

COMMUNITY REDEVELOPMENT AGENCY BOARD

SPECIAL MEETING APRIL 26, 2018

MINUTES

Present:

Arlene Schwartz
Lesa Peerman
Joanne Simone
Anthony Caggiano, Vice Chair
Tommy Ruzzano, Chair

Also Present:

Samuel A. May, Executive Director
Donald J. Doody, Cherof, Doody & Ezrol, P.A.
Adam Reichbach, Assistant CRA Director

The special meeting of the Margate Community Redevelopment Agency having been properly noticed was called to order at 6:33 p.m., on Thursday, April 26, 2018, by Chair Tommy Ruzzano. Roll call was taken followed by a moment of silence and the Pledge of Allegiance.

- 1A. **RESOLUTION 549 (PLEASE SEE AMENDED MOTION BELOW):** PROVIDING AUTHORIZATION TO ENTER INTO AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF MARGATE AND THE MARGATE COMMUNITY REDEVELOPMENT AGENCY TO PROVIDE THAT THE MCRA SHALL REIMBURSE THE CITY OF MARGATE FOR COSTS TO REPAIR THE RETAINING WALL LOCATED AT 1225 AND 1229 EAST RIVER DRIVE.

After Board Attorney Donald J. Doody read the resolution title, Ms. Schwartz made the following motion, seconded by Mrs. Peerman for discussion:

MOTION: SO MOVE

Mrs. Peerman commented that there was a second resolution in the meeting back-up that stated that the MCRA would pay for the seawall from CRA funds. She said she wished to amend the motion and she asked Board Attorney Doody whether she could amend it in such a way that the MCRA would pay for the seawall but, if the Natural Resource Conservation Service (NRCS) grant was approved, then an interlocal agreement would be done. She said repairs could be started quicker.

Board Attorney Doody responded that it could be done that way and he requested that she make the motion to see if there was a second.

Mrs. Peerman made the following amendment:

AMENDMENT: TO CONSIDER RESOLUTION TWO WHEREBY THE MCRA PAYS FOR THE REPAIRS WITH CRA FUNDS; IF THE GRANT IS OBTAINED, THEN AN INTERLOCAL AGREEMENT WOULD BE ENTERED INTO WITH THE CITY TO PAY THE 25 PERCENT.

Chair Ruzzano said he needed a question answered before he would second it. He said he was under the impression that the City could not fund private property with public funds. Board Attorney Doody agreed. Mrs. Peerman responded that it would be done through a grant.

Discussion ensued about how the grant worked and who would pay the 25 percent. Mrs. Peerman explained that there would be an interlocal agreement between the City and the MCRA would be responsible for the 25 percent. Board Attorney Doody further explained that the City would make the application for a grant for 75 percent of the cost of the repair and the MCRA would be obligated through an interlocal agreement to make up the remaining 25 percent.

Chair Ruzzano asked if the MCRA would look for more bids or if it would go with the bid that it had if it passed.

Sam May, Executive Director, said he thought the CRA could piggyback with the bid it had. He stated that three quotations had been sought: one was non-responsive; one declined; and the third, B&M Marine, provided a price. He said they had a current contract with the City of Fort Lauderdale, as well as other contracts.

Chair Ruzzano stated, for the record, he had had built hundreds of seawalls. He said the average price on a multi-million dollar home on the intracoastal was about \$700 a foot, while the bid was over \$2,000 a foot, an extreme amount of money.

Ms. Schwartz commented that the quote from B&M Marine listed two prices: \$221,250.00; and, \$187,550.00. She asked which price was being considered.

Mr. May explained that the contractor had given two different concepts for two different types of construction. He said the decision on which style to go with would be made once it had been evaluated by an engineer. He said engineering and engineering services would cost \$10,000.

There was a back and forth discussion among several Board Members and Mr. May about whether the costs for engineering were included in the quote. Mr. May said he thought those costs were part of their proposal, but he determined that they were not after closer review.

