

# COMMUNITY REDEVELOPMENT AGENCY BOARD

## REGULAR MEETING FEBRUARY 11, 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  
Reddy Chitepu, Director, DEES  
Ben Ziskal, Director, Economic Development  
Kim Vazquez, Project Manager, CRA

The regular meeting of the Margate Community Redevelopment Agency having been properly noticed was called to order at 7:00 p.m., on Wednesday, February 11, 2015, by Chair Frank Talerico. There was a moment of silence followed by the Pledge of Allegiance. Roll call was taken.

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#### 1A. MINUTES FOR APPROVAL: (1/14/15)

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.

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#### 1B. MINUTES FOR APPROVAL: (11/19/14)

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

**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.

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#### 2. PUBLIC DISCUSSION

Rich Popovic, 6066 Winfield Boulevard, spoke a few kind words about Chair Talerico.

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- 3A. **RESOLUTION 441:** Approving amended guidelines for the Commercial Property Façade Improvement Grant Program and the Commercial Property Landscaping Improvement Grant Program; providing for changes to program procedures; providing for eligible area; providing for program implementation.

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

**MOTION:** SO MOVE TO APPROVE

Mr. Ruzzano asked whether there was a cap on the amount the CRA would be granting. Diane Colonna, Executive Director, responded that there was a maximum per business of \$50,000 or 50% of the cost of the eligible improvements. She said \$150,000 had been budgeted in the current fiscal year for the program.

Anthony Caggiano, 7856 N.W. 1<sup>st</sup> Street, questioned why there was not an end date shown in both programs under the Purpose section. He also said the program was very limited since it was first come, first served and open to all commercial businesses in the CRA, but the budget was only for \$150,000. Mrs. Colonna responded that the funds were for both programs for the remainder of the fiscal year. She said if the CRA were to receive many applicants, it could address doing a budget amendment. She noted that the CRA should be fine this year considering the lead time on applications. She said additional funds could be budgeted in next year's budget if needed.

Mrs. Peerman asked if the programs were applicable only to the property owner. Ms. Colonna responded that it could be either the property owner or the tenant if the property owner approved.

Mrs. Peerman asked if there would be checks and balances in place. Ms. Colonna responded that there would be. She also said that there was no end date to the programs but they could be terminated at any time.

Mr. Ruzzano asked if reimbursement occurred after the certificate of occupancy was issued. Ms. Colonna responded affirmatively.

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

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- 3B. **RESOLUTION 442:** Approving the blanket Temporary Use Agreement form; providing for an agreement for utilization of Community Redevelopment property.

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

**MOTION:** SO MOVE TO APPROVE

Rich Popovic, 6066 Winfield Boulevard, asked if the form had been used in Delray Beach.

Diane Colonna, Executive Director, responded that the form had been used in Delray Beach when use of CRA property was requested. She explained that the form consolidated the various requirements in one document.

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

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**4A. DISCUSSION & POSSIBLE ACTION:** Replacement of the benches on Margate Boulevard and N.W. 58<sup>th</sup> Avenue.

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

**MOTION:** SO MOVE TO APPROVE

Diane Colonna, Executive Director, explained the benches would be replacing those benches that were worn and not repairable. She said the suggested frame color was forest green to match the trash receptacles and lighting and the seat and back color was cedar to match the pavers, but there were other color options that could be considered. She also said that CRA staff spoke with Public Works about helping with the installation.

Chair Talerico asked if the benches could be pressure cleaned. Ms. Colonna responded that they should be able to be cleaned because they were made with recycled materials while the current benches had a coating that had been breaking down.

Ms. Colonna asked the Board whether they wanted a middle bar on the benches. Mrs. Peerman said she was not in favor of the middle bar. Mr. Ruzzano said he was in favor of the bar because it would be a deterrent for people to sleep on the benches. Mrs. Peerman said that was the police department's responsibility. The middle bar did not look welcoming or inviting she said. Ms. Colonna indicated that the center bar would add an additional \$1,000 to the total cost. After a brief back and forth discussion, Mr. Ruzzano made the following amendment. Chair Talerico passed the gavel, and seconded the amendment.

