

MARGATE COMMUNITY REDEVELOPMENT AGENCY BOARD

REGULAR MEETING

March 12, 2025

MINUTES

Present:

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

Also Present:

Cale Curtis, Executive Director
Larry Vignola, Assistant Director
David Tolces, Weiss Serota Helfman Cole & Bierman
Brooke Mosier, Vice President, Colliers International
Mark Rubin, Executive Vice President, Colliers International
Matt Flowers, Senior Investment Director, Related Group
Ron Melendez, Exec. Vice President, Related Group
Jimmy Hancock, Michaels Organization
Frank Frallicciardi, Senior VP of Brookfield Properties

The regular meeting of the Margate Community Redevelopment Agency having been properly noticed was called to order at 7:00 p.m., on Wednesday, March 12, 2025, by Chair Anthony N. Caggiano. Roll call was taken. There was a moment of silence followed by the Pledge of Allegiance. The meeting was held in the City Commission Chambers and was also accessible virtually through Zoom technology.

Chair Caggiano said it was an exciting evening for the City of Margate and thanked the Board and staff for all their hard work and effort. He also thanked Colliers International and the three developers who were present that evening: Brookfield Properties, Michaels Organization and the Related Group for their time, enthusiasm and willingness to work with the City.

1A. MINUTES FOR APPROVAL – (2/12/2025 Regular)

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

MOTION: SO MOVE TO APPROVE

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

1B. MINUTES FOR APPROVAL – (2/24/2025 Special)

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

MOTION: SO MOVE TO APPROVE

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

2. PUBLIC DISCUSSION

Jonathan Kraljic, resident, commented on the meeting that took place on February 24 and the inability of the public to speak during public discussion over Zoom. He said more people watched over Zoom than were in attendance in the chambers and the members of the public watching over Zoom should have been allowed the opportunity to speak if they wished to do so. He referenced a recent meeting where he asked some Board members to abstain from voting on an item due to a conflict of interest they may have had with either the applicant or his representative. He said some of his comments may not have been enunciated or misconstrued due to time constraints; however, he would continue to exercise his first amendment right to speak up at public meetings. Lastly, he implored the Board to allow the public to comment for three minutes on each of the three developers who were to present that evening instead of only the three minutes allowed at the end of the entire evening before the final vote.

Rich Zucchini, resident, said the Board should have participated in workshop meetings and come to a consensus on their vision for the City Center before voting on a developer. He urged the Board to read through the Margate 2.0 surveys that were completed several years prior. He said the surveys should still provide the Board with a statistically accurate depiction of the residents' priorities.

Donna Fellows, resident, said she lived within the MCRA district, and the streets were in terrible condition. She said before the MCRA planned to spend a lot of money developing a downtown area, they should concentrate on fixing the existing streets first and foremost.

3A. RESOLUTION 744: AUTHORIZING THE WAIVER OF THE BIDDING REQUIREMENTS; APPROVING THE AWARD OF THE CONTRACTS FOR REPLACEMENT OF THE FENCING FABRIC TO CAIBAI CONSTRUCTION, INC., AND THE RESURFACING OF THE BASKETBALL AND TENNIS COURTS TO FAST DRY COURTS, INC., AS PART OF THE CORAL GATE PARK IMPROVEMENTS PROJECT

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

MOTION: SO MOVE TO APPROVE

Ms. Schwartz asked for clarification on the item. Cale Curtis, Executive Director, said there were two separate contracts under the item. One was replacing the fence fabric around the sports courts and the other was resurfacing the basketball and tennis courts.