Mrs. Peerman asked Chair Ruzzano about a company that he had come out. Chair Ruzzano said the company that came out had a problem with the back addition on the house which they said would likely be lost during construction and they did not submit a price. Mr. Ruzzano said the cost would be about \$65,000 if the addition was not there or did not fall in during construction. He commented that B&M Marine's quote was likely four times as much because the house was right up against the seawall.

Mrs. Peerman suggested, in an effort to move the process along, the Board include an amount "up to \$221,250" which would not necessarily mean the CRA had to go with B&M Marine, and it could consider a bid from the company the Chair spoke about or another lower bid. Mrs. Schwartz strongly disagreed with putting something out that gave an amount "up to" which we [City/CRA] would pay. Chair Ruzzano commented about the need to talk to the homeowners about the issue of liability should the back room be damaged.

Mrs. Peerman restated her amendment to include the "up to" verbiage. Board Attorney Doody advised that she was amending her motion. Mrs. Peerman stated that she wished to do away with her first amendment and create a new amendment. Board Attorney Doody asked if the person who seconded her motion was in agreement. Chair Ruzzano answered affirmatively, and Board Attorney Doody advised that the motion was off the floor.

Mrs. Peerman made the following motion, seconded by Ms. Schwartz for discussion:

AMENDMENT: TO CONSIDER RESOLUTION TWO WHEREBY THE MCRA PAYS FOR THE SEAWALL REPAIRS AT 1225 AND 1229 EAST RIVER DRIVE WITH CRA FUNDS UP TO \$221,250; IF THE GRANT IS OBTAINED, THEN AN INTERLOCAL AGREEMENT WOULD BE ENTERED INTO WITH THE CITY TO PAY THE 25 PERCENT.

Ms. Schwartz asked if it could be made contingent upon the fact that this was a special, individual case that was going through a grant so as to not set a precedent for future seawall problems. She also commented that the South Florida Water Management District (SFWMD) was part of the problem because they

controlled the locks and water levels. She said they needed to take some ownership of the problem or advise otherwise. Mr. May said that he had contacted Lorraine Mayers, SFWMD, but she was unable to attend that night's meeting.

In response to Ms. Schwartz's question, Board Attorney Doody asked that a finding of necessity be made by the Board that was consistent with the MCRA's Plan that the existing situation at 1225 and 1229 East River Drive created unsafe conditions. Mr. Caggiano made the following motion, seconded by Mrs. Peerman:

AMENDMENT: THAT A FINDING OF NECESSITY EXISTS CONSISTENT WITH THE MCRA'S REDEVELOPMENT PLAN THAT THE EXISTING SEAWALL SITUATION AT 1225 AND 1229 EAST RIVER DRIVE CREATED UNSAFE CONDITIONS

Board Attorney Doody asked that the existing motion be amended to include the finding of necessity.

Ms. Schwartz amended the amendment to include the above motion which was seconded by Mrs. Peerman:

AMENDMENT: TO CONSIDER RESOLUTION TWO WHEREBY THE MCRA PAYS FOR THE SEAWALL REPAIRS AT 1225 AND 1229 EAST RIVER DRIVE WITH CRA FUNDS UP TO \$221,250; IF THE GRANT IS OBTAINED, THEN AN INTERLOCAL AGREEMENT WOULD BE ENTERED INTO WITH THE CITY TO PAY THE 25 PERCENT; THE MCRA BOARD DETERMINED THAT A FINDING OF NECESSITY EXISTS CONSISTENT WITH THE MCRA'S REDEVELOPMENT PLAN THAT THE EXISTING SEAWALL SITUATION AT 1225 AND 1229 EAST RIVER DRIVE CREATES UNSAFE CONDITIONS.

