

COMMUNITY REDEVELOPMENT AGENCY BOARD

REGULAR MEETING

August 20, 2019

MINUTES

Present:

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

Also Present:

Jeffrey L. Oris, Executive Director
David Tolces, Goren, Cherof, Doody & Ezrol, P.A.
Robert Massarelli, Assistant Executive Director
Cotter Christian, CRA Project Manager
John Francis, Margate-Coconut Creek Kiwanis
Michael Boss, MBR Construction
James Nardi, Advanced Asset Management

The regular meeting of the Margate Community Redevelopment Agency having been properly noticed was called to order at 7:06 p.m., on Tuesday, August 20, 2019, by Chair Tommy Ruzzano. Roll call was taken. There was a moment of silence followed by the Pledge of Allegiance.

1A. MINUTES FOR APPROVAL - (6/12/19 Regular)

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

MOTION: SO MOVE TO APPROVE

ROLL CALL: Mr. Arserio, Yes; Ms. Schwartz, Yes; Ms. Simone, Yes; Mr. Caggiano, Yes; Mr. Ruzzano, Yes. The motion passed 5-0.

1B. MINUTES FOR APPROVAL - (7/9/19 Regular)

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

MOTION: SO MOVE TO APPROVE

ROLL CALL: Mr. Arserio, Yes; Ms. Schwartz, Yes; Ms. Simone, Yes; Mr. Caggiano, Yes; Mr. Ruzzano, Yes. The motion passed 5-0.

2. PUBLIC DISCUSSION

John Francis, Margate-Coconut Creek Kiwanis, handed out applications for membership in the Kiwanis to the Board members. He spoke about the various programs the Kiwanis were involved in and how they benefited children in Margate and Coconut Creek, and he said they could use whatever help they could get.

Chair Ruzzano said he planned to join and he asked the Board Attorney if there would be a conflict if he voted on an item. David Tolces, Board Attorney, said he did not think it would be a conflict if he were not a member at the time of his vote. However, he said if he were a member, he would need to recuse himself from voting. Chair Ruzzano asked if a Board member, as a business owner, could vote if the business joined the Kiwanis. Attorney Tolces said that he would need to look into it further.

3A. RESOLUTION 606: AUTHORIZING THE MCRA CHAIR TO SIGN PROPERTY DAMAGE RELEASE FORM RELATED TO PROPERTY DAMAGES AT ACE PLAZA ON MARCH 20, 2019

After David Tolces, Board Attorney, read the resolution title, Ms. Schwartz made the following motion, seconded by Mr. Caggiano:

MOTION: SO MOVE TO APPROVE

Attorney Tolces recommended that the reference to the "City of Margate" be crossed out from the first line of the release since the Board was not authorized to release the City of Margate nor did the City of Margate have a claim as it was MCRA property.

ROLL CALL: Mr. Arserio, Yes; Ms. Schwartz, Yes; Ms. Simone, Yes; Mr. Caggiano, Yes; Mr. Ruzzano, Yes. The motion passed 5-0.

3B. **RESOLUTION 607:** AUTHORIZING THE EXECUTION OF AN AGREEMENT BETWEEN MBR CONSTRUCTION, INC., AND THE MCRA FOR THE DESIGN/BUILD OF THE SPORTS FIELD COVERED PLAY STRUCTURE MCRA RFQ 2091-02 IN THE AMOUNT NOT TO EXCEED \$3,475,200

After David Tolces, Board Attorney, read the resolution title, Mr. Caggiano made the following motion, seconded by Ms. Simone for discussion:

MOTION: SO MOVE TO APPROVE

Ms. Simone commented that the project had been in progress for some time and she asked the amount of money that had already been spent on it. Jeffrey Oris, Executive Director, responded that approximately \$157,000 had been spent which included design work for the Request for Proposals, in addition to the MCRA's cost of \$540,000 for the purchase of the land. She said the meeting back-up showed that a budget transfer of \$519,000 was needed to cover the overage and she asked if there were some way to bring down the project cost. Mr. Oris said there would not be much room for savings being that it was a design/build contract, but it would certainly be looked at.

