

COMMUNITY REDEVELOPMENT AGENCY BOARD

REGULAR MEETING

July 12, 2016

MINUTES

Present:

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

Also Present:

David Tolces, Attorney
Diane Colonna, CRA Executive Director
Kim Vazquez, Project Manager
Cotter Christian, CRA Engineer/Manager
Sarah Blake, Marketing Manager
Lauren Harris, Marketing Coordinator
Doug Smith, City Manager

The regular meeting of the Margate Community Redevelopment Agency having been properly noticed was called to order at 7:00 p.m., on Tuesday, July 12, 2016, by Chair Frank Talerico. There was a moment of silence followed by the Pledge of Allegiance. Roll call was taken.

1A. MINUTES FOR APPROVAL: Minutes from June 8, 2016 CRA Board Meeting

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

Frank Messina 7310 NW 1st Street, Apt 206, Margate, Florida, asked if the CRA plans to build a parking garage on the vacant lot on Park Drive. He stated that at the last CRA Board meeting Commissioner Peerman suggested using the land for a public safety complex. He asked if the CRA is giving the property to the developer. Chairman Talerico responded that a decision regarding the property is on hold. Diane Colonna, CRA Executive Director, explained that in the development agreement there is an option where within three years the Board can decide to include the property into the development. Currently, it is not in the development agreement.

Ron Huffman, 7761 Hyland Circle, Margate, Florida stated he is representing the Kiwanis Club of Margate and Coconut Creek. He explained that the organization sells Christmas trees to benefit children worldwide. In previous years they've used a property located near Northwest Regional hospital. However, the property is now unavailable due to a new car wash moving to the lot. He requested use of CRA-owned property located on corner of 15th Street and 441, adjacent to Budget Car Rental. He indicated the Kiwanis Club would take responsibility for permitting, water and electrical. They will begin sales starting at the end of November until Christmas Day. The hours of operation are from 8am-11pm, seven days a week.

Commissioner Ruzzano indicated he spoke Mr. Huffman a month ago and raised the issue at a subsequent Commission meeting. Commissioner Peerman asked staff to assist the Kiwanis Club in finding a location to sell the Christmas trees.

Mitch Pellecchia, 6890 NW 9th Street, Margate, Florida, reminded the CRA Board per Florida Statutes, CRA funds can be used to fund police and fire services. He explained that in Margate, the CRA district is very broad and focused on commercial aspects of 441. He recommended using TIF money funds for police and fire rescue services in the CRA district to offset the City's general fund.

Diane Colonna clarified that TIF funds can be used for community policing and she has reached out to the Police Chief to explore options in assisting with this effort.

3A. APPROVAL OF DEVELOPMENT AGREEMENT FOR MARGATE CITY CENTER BETWEEN MARGATE COMMUNITY REDEVELOPMENT AGENCY AND NEW URBAN COMMUNITIES, L.L.C.

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

MOTION: MOVE TO APPROVE

Commissioner Ruzzano thanked the audience for attending the meeting and invited everyone to speak, whether they are for or against the plan. He feels that the development plans for downtown have too many residential units and will cause horrible traffic by adding nearly 1000 units on the north end of 441. In addition to the proposed units in Margate, Pompano Beach has hundreds of units going up at Palm Aire. He complained that traffic and parking will be a nightmare and putting the units' downtown is not what the people of Margate wanted. He explained that the CRA paid over \$30 million for the property and he feels the CRA is giving it away for \$10 million. He suggested tabling the item until November when there are two new Commissioners.

Diane Colonna gave a presentation on the process used to select a developer and approve the plan. She explained the City began to acquire properties along 441 in 2004 as reaction to discussions held regarding creating a City Center. The total assemblage for the property was 36 acres, with the goal to create a defined town center for shopping, dining, entertainment and civic engagement. The Request for Qualifications deadline was February 11, 2015 and required general development qualifications. Four responses were submitted. In the Request for Proposals, two developments teams were selected, AHS Development and New Urban Communities. The RFP deadline was May 12, 2015 and required submission of a more detailed conceptual plan and costs estimates. Both teams proposed mixed use developments. On July 14, 2016 the CRA unanimously selected New Urban Communities. The Board recommended adjustments to the plan including moving civic components to the east property and adding a parking garage option in Phase 1. New Urban presented two revised plans in August 2015 that incorporated the Board's suggestions. The Board accepted Alternate Plan A by 4-1 vote and authorized staff to being negotiations with the development team.

