

COMMUNITY REDEVELOPMENT AGENCY BOARD

WORKSHOP
September 10, 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 N. Tolces, Goren, Cherof, Doody & Ezrol, P.A.
Robert Massarelli, Assistant Executive Director

The workshop meeting of the Margate Community Redevelopment Agency having been properly noticed was called to order at 7:06 p.m., on Tuesday, September 10, 2019, by Chair Tommy Ruzzano. Roll call was taken. There was a moment of silence followed by the Pledge of Allegiance.

1A. PRESENTATION: CRA BASICS

(ID #2019-477)

Jeffrey Oris, Executive Director, gave a PowerPoint presentation entitled CRA Basics. An overview of the presentation was as follows:

- Brief history on Florida CRA's
 - Redevelopment Act of 1969/Chapter 163, Part III of Florida Statutes
 - currently 225 active CRA Districts registered-second most used type of Special District
 - only form of Tax Increment District in widespread use in the State
 - can be created by City or County to assist in the elimination of slum and/or blighting conditions
 - the State is not involved in the creation or running of CRA's.
- Legislative Intent
 - created for the prevention and elimination of slum and blight
 - powers are for public uses and purposes for which public money may be expended and police power exercised
 - preservation and enhancement of the tax base. Margate's was lagging behind rest of the County.
 - tax increment financing is a tool for a declining tax base
 - community redevelopment enhances the tax base
 - invests tax revenues up front
 - sustained tax revenue increases at end
 - Public Private Partnerships are constitutional under Florida law
- Encouragement of Private Enterprise
 - any county or municipality shall afford maximum opportunity to the rehabilitation or redevelopment of the community redevelopment area by private enterprise
- Creating a Community Redevelopment Agency
 - Finding of Necessity
 - Agency Creation
 - CRA Board Creation
- Powers to Undertake Redevelopment
 - Margate is in a chartered county, therefore, Broward County must delegate the powers under Chapter 163, Part III to municipality
- Blighted Area
 - Margate CRA was defined as a blighted area
 - Blighted determination requires the CRA have a substantial number of deteriorated or deteriorating structures AND two or more of 14 defined conditions which he identified and provided examples.
- Governance of a CRA
 - the CRA is considered a Dependent Special District that is a separate entity from the county or city that created it, i.e., the City of Margate.
 - powers of a CRA are exercised by its commissioners/ board members. A majority of board members constitutes a quorum

-The CRA Board

-the governing body of the county or city shall designate a chair and vice chair among the CRA Board and those appointments can be changed at any time. He explained the three different formats for a Board.

-State Statute does not indicate the term of the office for the chair or vice chair

-Powers of a City or County

-every county or city has the powers necessary to carry out and effectuate the purposes and provisions outlined in the Statute and all of those powers can be delegated to a CRA except: the power to determine an area to be slum or blighted and to designate such area for community redevelopment and to hold any public hearings required with respect to such designated areas; the power to grant final approval to community redevelopment plans and modifications; the power to authorize the issuance of revenue bonds; the powers to approve the development of community policing innovations; and, the power of eminent domain. Mr. Oris explained why he strongly recommended not funding community policing activities.

-Community Redevelopment Plan

-explained requirements of the plans, i.e., must conform to the City's Comprehensive Plan and must provide sufficient detail on activities that might be proposed such as land acquisition, demolition, redevelopment, rehabilitation, land uses, etc.

-he stressed the importance of not abusing certain items and specifically mentioned community policing innovations

-Contents of the Redevelopment Plan

-Modification of Redevelopment Plans

-he explained the requirements to amend the plan

-Powers of a CRA

-he showed slides that identified a list of the powers available to a CRA

-Acquiring Real Property

-identified methods; cannot use eminent domain

-CRA's may temporarily operate and maintain acquired property pending disposition

-Disposal of Real Property

-he pointed out that CRA's could consider long term benefits of real property and that they must dispose of real property for fair value (not fair market value as a municipal or county government must do). He commented that purchasing property for a City Center project was considered a community building endeavor and not a real estate deal. He said CRA's made money by reinvesting in other properties and the tax return on them, not on the resale of properties at a higher cost.