Ms. Schwartz asked about the components of the project. Cotter Christian, Program Manager, said in addition to the covered sports field, there would be a concession stand, restrooms, field turf, lighting, landscaping and irrigation, drainage, water and sewer, as well as contingency and allowance for permit fees and insurance. Ms. Schwartz asked why \$180,000 was needed for irrigation and landscaping of an Astroturf field. Mr. Christian explained that the landscaping would be around the perimeter and the irrigation expenses were primarily due to Code requirements. Ms. Schwartz asked if the Board could see the landscaping plans in advance, and Mr. Christian said there would be various steps in the design process for staff and the Board to review the design. He introduced Michael Boss of MBR Construction and the designer, Abbas Zackria, WZA Architects.

Mr. Arserio commented that the site plan did not specify the type of palm trees. Mr. Christian explained that the design had not been done yet, and that the documents they were looking at were design criteria to provide general guidelines of the requirements for the project. He encouraged the Board to advise of any specific tree choices they had.

Michael Boss, owner, MBR Construction, explained that he had his own landscape and irrigation crews and did not need to rely on subcontractors. He said he recently finished a \$8 million project, Flamingo Park West in Cooper City, that included \$500,000 in landscaping. He said they were very selective about their landscaping choices and he was proud of their work. He assured the Board that they would not be disappointed. Mr. Arserio commented that landscaping was very important to the overall aesthetics, and he said he would prefer not to see anymore sabal palms. Ms. Schwartz commented that she liked southern magnolia trees and Mr. Boss agreed they were very nice.

Ms. Simone commented on the budget overage and she asked Mr. Oris if the anticipated budget would be \$3,475,000 and Mr. Oris concurred. She commented about the project exceeding the original budget by \$519,000, in addition to the \$157,000. Mr. Oris commented that the \$157,000 had been spent over the course of several years, and was not included in the \$3,475,000 budget.

Chair Ruzzano commented that MBR Construction was also constructing the City's Dog Park and he was proud to have them in Margate. He told Mr. Boss that the Sports Field project was long anticipated and it was high profile.

ROLL CALL: Mr. Arserio, Yes; Ms. Schwartz, Yes; Ms. Simone, Yes; Mr. Caggiano, Yes; Mr. Ruzzano, Yes. The motion passed 5-0.

Chair Ruzzano asked to have a sign placed on the property about the project. He asked Mr. Boss about the anticipated completion date. Mr. Boss explained the various project stages. His architect, Mr. Zackria, commented that the project would be completed in early 2021.

4A. **DISCUSSION & POSSIBLE ACTION:** APPROVING A TEMPORARY USE AGREEMENT WITH THE MARGATE-COCONUTCREEK KIWANIS CLUB FOR THE SALE OF CHRISTMAS TREES AND RELATED ITEMS

After Board Attorney David Tolces read the item title, Ms. Schwartz made the following motion, seconded by Mr. Caggiano:

MOTION: SO MOVE TO APPROVE

Jeffrey Oris, Executive Director, advised the Board of an area of concern. He explained that the Kiwanis were requesting to use the property for 36 days which included set-up, sales, and breakdown, however, the City's Code only allowed for 30 days. He said the Kiwanis would need to ask the City for an extension.

Ms. Schwartz commented about an issue with access to the property last year and asked why the former bank property was not used.

John Francis, 2990 N.W. 2nd Avenue, president of the Kiwanis, said they were not able to use the bank property due to the City Center litigation. He said ingress and egress were not a problem on the property they used last year.

Ms. Schwartz questioned why the Kiwanis could not use the former bank property for tree sales since they were not holding a carnival. Mr. Caggiano asked Mr. Francis about their past tree sales at both properties and Mr. Francis said the property being requested was an excellent location and they sold out three times last year there.

Chair Ruzzano asked Mr. Francis which property he preferred and he said he wished to stay at the same property as last year. He said another location could be considered for next year if necessary, but the timing was an issue currently.

Attorney Tolces clarified that the motion was to approve the agreement with the use of the property for 36 days.

