

COMMUNITY REDEVELOPMENT AGENCY BOARD

SPECIAL MEETING

April 21, 2020

MINUTES

Present:

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

Also Present:

Cale Curtis, Interim Executive Director
David Tolces, Weiss Serota Helfman Cole & Bierman, P.L.

The special meeting of the Margate Community Redevelopment Agency having been properly noticed was called to order at 4:06 p.m., on Tuesday April 21, 2020. After a roll call, Chair Tommy Ruzzano said a short prayer for the community, first responders, police and fire, Kristen Jacobs, State Representative and Fire Inspector, Kevin Wilson, followed by the Pledge of Allegiance.

This was a virtual public meeting held via Zoom. Those physically present in the meeting Chambers were: Chair Tommy Ruzzano, Cale Curtis, Interim Executive Director, Joseph Kavanagh, City Clerk, and Rita Rodi, CRA Coordinator.

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- 1A. **RESOLUTION 635:** APPROVING THE THIRD AMENDMENT TO THE BUSINESS INCENTIVE GRANT AGREEMENT BETWEEN THE MARGATE COMMUNITY REDEVELOPMENT AGENCY, VO AN VIETNAMESE RESTAURANT, LLC, TRUONG PROPERTY MANAGEMENT, LLC, AND UNIVERSAL NAILS AND SPA, LLC; APPROVING THE FIRST AMENDMENT TO THE EXISTING COMMERCIAL AND INDUSTRIAL PROPERTY IMPROVEMENT GRANT PROGRAM AGREEMENT BETWEEN THE MARGATE COMMUNITY REDEVELOPMENT AGENCY, TRUONG PROPERTY MANAGEMENT, LLC AND UNIVERSAL NAILS AND SPA, LLC FOR THE PROPERTY LOCATED AT 1821 NORTH STATE ROAD 7.

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

MOTION: SO MOVE TO APPROVE

Cale Curtis, Interim Executive Director, stated, for the record, that a cost accounting had been done on both grants and the results were as follows:

-the interior grant [Business Incentive Grant] was approved for reimbursement of up to \$25,000; a reconciliation of the grant determined that the eligible reimbursement would be \$22,444.40;
-the exterior grant [Existing Commercial and Industrial Property Improvement Grant] was approved for reimbursement in an amount not to exceed \$146,572; a reconciliation of the grant determined the eligible reimbursement would be \$124,948.74.

Phong Truong, owner, was a virtual meeting participant but did not make any comments.

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

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- 1B. **RESOLUTION 636:** APPROVING THE TEMPORARY CONSTRUCTION EASEMENT AGREEMENT WITH THE CITY OF MARGATE TO AUTHORIZE THE MARGATE COMMUNITY REDEVELOPMENT AGENCY AND ITS CONTRACTORS TO ACCESS THE CITY OWNED PROPERTY LOCATED AT 1695 BANKS ROAD FOR THE PURPOSE OF FACILITATING CONSTRUCTION OF THE MCRA'S COVERED SPORTS FIELD PROJECT.

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

MOTION: SO MOVE TO APPROVE

Attorney Tolces commented that the item would be presented to the City Commission for approval as well.

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

2A. DISCUSSION & POSSIBLE ACTION: GRANT ASSISTANCE FOR SMALL BUSINESSES IN THE MARGATE COMMUNITY REDEVELOPMENT AGENCY DISTRICT

Chair Ruzzano said numerous businesses had reached out to him asking how the CRA could help and he was looking for a program to assist Margate businesses. He commented that one of the main objectives of the CRA was to avoid slum and blight. He referenced the meeting back-up which had a grant program that paid up to \$2,500 from the Lake Worth CRA. Unlike their program which was limited to restaurants and bars, he proposed that the grant be made available to all businesses, no exclusions. He said his preference was to keep it as simple as possible by allowing the funds to be used for rent rather than payroll. He asked the Board members for their suggestions.

