

COMMUNITY REDEVELOPMENT AGENCY BOARD

REGULAR MEETING

November 13, 2019

MINUTES

Present:

Arlene Schwartz
Antonio V. Arserio (via Skype)
Joanne Simone
Anthony Caggiano, Vice Chair (via phone)
Tommy Ruzzano, Chair

Also Present:

Jeffrey L. Oris, Executive Director
Donald J. Doody, Goren, Cherof, Doody & Ezrol, P.A.
James Nardi, Advanced Asset Management
Eric Pierce, Culver's of Margate, LLC
Steve Strouse, Pete's Barber Shop

The regular meeting of the Margate Community Redevelopment Agency having been properly noticed was called to order at 7:05 p.m., on Wednesday, November 13, 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 - (9/10/19 Workshop)

After Donald J. Doody, Board Attorney, read the item title, Mr. Caggiano made the following motion, seconded by Ms. Schwartz:

MOTION: SO MOVE TO APPROVE

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

1B. MINUTES FOR APPROVAL - (9/24/19 Regular)

After Donald J. Doody, Board Attorney, read the item title and Mr. Caggiano made the following motion, seconded by Ms. Schwartz:

MOTION: SO MOVE TO APPROVE

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

2. PUBLIC DISCUSSION

Steve Strouse, 5833 Margate Boulevard, Pete's Barber Shop, asked about the status of the tenant signs at Ace Plaza. James Nardi, Advanced Asset Management, confirmed that the MCRA would be paying for five tenant signs. He said bids had been received and were going through final review, and it was anticipated that it would be completed approximately four weeks after the purchase order was issued. Chair Ruzzano asked the reason it had taken so long and Mr. Nardi explained how the issues with the mansard impacted the signage delay. Ms. Simone asked if the signs would be uniform, and Mr. Nardi said they would be and he explained the permitting requirements. She commented about an attractive barber pole and sign she had seen at the Walk in Coral Springs. He said the signs specs had been finalized and reviewed by Development Services as well as the tenants, but he would take a look at the sign at the Walk. Ms. Schwartz asked if he had seen the finished product, and Mr. Nardi said that the bid was for a straight forward channel letter sign and was very specific, and the vendor had been recommended by Saltz Michelson.

3A. RESOLUTION 612: AMENDING FISCAL YEAR 2018-2019 AND 2019-2020 ANNUAL BUDGETS

After Donald J. Doody, Board Attorney, read the resolution title, Mr. Caggiano made the following motion, seconded by Mr. Arserio:

MOTION: SO MOVE TO APPROVE

There was no discussion.

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

3B. RESOLUTION 613: APPROVING THE NEW BUSINESS INCENTIVE GRANT PROGRAM GRANT AGREEMENT WITH CULVER'S OF MARGATE, LLC, IN AN AMOUNT NOT TO EXCEED \$147,900.

After Donald J. Doody, Board Attorney, read the resolution title, Mr. Caggiano made the following motion, seconded by Mr. Arserio:

MOTION: SO MOVE TO APPROVE

Ms. Simone said that she was happy that Culver's was coming to Margate, however, it was her opinion that the grant had been established to benefit one particular business that had already committed to come to Margate. She said the documentation going back to 2018 showed that they had done traffic and demographic studies and obtained various bids. She said Culver's grant application should have been included in the moratorium that had been previously placed on the grant programs. For the reasons stated, she said she would not vote for the grant.

Ms. Schwartz commented that the reason the grant was not included in the moratorium was at the suggestion of the Director of Development Services. She commented about past decisions and the need to do things differently in the future, however, she said the applicant should not be penalized and the MCRA should honor its commitment, noting that it would be the first Culver's in Broward County.

Ms. Simone commented that CRA's were in place to enhance blighted areas rather than make money, but the MCRA's return on this investment would be less than half of the grant amount through 2026. She said the franchise requirements in the meeting back-up showed that Margate had been analyzed and determined to be a favorable feasibility and that Culver's would come to Margate whether or not they received the grant.

Mr. Caggiano commented that it was an opportunity for Margate to have a flagship business in Margate and it met the objectives of a CRA's purpose.

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

Eric Pierce, Culver's of Margate, LLC, thanked the Board. He said they were looking at opening mid-March to April.

3C. RESOLUTION 614: APPROVING A SECOND EXTENSION FOR THE BUSINESS INCENTIVE GRANT FOR VO AN VIETNAMESE RESTAURANT LOCATED AT 1821 NORTH STATE ROAD 7.