**AMENDMENT:** TO ADD THE CENTER BAR ON THE BENCHES

Mr. Ruzzano said it prohibited people from lying on the benches even during the day.

Rich Popovic, 6066 Winfield Boulevard, said if the CRA did not want people sleeping on the benches, it should provide them with an alternative place to go because they needed to sleep somewhere.

Jan Hadden, 6921 N.W. 4<sup>th</sup> Place, said the center bar would not prevent people from lying on the benches because she had seen where they just put their legs over the bar.

**ROLL CALL ON**

**THE AMENDMENT:** Mr. Ruzzano, Yes; Mrs. Bryan, No; Mrs. Peerman, No; Ms. Simone, No; Mr. Talerico, Aye. The amendment failed 2-3.

Mrs. Peerman asked about the possibility of putting a few benches on the south end of U.S. 441 along the walkway between 7<sup>th</sup> Street and Serino Park. She said there were not any benches or trash cans there now and she had been talking about it for two years. Ms. Colonna said she needed to review the conditions of the area first. Mrs. Peerman asked her to bring back to the Board what could be done.

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

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## **5. EXECUTIVE DIRECTOR'S REPORT**

### **A. MCRA Workplan for January, 2015**

Diane Colonna, Executive Director, referenced the work plan that was included in the meeting back-up.

### **B. ICSC RECON-National Retail Real Estate Exhibit and Conference**

Diane Colonna, Executive Director, spoke about the upcoming national conference and exhibition that would take place May 17-20, 2015 in Las Vegas. She said that it had been a few years since the CRA attended the Las Vegas conference to market its properties. She said the CRA might be at the stage of negotiating an agreement for the City Center in May. The CRA might not be at the stage of determining potential tenants for its spaces but it could attend to explore possibilities and to make some connections. She asked the Board members to let CRA staff know if they would like to attend.

Mrs. Peerman said she highly recommended that Diane Colonna and Ben Ziskal attend. She commented that there were a lot of northern companies in attendance who were looking to move the south. She cited the examples of Tilted Kilt, Twin Peaks, WAWA, and Jimmy Johns. In addition to offering good classes, she said it also gave the CRA the ability to see the designs of projects being done by other cities around the country. She said Ben could attend and promote the available properties in the City of Margate. She said it was one of the best conferences she had ever attended.

Chair Talerico asked about the deadline. Ms. Colonna responded that April 30, 2015 was the deadline for advance registration.

Mrs. Peerman suggested having Mr. Ziskal make appointments in advance and then the Board could decide whether to attend. Mrs. Peerman made the following motion, seconded by Mrs. Bryan:

**MOTION:** FOR THE CRA EXECUTIVE DIRECTOR AND ECONOMIC DEVELOPMENT DIRECTOR TO ATTEND THE CONFERENCE.

Rich Popovic, 6066 Winfield Boulevard, suggested that all the Board members attend to become more involved.

Anthony Caggiano, 7856 N.W. 1<sup>st</sup> Street, commented on the big difference in cost for members and non-members and he questioned whether the CRA was a member. He asked whether the new benches would be mounted to the ground. Ms. Colonna responded that the benches would be bolted down and that the CRA was a member of the International Council of Shopping Centers (ICSC).

Mitch Pellecchia, 6890 N.W. 9th Street, commented that he was very opposed to the CRA Board spending money to go to another conference especially since they hired RMA, who had been to most of the conferences already.

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

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**C. Update on MCRA Office Relocation**

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

Diane Colonna, Executive Director, said that the options of either staying at City Hall or moving to a space in the Chevy Chase Plaza were still being reviewed and the CRA would have more information next month.

**D. Report on responses to City Center Request For Qualifications (RFQ)**

Diane Colonna, Executive Director, reported that four responses to the RFQ for the City Center had been received. She said the information would not be made public for 30 days. She said the firms provided their qualifications including their financial information, history, and background, not their proposed concepts. Those deemed qualified would move to the next step which would include their designs, pro formas and more specific plans. She named the following four respondents: Preferred Realty and Development; New Urban Communities; AHS Development Group; and Centennial Management Corporation. She said the firms would be reviewed, ranked, and a recommendation of which firms would move to the next phase would take place in the next few weeks.