ROLL CALL: Mr. Arserio, Yes; Ms. Schwartz, Yes; Ms. Simone, Yes; Mr. Caggiano, Yes; Mr. Ruzzano, Yes. The motion passed 5-0.

4B. **DISCUSSION & POSSIBLE ACTION:** RENT CONCESSIONS FOR TWO ACE PLAZA TENANTS: WAY BACK WHEN AND OCTAGON FINANCIAL ADVISORS, INC., DBA DAKZ

After David Tolces, Board Attorney, read the item title, Mr. Caggiano made the following motion, seconded by Chair Ruzzano for discussion:

MOTION: SO MOVE TO APPROVE

Chair Ruzzano summarized that it was his understanding that the concessions were being requested because the MCRA had not performed additional work to which it had agreed. Jeffrey Oris, Executive Director, concurred.

Ms. Schwartz asked for an explanation of the free month's rent that was mentioned in the lease. James Nardi, Advanced Asset Management, said both tenants were offered free rent for June and July for tenant repairs, and now they were seeking a waiver of rent for August caused by the delay. He explained that both tenant spaces required the replacement of air conditioning (HVAC) units, but there were also other tenants such as Ace Hardware and other vacant bays that were in need of HVAC replacements. He said the combined number of units exceeded the threshold amount allowed under the procurement guidelines for individual bids. He said a waiver of bidding was approved by the MCRA Board at the previous month's meeting for the two tenants being discussed, and that process created a delay. He stated that the HVAC had been replaced at Way Back When and a repair had been made to one unit at Octagon Financial, a second one had been replaced, and bids were being reviewed for a third unit.

Ms. Schwartz asked why rent was being waived for Way Back When since their unit had been replaced. Mr. Nardi explained the timing of the various tenant repairs and that it made sense for the tenant to wait until the HVAC was done.

Discussion ensued about the possibility of increasing rents given all the improvements that were being made at the plaza. Jeffrey Oris, Executive Director, said he and Mr. Nard had discussed charging Common Area Maintenance (CAM) to help offset some of the MCRA's costs for the improvements.

Mr. Oris told the Board that he did not easily recommend the waiving of rent but it was his recommendation that they approve the request before them because the delay on the MCRA's part held the tenant's up from doing their work which delayed their ability to open.

Ms. Schwartz suggested that CAM charges be considered in advance for new tenants that were coming in and might require HVAC's. Mr. Nardi explained that there was a mathematical computation done on each new tenant to determine their rent amount. She asked the last time a tenant's rent had been increased. Mr. Nardi said there had not been any rental increases. She suggested re-evaluating the rents with new tenants in light of the improvements that had been made.

Ms. Simone agreed with Ms. Schwartz about the need to look at increasing rents given the investment that the MCRA was making in the plazas. Mr. Arserio also agreed about raising the rents as well as charging for CAM. He said when rents were too low, they brought down the rental values across the City. He said the rent increases and CAM should be done now and a discount incentive offered to existing tenants if they agreed to sign a lease extension for two or three years. He said he was opposed to investing any money in Chevy Chase plaza if the same tenants were going to be there because it was not a thriving plaza.

Chair Ruzzano commented about the need to be sympathetic towards the long term tenants that had been there during tough times when the MCRA had not done anything for the plazas. He said there were other ways to make it work.

Rose P., 523 S.W. 60th Terrace, commented that she lived close to the plaza by Checkers and Southgate and she was not seeing the same attention being given to that plaza and it was looking bad. Ms. Schwartz explained that the plaza she mentioned was not owned by the MCRA. Rose asked whether it was the property owners or the plaza's business owners who were responsible for how a plaza looked. Chair Ruzzano pointed out Paul Robinson and asked her to speak with him about her concerns as he regularly spoke with Margate businesses.

Chair Ruzzano clarified that the motion was for a one-month concession for the month of August.

ROLL CALL: Mr. Arserio, Yes; Ms. Schwartz, Yes; Ms. Simone, Yes; Mr. Caggiano, Yes; Mr. Ruzzano, Yes. The motion passed 5-0.

4C. **DISCUSSION & POSSIBLE ACTION:** SOUNDS AT SUNDOWN EVENT

David Tolces, Board Attorney, read the item title. Jeff Oris, Executive Director, commented that the item being discussed was for the new fiscal year and the budget for the new fiscal year had not been adopted yet.