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

4A. DISCUSSION AND POSSIBLE ACTION: AUTHORIZATION TO ENTER NEGOTIATIONS WITH ONE FIRM FOR THE MARGATE CITY CENTER DEVELOPMENT AND BRING FORTH A DEVELOPER AGREEMENT

Brooke Mosier, Vice President, Colliers International, introduced her colleagues in attendance: Mark Rubin, Bastian Schauer and Jared Mann, and said they would give a brief presentation on the three short-listed developers present that evening. She provided a recap from the hiring of Colliers International through the solicitation process for the development of Margate's future downtown. She said six bids were initially received and in December the Board heard presentations from Brookfield Properties, Michaels Organization and Related Group. She stated each group had received the Board's feedback, and she was confident that each whichever team was chosen they would collaborate closely with the City to develop a customized project that aligned with the Board's vision and goals.

She gave the following overview of their final proposals; however, she emphasized they were conceptual in nature:

Brookfield Properties -

- Based in New York
- Potential civic component
- 40,000 sq. ft. of retail
- 844,660 sq. ft. of residential
- 911 units

Michaels Organization -

- Based in Camden, New Jersey
- 65,000 sq. ft. civic component
- 2.2 million sq. ft. of retail
- 2.5 million sq. ft. of residential
- 2,200 apartments
- 158 townhomes

Related Group -

- Based in Miami
- 80,000 sq. ft. civic component
- 87,000 sq. ft. of retail
- 696,000 sq. ft. of residential
- 800 units

Mark Rubin, Executive Vice President, Colliers International, said that each developer submitted different proposals using varied methodologies however their numbers were estimates. He said everything would have been subject to change once a developer was selected and negotiations began in earnest. He provided the following overview:

Brookfield Properties -

- 99-year ground lease/\$100,000 a year during construction
- 3.25% effective gross income (EGI) during operations in Phase 1
- 5.25% EGI during operations in Phases 2 & 3

Michaels Organization -

- Said they would work with the City to negotiate land lease payments for the multifamily housing while also negotiating a percentage of the revenue for the retail and entertainment proponent of the project. They suggested Bonds for the civic infrastructure and attainable housing portions of the project. They did not submit detailed ground lease payments.

Related Group -

- \$100,000 per year with 5% increases every 5 years
- 50% of all retail net operating income (NOI)

Mr. Arserio asked if the revenue sharing benefits listed by Related Group was negotiable and Mr. Rubin suggested the developer should answer that question directly. Cale Curtis, Executive Director, said it would be at the Board's discretion to allow the developers to have a question-and-answer session once Collier's presentation was finished.

Mr. Rubin continued to review the financial proposals provided by the developers as follows:

Brookfield Properties -

- Total Project Costs: \$300 million
- Total Annual Ground Rent Payment (Year 8): \$1.6 million
- Total Ground Rent Payments: \$805 million
- Total Impact Fees: \$10 million
- Total City of Margate Tax Revenue: \$1.4 billion

Michaels Organization -

- TBD

Related Group -

- Total Project Costs: \$265 million
- Total Annual Ground Rent Payment (Year 8): \$1.7 million
- Total Ground Rent Payments: \$606 million
- Total Impact Fees: \$7.5 million
- Total City of Margate Tax Revenue: \$625 million

He pointed out the discrepancies between the impact fees and the tax revenues to the City and said it that was due to the different methods each developer used to estimate the cost compounded over 99 years based on the millage rates and future property values. He finished by saying that each of the developers had a proven track record and were financially strong.

Ms. Mosier then talked the following considerations that should guide the decision-making process and help the Board identify the firm that was best positioned to meet the City's objectives and long-term vision:

Development Team Experience

- Experience developing mixed-use projects of comparable size in comparable setting
- Experience working with municipalities
- Financial capacity to fund the project
- Key personnel and development team

Project Development and Design

- Project's ability to activate the City
- Thoughtful mix of uses

- Quality of design and construction
- Density of the project
- Realistic project timeline
- Flexibility of design

Financial Plan and Impact

- Development's financial feasibility and financial structure
- General understanding of underwriting
- Proposed deal structure to the City: fixed amount and profit sharing

New Municipal Complex

- Integration into overall development plan
- Experience with public administration headquarters / City Hall projects

She thanked each of the developers for their participation in the process and said she was very excited about the opportunities that lay ahead for the City of Margate. She said once the Board selected a developer, Colliers would begin negotiations with that developer for a long-term lease and a development agreement which would be brought back before the Board for approval.