Board Attorney Doody advised that the action of an interlocal agreement would need to go before the City Commission for consideration as well. A short discussion ensued between several Board members and the Board Attorney about next steps which included a motion and, if passed, the drafting of a resolution. Board Attorney Doody explained that the Board would have a two-part motion and a two-part resolution. He referenced the second resolution before them as the one that would help them and he read part of it, "A resolution of the Margate Community Redevelopment Agency providing for the Margate Community Redevelopment Agency to fund the full amount of the cost to repair the retaining walls located at 1225 and 1229 East River Drive, providing for National Resource Conservation Services eligibility determination." He said the next part would include, "providing for the City and the MCRA shall enter into an interlocal agreement..." He said verbiage regarding the findings of necessity would be included in the body of the resolution versus the title. He also commented that it would include that the MCRA's expenditures would not exceed \$221,250.

Mr. Caggiano asked if the ownership of the seawall had been determined and several Board members responded that it did not matter because the MCRA was not responsible for seawalls in the City.

He asked if it were being done for humanitarian reasons and Chair Ruzzano responded that it was being done because it was a safety issue and the seawall abutted a bridge.

Ms. Simone commented that she was in favor of Margate residents being assisted by the City or the MCRA when facts were clear and it was appropriate protocol. She said she could not approve the proposed actions due to a lack of clarity on several of the components. She said she was also greatly concerned about how this would be addressed going forward since the City Code that was in place was not in accordance with the proposed actions. She said the finding of necessity being put in the resolution was unfounded.

Mrs. Peerman stated that it was not being done for humanitarian reasons. Rather, she said it was being done because CRA's were created to deal with blight and respond to emergencies and help residents as well. She read Goal 1 from the Redevelopment Policy in the Redevelopment Plan which she said gave the MCRA the ability to take such action.

Board Attorney Doody asked the Executive Director how the elements of the pending motion would be approached logistically, including whether the grant would be applied for first. Mr. May responded the grant had already been applied for through the City, it was past the State level and was now waiting for Federal appropriation. Board Attorney Doody asked whether the grant would be rendered ineligible if the MCRA proceeded with the project and spent the \$221,250. Mr. May said that whatever work had been completed when the agreement was signed would be ineligible. He said, for example, if half of the work had been completed when the agreement was signed, then half of the work would be ineligible, and the City would receive 75 percent of the half. Ms. Schwartz said she did not recall hearing about that previously.

Mitch Pellecchia, 6890 N.W. 9th Street, commented that whatever grant the City might be getting was not relevant at this meeting, and he suggested that the Board not talk about City business or any crossover with City business. He said the rhetoric needed to stop and the wall needed to be fixed for the safety and well-being of the residents.

Mrs. Peerman asked Board Attorney Doody if it were not okay to talk about the grant as it was relative to the discussion about entering into an interlocal agreement with the City, and whether doing so was considered crossing over. Board Attorney Doody responded the Board needed to recognize that the grant was out there and its timing. He said they were not taking any action regarding the grant; however, he noted that at some point the City Commission would need to be involved. He said there was no crossover at that point. He said he prompted the discussion to make sure it was understood that the MCRA's action that night was predicated on going forward, and not waiting for the grant.

Ms. Schwartz asked if the second homeowner was present at the meeting. The homeowner identified herself from her seat in audience.

Tony Spavento, 3194 West Buena Vista Drive, expressed a concern that the engineering fees were left out of the motion and that \$10,000 was not being accounted for. Mrs. Peerman said that the MCRA was only going to pay up to \$221,250. Mr. Spavento asked if the homeowner would be responsible for the \$10,000, and Mrs. Peerman explained that the reason for the "up to" amount was so that nothing would be on the homeowner. Mr. Spavento said that if he were speaking to the City Commission, he would tell them to take ownership of the property if they agreed that the survey was valid, and this item would not be in front of the MCRA at all. Ms. Schwartz told him it was a City issue and could not be discussed that night.

Manny Lugo, 1129 East River Drive, asked if the amount of \$221,250 was for the property at 1229 East River Drive. Mrs. Peerman responded that the amount was for both properties. Mr. Lugo said he thought it was for each and he asked if a grant request had already come in for 1225 East River Drive. Mr. May clarified that the dollar amount was for one grant for both properties.