Mr. Arserio commented that while he liked the events, they had become redundant and lackluster. He suggested rethinking the events, giving them better names, and making them more attractive for both adults and families. He said he had been to other cities events and they were consistently packed.

Jeffrey Oris, Executive Director, explained that the MCRA did not have much time left and that he would be speaking with them in the following weeks about reevaluating some of its expenditures, including the events. He said the events were wonderful to have but the question was whether they were part of the MCRA's mission or more appropriate as part of the City's Parks and Recreation's mission. He said when the events had started, they were to promote a forthcoming City Center project but that project was not moving forward at this time. He asked whether the events were economic redevelopment related projects that the MCRA should do or fun-filled events for the City.

Ms. Schwartz asked Mr. Oris what his recommendation was on the item being discussed. Mr. Oris said his recommendation would be for the MCRA to stop all events given that it had limited time and funds. He said he recognized it was a harsh position and he suggested looking at the bigger picture and taking into consideration the impact to the City's budget. He recommended getting rid of as much of the event related expenses as possible because it was not promoting the MCRA's mission. He said the City should evaluate which events were appropriate and cost effective and what expenses they could take on. He said further discussion was needed.

Chair Ruzzano said he liked the event [Sounds at Sundown] but the MCRA relationship to it was lacking. He said the event was cost efficient but was being promoted effectively. He agreed that the name could be changed.

Ms. Simone said she agreed with Mr. Arserio and that the event needed a complete overhaul. She said she had attended other cities events that had some of the same components, i.e., music, food trucks, vendors, and they had a completely different feel. She said the ambience at the Sounds at Sundown events did not project Margate's home town feel.

Mr. Arserio commented that he really liked the set-up for the Winter Festival and he suggested holding the Sounds at Sundown event on one side of Margate Boulevard so people could walk around instead of just sitting in the grass.

There was a short discussion about the band selections. Chair Ruzzano said he had no complaints about the event and he suggested promoting it for the next 12 months and then move it to the new sports covered field. It was discussed that the tent was starting to bend and needed to come down.

Mr. Oris said one idea might be to rotate the City's stage amongst the larger shopping plazas, with the property owner's approval, with the MCRA funding a portion of the event and providing some exposure to businesses in the plaza. He said that would be an appropriate expense to the MCRA. Several of the Board members commented that it was a good idea and there was a short back and forth discussion about which plazas would work. Mr. Oris said the idea would be explored further.

Chair Ruzzano commented that the food truck vendor had done a good job and he asked how it would work moving forward. Mr. Oris commented that the budget had not been approved for the new fiscal yet but the Board could provide direction for the vendor to start working on October and the MCRA would figure out where it was going when it had a budget discussion at its September meeting. Chair Ruzzano asked the other Board members if they were in agreement and none opposed.

4D. DISCUSSION & POSSIBLE ACTION: MORATORIUM ON ACCEPTANCE OF NEW APPLICATIONS TO ALL MCRA GRANT PROGRAMS

After David Tolces, Board Attorney, read the item title, Mr. Caggiano made the following motion, seconded by Ms. Schwartz:

MOTION: SO MOVE TO APPROVE

Chair Ruzzano commented that the program was being put on hold so that it could be reevaluated. Ms. Simone made the following amendment which died for the lack of a second.

AMENDMENT: TO INCLUDE ANY MRCA APPLICATIONS NOT YET APPROVED BY THE BOARD

Mr. Caggiano asked for clarification and she repeated the amendment. Chair Ruzzano said he did not agree noting that there was one application pending and it would be wrong to say no to them

Jeffrey Oris, Executive Director, said there was one application that had been accepted but it still needed to be approved by the Board. He said that application would not be affected by the moratorium but the amendment would be to put it on hold until the programs were revamped.

