



**REGULAR MEETING MINUTES
MELBOURNE DOWNTOWN REDEVELOPMENT COMMITTEE
CITY HALL COUNCIL CHAMBER
June 9, 2017 • 8:00 A.M.**

1. A regular meeting of the Melbourne Downtown Redevelopment Committee was held in the Council Chamber at 900 East Strawbridge Avenue, and was called to order at 8:00 a.m. by Chairman Jack Ryals.

2. All present said the Pledge of Allegiance.

3. The following members were:

Present: Jack Ryals, Chairman
 JoAnn Davis, Vice-Chairman
 LeAnn Smithson, Member
 Trish Nichols, Member
 Randy Carmichael, Member
 Dan Porsi, Member
 John Lucas, Alternate Member
 Lisa Herendeen, Alternate Member

Absent: Gerry Smith, Member (excused)

Also Present: Doug Dombroski, Economic Development Manager
 Mary Wolak, Recording Secretary

4. Approval of Minutes:

a. March 24, 2017 special meeting

 This item was tabled until the next meeting.

5. Committee Appointment to the MEED Advisory Board

Mr. Dombroski explained that City Council established the MEED Advisory Committee in 2008 after the Melbourne Economic Enhancement District was created. He explained this is a brownfield designation area within the City of Melbourne and stretches over 5,000 contiguous acres which includes airport property, the three CRA's and miscellaneous industrial areas. He said the designated brownfield area is part of

the Florida Brownfields Program. He explained that the brownfield area is an established boundary area that allows property owners to access incentives. He explained it is a statutory requirement to have an advisory committee. The members of the advisory board are to be residents living or businesses operating within or near the brownfield designation area. He said the purpose of the board is to improve public participation, receive public comments and to review brownfield site rehabilitation agreements with the Florida Department of Environmental Protection (FDEP).

Mr. Dombroski said the MEED incentives come from either the Florida Department of Environmental Protection (FDEP) or the Department of Economic Opportunity (DEO). He said there is a brownfield bonus tax refund for job creation and requires a 20% local match. He said some of these projects involve both agencies' incentives.

Mr. Dombroski said this Committee has not been very active since 2013 because the state changed the way the Brownfield incentives are to be used. He said prior to 2013 the economic incentives were used anywhere within the Brownfield designation area, but it was changed to say the property had to be on contaminated property or adjacent to contaminated property.

Mr. Dombroski said these meetings will take place on an "as needed" basis. There may be some activity at a site outside of the already designated area, in a situation where a property owner has a contaminated site and requests designation.

Mr. Porsi asked if the Fish House, on the southeast corner of New Haven Avenue and US1 would have been eligible for this incentive.

Mr. Dombroski said he was not sure if any work was done before the building was purchased.

Mr. Porsi asked if this could have been presented to the MEED board.

Mr. Dombroski said it would not, if they were not seeking any assistance from the state.

Mr. Porsi asked Mr. Dombroski if he can give him an update on this at the next meeting.

Mr. Dombroski said if a petroleum contamination problem is at issue, they would be on a waiting list with the State to have the property cleaned. He said he will follow-up on this particular property.

Mr. Ryals asked the Committee if there were any volunteers to participate on the MEED Advisory Committee.

Mr. Porsi said he would do it if no one else wanted to.

Moved by Smithson/Nichols to recommend Dan Porsi as the Melbourne Downtown Redevelopment Committee representative for the Melbourne Economic Enhancement District (MEED) Board.

Motion carried.

6. Proposed Property Acquisitions

Mr. Dombroski said this agenda item is regarding the possible purchase of two properties owned by Flagler Development, a subsidiary of Florida East Coast Railroad ("FEC").

- a. Portion of parking lot located between New Haven Avenue and Melbourne Avenue east of FEC Rail Road, Tax ID # 2816806.

Mr. Dombroski said the portion of the Depot Parking Lot property is .33 acre and was appraised in 2015 at \$180,000. He said it is currently under lease for \$20,169 on an annual basis. He said the railroad lease has a 5% automatic incremental increase each year. He mentioned that the parking capacity is 24 spaces and has future development potential.

Mr. Dombroski said this site is currently used for public parking. He said the Engineering Department determined that 24 spaces would be allowed on this property with a one-way drive aisle.