Mr. Lugo said he agreed with Mrs. Peerman about getting the seawall fixed before it fell into the canal. He also commented that the Storm Water Utility should have some liability for what was happening with the deteriorating canal walls in the City.

Mr. Lugo distributed a copy of the Property Improvement Program from Hollywood Community Redevelopment Agency to the Board members. He told them that they could use public money to work with residents on matching funds to improve properties. He commented that residents desperately needed property improvements noting that many of the homes were built in the late 1950's, early 1960's. He specifically mentioned storm mitigation and circular driveways to help in those areas with narrow streets.

Todd Angier, 1913 N.W. 79 Terrace, said he was confused by the comments being made about ownership of the seawall. He said ownership of the seawall was central to the whole matter. He said City Code indicated that the City was not responsible for the seawall, and since the MCRA was part of the City, it would have to abide by City Code. He said he understood that the seawall was falling down and something needed to be done, but whoever owned the seawall should be doing something about it and paying for the repair of the seawall.

Mr. Angier commented the finding of necessity was vague, and he questioned why an engineer was not consulted to make the determination. He said the vagueness would not stop it from becoming a precedent setting issue. He asked what made this item so much different than any other potential problem with a seawall in the future, and what made this one non-precedent setting. He said there were other places where the seawall was falling apart because a lot of it was very old, but stepping in and being nice guys every time would bankrupt the MCRA. He said more information was needed and he questioned why the bidding process was being forsaken. Chair Ruzzano indicated that bids were obtained. Mr. Angier said that a limit was put on it in the motion; he asked where the incentive was for anybody else to come in under that amount. He said the only incentive would have been when it was still out for bid and people were competing for the work. He said the process was being rushed.

Mrs. Peerman explained to Mr. Angier the situation was blight and that addressing blight was what CRA's did and that it was included in the MCRA Plan. She said this situation was different in that there was a recent hurricane that helped create it. On a personal note, she said she thought the City and/or MCRA should pay for all the seawalls because it was not the resident's fault.

Ms. Schwartz explained her understanding of the finding of necessity. She said there were certain criteria that needed to be fulfilled in order to apply for the grant, and one of them was the result of a natural disaster, Hurricane Irma, that affected the canal in such a way that it impacted the seawall. She said she was trying to stop it from being precedent setting because future situations might not fall under the same criteria and therefore would not be eligible. She said there was not a city in Broward County that could afford to replace all the seawalls. She asked Board Attorney Doody whether the finding of necessity was tied to the criteria for the NRCS grant. Board Attorney Doody responded that it consistent with the MCRA Plan and objectives. She asked if it had anything to do with grant then. Mrs. Peerman responded that the MCRA Board said it was a necessity. Mr. Caggiano commented that the property was in the MCRA district and it could take down the bridge and that was the reason the MCRA would fix it.

Antonio Arserio (address exempt) commented that the seawall needed to get fixed because it was connected to the bridge and a sidewalk, and it was an unsafe situation. He said it should not have taken so long to get to this point and that the property appraiser's website showed that parts of the seawall were owned by the City or the MCRA. He suggested that the Board become more proactive in looking at the properties owned by the City or MCRA. Mrs. Peerman responded that the seawall was in the MCRA district but it did not own the seawall. Mr. Arserio said that his point was that if there were more questionable areas like the one being discussed, the Board needed to be proactive.

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

Mr. Caggiano commented about the need to have the owners sign a waiver so the MCRA would not be responsible in the event the back of the house came down. Board Attorney Doody said it would be dependent on how the seawall had to be approached, and he also mentioned maintenance of the construction easement, and that there might also be indemnification agreements needed. He said their firm would handle it once they examined everything including the provisions of the bid.

Mrs. Peerman asked Chair Ruzzano to get the other company to submit an actual bid; he said he would try to do so.

There being no additional business, the meeting adjourned at 7:25 p.m.

Respectfully submitted,

Transcribed by Rita Rodi, CRA Coordinator

Tommy Ruzzano, Chair

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