

COMMUNITY REDEVELOPMENT AGENCY BOARD

REGULAR MEETING

January 15, 2020

MINUTES

Present:

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

Also Present:

Jeffrey L. Oris, Executive Director
David Tolces, Weiss Serota Helfman Cole & Bierman
James Nardi, Advanced Asset Management

The regular meeting of the Margate Community Redevelopment Agency having been properly noticed was called to order at 7:07 p.m., on Wednesday, January 15, 2020, by Chair Tommy Ruzzano. Roll call was taken. There was a moment of silence followed by the Pledge of Allegiance.

1. PUBLIC DISCUSSION

Steve Strouse, Pete's Barber Shop, 5800 Margate Boulevard, thanked the Board for the new signs at the Ace Plaza and said customers have commented on the improvements. Mr. Strouse said he had owned the barber shop for 12 years and that it had been in Margate since 1956. Chair Ruzzano thanked him for his contribution to the City.

2A. RESOLUTION 622: RESCINDING MARGATE COMMUNITY REDEVELOPMENT AGENCY (MCRA) RESOLUTION #618; APPROVING THE LICENSE AGREEMENT BETWEEN THE CITY OF MARGATE AND THE MCRA FOR THE TEMPORARY USE OF MCRA PROPERTY

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

MOTION: SO MOVE TO APPROVE

There was no discussion.

ROLL CALL: Ms. Simone, Absent; Mr. Arserio, Yes; Ms. Schwartz, Yes; Mr. Caggiano, Yes; Mr. Ruzzano, Yes. The motion passed 4-0.

2B. RESOLUTION 623: AUTHORIZING A ONE-YEAR EXTENSION TO THE AGREEMENT BETWEEN THE MARGATE COMMUNITY REDEVELOPMENT AGENCY AND CRAVEN THOMPSON & ASSOCIATES, INC.

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

Ms. Schwartz asked if there was a monthly retainer. Jeffrey L. Oris, Executive Director, said payment would only be made for services rendered.

MOTION: SO MOVE TO APPROVE

ROLL CALL: Ms. Simone, Absent; Mr. Arserio, Yes; Ms. Schwartz, Yes; Mr. Caggiano, Yes; Mr. Ruzzano, Yes. The motion passed 4-0.

2C. RESOLUTION 624: AUTHORIZING A ONE-YEAR EXTENSION TO THE AGREEMENT BETWEEN THE MARGATE COMMUNITY REDEVELOPMENT AGENCY AND KEITH AND ASSOCIATES, INC.

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

Ms. Schwartz asked if this agreement was also based on usage and not based on a retainer. Jeffrey L. Oris, Executive Director, said the firm would only be paid based on actual work performed.

MOTION: SO MOVE TO APPROVE

ROLL CALL: Ms. Simone, Absent; Mr. Arserio, Yes; Ms. Schwartz, Yes; Mr. Caggiano, Yes; Mr. Ruzzano, Yes. The motion passed 4-0.

2D. **RESOLUTION 625:** AUTHORIZING A ONE-YEAR EXTENSION TO THE AGREEMENT BETWEEN THE MARGATE COMMUNITY REDEVELOPMENT AGENCY AND SALTZ MICHELSON ARCHITECTS

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

MOTION: SO MOVE TO APPROVE

Ms. Schwartz asked if there was a retainer paid. Jeffrey Loris, Executive Director, stated that there was no retainer and the firm would only be paid for work performed under a task order.

ROLL CALL: Ms. Simone, Absent; Mr. Arserio, Yes; Ms. Schwartz, Yes; Mr. Caggiano, Yes; Mr. Ruzzano, Yes. The motion passed 4-0.

2E. **RESOLUTION 626:** APPROVING THE ADOPTION AND IMPLEMENTATION OF THE MARGATE COMMUNITY REDEVELOPMENT AGENCY COMMERCIAL DEMOLITION MATCHING GRANT GUIDELINES

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

MOTION: SO MOVE TO APPROVE

Jeffrey Loris, Executive Director, explained that there were many obsolete buildings in Margate and the grant was designed to help others take down obsolete buildings and replace them with something new. He commented on some of the grants requirements which included:

- no funds would be paid out until a new building was built;
- grant recipient would be given two years to have the building completed and to obtain the Certificate of Occupancy;
- the new building had to be anticipated to be worth more than the building being demolished;
- amount of grant would be \$75,000 per lot and the primary structure must be taken down;
- grant was a dollar for dollar match;
- negotiable if applicant had multiple properties that met the MCRA's land assembly plans.