A back and forth discussion ensued and following were the major point, considerations and suggestions brought forth:

- Suggestion to budget \$100,000 which could help at least 40 businesses in the MCRA at \$2,500
- Use a sliding scale based on the questions asked on the application
- Give preference to Margate resident owned businesses
- Give preference to businesses that were forced to close as non-essential rather than accepting applications on a first come, first served basis.
- To not give funding to restaurants as they had a choice whether to stay open and offer curb side service, delivery, or pick-up. Perhaps use a sliding scale for them, in increments of \$500.00
- Allow funds to be used for rent only up to a maximum amount based on amount reflected on the lease
- Allow funds to be used for lease or mortgage versus payroll because helping to save storefront businesses would help prevent slum and blight. Since some businesses did not have a mortgage, consider allowing funds to be also be used for taxes and insurance, noting that some businesses owned their building and did not have a mortgage.
- Allocate 25% to Margate resident owned businesses, 25% for minority and veteran owned businesses, and the remaining 50% for other qualified businesses on first come, first served basis.
- Consider excluding businesses in MCRA owned plazas that received rent abatements.
- Hold a workshop to work out the details
- Handle on a reimbursement basis after business showed proof of payment.
- Determine whether doctor's offices should be included as many offered telemedicine for which they charged.
- Determine whether businesses that received other forms of stimulus money should be included. Commented on the nationwide Save Small Business Fund just launched by U.S. Chamber of Commerce at www.savesmallbusiness.com
- Use the same parameter for number of full time employees as the Lake Worth CRA, i.e., 3-20 employees. Chair Ruzzano recommended it be 0-10 employees which would encompass the businesses that were really hurting.
- Increase the budget to \$250,000 to help a greater number of businesses
- Implement in two waves with the first wave being for the non-essential businesses, many of which might be minority or veteran owned businesses or Margate resident owned businesses.
- Offer grants in the range of \$1,500-\$2,000 to cover a greater number of businesses.
- Recognize that businesses that applied for a grant through the Small Business Administration (SBA) might not know if/when grant funds might be received. Questioned the MCRA's ability to audit whether a business received federal or state grants.
- Refrain from giving money to any business that had received a large MCRA grant in the past.
- Determine the number of businesses that might be eligible for the program before deciding the grant amount.
- Need to keep the grant requirements as simple as possible
- Exclude franchisees and national chain businesses
- Ask businesses to apply only for the amount of funds needed as a way to help more businesses.

Cale Curtis, Interim Executive Director, said he captured the Board's comments and suggested parameters, and he would work with staff to put together a program that was similar to Lake Worth's but specific to Margate. He summarized their feedback and the parameters that were discussed as follows:

- Limited to businesses in the MCRA District
- Available to all business [not limited to restaurants and bars]
- Limited to rent and mortgage assistance only
- Program maximum would be \$100,000
- Program would be structured to cover one month's rent or mortgage payment in an amount not to exceed a certain amount, which could be decided at the next meeting, and allow for businesses that did not have a mortgage with possible utility assistance.
- Open the program in waves with the first wave for non-essential businesses that were forced to close due to COVID-19
- For non-essential businesses, 25 percent allocated for Margate resident-owned businesses, 25 percent for minority and veteran owned businesses, and 50 percent for the remaining businesses.
- Must be a storefront business; exclude home based businesses.
- Exclude businesses that received any type of MCRA grant and/or those that received rent relief in the past year.
- Ask the applicant whether they applied for and/or received any federal or state grant stimulus funds associated with COVID-19 for informational purposes
- Establish a limit for the number of employees, such as 1-10 or 3-20, in support of small business
- Exclude franchises and chain businesses

Additional back and forth discussion among the Board members continued; following were some of the highlights:

- A recommendation of 3-15 full time employees was made.
- Suggested not limiting the grant assistance for rent; preference was to let the businesses decide what their needs were such as payroll, food, inventory, utilities, payroll tax, etc., so as to provide broader assistance. However, it was pointed out that it would require businesses to provide too much paperwork while rent was less complicated, and rent assistance would free up a businesses capital to pay other expenses. Mr. Curtis commented that there was limited staff to administer the program, and by limiting it to rent, it would be easier to administer and audit.
- Several of the Board members were not in favor of providing the grant assistance to CRA tenants that had received rent abatement for April and May, and it was suggested that they be considered on a second wave.
- It was suggested that it would be easier and more accountable to have the grant recipient bill the MCRA and request reimbursement. Mr. Curtis suggested that the applicant submit paperwork to show the rent they paid for April and the reimbursement would be based off it and show that they were current on their bills.
- It was noted that providing assistance for rent, utilities, or insurance would support brick and mortar businesses and help prevent slum and blight.
- Chair Ruzzano asked the Board to reconsider bringing the minimum number of employees down to one since there were businesses with only one or two employees.
- Chair Ruzzano suggested using March rent as proof of payment as some businesses may not have been able to pay April rent.

David Tolces, Board Attorney, stated that while the type of program being considered might not be identified in the Florida Statutes, it did help prevent slum and blight especially in the given situation. He said he would work with staff to develop a program that would be defensible.

Joseph Kavanagh, City Clerk, read instructions on public comment.