Ms. Simone said she was uncomfortable with how the lobbyist for the petitioner gave the appearance that the MCRA was making the application fit that one particular business. She said \$500,000 was a great deal of money to spend on one grant, and she preferred to spend the money fixing up what already existed such as older plazas. She said the business was already planning to come to Margate and did not need the program. She said the business had already put up signs that it was coming to Margate. She said if the Board did not want to accept her amendment, she would ask Mr. Oris to tighten up the requirements and provide clear definitions. She said she did not want to see that the MCRA was giving something to a new business that had already stated it was coming to Margate. She reiterated her opposition to the program and her desire to spend the money improving existing shopping plazas.

Chair Ruzzano said the program was introduced months ago, prior to the Las Vegas conference, and it was not tailored to any specific business. He said his goal was to bring in more businesses as opposed to fixing up slum lords properties. He said taxpayer's dollars should not be used to clean up their properties.

Ms. Simone said the grant was being given under false pretenses because the business already intended to come to Margate which was not what the program was about; it was to attract new businesses. Mr. Arserio said the petitioner technically did not own the property yet so he could just walk away.

Ms. Schwartz commented that a grant offering 80 percent up to \$750,000 was too much and she preferred a 50/50 split. She said the grant that offered five percent (5%) up to \$500,000 would require a project be \$10 million. Mr. Oris said he would never bring forth anything that was less than a 50/50 match. He said he would also look at limitations based on linear frontage of a shopping plaza. He said the MCRA could help more properties with smaller grants. He also spoke about incorporating design guidelines and that they would be a part of the evaluation of the grant programs.

ROLL CALL: Mr. Arserio, Yes; Ms. Schwartz, Yes; Ms. Simone, Yes; Mr. Caggiano, Yes; Mr. Ruzzano, Yes. The motion passed 5-0.

5A. **PRESENTATION:** FY 2019-2020 CRA BUDGET

David Tolces, Board Attorney, read the item title.

Jeffrey Oris, Executive Director, said the item would be a discussion versus a presentation. He referenced the last meeting and the fact that the Board had many questions about the Cost Allocation. He said one-on-one discussions had been held that described the City's Cost Allocation study and the meeting back-up included a copy of the Cost Allocation study which highlighted all expenses charged to the MCRA. He said capital project sheets from last year's budget were also provided for their review and consideration of which projects they might want to do. He said he would likely bring them the same budget presented to them earlier with minor modifications and with a recommendation for them to approve it with the intent of amending it in the future once he had more time to analyze and understand the MCRA's priorities.

Chair Ruzzano asked whether the same City Center projections would be used again in the new fiscal year budget, and Mr. Oris said the same numbers would be used. He said he had a discussion about whether there was any money in the City Center that might be able to be freed up and it needed to be investigated further.

6. EXECUTIVE DIRECTOR'S REPORT

Jeffrey Oris, Executive Director, provided the following updates:

Budget Transfers: Two budget transfers were necessary for the Sports Covered Field which were \$125,000 from the Winfield Boulevard project and \$394,165 from the Wayfinding Signage project. Robert Massarelli, Assistant Executive Director, stated that the Winfield Boulevard project had started as including a roundabout but had since shifted to an entrance sign.

Change Order: Additional expenses of \$4,150 were being incurred on previously authorized project expenditures with Lelack Construction due to the need to widen five stone columns at Ace Plaza.

Change of Meeting Dates: Requested changing the meeting date of September 11th to Tuesday, September 10, 2019. Also, changing Wednesday, October 9th which was Yom Kippur, to Monday, October 7, 2019. Chair Ruzzano asked if the Board members were in agreement with the date changes and none opposed.

6A. **TENANT UPDATES**

James Nardi, Advanced Asset Management, reported there were two tenants that still owed August rent: Pop's Chicken and Waffles, and Big T's BBQ. He said Big T's had paid the July rent. He said Flynn's had resubmitted for their permits that day.

Chair Ruzzano asked about the status of the tenant signs at Ace Plaza. Mr. Nardi said the MCRA was responsible for five box signs for which final sketches had been done and quotes were being obtained. Chair Ruzzano asked whether logos would be included. Mr. Nardi said two of the signs included a logo.