**E. Tenant Updates**

Diane Colonna, Executive Director, referenced the rent roll that was in the meeting back-up for their review. She commented that there was a new tenant in the Ace Plaza, Margate Cleaners, a drop-off cleaners.

Mrs. Bryan asked about the television commercial that had been filmed and whether there had been a problem with the tenants. Douglas E. Smith, City Manager, said some concern had been expressed to the film company about traffic around lunch time so the film company decided to switch the filming at the roundabout to the afternoon. He said he was not aware of the change prior to their making the decision and after speaking with the company, they were not able to adjust it. He said the road was to have been open the whole time that it was supposed to be closed in the morning. One tenant had asked him for further communication in the future for similar types of events.

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**6. BOARD MEMBER COMMENTS**

**Mrs. Peerman:** Mrs. Peerman commented that there had been three events within the last five months on Margate Boulevard. She said the CRA could have done things differently to try to lessen the impact on the tenants. She said neither the Celebrate Margate nor the Winter Festival had any parking provisions for the plazas. She commented on the last minute changes in the filming schedule at the recent event that created confusion about how to access the plaza. She said it was the film company and not the CRA that notified the tenants about the filming of the commercial. She said she wanted to give the tenants in both plazas some type of discount due to the inconvenience that they experienced. She said this request was not coming from the tenants. She said the landlord should acknowledge that it made some mistakes, give the tenants something, and ask them to trust that it would not happen again. Mrs. Peerman made the following motion, seconded by Mrs. Bryan for discussion:

MOTION: TO GIVE THE TENANTS SOME TYPE OF COMPENSATION FOR THEIR INCONVENIENCE

Mrs. Bryan asked if the CRA could legally take such an action.

Eugene M. Steinfeld, Board Attorney, responded that technically the approval of the other party [to the lease] was needed, but he did not think the other parties, in this case, would object.

Mrs. Peerman asked whether the CRA made money on the plazas. She said she was thinking along the lines of one month or a percentage. She said many were Margate residents that had been there for years such as Bei-Jing Express. She said offering them some type of gesture was the right thing to do.

Chair Talerico said he understood and asked what could be done to prevent it from happening in the future. Mrs. Peerman said the CRA used to provide the tenants with information on events in advance that addressed parking issues and there was signage as well.

Ms. Simone asked if it were possible to get statistics on whether there were any negative impacts to the tenants. She said she heard that one of the businesses did very well monetarily because the film crew needed to make many purchases. Diane Colonna, Executive Director, said she had heard secondhand both positive and negative comments; the CRA could try to find out. Regarding communications, Ms. Colonna said the traffic plan the film company provided was an ever-changing document and the CRA did not feel comfortable answering questions about their schedule. The film company indicated that it would take on the responsibility of informing the businesses and answering their questions. The CRA thought it made more sense for them to communicate since they knew exactly what they going to do and when. She noted that it had not been officially approved until a few days prior to the event. Mrs. Peerman pointed out that they did not abide by what was in the permit. Ms. Colonna said that they were trying to accommodate the businesses based on the comments they were hearing. She also noted that there was always access for customers to reach the businesses even though it may have been a little inconvenient. Mrs. Peerman reiterated her position which was that the CRA take responsibility for the fact that it did not do right by its tenants.

Chair Talerico suggested looking into the possibility of moving events across the street in the future.

Mr. Ruzzano said he agreed with Mrs. Peerman. He mentioned his earlier suggestion which was to charge the film company an impact fee. He said in the future they should be told that there will be an impact on the businesses and go from there. He said he did not think the impact was the equivalent of a month's free rent which would amount to \$50,000. Mrs. Peerman said she suggested it because it seemed it would be the least amount of paperwork but she was open to a percentage. She said it was important that the tenants knew that things would be different in the future and this would be a way to rebuild their trust. Mr. Ruzzano agreed but he was not sure what the right amount should be.