Several Board members commented on the benefits of having a demolition grant.

ROLL CALL: Ms. Simone, Absent; Mr. Arserio, Yes; Ms. Schwartz, Yes; Mr. Caggiano, Yes; Mr. Ruzzano, Yes. The motion passed 4-0.

2F. **RESOLUTION 627:** DIRECTING MARGATE COMMUNITY REDEVELOPMENT AGENCY STAFF NOT TO PROCESS ANY FURTHER APPLICATIONS FOR ANY GRANT PROGRAM APPROVED BY THE MARGATE COMMUNITY REDEVELOPMENT AGENCY PRIOR TO DECEMBER 1, 2019.

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

MOTION: SO MOVE TO APPROVE

Jeffrey L. Oris, Executive Director, explained that this action lifted and ended the moratorium on the acceptance of applications under the previous grant programs. He said guidelines would remain in place because there were four outstanding grants in existence, but no additional applications would be accepted for those programs.

ROLL CALL: Ms. Simone, Absent; Mr. Arserio, Yes; Ms. Schwartz, Yes; Mr. Caggiano, Yes; Mr. Ruzzano, Yes. The motion passed 4-0.

3. EXECUTIVE DIRECTOR'S REPORT

Jeffrey Oris, Executive Director, provided the following updates:

Budget Transfer: \$50,000 from Land Acquisition to Professional Services-Others to be used for acquisition services

Rising Tide: The second of three payments would be made under an existing grant agreement. He explained that the grant was initially approved for up to \$162,000 and was based on anticipated increases in property values; however, the values have not increased significantly and the payment would be about \$11,000.

VoAn Vietnamese Restaurant: Staff was still working on processing reimbursement on the grant which had been slow due to some language barrier issues.

Building at 6280 W. Atlantic Boulevard: The advertisement for the sale of the building ran on December 22, 2019, and any alternative bids would be accepted through January 21, 2020. He said there might be another interested purchaser.

Mr. Caggiano commented that if a second offer were received, he wanted MCRA staff to review the offer immediately and schedule a special MCRA meeting as soon as possible rather than wait until the February meeting so as to not delay the initial purchaser any longer. Ms. Schwartz asked if the purchaser could change their mind about their intended use of the building. David Tolces, Board Attorney, said conditions could be attached in the Purchase and Sales Agreement regarding the development of the property.

The Board discussed tentatively scheduling a special meeting on January 29, 2020 to review the offers. Attorney Tolces explained that the Board had already approved an agreement for purchase and sale with the current purchaser but it had not been executed; whatever was included in the contract controlled what would be built on the property. Mr. Oris said the purchaser's intent was to use the building "as is" for their financial services businesses. Attorney Tolces said he and the Executive Director would review the contract again to see if additional language would need to be added

Ace Plaza Signs: Signs have been installed and some electrical work still needed to be completed.

Ace Plaza Parking Lot: The contractor that had made asphalt repairs had not performed sufficiently and they were scheduled to come out the following day to redo milling and repaving of one-quarter of the parking lot, and they were expected to be completed by week end.

Backflow Preventers: The MCRA had paid for recertification of backflows at the shopping plazas in the past because it used to obtain bulk rate pricing; however, that discount was no longer available under the current system. The tenants would be asked to take over the recertification of their backflows which cost around \$55.00 each, as the MCRA was not obligated to do so under the lease agreement.

International Economic Development Conference: Mr. Oris would be attending the annual conference February 9-11, 2020 in Tampa.

Executive Director position: Mr. Oris advised the Board about some roadblocks encountered since the last meeting, when he attempted to have the position advertised, i.e., full time Executive Director position did not exist in the City budget, and confusion over whether position was a City or CRA position. He said it led to a bigger discussion with the City Manager, City Attorney, and Mr. Tolces about how the Executive Director's position should be structured moving forward.

David Tolces, Board Attorney, explained that the Executive Director's position had been shown under the supervision of the City Manager in the City's budget, which was inconsistent with the agreement the MCRA had with Mr. Oris which had him under the supervision of the Board. He said the proposal was that the Executive Director be hired as a CRA employee if the Board wished to have a full-time Executive Director. It would require the City Commission approve modifying the City's organizational chart to remove the Executive Director and potentially other CRA

employees from under the City Manager. He said the MCRA's by Laws would also need to be amended to clarify that the Executive Director was a CRA employee and any CRA employees would work under the Executive Director. He said Executive Director benefits for health insurance and retirement plan would need to be coordinated between the MCRA and City. He said the primary issue had to do with the exchange of monies between the City and MCRA for salaries and City services. He said direction was needed from the Board so everyone could start working together to do whatever was needed legally.

