign still had a good position with good visibility. He said the RFP was ready to go out so the bids should be back by the end of March.

Coral Gate Park – The budget was amended to do some upgrades at Coral Gate Park. The Parks Director had provided some proposals on lighting upgrades, parking lot milling and repaving to the Executive Director. Mr. Curtis should have an update for the Board on the project in the coming weeks.

David Tolces, Board Attorney, requested a Shade Session in the case of New Urban Communities vs. MCRA, Case no. CACE 18-0004869 pending in the 17th Judicial Circuit for Broward County. He wanted to have an opportunity to discuss the status of negotiations with respect to an ultimate resolution of the case.

4A. TENANT UPDATES

Ms. Schwartz asked Mr. Nardi if Ivy's Furniture were staying because it appeared that they had paid rent in February.

Jim Nardj, Advanced Asset Management, said they had moved out at the end of January. He said that the rent roll he had provided was in error and he would provide a corrected one.

Ms. Schwartz asked about the other rents that were past due, in particular, The Sweet Spot. Mr. Nardi said they had overpaid in January and the amount shown was a credit towards February, but they had not yet paid February's rent.

Mr. Arserio asked when their lease was up and if it was going to be renewed. Mr. Nardi said the lease was up at the end of April and it was his recommendation to the Executive Director not to renew their lease.

Ms. Schwartz asked about the small differences in rental amounts overall every month. Mr. Nardi said in the last month the differences could be attributed to the 1 percent decrease in sales tax on leases starting in December or the increase in CPI which took effect on January 1, 2024, that the tenants may or may not have been aware before they paid their rent.

5. BOARD MEMBER COMMENTS

Ms. Simone: She wished everyone a Happy Valentine's Day and asked everyone to remember the seventeen innocent lives that were lost in the horrific tragedy at Marjory Stoneman Douglas (MSD) in 2018.

Mr. Arserio: He also wished everyone a Happy Valentine's Day and said he was looking forward to the downtown development. He said it had been many years in the making and the current Board had all been vested in it. He said he was delighted to finally see the light at the end of the tunnel.

Ms. Schwartz: She added that in the twenty years since the downtown development was first promised, the delay had allowed for the accumulation of additional property that was now worth more. She also wished everyone a Happy Valentine's Day and said it had been six years since the horrible travesty at MSD. She said shootings were still happening daily and it was unfortunate that no one had learned anything from it.

Vice Chair Caggiano: He said he agreed with everything that had just been said. He also wanted to wish his older sister, Susan, a very happy birthday.

Chair Ruzzano: He wished everyone a Happy Valentine's Day and asked everyone to never forget the massacre that occurred at Stoneman Douglas. He read out an email he received from John and Shannon Blum thanking him and the Board for the recent renovation at Serino Park. They said they lived near the park for 30 years and had never seen it so busy with people and families using the playground and exercise equipment. They said it was money well spent to see so many people enjoying the facilities. Chair Ruzzano said it was always nice to hear from residents like this because it showed the Board continued to put the best interests of its residents first. He said the downtown development would be no different and when it was completed it could be said that the city was left in a better position than when the Board got there.

There being no additional business, the meeting was adjourned at 6:15 p.m.

Respectfully submitted,

Transcribed by Fiona Christmas, CRA Coordinator

Tommy Ruzzano, Chair