Cotter Christian, Engineer/Project Manager reviewed the terms of the agreement. He explained that the plan may change over time but this is the preliminary concept. There are performance obligations set forth in the agreement for the developer and the CRA. There are performance standards for architectural control to ensure the quality of the project throughout the project. A fifty thousand dollar cash deposit is required upon signing the agreement. Another \$100,000 down is due after the expiration of the inspection period, at which time the deposit would be non-refundable. The purchase price is \$10,041,750. The seller will pay documentary stamps. The developer will pay survey, escrow and other closing costs. The agreement includes the flexibility to respond to the market over the long term. A contingent fee of one percent of

development costs, excluding land, will be paid by the developer to the CRA for pre-development services. The fee is estimated at \$1.2 million paid over three phases.

The CRA is obligated to design, permit and construct the amphitheater and lawn, community center, canal promenade and boat launch, town square with water feature and parking garage. The developer is obligated to design, permit and construct all water, sewer, paving and drainage within all new public rights of way. Additionally, they will design, permit and construct all residential, commercial and hotel components of the project, in accordance with plans approved by the CRA and the Critical Path schedule. Each phase of the projects would be deemed substantially complete upon 100% completion of infrastructure, and Certificates of Occupancy for 80% of residential and 60% of commercial.

Tim Hernandez, Principal, New Urban Communities, introduced Joseph Kohl, master planner at Dover Kohl, a nationally recognized planner-builder firm who specializes in redevelopment of urban and suburban areas. Mr. Hernandez summarized trends within Broward County and nationally in suburbs and noted that people want to park and walk to their destinations for dining, shopping and entertainment. Studies show the next generation likes to drive less and are attracted to a place that allows them to drive less. His company can create a walkable, mixed use environment. He indicated he held interviews five top retail brokers in South Florida for the project.

Joseph Kohl, gave a summary of his company's philosophy and the architectural plan. He plans to work with Metropolitan Planning Organization to help with traffic control on 441 to help cars move more efficiently. He spoke on reducing the speed limit near the downtown.

Commissioner Ruzzano asked what the appraised value of the 32 acres is. Diane Colonna responded the property was appraised before the RFP was issued at around \$30 million. It is assessed by the County for about \$17.6 million.

Commissioner Ruzzano indicated there are three proposed closings in four years. During the first closing, what happens with the Ace Plaza? Cotter Christian responded the Ace Plaza is in Phase 2. Commissioner Ruzzano asked who receives the funds from the Ace Plaza. Diane Colonna explained that the first phase will close when building permits have been issued and they are ready to start building Phase 1. When they've reach a certain point in Phase 1 they can close on Phase 2 which includes the Ace Plaza property. The funds will come to the CRA.

Commissioner Ruzzano asked is the bond for the entire project or for each phase? Cotter Christian responded the initial bond will be for Phase 1 and it's for the public infrastructure.

David Tolces, CRA Attorney, explained that there is a right for the CRA to re-purchase the property in the agreement. When the developer closes on each portion of the property there will a covenant recorded in the public record that will allow the CRA to purchase any property that has been already conveyed to them. So the CRA is protected in that way.

Commissioner Ruzanno asked how large is the amphitheater? Diane Colonna stated the plan allows seating for up to 2,000 people.

Commissioner Bryan indicated there has been enough time to review. She explained that the plans bring a sense of place and it's something that residents want. She explained the essence of a bedroom community she was familiar with in New Jersey which had walkable areas. It was thriving community because everything was accessible in the community. She stated she is satisfied with the plan and wants to move forward.

Commission Simone stated this has been a long time in coming and she has confidence in the developers. She envisions the area with small specialty shops. The community center and amphitheater will drive people to the downtown and it will have vitality.

Chairman Talerico encouraged everyone to review the website Projects for Public Spaces (www.pps.org) to see ideas of development currently happening around the country. He stated that in Brooklyn, they are converting old cargo containers into buildings and it brings people together from the community. He reminded the audience that there are thousands of developers in the country but only four submitted proposals for the Margate downtown. He suggested having a corporate sponsor for the amphitheater and community center.

PUBLIC DISCUSSION

Rebecca Case, Executive Director, Margate Chamber of Commerce, stated that the Margate Chamber of Commerce supports the proposed downtown project. She said that based on her discussions with the business community, people are excited about the idea of an expanded customer base from new commercial and residential development. This will be great for the City. She said she works closely with the CRA and puts trust in their decision making process and the level of thought and consideration they've put into the project.

Anthony Caggiano, 7856 NW 1st Street, Margate, Florida, spoke about the revitalization of cities like Richmond, VA, Savannah, GA and Saint Augustine, FL. He noted those cities have students who come in and spend money and Margate residents cannot sustain new businesses in downtown. The CRA is on the verge of making a bad decision that will affect the City for multiple generations and there is not a great demand for apartments in the City.