Mrs. Colonna asked whether 25% of one month's rent would be acceptable. Mrs. Peerman was in agreement with a 25% reduction for one month. She again asked whether the CRA made a profit from the shopping plazas. Mrs. Colonna said the rents collected were more than what it cost to operate the plazas; she said there was probably room in the budget to allow for 25%.

Mrs. Peerman revised her motion to include a 25% reduction for one month, seconded by Mr. Ruzzano:

**MOTION:** TO GIVE THE TENANTS A 25% REDUCTION IN RENT FOR ONE MONTH

Anthony Caggiano, 7856 N.W. 1<sup>st</sup> Street, said he was very business friendly but 25% or more was ridiculous. He said the discount amount should be commensurate with the amount of time they were inconvenienced i.e., one, two or three days, along with a promise to improve in the future. Mr. Ruzzano said he also took into consideration other past issues such as the condition of the parking lots. Mr.

Caggiano suggested putting the money into paving the parking lot which would make the business owners happy instead of rent discounts.

Rich Popovic, 6066 Winfield Boulevard, commented that the Board was spending taxpayer money to overcompensate for its bad decisions. He mentioned how the tenants were negatively affected when Margate Boulevard was torn up but they did not receive compensation then. Mrs. Colonna responded that the tenants had received a 20% rent reduction for three months while the road was under construction. Mr. Ruzzano responded that it was not a reward as these were businesses with leases whose future was uncertain.

Mitch Pellecchia, 6890 N.W. 9<sup>th</sup> Street, commented that the Board had been very flexible in allowing the filming of the commercial. The biggest issue he said he saw was that there seemed to be a disconnect and when the Board realized it, they talked about making it right for the businesses. He said he saw it as a growing experience for the Board. At the last meeting, he said the Board recognized the importance of taking care of the businesses that were located downtown. He said he was hopeful that the communication between the Commission and the staff would improve. He commented about the need to continue to treat the tenants with respect.

John Hall, 6421 French Angel Terrace, expressed a concern that no one seemed to know whether or not the plazas were profitable. He said he thought the Board should get an updated budget monthly. Ms. Colonna said the budget was not that specific. The CRA knew the revenues that came from the plazas but the maintenance costs for all CRA properties were grouped together.

Mrs. Peerman asked Ms. Colonna to speak at the next CRA meeting about what tax increment funds were exactly and how they were not actually tax dollars. Ms. Colonna said they were property taxes but the City, County, and Hospital District wrote a check each year for the portion of revenues that were an increment from the property values that were established when the CRA was first created compared to the current values. Mrs. Peerman said it did not necessarily come out of the property taxes. She said, for example, that the City's portion could be paid out of franchise fees that were paid into the City and not necessarily out of the property taxes that were paid to the City. She said she recalled that the name had been changed from tax increment funding to tax increment donation.

James Nardi, Advanced Asset Management, advised that the plazas had a positive cash flow per month. He said there were reports but they did not take into account the purchase price and the return on investment. Additional calculations would need to be done to factor in the purchase price to determine whether a positive cash flow existed.

Mr. Ruzzano asked how the rent reduction would be communicated. Mr. Nardi said however it got communicated it would need to be made clear that there would be future events that would have road closures. Mr. Nardi said there would also be the unforeseen circumstances that could be put in a letter such as the rain and flooding that occurred at one of the last carnivals which caused people to park in the plaza. Mrs. Peerman agreed and said this would one-time thing expressing that the CRA would try to do better and that it wanted to regain their trust. Mr. Nardi confirmed Ms. Colonna's earlier statement that the tenants had received a 20% rent reduction for three months during the streetscape improvement. Ms. Colonna said a letter could be drafted that indicated there would be a one-time rent concession for the inconvenience for the month of March. Mrs. Bryan advised that it be made very clear that it would be a one-time occurrence. Chair Talerico asked the CRA to work on a policy to move events across the street.