-identified other restrictions for property disposition

-What CRA's Cannot Do

-he showed slides that identified a list of things a CRA could not do such as paying for projects outside the Redevelopment area, paying for General Government operating expenses, or reimbursing the city/county for expenses unless fully documented, etc. He expressed a concern about the CRA paying for landscape maintenance.

-he pointed out that the State's reasoning was that they did not want the CRA to supplant other agency's funding

-emphasized that a CRA could not do anything that was not in the plan

-How Redevelopment is Funded

-he explained the Redevelopment Trust Fund and its uses

-identified those uses not allowed which included payment for official board member or elected body salaries

-Borrowing Money

He concluded his presentation by emphasizing that any project or program that the CRA wished to undertake must be outlined in the Community Redevelopment Plan.

Mr. Oris mentioned he planned to do an expanded version of the CRA presentation for City staff to educate them.

Discussion ensued about the presentation.

Ms. Schwartz asked the reason for the possible rewriting of the MCRA Plan. Robert Massarelli, Assistant Executive Director, commented that the City Commission had expressed concerns about the Transit Oriented Corridor (TOC), and since the implementation of the TOC was part of the Redevelopment Plan, once the Comprehensive Plan was changed to eliminate the TOC, the Plan would need to be updated. She asked about a timeline.

He said there would be a transmittal hearing in May and the Redevelopment Plan update could be done concurrently.

Chair Ruzzano asked about the positives and negatives of doing a Public Private Partnership (PPP) and whether they were just a stepping stone for the businesses to get what they wanted. Mr. Oris said it always depended on how the PPP was structured, and that the MCRA was more involved in subsidizing projects than in true PPP's. He said the MCRA would be getting a project it wanted in exchange for providing financial assistance to make it feasible for someone to build it. David Tolces, Board Attorney, said he had been involved in several PPP's and that the ultimate goal was to turn blighted property into productive commercial property that generated new tax revenue that could be used to fund subsequent projects and continue to improve the tax base in the CRA District. Chair Ruzzano asked about the cost. Mr. Oris provided several examples and explained that the reason CRA's provided subsidies was to get the projects it wanted. He said the benefit to the CRA was that the project would draw more interest to the area and make surrounding properties more valuable. Mr. Oris gave two examples of true PPP's where each entity involved benefited.

Dara Kustler, 551 N.W. 76th Terrace, asked for a description of the changes that were going to be made to the Comprehensive Plan and to the Redevelopment Plan and if there were projects in the Redevelopment Plan. Chair Ruzzano explained that there were many suggested changes. Attorney Tolces said everything the MCRA did had to be consistent with the Plan. Ms. Kustler expressed confusion about the various plans and who was responsible for making the changes. She questioned the conversation about the City Offsets and the reimbursement process. Attorney Tolces explained that the City and MCRA were two separate entities with two separate boards. She said she felt as though she never got explanations. Chair Ruzzano said he would be happy to speak with her after the meeting.

2. DISCUSSION & POSSIBLE ACTION: FUTURE MCRA WORK PLAN

(ID #2019-478)

Jeffrey L. Oris, Executive Director, showed a PowerPoint presentation that provided an overview of his recommended budget changes in advance of the budget hearing that would be part of the MCRA meeting scheduled for September 24, 2019.

He explained that there were some items in the budget that no longer met the MCRA's mission, specifically events. He said when Redevelopment Management Associates (RMA) was involved, the MCRA was gearing up for the City Center development and events were done to market the site and to bring interest and outside people to them. He said the development was not moving forward currently and, therefore, the events no longer met the intent of the MCRA. The events were better suited being done by the Parks and Recreation Department and not budgeted for by the MCRA. He said the monies budgeted for events could be better used on things more directly related to the MCRA's mission. He named the events and commented that they might want to consider continuing to fund a few of them for the new fiscal year since the City's budget was almost complete.

Other budget recommendations included:

- reducing **Marketing & Promotions** from \$50,000 to \$25,000
- reducing **Wayfinding Signage** from \$725,750 to zero as it was not timely to undertake
- reducing **Chevy Chase Plaza improvements** from \$1,150,000 to \$350,000 based on some prior Board member comments and the amount of anticipated return in light of the future plans for the area and the MCRA's lease policy.