After Board Attorney Donald J. Doody read the resolution title, Mr. Caggiano made the following motion, seconded by Ms. Simone:

MOTION: SO MOVE TO APPROVE

Ms. Schwartz referenced an earlier comment and said that two grants had been given to this business, one of which was for up to \$750,000, and she asked if that grant program was being changed. Jeffrey Oris, Executive Director, said all grant programs were a part of the moratorium and he would be bringing the Board new programs in the future.

Ms. Simone clarified that the first grant under the Existing Commercial and Industrial Property Improvement Program was for \$146,000 and the second grant was for up to \$25,000 for interior improvements.

Mr. Oris advised that VoAn had received all of its approvals but they were not all finalized by the end of October, the date granted for their first extension. Chair Ruzzano said their grand opening was planned for November 20, 2019.

Chair Ruzzano said the revised grant programs should include grants for new and existing businesses. Mr. Oris said the new programs would not be quite as generous and with more contribution from the applicants.

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

Ms. Simone commented that the outside of the restaurant looked gorgeous and she wished Mr. Truong, who was seated in the audience, the best of luck. Chair Ruzzano said the inside was even more beautiful and he complimented Mr. Truong on the work.

4. EXECUTIVE DIRECTOR'S REPORT

Jeffrey Oris, Executive Director, provided the following update:

Budget Transfer: Transfer of \$4,000 to cover a shortfall in the amount budgeted for property taxes. He said the Chevy Chase plaza had increased significantly in value, and while the value of the Ace plaza dropped due to vacancies, overall the plazas were up.

4A. TENANT UPDATES

James Nardi, Advanced Asset Management, reported the following:

Chevy Chase Plaza: one tenant owed rent for November; one tenant owed for October and November and a 3-day notice had been issued.

Ace Plaza: Octagon Financial owed several months' rent. He said he advised them that day that a 3-day notice would be issued if rent was not received. A second tenant owed rent for November.

Ms. Schwartz questioned why Octagon Financial had not opened as it appeared they were able to do so last month since the seating and occupancy matters were fine. Mr. Nardi said it was their preference. He said the tenant was told that he needed to pay rent and if he thought rebates were owed, he should submit a request, but their rent still needed to be paid. He said the MCRA had no further responsibility.

Chair Ruzzano said the owner of Flynn's Arcade, a new tenant, had spoken to him about permit problems he had with the City. He asked if it were feasible for the MCRA to waive one month's rent being that it was the landlord. He said he recognized that the problems were not the MCRA's fault, but since Flynn's was a new tenant, he wanted them to have a positive impression of the plaza.

A short discussion ensued about the problems experienced by the tenant and other businesses with the Engineering department. Chair Ruzzano said he received a letter from the tenant that indicated that he had paid his rent but his opening was being delayed until late November or December. Mr. Nardi acknowledged that the tenant had honored his lease. Mr. Caggiano said he would be interested in helping with his rent if the cause of the holdup could be determined and be fixed. Mr. Oris cautioned against the MCRA paying for another's mistakes, noting that it set a bad precedent. Chair Ruzzano said he agreed but he had spoken with other property management companies in Margate and was told that they offered free month's rent to new tenants until they opened.

Donald J. Doody, Board Attorney, suggested that the Board direct the Executive Director to provide a report at the next meeting that identified the issues and made a recommendation for action to take, since it was not an action item on that night's agenda and they did not have all the facts.

Discussion ensued about not wanting to set a precedent whenever a business had a problem with a permit; rather, the City needed to investigate and fix the problem in the department. It was mentioned that the Building Department and Building Official had been very attentive in helping with the permitting, and that the permitting process had been impacted with the absence of a director in the Engineering department. Several Board members agreed that more information was needed in order to make a decision about waiving rent, and it was suggested that the MCRA bill the City should it decide to waive the rent. Mr. Caggiano said the tenant should not be forced to pay for something that was out of their control.

Board Attorney Doody advised the Board that the item should be placed on an agenda because they were discussing amending the lease and such an action needed to be done with a formal written amendment. Chair Ruzzano was in agreement. He said the tenant was not insisting on recourse, but he had been very diligent about doing what they needed to do with the buildout and had he thought there was going to be a problem, he would have negotiated a different lease. Ms. Schwartz suggested that the Executive Director speak to the City Manager about the problems in the Engineering department.

5. **BOARD MEMBER COMMENTS**

Ms. Simone: No comments.

Mr. Arserio: No comments.

Ms. Schwartz: No comments.

Mr. Caggiano: Invited everyone to come out to the Winter Festival on December 13, 2019.

Mr. Ruzzano: Said he had spoken to a vendor at the Fall Festival who told him he paid over forty dollars per square foot for space for a small pizzeria in a plaza.

There being no additional business, the meeting adjourned at 7:55 p.m.

Respectfully submitted,

Transcribed by Rita Rodi, CRA Coordinator



Tommy Ruzzano, Chair