Ms. Schwartz asked the status of the Sign Code compliance at MCRA plazas. Mr. Nardi said there were two tenants that had sign problems and one had started to make some changes but they still needed to submit for a permit. Ms. Schwartz commented that the Sign Code went into effect last November and she told Mr. Nardi to have the tenants

cited. He said the action would be against the tenants because they were in violation of their leases as opposed to citing the property owner, the MCRA. He said letters would be sent to them by that Friday.

David Tolces, Board Attorney, agreed that the only remedy to the MCRA was pursuant to the lease. The City would need to fine the MCRA for being in violation of the Code he said.

Julie Jones, 7871 N.W. 1st Street, said she mentioned to a business owner that code enforcement was going around and he might be fined because his windows were 100 percent covered. She said he told her that he would comply when the MCRA had its businesses comply.

FRA Conference: Mr. Oris informed the Board of the upcoming Florida Redevelopment Conference being held October 16-18, 2019. He asked them to advise the MCRA staff if they planned to attend. Mr. Arserio said that he would attend. Mr. Oris said he would also attend. Attorney Tolces said he would be speaking at the conference.

7. BOARD MEMBER COMMENTS

Ms. Simone: She would like to see the Utility Box program continue. She asked the Board to consider two options: allow her to select photographs that she would show to the Board for them to vote on; or, to give her the authority to select the photos and continue the program. Mr. Caggiano said he would like to create original work and he would do so in the correct resolution. Ms. Schwartz asked to be notified of the locations of her utility boxes.

Mr. Arserio: He said he was always a fan of wrapping the utility boxes but he did not like the artwork presented. He said he had requested that his two boxes be done in a patriotic theme at a location of the MCRA's choice. He commented about the height of the grass at the property in front of Palm Lakes golf course. Mr. Caggiano said he knew the owner and that he would give him a call.

He asked about the voting order for roll call. He said it should be in the order they are seated. Board Attorney Tolces said there was nothing in the MCRA's bylaws but typically the Board Chair voted last. He said the Board could set the sequence. Chair Ruzzano said it was up to whatever the Board wanted to do. Ms. Simone said it did not matter. Ms. Schwartz said whatever was easiest for the clerk.

Ms. Schwartz: She said she would like to request having a shade meeting with the attorney that was handling New Urban Communities to discuss the status of the litigation. David Tolces, Board Attorney, said the Statute required that the request for a shade session be done by the attorney for the Board. He said he would speak to Attorneys Doody and Burke about whether it would be productive to hold one based upon the current status of the case and, if so, the request could be made at the MCRA meeting scheduled for September 10, 2019.

She suggested that an anti-discrimination policy statement be added to the bottom of anything having to do with the MCRA. She said vendors at the events must be required to sign and abide by it if they wished to participate in the events. Attorney Tolces said their firm would review the language in the MCRA's agreements and policies.

She spoke about a residential fence that was put up on Melaleuca Drive that abutted the City's sidewalk. She said the Building Department said it was allowed by Code. She expressed a concern about someone hitting it while riding a bike. She said she had asked Richard Nixon to send her concern to the appropriate person in the City to address but she had not heard from anyone and she would like to have it addressed in the Code.

Mr. Caggiano: No comments.

Mr. Ruzzano: Asked about the status of a code officer for the MCRA. Jeffrey Oris, Executive Director, said that a position had been budgeted but had not been filled. He said it would part of the budget discussion for the new fiscal year. Chair Ruzzano commented that there were some areas on State Road 7 that were undesirable, including a broken sidewalk on the corner of State Road 7 and Royal Palm Boulevard. A short discussion ensued about whether there should be a separate code officer in the MCRA. Mr. Arserio commented that the work being done by the County and the State was responsible for some of the issues along State Road 7 as they install fiber optics and street lighting. He said their attitude was different in Margate than it was in Coral Springs and Parkland and it was not acceptable.

Chair Ruzzano mentioned that the Executive Director would be requesting to hold a Workshop soon to discuss future plans for the MCRA. He asked the Board members to be prepared to share their ideas at that meeting.

There being no additional business, the meeting adjourned at 8:55 p.m.

Respectfully submitted,

Transcribed by Rita Rodi, CRA Coordinator

Tommy Ruzzano, Chair

DRAFT