Chair Ruzzano expressed concerns about why the amount for Chevy Chase was so high as he thought it was going to be \$500,000-\$600,000. He said the Ace Plaza improvements came out great and it did not make sense to leave Chevy Chase the way it was. Mr. Oris explained that the amount was based on the current year's budget. Mr. Arserio said he was opposed to putting any money into the Chevy Chase plaza and that it was not currently at its highest and best use. He clarified that spending money to make it safe was fine but he did not want to redo the façade. Chair Ruzzano asked the Board for their direction on the plaza improvements. Mr. Caggiano agreed that repair work needed to be done and he shared some photographs of needed work. Ms. Simone agreed with making repairs but said she was not in favor of spending more money on the plaza since it would be torn down. She said the tenant mix was different than Ace's. There was back and forth discussion about whether making the improvements would draw a better clientele. Mr. Arserio pointed out that any name brand tenant would not move there without a long term lease. He said he would like to see it torn down. Ms. Schwartz commented that there was no reason for the current tenants to leave because they had leases. She asked what the \$350,000 would be used for and Mr. Oris identified the required repairs. He said the Board could either discuss this item further at the budget hearing or he can put the funds back in the budget and address it later after someone had an opportunity to create a design and proposed budget. Ms. Schwartz questioned how that would change the tenant mix or the people who went to those stores. She suggested putting a few of the smaller spaces together to make larger ones in an effort to attract another tenant.

Mr. Caggiano surmised that Mr. Oris was recommending that the additional funds be moved to land acquisition so that the MCRA could buy property that it could do something better with in the future. Mr. Oris agreed and said that there were a lot of small commercial parcels and that the MCRA was the only way they were going to get assembled. He explained that assembly took time and developers were not interested unless developers knew they could get three or four properties at one time. He explained the benefits of assembling properties. Another reason to buy land was to prevent bad uses he said.

Chair Ruzzano asked Mr. Oris to get some real numbers on Chevy Chase improvements because he did not think it would cost \$1,150,000. He said he was not in favor of buying land and he questioned the location of the land that was being proposed for purchase. Mr. Oris said a land acquisition strategy would include looking at parcels that were not adding to the City's vision and to purchase, assemble, and make them modern parcels so they would not be detriments to the City. He mentioned that there were several potential parcels between Coconut Creek Parkway and Atlantic Boulevard. He said if the MCRA continued to spend its money on landscaping and repairing properties that would ultimately be gone, the MCRA would have nothing when it ended in seven years. By acquiring land, the MCRA would have land that could be redeveloped even after the MCRA was gone. Ms. Schwartz expressed agreement with Mr. Oris' strategy and having the ability to control the City's destiny.

In reference to Chevy Chase, Mr. Oris suggested going back to the amount that Mr. Massarelli originally budgeted, \$675,000 which was provided by Jim Nardi, property manager. He said the amount could be revisited in the future. Chair Ruzzano asked about the possibility of increasing the rent at Chevy Chase plaza if improvements were made. Mr. Oris commented there was a big unknown as to how long the plaza would be there. He said he would include details on the previous budget amount for Chevy Chase at the September 24th budget hearing.

In reference to the Events, Ms. Schwartz commented that the City should pay for the July 4th celebration, as well as the Fall Festival, Winter Festival, and holiday lighting for the next year. She also agreed with reducing the marketing promotions amount. She suggested a 50/50 partnership between the City and MCRA for some of the events. Ms. Simone suggested getting sponsorships. Mr. Arserio agreed that sponsorships should be sought for the larger events that had 10,000+ people. Ms. Schwartz suggested looking for grants too. Mr. Oris suggested cutting the Summer and Fall Events, and meeting with the City about a 50/50 split on the other events, but July 4th might be a different share. Mr. Oris mentioned that Parks and Recreation staffing was used for the events so there were additional costs [Cost Allocation].

Mr. Oris continued his budget recommendations:

-increasing **Land Acquisitions** from zero to \$2,787,700

Mr. Oris said Finance updated the MCRA's numbers and there might some additional unspent funds from the current year that he would like to have moved into Land Acquisition if that was okay with the Board. He said he was having conversations with the MCRA's attorneys and there was a possibility that a portion of the funds budgeted for the City Center project could be reallocated to land acquisition.