Eduardo Acevedo, 1316 N.W. 58th Terrace, resident and owner of Flynn's Gaming, thanked the Board for their consideration. He said he had applied to the government for assistance and he received an email stating that they would review his paperwork once more funds became available. He said he went to the Save Small Business website a short time ago and it had reached capacity and were no longer accepting new applications. He said he greatly appreciated the rent abatement for two months but they also had other expenses, notably the loans on their equipment. He proposed allowing the CRA tenants that were Margate resident owned businesses to apply at the same time as the first wave of applicants. He expressed a concern about the social distancing constraints they would have once they were able to open.

Mr. Arserio thanked Mr. Acevedo for his comments and encouraged him to attend the workshop to discuss options. He also thanked all the essential businesses for remaining open and providing their employees with protective equipment. He thanked MCRA staff for their efforts.

Alexander Ameng, Angel's Latin Café, 1011 North State Road 7, thanked the Board for the two month rent abatement. He said it helped them but they had been forced to close on Sundays as people did not have money to go out to eat. He said they were promoting themselves and were offering delivery and take-out.

Angel Ameng, Angel's Latin Café, said they applied for the Payroll Protection loan and the funding was gone and they were turned down.

Joey Ruiz, Way Back When, 6217-6221 Margate Boulevard, and Margate resident, thanked the Board for the rent abatement and he expressed a concern about June. He asked if they could start the application prior to the second wave. He said he had applied to the SBA and for Payroll Protection but was denied because the funding was gone. Chair Ruzzano said he thought the second tier would likely start soon after the first \$25,000 was gone. Mr. Arserio said it was possible there might not be a second wave. He encouraged him to attend the workshop.

Ms. Schwartz announced that she just saw that another stimulus package of \$184 billion for small businesses had been released.

Chair Ruzzano asked that the number of employees be 1-15 because there were some businesses that were sole proprietors.

3. BOARD MEMBER COMMENTS

Ms. Simone: Thanked MCRA staff for their hard work and assistance with the virtual meetings. She thanked the essential workers for their efforts and for rising up to the challenge of serving others during this difficult time.

Mr. Arserio: Commented that it seemed the larger financial institutions were giving priority to the higher loan amounts over the smaller requests. He said those that applied and were in the system should receive funding with the second wave of funding that had been approved.

Ms. Schwartz: Thanked the City staff that supported MCRA staff and the essential workers. Announced that the Toasted Café restaurant would be giving a free peanut butter and jelly sandwich to any Margate resident that requests one daily from 8:00am-9:00am. She thanked them for their generosity as well as others that have stepped up to help first responders and residents.

Mr. Caggiano: Asked that people be polite and patient with workers at the essential businesses and to remain safe.

Mr. Ruzzano: Thanked the employees for their efforts.

Asked the Board for consensus on the direction to take with the Atlantic Boulevard Wall project. He commented that with the roads having less traffic, it would be a good time to work on the projects that were on the main roads including the Atlantic Boulevard beautification project.

Mr. Arserio said he was fine with having a hedge along the wall as long as it were drought and whitefly resistant. He recommended painting it a light color and to get rid of the dark borders. He suggested checking out the Greens at Carolina where they had beige colored walls with white trim and alternating sections of clusia hedges and grass.

Mr. Caggiano said he was in favor of a lighter color paint and just getting it done.

Ms. Schwartz agreed that stone was not a viable option. She said she would like a hedge that went halfway up the wall and having the columns done in a lighter color.

Ms. Simone agreed that stone on the wall was not viable because it would not be level, but she had previously proposed stone on the columns. She said she was fine with just painting the wall and putting in a hedge for now and maybe consider putting stonework on the column if something more was wanted later.

Chair Ruzzano asked Attorney Tolces if the MCRA would be able to donate charitable funds to the City to help with the purchase of masks or hand sanitizer for the seniors. David Tolces, Board Attorney, said he would like to speak with the Executive Director first. Chair Ruzzano asked the other Board members if they were in agreement with having Attorney Tolces look into it. Mr. Arserio suggested the possibility of partnering with MCRA businesses whereby the business would give vouchers to the seniors to use at their business and the MCRA would reimburse the business.

Attorney Tolces said there might be some City operated programs that the MCRA might be able to contribute to but he wanted to discuss the matter with Mr. Curtis. Mr. Caggiano said he was in favor of assisting the seniors if it were legally possible.

There being no additional business, the meeting adjourned at 5:38 p.m.

Respectfully submitted,

Transcribed by Rita Rodi, CRA Coordinator

Tommy Ruzzano, Chair

DRAFT