Ms. Schwartz asked who the CRA Director reported to in 1996. Mr. Oris said he reported to the MCRA Board and he was paid through a services agreement with the City where it administered payroll and benefits the CRA and CRA employees received equal benefits to those of City employees and the CRA fully reimbursed the City for those expenses. She asked why anything needed to change. Mr. Oris said City Attorney and City Manager wanted to be sure everything would be done correctly and that Human Resources would have a chance to contact the health insurance company and that they were comfortable that none of the Florida Retirement System (FRS) laws had changed. Ms. Schwartz commented on the structure with the Senior Center noting that those employees received health insurance and participated in the FRS.

Mr. Oris asked if the Board wished to proceed with advertising for the Executive Director's position under the MCRA logo as a MCRA position being that it was currently an unfunded position. Attorney Tolces said he was comfortable with the Board giving direction to move forward with the advertisement because the necessary steps could be taken afterwards to make sure everything was in place by the time a decision was made on the position. None of the Board members opposed. Mr. Oris said the advertisement would not include a salary; salary would be determined based on qualifications.

Illegal Commercial Parking: Mr. Oris commented that there had been problems with illegal commercial parking on CRA owned lots with the most frequent offender being J & J Towing. He said a cease and desist letter was sent to them and that he also planned to visit with them personally. He said the Police Department had been very responsive to addressing violators and they had reported the problems to J & J Towing to no avail. Chair Ruzzano asked about the possibility of leasing a portion of the property to J & J Towing. Mr. Oris commented on the environmental issues that could result. He said eight additional "no trespassing" signs were put up on the property last week. He said the MCRA was also looking at the possibility of installing planters across the entrance of the property.

Chair Ruzzano spoke about the use of a pollution control device on the property so that it could be leased. Attorney Tolces said he would need to review the Developer Agreement further and to speak to the outside Counsel as well. Mr. Oris said the problem stemmed from the towing company's need to take vehicles off site via car carrier and 8th Street was too narrow, so they tended to drive the presumably untagged cars across the property to a car carrier. He said there was also an ongoing problem with large wreckers parked on the First Union site.

There was a short back and forth discussion about ways to correct the problem since J & J Towing was the company that the City was contracted with for towing. Mr. Oris said it would need to be worked out but the first step was to try to get them off the property. He said the cease and desist letter stated that the Police Department would be asked to trespass the driver and the driver could be arrested after the second violation. He said the MCRA was trying to get J & J Towing to understand the severity of the situation.

Chair Ruzzano asked the Board Attorney to look into the matter to see if there were any possible options, noting that they might be driving on a City easement.

3A. **TENANT UPDATES**

Ms. Schwartz commented that she learned about a new wings restaurant in the Ace Plaza that had been given a lease but the Board had not been made aware of it. Jeffrey Oris, Executive Director, explained that the previous owner had sold the business without consulting with the MCRA and the lease had been transferred from the previous tenant. He said he would be sure to notify them in the future.

James Nardi, Advanced Asset Management, reported the following:

Ace Plaza

Four tenants owed rent, two of which owed for January only.

Octagon Financial Services dba DAKZ --At the last meeting, Octagon Financial was given an opportunity to pay rent and receive a discount of one and one-half months' rent; however, they had paid nothing to date. He said the tenant was attempting to find another owner for the business. He said the 3-day letter had been updated and eviction proceedings could begin if the Board directed Attorney Mr. Tolces to do so.

Mr. Arserio commented that he had seen a listing for the sale of the business and that he saw items included in the listing that he did not think were the tenant's property. Mr. Nardi said the rule of thumb was that any fixture remained with the property. He said there was some equipment that the tenant brought in; however, being that they owed rent, he would look to the Board Attorney to determine whether the tenant could sell those items. Mr. Arserio asked what measures were in place to ensure that the tenant did not remove items that did not belong to them. David Tolces, Board Attorney, said if the MCRA knew in advance of an auction where MCRA owned items were listed, steps could be taken to stop them. He asked for direction from the Board on whether to proceed with eviction. There was a short discussion about the eviction process, and Attorney Tolces said the process would take 60-90 days, or more if contested. He said the tenant could continue to run the business during that time. Mr. Caggiano said he was in favor of eviction as soon as possible and he wanted to make sure the tenant's insurance and licenses were up-to-date and, if not, the MCRA could act on it. Chair Ruzzano asked if someone could buy the business from the current tenant and establish themselves as a new owner. Mr. Nardi explained that the MCRA could not prevent that from happening; however, any new buyer was required to come to the MCRA first for approval as per the lease agreement. Attorney Tolces pointed out that the tenant also had some responsibilities to the buyer when selling a business. General consensus was given by the Board members to move forward with eviction.