Mr. Arserio asked what projects were being planned that would provide instant gratification. Mr. Oris said money remained in the budget for the Atlantic Boulevard project.

Grants – Mr. Oris asked the Board what they wanted to incentivize through a grant program. He identified potential grant types which included: Physical Improvements, i.e., landscape, façade, demolition, infrastructure, or new construction; or Economic Development grants for job creation.

Mr. Arserio commented that office space was needed first before job creation. He said he preferred programs that resulted in aesthetic changes.

Ms. Schwartz said she would look at infrastructure of the 65-year city, and facades where they made sense. She expressed her disappointment with the office building at the corner of Copans Road and U.S. 441 that was taken down and replaced with a Wawa gas station.

Mr. Arserio asked for examples of landscape grants. Mr. Oris did not have recent examples but he said previously the City increased its landscape code to require a ten-foot buffer with hedges and trees in front of commercial properties but it did not mandate it for everyone and some were grandfathered in.

Mr. Oris stated that grant funds should not be given to anyone for things that were required by Code. He mentioned that site plan enforcement was not being done and Robert Massarelli had previously recommended having

someone responsible for it. He pointed out that there were areas in the City where businesses could not meet the Code without losing parking spaces so there would need to be some variation from the Code in those instances. He said in the past people were required to upgrade to current landscape code in order to be approved for a sign waiver. Ms. Simone said grants should be given for infrastructure and façade. She cautioned against grants for landscaping because sometimes less was better than more, as well as giving grants for interior improvements.

Mr. Caggiano agreed with not doing grants for interiors. He also agreed with Mr. Arserio's comments about making aesthetic improvements that people would notice. Mr. Oris pointed out that the City had a property maintenance ordinance for that reason and that just cleaning up a property and parking lot had instant impact. Ms. Schwartz commented that code enforcement was lax. Mr. Oris said the code enforcement position was removed at their direction. Mr. Arserio did not recall that it was to be removed. Board Ruzzano commented that the MCRA should not be paying for a code officer or fixing the medians; rather the City should be handling those things.

Mr. Oris said the landscaping of the medians needed to be scaled back so that the maintenance would be less costly now and in the long term. He suggested using the limited amount of money that was in the budget over time. He said code enforcement needed to be done, and the MCRA could point out deficiencies, but it should be the City's job to so.

Ms. Simone said we [MCRA/City] needed to stick to its guns and hold people accountable and not change its mind when people complained, such as was the case with the Sign Code. Mr. Arserio agreed. Mr. Oris said Code Enforcement needed someone who understood site plans and could give citations because landscaping and parking lot issues were the biggest problems in the commercial district. There was a short back and forth discussion about code enforcement's responsibilities.

In reference to **Grants**, Mr. Oris recommended that grants be awarded on a minimum of a dollar for dollar match, and grants should not be awarded unless they would pay off at least an equal amount to the MCRA or the City in the long term. Grants for new construction or large grants should have payments made over time after the property tax bills were paid, i.e., rebating taxes. He said grant recipients should be required to stay a minimum of five years otherwise full reimbursement would be due upon sale of the property. Mr. Oris pointed out that many property owners were not knowledgeable about grants and he suggested the MCRA engage an architect to prepare conceptual drawings for them that would meet the MCRA's design needs. He said the cost could be rolled into the grant. He said he would also like to meet with local banks about their role in assisting property owners with reasonable financing rates. Chair Ruzzano said he loved his grant ideas, especially the architect. He agreed with Ms. Simone about not funding interior improvements.

Wayfinding Signs – Mr. Oris recommended removing it from the upcoming budget and doing them at another time.

Atlantic Boulevard – Mr. Oris suggested leaving the landscaping on Atlantic Boulevard and possibly expand it to include some moderate landscaping on South State Road 7.

Mr. Oris asked the Board members if there were any other capital projects that were critical. He strongly suggested that the MCRA not take on any more park projects as they were not the MCRA's responsibility.