Frank Messana, 7310 NW 1st Street, Apt 206 Margate, Florida, asked if the amphitheater and community center is part of Phase 1 or Phase 3 of the project. He expressed concern regarding noise from the amphitheater affecting a nearby senior community. He asked how many residential units will be located east of 441. Tim Hernandez responded approximately 400 units. Mr. Messana stated that the units should be located west of 441. He asked why the inspection period is 120 days, in his opinion that is too long. Tim Hernandez responded that the time was necessary to ensure that environmental studies could be completed.

Eddie DeCristofaro, 6600 Brandywine Drive South Margate, Florida, said he has received feedback from residents and they want a downtown but without the residential units on the east side of 441. He asked to put the issue on the ballot for the November elections. Chairman Talerico responded it's too late to put anything on the ballot.

Arlene Schwartz, 7800 NW 1st Street, Margate, Florida, former Mayor and City Commissioner, reminded everyone that she sat on the City Commission in 2003 when the original discussions were held and residents were asked, 'Where do you see the center of Margate?' They responded Margate Blvd and 441. She suggested holding off on the agreement and explained that there is an abundance of residential units in the area. She disagreed with selling the property for a loss.

Todd Angier, 1819 NW 79th Terrace, Margate, Florida, disagreed with selling the property for a loss and commented that the intention of developing a downtown was to make it a destination, not to make it another residential area. He recalled viewing a traffic study of Royal Palm Blvd over the next eight to ten years and it indicated traffic is going to be massive on Royal Palm Boulevard and Atlantic Boulevard.

Dave Legis, 1051 NW 18th Street, Margate, Florida, asked how many square feet is the community center. The amphitheater should increase to 5,000 seats. He expressed concern about the traffic that the project

will generate, and feels it's a bad idea. Diane Colonna responded a study is being conducted to determine what uses will be in the community center, and the resulting square footage that will be needed.

Amanda Ruzzano said that many people want a downtown but they want the residential units on the west side of 441, not east.

Vice-Chair Simone asked Mr. Hernandez if the project is being developed in a way that if additional commercial space is needed it can be done. Mr. Hernandez responded absolutely, that is one of the benefits of designing the small blocks into the plan to add commercial square footage if the market supports it.

Mitch Pellecchia 6890 NW 9th Street, Margate, Florida, stated the agenda item is to approve the agreement and not to make amendments to the development plan.

Jeff Rowles, 5230 SW 6th Place, Margate, Florida said it can take five minutes for him to get to work but if he leaves at the wrong time takes 25-30 minutes. If the speed limit is reduced on 441 it will cause longer commutes.

Dana Mareno, 2600 NW 69th Avenue, Margate, Florida asked if the agreement is approved tonight, can newly elected officials back out of the deal in November. David Tolces responded the contract is between the CRA and the developer. It has to go through the development approval process, site plan and other required approvals. If the agreement is approved the CRA is bound to cooperate and assist with those approvals.

MOTION made by Commissioner Ruzzano to amend the selling price to \$30 million. Motion failed due to lack of a second.

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

Chairman Talerico excused himself from the meeting due to a family emergency and passed the gavel to Vice-Chair Simone.

4. EXECUTIVE DIRECTOR'S REPORT

A. NOTIFICATION OF BUDGET TRANSFERS

Diane Colonna reported there had been an increase in the cost for property insurance due to the additional properties purchased by the CRA. Additionally, the CRA was asked by the Finance Department to create a new account to fund its share of cost for the copy machine in the City Clerk's office. An amount of \$1,732 was transferred from contingency to the new account to cover that cost.

B. MCRA WORKPLAN FOR JUNE 2016

Diane Colonna reported that during the month of June staff continued work on the development agreement, The Melaleuca Drive project bid documents were finalized and issued. Staff conducted a stakeholder meeting with the wayfinding signage contractor. Staff gave a presentation at Margate Community College. Additionally, staff worked on the draft operational and capital projects budgets.

C. TENANT UPDATES

David Tolces gave an update on the two evictions that were filed. For O'Meara's Pub, a Writ of Proceession was issued and BSO will serve the writ within the next two weeks. Regarding Café Vincenzo he and staff attended mediation and were unsuccessful. A status conference is set before the judge on August 3, 2016 in anticipation of a trial in August.

6. BOARD MEMBER COMMENTS

Commissioner Peerman: No comment.

Commissioner Bryan thanked the CRA property manager for cleaning and making repairs at the Chevy Chase plaza.

Commissioner Ruzzano invited everyone to the July 13, 2016 Commission meeting and budget workshop. He wished everyone a great summer.

Vice-Chair Simone thanked CRA staff for their hard work.

Having no other business, the meeting adjourned at 9:16 p.m.

Respectfully submitted,

Transcribed by Courtney Easley

Frank B. Talerico, Chair