Rich Zucchini, 380 Lakewood Circle East, said he called the listing agent and asked for a listing of inventory of the items to be sold, noting that he was told that the cooler was the property of the tenant. He asked whether the MCRA would require a new buyer to pay the rent that was in arrears. Attorney Tolces said the MCRA had the right to approve any new tenant and it would consider the payment of past due rent through that process. If the MCRA decided to require that a new tenant bring the existing lease current, Mr. Zucchini suggested sending a letter to the listing agent so they could relay that information to any new buyer. Mr. Nardi said he knew what the Board's intentions were and he would work with Mr. Tolces.

Brain Builders--Mr. Nardi said the tenant owed rent for December and January. He said that they had owed rent for three months and a three-day notice was issued previously and they paid one month's rent. He said they planned to move out February 1, 2020 because they no longer needed the space. He told the Board that they had the ability to start eviction proceedings with them. He said the tenant had another space in the plaza and she was being cooperative in showing the space she was leaving to other prospective tenants. There was a short conversation about the cost of evicting someone and Attorney Tolces said it cost \$200.00 to file and it was about \$750.00 with legal fees. Mr. Arserio said the Board should be consistent and file the eviction. Mr. Nardi explained that the MCRA held two month's rent on every tenant, and he said the Board might want to consider that and the fact that the tenant also leased the Margate Hair Studio space. Attorney Tolces suggested having the tenant sign something agreeing to the termination of the lease and surrendering the security deposit. The Board members gave general consensus.

Chevy Chase Plaza

Pop's Chicken and Waffles--The tenant was four months behind in rent and they had been issued a three-day notice. Mr. Nardi said he had met with several interested buyers for the business but nothing had been finalized, and he suggested proceeding with the eviction process. Mr. Nardi explained that the tenant had made the prior tenant whole by paying the MCRA almost \$10,000 in past due rent and they had been paying rent for the entire year while waiting to open. He said the tenant recognized that he would not be able to run the business on his own and he put the business up for sale. He said he met with a prospective buyer and their real estate agent and reviewed the details of the lease. Attorney Tolces asked the Board if they wished to authorize the eviction against the tenant. Mr. Nardi suggested the MCRA be made whole on the charges incurred between Pop's Chicken and Waffles and the new buyer/tenant. The Board members gave general consensus to proceed with eviction.

4. BOARD MEMBER COMMENTS

Mr. Arserio: No comments.

Ms. Schwartz: Commented that the signs at Ace Plaza looked very nice. She said she would love to see a profitable restaurant open in the space occupied by Octagon Financial Services dba DAKZ. She asked for an explanation of

Common Area Maintenance (CAM) charges. James Nardi, Advanced Asset Management, said he had looked at CAM charges at neighboring plazas and provided information to the Executive Director. He explained that through CAM, the MCRA would pass on its costs for insurance, taxes, utilities, landscaping, repairs, etc., to the tenants. Mr. Arserio pointed out that CAM would only apply to new tenants and he suggested offering a discounted rate to existing tenants if they agreed to extend their leases. Jeffrey Oris, Executive Director, said a Workshop was being planned to discuss the plazas, their condition, CAM, expenses, etc.

Ms. Schwartz said she appreciated Mr. Oris bringing forth the new demolition grant program.

Mr. Caggiano: Commented that he loved the lights on Margate Boulevard and he would like for there to be a way to have lights there year round as they added life to the area and brought attention to the plazas.

Mr. Ruzzano: Commented that he looked forward to discussing the Chevy Chase Plaza improvements. He said he had received many positive comments about the Ace Plaza. He said he had someone express interest in locating to Chevy Chase Plaza but the parking lot needed work. He said Culver's should be getting their permit very shortly and breaking ground soon. He mentioned that the outside area of the new Asian hibachi restaurant Kouyou needed some improvements. He said the former Golden Corral would be opening as a Brazilian steakhouse in March.

There being no additional business, the meeting adjourned at 8:26 p.m.

Respectfully submitted,

Transcribed by Rita Rodi, CRA Coordinator

Tommy Ruzzano, Chair