Mr. Arserio said he would like to move forward with the Wayfinding signs as well as the Atlantic wall project. Mr. Oris said the wall was included in the budget as part of the Atlantic Boulevard median project. In reference to the Wayfinding signs, Mr. Oris said it was not the best use of the MCRA funds at this time and the MCRA would be better off looking at land acquisition and revisiting the Wayfinding signs in a few years. Mr. Arserio said land acquisition was more long term but residents wanted to see immediate results. He said the signs were for more aesthetic than directional purposes. He clarified that he was interested in doing the entranceway signs versus the directional signs. Chair Ruzzano identified the entranceway signs in the MCRA: North State Road 7; South State Road 7; Atlantic Boulevard east and west; and, Royal Palm Boulevard. He suggested doing two signs in the next year. Mr. Oris asked whether the design needed to be reviewed or changed. Chair Ruzzano said the design needed to be revisited. Mr. Oris said funds would be set aside for design and funds could be reallocated for construction later in the year. Ms. Schwartz suggested that Mr. Oris look into what had been discussed previously because several sign designs had been modified and agreed upon. He said needed funds would be available.

Mr. Caggiano asked about the status of the wall on Atlantic Boulevard. Chair Ruzzano said it needed to go out to bid and he asked Mr. Oris to take a look at it.

Mr. Oris said there were some long term landscaping needs to address before the MCRA expired. He said North State Road 7 was over landscaped and needed to be thinned out. He said a master landscape plan was needed that had a scheme for plants on the east-west medians and another scheme for north-south medians because currently the medians had all different plants in them.

Ms. Simone asked if it would be better to just paint the walls on Atlantic Boulevard and put stone on the columns because it would have better appeal. Chair Ruzzano commented that the cost would probably remain the same because the corner pieces would be more labor intensive. Mr. Oris said he would recommend having an expert find the right plants that would detract from the appearance of the wall and it would be an easy, cost efficient solution. In response to Ms. Simone's comment, Chair Ruzzano suggested having a mock-up done with two columns to see how it looked. Mr. Oris said he would seek out a plant expert for their recommendation and maybe plant some samples to show another option. Ms. Schwartz suggested just painting the wall for simplicity.

CRA Owned Properties – He said he instructed Mr. Nardi to reduce the selling price for the building at 6280 West Atlantic Boulevard from \$750,000 to \$599,000 based on the sale of a neighboring property that sold for \$620,000 and other factors.

Staffing – He said he was considering the creation of an Assistant Director's position and he had someone in mind that he would be speaking with the following week and he would come back to them for approval if the individual was interested.

Economic Development – He said the MCRA should start looking at ways to attract office construction to the City which would represent higher wages and provide a daytime crowd of people who would spend money at restaurants, etc.

Update CRA Plan – Mr. Massarelli had included an update to the Redevelopment Plan in the original budget that would result from the upcoming changes to the Comprehensive Plan. He said he might be able to work on the update depending on his term with the MCRA.

Chair Ruzzano asked about the possibility of getting the bus shelter moved from the front of the MCRA property located at the corner of Coconut Creek Parkway and State Road 7 because it was on a prime piece of property. Mr. Oris suggested looking at acquiring additional properties per the original plan for that area first before addressing moving the bus shelter.

Several Board members thanked Mr. Oris for his presentation.

Dara Kustler, resident, commented that the former MCRA director [Robert Massarelli] lived in Titusville and was not vested in Margate. She commented that Margate was a blue collar city and she questioned how it could attract office space. She commented that several thousand acres at the Isles Casino were being razed and replaced with mixed use development and apartment buildings; she questioned how Margate could compete. She commented that Margate needed to make the city better by investing in the people, not with plants and signs. She said thought should be given to future and education of people so as to raise the status from working class. She asked for a map that would show the location of the properties that were available for potential purchase to help with more concrete future planning. She said the Code needed to be changed in order to prevent future blight.

Mr. Caggiano commented that one would never tell someone that they were interested in buying their property because they would double the price.

There being no additional business, the meeting adjourned at 9:36 p.m.

Respectfully submitted,

Transcribed by Rita Rodi, CRA Coordinator



Tommy Ruzzano, Chair