Matt Flowers, Senior Investment Director, Related Group, reiterated the revised proposal that was submitted most recently was both flexible in terms of the plan proposed and financially in how the deal was structured. He said they would be a long-term partner to the City and would be happy to answer any further questions from the Board. Mr. Arserio thanked him for addressing his question so promptly and said he was very impressed with the tour he took of their Manor project in Miramar. He said he also appreciated the unsolicited revision of the proposal that Related had resubmitted after the last meeting and it had shown their ability to adapt and work quickly. He stated he was aware that Related Group had listened to other Board members and incorporated their feedback as was evident in their creation of a central gathering place and entertainment portion on the east side of US 441. Mr. Flowers said the project would be similar to Miramar in terms of quality and amenities, which was one of their existing projects. Mr. Arserio complimented Related on the design of the Manor project.

Ms. Schwartz questioned Mr. Flowers about the amount of retail space planned and the profit sharing proposed by Related according to their latest proposal. She said she saw little benefit to City in the proposal. Mr. Flowers responded there would have been about 115,000 sq. ft. of retail that did not include dining and bar areas. He said they planned areas similar to City Place Doral that had food trucks and activities that were not incorporated in the built square footage but added to the lifestyle and activity of the area. He said the profit sharing was a strong revenue share that had a fixed increased dollar amount on the residential portion, that would grow with inflation.

Vice Chair Ruzzano said the Board should hire an architect and an engineer to help design exactly what the residents wanted to see, which should then be presented to developers to build. He said the Board should not negotiate with developers but build what the residents wanted. He said to avoid the same trouble with a developer as with New Urban, he advised the Board to consider starting smaller. He advised building an entertainment and dining complex on the east side of US 441 without any residential component. He said if any of the developers were willing to do that, he would support them immediately. Discussion ensued between Mr. Arserio and Vice Chair Ruzzano regarding building a downtown development with or without a residential component. Mr. Arserio said the residents were ready for the downtown to be developed and he was not settling for a developer, rather he was prepared to choose a partner with which to move forward. He said the project would be a phased build and he guaranteed the plans would change over that timeframe. He said a long time had passed since the process had started with New Urban and the demand for retail had significantly lessened, therefore it made sense that the amount of square footage required would also decrease.

Ms. Schwartz said she had lived in the city for 42 years and had been on the original city commission when the charrettes were done in 2002. She said she was a resident before she was a city commissioner and had been waiting for the development to happen for a very long time. She explained that it was very difficult to choose a partner for such a long time based upon proposals and that was why she asked so many questions.

Ms. Simone said she understood Related Group intended to build the retail/entertainment component on the east side of US 441 and the residential portion on the west side. She asked if they had given any thoughts to how pedestrians would safely cross US 441 because that had not been specifically addressed by any of the developers. Mr. Arserio said that was also one of his concerns as well as selecting a developer that could be trusted. Mr. Flowers agreed and said Related Group were a local firm that could be in Margate in an hour any day of the week.

CHAIR CAGGIANO REQUESTED A SHORT RECESS AT 7:57PM; THE MEETING RECONVENED AT 8:05PM.

Jimmy Hancock, Michaels Organization, thanked the Board and Colliers International. He stated that three out of the top ten largest developers in the country had submitted their proposals for review and how that had spoken to Colliers International's presentation of the entire Commission's vision for the downtown development. He also said that once a developer was selected, many meetings would begin to take place between the City, residents and the developer before any plans were decided. He stated as a developer, he would want everyone's input to ensure what was built was what the residents wanted, as well as the Board. He discussed Michael's proposal in general terms and said everything was negotiable. Ms. Schwartz asked him about the amount of square feet of retail Michaels Organization had included in their proposal and if there was anywhere locally she could take a tour of a project they had built. Mr. Hancock replied Michaels Organization intended to build a total of approximately 80,000 sq. ft. of retail on the east side of US 441, with a grocer on the ground floor under an entertainment type concept, as well as line Margate Boulevard with retail as well. He added Michaels Organization had not built anything in South Florida in terms of multi-mixed use but had done so in California.