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

**Mrs. Bryan:** No comments.

**Mr. Ruzzano:** Mr. Ruzzano asked the Board Attorney whether the CRA could negotiate directly with a vendor to develop a parcel of CRA-owned property or whether such action needed to be through a Request For Proposal (RFP). Eugene M. Steinfeld, Board Attorney, said there was nothing that said a RFP was required; however, the CRA presently had a Request For Qualifications (RFQ) out on its properties. Mr. Ruzzano said he understood that but he was told that any CRA property had to be done through an RFP. Attorney Steinfeld clarified that there was a specific procedure that related to property that would be leased [or sold]. Under Florida Statute Chapter 163, he said the action needed to be announced, a certain amount of time needed to be allowed, other people must be allowed to make a proposal; after that, the CRA could directly go ahead and sign the lease. He reiterated that there was a specific procedure that had to be followed.

Mr. Ruzzano said he understood the City's waste vendor was providing free pick-up on public property. He asked whether the properties in the CRA would get free garbage pick-up. Mrs. Peerman said the properties were CRA owned, not City owned. Reddy Chitepu, Director of D.E.E.S., speaking from the audience, said they picked up for City events.

Chair Talerico commented that any negotiations had to take place in the sunshine. Mr. Ruzzano said he understood that, but he was talking about speaking with potential vendors about CRA properties. He was told that it still had to go out to other vendors to give them a chance. Attorney Steinfeld clarified that it had to be publicly announced, not necessarily sent out. He again mentioned that there was a procedure in Chapter 163 that needed to be followed. Mr. Ruzzano asked Attorney Steinfeld if it would be better to buy the property and offer the tenants a 99-year lease to ensure the CRA got the businesses it wanted rather than have other companies buy the properties and put in businesses the CRA may not want. Attorney Steinfeld responded that it was a policy decision, and pointed out that generally the developers had a lot of expertise that the CRA did not have. Mr. Ruzzano said he was speaking about the smaller parcels of property. Ms. Colonna said it was her understanding that the CRA wanted a cohesive development. The CRA put out a RFQ for all the properties to try to get a proposal. The responses may come in where certain parties only want certain parcels. The CRA was getting ready to move into the next phase where the responders would be working on designs and they should be submitting any letters of interest that they may have from prospective tenants, including restaurants, retail stores, office, etc. She said their funders would require that they have a certain percentage of the property leased. She said we should have some idea of the types of uses that they would be proposing. Mr. Ruzzano said he had been asking about the CRA purchasing the lot on the corner of State Road 7 where a gas station had just been approved. He said had the CRA purchased it, maybe the CRA could have gotten something the City really needed.

Douglas E. Smith, City Manager, clarified for the record that the waste collection vendor did provide pick-up at certain City facilities at no charge; this was in addition to events mentioned earlier.

Mrs. Peerman told Mr. Ruzzano that she learned at one of the conferences that if the CRA were to offer a retailer a 99-year lease for one dollar, the CRA would have to put that offer out for other retailers, but the CRA did not have to give it anyone but the one the CRA offered it to initially. Mr. Ruzzano said his theory was simple in that the CRA would buy the property, gave a retailer a lease, and then sell it to them. This would ensure that the CRA got who they wanted there. Mrs. Peerman said the CRA had that with the properties that it had. She said that corner property was more expensive than it should have been; she said she thought it would be alright with what was going there.



Mrs. Bryan asked if it were permissible for Board members attending the ICSC conference to give a CD of available properties to a prospective business that they thought might be a good fit for Margate and refer them to Ben Ziskal, Economic Development. Ms. Colonna said that would be fine.

**Ms. Simone:** Ms. Simone thanked CRA staff for the survey that was done at the Sounds at Sundown. She said she thought it was a good idea.

**Mr. Talerico:** Mr. Talerico said he was pleased that the CRA received some responses and it needed to keep moving forward. He said it was key for the CRA to find a developer who could put it all together. He commented about a development on Copans Road in Lighthouse Point.

There being no additional business, the meeting adjourned at 8:21 p.m.

Respectfully submitted,

Transcribed by Rita Rodi

Frank B. Talerico, Chair