Mr. Dombroski said in 2015 city staff and Flagler could not come to an agreement regarding the purchase of the Depot Avenue Parking Lot. He said Flagler indicated that the property was worth more than the \$180,000 city appraisal.

- b. Vacant lot located between Palmetto Avenue and Lincoln Avenue, east of the FEC railroad Tax ID # 2817274.

Mr. Dombroski said this parcel is .24 acres and the Brevard County Property Appraiser has assigned a market value of \$45,000. He said there is city owned property across the street. He mentioned that in the past discussions Amtrak was going to put a station at this location in the city. He said this Palmetto property would be essential for construction of a platform for a train station.

Mr. Dombroski said if the City bought these properties it would be contingent upon any due diligence including environmental testing.

Mr. Dombroski said if this site was paved and improved it would provide approximately 20 more parking spaces.

Mr. Ryals asked if this property is being leased.

Mr. Dombroski said this site is not currently used and there is no access to it. He said no appraisal was done for this property since the Brevard County Property Appraiser's estimated market value is \$45,000. He said the property will cost \$10,000 so a third-party appraisal is not necessary.

Mr. Dombroski said the negotiated cost with Flagler for both these properties is \$190,000. He said this would require \$20,000 cash down. He said the CRA would finance \$170,000 over 15 years and continue to lease the FEC right-of-way on the Depot Drive property, requiring an amended lease. He said there would be closing costs but there would be some reimbursement on the existing lease of approximately \$8,000.

Mr. Ryals asked what the existing lease amount is for the entire Depot property.

Mr. Dombroski said it was \$20,169 which increases 5% annually.

Mr. Dombroski said the combination of the amended lease and the loan payment is less than the current lease agreement, and over a five-year period the CRA would save over \$9,000.

Ms. Nichols asked what the amended lease amount is for the part of the property that CRA does not buy.

Mr. Ryals said \$6,750, compared to the current lease of \$20,100.

Mr. Dombroski said the city pays the annual property taxes on these properties which is approximately \$3,000 a year.

Mr. Ryals said that was an important consideration, since the property taxes would disappear if this deal moves forward.

Mr. Carmichael wondered if there would be 24 additional parking spaces on the city owned property if parcel number one was purchased and if the 48 parking spaces, under the current lease, would be free to use.

Mr. Dombroski said it would be maintained as it is today, there would not be any changes in the amount of parking.

Mr. Ryals thought it was financially wiser to buy the properties rather than lease them.

Mr. Dombroski said staff agreed.

Mr. Carmichael asked if parcel number two could be used for parking.

Mr. Dombroski said yes it could and even if some contamination was found, blacktop can be considered an appropriate remediation when used for parking.

Ms. Nichols asked what was located next to the property.

Mr. Dombroski said it backs up to Brownlie's Funeral Home.

Mr. Porsi wondered if there were any short or long term plans for parking at this property.

Mr. Dombroski said the property will be held "as is" for now.

Mr. Ryals asked if there was any public comment on this matter but there were no remarks.

Moved by Nichols/Carmichael to recommend acquisition for \$190,000 for FDG Rail Holdings 14 LLC (Palmetto) and FDG Flagler Station II LLC (Depot Parking); recommend approval of a loan agreement between the Melbourne Downtown CRA and the City of Melbourne and recommend approval of an amended lease agreement between the Melbourne Downtown CRA and Parallel Infrastructure, Inc.

Motion carried.

7. Melbourne Main Street Report

Jarin Eisenberg, Melbourne Main Street Executive Director

Ms. Eisenberg said the Zimmerman project was approved by City Council and will be moving forward in the near future.

Ms. Eisenberg said Melbourne Main Street (MMS) took over the Botanical Festival from the Florida Institute of Technology (FIT) and it was a fantastic event. She said there was approximately 6,000 people visiting Downtown Melbourne that day. She said it took place in the 1900 parking lot so there were no street closures. She said this event generated approximately \$5,000 and MMS donated \$2,000 to Green Gables.

Ms. Eisenberg said the Friday Fest is very successful. She mentioned there was a great turnout at Riverview Park for the mural dedication. She said MMS will be organizing a sidewalk sale soon. She said the Downtown Food and Wine Festival already sold 511 tickets which generated \$33,000 so far, she said the goal is to sell 1,500 tickets.