Frank Frallicciardi, Brookfield Properties, said the Board had an important decision to make and the discourse heard that evening was not uncommon. He said it was part of a very healthy process, and everyone would have different perspectives. He stated Brookfield Properties offered the ability to consolidate those perspectives and produce a project that could speak to the needs, wants and desires of all members of the community. He added the Board had great choices no matter who they chose that night, but flexibility was the key. He said Brookfield Properties, like the other two developers, would be happy with continued discussions about design, changing of locations for residential and retail, and the integration of other uses in the future should they become viable. He said they had a massive food and beverage portfolio with a number of familiar names such as Chick-fil-A, Shake Shack and the Darden Restaurant Group who owned Ruth Chris, Capital Grille and Eddie V's Yard House. Lastly, he mentioned that Brookfield Properties already had an expansive presence in Florida with over 300 employees that lived and worked in the area however they did not currently have a corporate office in the region. Should they be selected for this project, he said they would bring in local talent that would be on call to manage and interact with the City on a day-to-day basis.

Chair Caggiano said he had seen three of Brookfield's properties and one that Related Group had built and all were gorgeous. He said it was a very tough choice but something that Margate really needed. Vice Chair Ruzzano brought up the subject of strict building codes in South Florida and said the developer would need to have an in-depth knowledge of dealing with these codes as well as the County, the South Florida Water Management District, etc. He also mentioned the restaurants and said he was impressed by Brookfield Properties' portfolio.

Ms. Schwartz asked if Brookfield Properties had built either The Shops at Merrick Park or Mizner Park or had just managed them. Mr. Frallicciardi responded that both had been built previously and then acquired by Brookfield Properties, however, they were constantly revamping and re-tenanting these properties all the time. Ms. Schwartz said she was unable to visit any of Brookfield's properties that they had built personally but was glad to hear what the Chair had said about loving the three properties he had seen. Mr. Arserio said he had also visited two projects from Related Group and two projects belonging to Brookfield Properties and both were incredible. He said Brookfield Properties' office in New York were built over a train station and were incredible. He said there was no doubt that either Related Group or Brookfield Properties would do an incredible job here in Margate.

Mr. Arserio made the following motion seconded by Vice Chair Ruzzano for discussion:

MOTION: TO NEGOTIATE AN AGREEMENT WITH RELATED GROUP

Mr. Flowers stated Related Group was a Florida based developer which was headquartered out of Coconut Grove in Miami. He said they had around 80 current projects with the majority of them specifically in South Florida. Mr. Arserio said he had toured the Manor in Miramar, and it was incredible. Mr. Flowers referred to Related's proposal and said it had 25 townhomes on the east side which they would have been happy to minimize or get rid of altogether. He also said they had an in-house construction company as well.

Ms. Schwartz made the following amendment to the motion seconded by Vice Chair Caggiano:

AMENDMENT: TO NEGOTIATE AN AGREEMENT WITH BROOKFIELD PROPERTIES

ROLL CALL ON

THE AMENDMENT: Ms. Schwartz, Yes; Mr. Arserio, No; Ms. Simone, Yes; Mr. Ruzzano, No; Mr. Caggiano, Yes. The amendment passed 3-2.

David Tolces, Board Attorney, said the motion as amended to authorize negotiations with Brookfield Properties had been carried.

Mr. Arserio said it had been a very difficult choice, but he wanted the project to have full support. He said the test would be in the process and his trust would be earned during the negotiations of the development agreement. He said Brookfield Properties would have his full support, but he urged them to bring their "A" game.

Rich Zucchini, resident, congratulated Colliers International who brought such a high caliber of developers to the project. He said both the City and the MCRA should have VETO power over the final design, and the right to move on to another developer should a disagreement arise between Brookfield and the City. Lastly, he said he would have voted for Related Group as they were the local developer with a local reputation to uphold.

Jonathan Kraljic, resident, said he agreed with what Vice Chair Ruzzano had said that evening with regards to the City's vision on the downtown development. He said the developers were heavily focused on providing new rental housing which could be eligible for the Live Local and none of the proposals had enough parking for Margate residents to utilize should they want to attend a downtown event. He said of the three developer's proposals; he was in favor of Related's proposal as it had the most retail square footage.

Juli van der Meulen, resident, said she had waited 20 years for this project and was a resident for 35 years. She said nobody had mentioned performance metrics, penalties, delays or non-compliance and these should be written in their contracts. Additionally, she said a successful downtown area should integrate both essential civic functions and vibrant entertainment and retail areas. She talked about the need to have a well-planned project that included a good civic center with spaces for community events as well as a lively and attractive mixed-use development.

Donna Fellows, resident, also agreed with Vice Chair Ruzzano and said residents wanted retail and restaurants on the east side. She urged the Board to include the residents in any future decision making and arrange meetings in the evenings when residents could attend.

Ms. Schwartz said she would like to state for the record that the Board voted to select a developer with whom to start negotiations. She said they did not vote for a number of units, nor did they vote on an amount of square footage of retail or on a parcel of land on which to start development. She said the Board voted to work with someone who would listen to the residents and put together a plan with which the entire community would be happy. She said she voted for Brookfield Properties because she hoped they would do something unique that would put them and the City of Margate on the map. Vice Chair Ruzzano agreed wholeheartedly with what she said and Chair Caggiano echoed those sentiments.

David Tolces, Board Attorney, said the motion before the Board was to authorize negotiations with Brookfield Properties and bring forth a development agreement to the MCRA Board for approval.

**ROLL CALL ON
THE MOTION
AS AMENDED:**

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

5. EXECUTIVE DIRECTOR'S REPORT

Cale Curtis, Executive Director, said he did not have any new updates for the Board that evening.

6. BOARD MEMBER COMMENTS

Ms. Schwartz - She wished everybody a Happy St. Patrick's Day and congratulated Board Member Arserio on the birth of his new baby daughter.

Mr. Arserio - He thanked everyone for their well wishes and said he was delighted to say his daughter was born healthy, small but mighty, weighing in at over 4lbs 9 oz. He said they were very excited, and his older daughter was now a big sister. He said he was also extremely excited to see the light at the end of the tunnel and happy to see a vote of 5-0 in support of Brookfield Properties. He said it would be nice to have a plaque in dedication of all the hard work to bring the development to fruition when the ribbon was finally cut. He thanked everyone that submitted a proposal, as well as the Executive Director, Assistant Executive Director and staff.

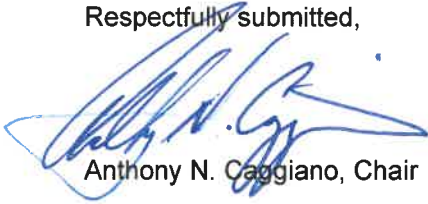
Ms. Simone – She thanked Colliers International and all the developers who had made a presentation and appeared before the Board. She congratulated Brookfield Properties and said she looked forward to working with them on the project.

Vice Chair Ruzzano – He mentioned an email that was sent from Keri Giacomino about opening up a pet adoption store in the MCRA district and he asked the Board to consider her proposal. He said he was happy about how the evening had proceeded and thanked everyone for coming out.

Chair Caggiano – He said he was very excited about the progress that was made that evening and said the City deserved an amazing project. He said he had seen three of Brookfield's projects which were stunning, and he liked the idea of someone putting a flag in Margate and showing the rest of the State something wonderful.

There being no additional business, the meeting was adjourned at 9:00 p.m.

Respectfully submitted,



Anthony N. Caggiano, Chair

Transcribed by Fiona Christmas, CRA Coordinator