Ms. Eisenberg said the Economic Development Committee raised money and put together a marketing video about Downtown Melbourne.

Don DiFrisco, the Treasurer and a member of MMS, said the first formal budgets were produced for 2016 and 2017. He said the cash position for the year has increased by \$20,000 and the revenue increased through the grants and fundraising efforts by

30%. He said based upon the way the revenue is generated, financial reporting will change from an accrual based accounting system to a cash based.

Mr. DiFrisco said the net assets for 2016 changed by \$51,000, the budgeted revenue was increased by 16%. He said 100% of all of the assets are in cash or cash equivalency. He said in 2015 the revenue was at \$288,000, 2016 budget was \$322,000 and at the end of 2016 it was \$376,000 and the budget for 2017 is \$362,000. He said he does not anticipate a decline in revenue.

Mr. Ryals asked when will the budget year end.

Mr. DiFrisco said it is calendar year - January through December.

Mr. DiFrisco said the total revenue mix is shifting more to the private side as a result of the fundraising efforts. He said the CRA contribution portion is still an important part of MMS's overall funding scheme. He said the CRA represents 2017 budget at 20.69%.

Mr. DiFrisco reviewed all the financials with the Committee.

Mr. Ryals asked if \$220,000 was from the festival income total and \$156,000 for expenses.

Mr. DiFrisco said some expenses for festivals were lumped together and it is being corrected going forward.

Mr. DeFrisco said the operating expenses are almost \$325,000 versus the income of \$375,000. He said the fund balance is approximately \$51,000 for the year.

Mr. Carmichael asked about the expense line categories with regard to the revenue.

Mr. Ryals added that it would be \$40,000 instead of \$70,000 net for festivals.

Mr. DiFrisco said that was correct.

Mr. Porsi asked if there is a line item for downtown police participation.

Mr. DiFrisco said it is part of festival expense and required permits.

Mr. Ryals clarified that the yearly Downtown Community Policing Program is paid for by the CRA.

Mr. DiFrisco said Friday Fest police permits are anticipated to increase by 83%. Mr. DiFrisco said the permit increase was presented to City Council in October 2016 and was approved.

Mr. Dombroski said all organizations or private parties are charged for special events held in the City's right-of-way. He said the police are hired particularly when there is alcohol consumption as part of an event. He said Council looked at the rates for special activities and decided the city was losing substantial amount of money. He said the rates had not increased over many years.

Ms. Nichols asked if more police were being hired for these events.

Mr. Dombroski was not aware of those percentages.

8. Community Policing Quarterly Report

Officer Ryan Allen, Community Policing Officer

Officer Allen spoke about the Street to Home program and said there were 257 homeless last year in Melbourne and now there are 144 people which is a 44% decrease. He said as of May 30th, 175 adults and 21 children were being housed, 65 were put in subsidized housing and 4 have found housing with a relative. He felt this has made a tremendous, positive impact in Downtown Melbourne.

Mr. Porsi asked about the community meeting on Saturday at 10:00 a.m. in Manatee Park.

Officer Allen said this group is starting a new neighborhood watch.

Mr. Carmichael congratulated Officer Allen on the great success. He asked if placing people in homes is the only factor that has improved the program or are there other things such as increased attention to the problem that are making it less desirable for people to pan handle.

Officer Allen said that he noticed in the past, his only option was to arrest the homeless or tell them to leave but now he has other options available to him to offer help.

Ms. Nichols said on Babcock Street and Hibiscus there was a homeless couple begging for food so she wanted to know what the process was to get them help and asked if the community can call the police so they can get help.

Officer Allen said yes, every officer has the outreach number available to them.

Ms. Herendeen said this is so exciting and has had a positive impact on downtown.

Mr. Ryals thanked Officer Allen for all his great work.

9. Program and Project Updates

Mr. Dombroski said he did not have anything to report at this time.

10. General Public Comment

There was no public comment.

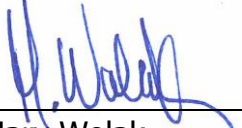
11. Additional Business

There was no additional business discussed.

12. Adjournment

The meeting was adjourned by Chairman Ryals at 9:12 a.m.

Respectfully submitted,



Mary Wolak
Recording Secretary