

Meeting Date
July 12, 2016



AGENDA	
Section	<b>CONSENT AGENDA</b>
Item No.	<i>II.D.8</i>

**AGENDA REPORT**  
**BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS**

SUBJECT:	<b>ACKNOWLEDGE RECEIPT OF FY 2014-2015 CITY OF MELBOURNE COMMUNITY REDEVELOPMENT AGENCY ANNUAL REPORT FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015</b>
DEPT/OFFICE:	BUDGET OFFICE

Requested Action:

It is requested that the Board acknowledge receipt of the 2014-2015 City of Melbourne Community Redevelopment Agency Annual Report for the fiscal year ending September 30, 2015.

Summary Explanation & Background:

In accordance with Florida Statute 163.356(3)C and 163.387(8), the City of Melbourne Community Redevelopment Agency is providing the Brevard County Board of County Commissioners a copy of their 2015 Annual Financial Report.

**Fiscal Impact:** There is no fiscal impact.

Clerk to the Board instruction: Maintain necessary documents for records retention.

Exhibits Attached: The FY 2014-2015 City of Melbourne Community Redevelopment Agency Annual Report.

Contract /Agreement (If attached): Reviewed by County Attorney    Yes     No     PR

County Manager

Stockton Whitten

Assistant County Manager

Department Director / Extension

Tom Rosenberg/52854

Thomas.rosenberg.brevardcounty.us



Tammy Rowe, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

Telephone: (321) 637-2001  
Fax: (321) 264-6972  
Tammy.Rowe@brevardclerk.us

July 13, 2016

MEMORANDUM

TO: Tom Rosenberg, Budget Director

RE: Item II.D.8., Acknowledgement of FY 2014-2015 City of Melbourne Community  
Redevelopment Agency Annual Report for the FY Ending September 30, 2015

The Board of County Commissioners, in regular session on July 12, 2016, acknowledged receipt of the Fiscal Year 2014-2015 City of Melbourne Community Redevelopment Agency Annual Report for the Fiscal Year ending September 30, 2015.

Your continued cooperation is greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS  
SCOTT ELLIS, CLERK

Tammy Rowe, Deputy Clerk

/kp

cc: County Manager  
Finance

# City of Melbourne



Financial Services Department

900 E. Strawbridge Avenue • Melbourne, FL 32901 • (321) 608-7010 • Fax (321) 608-7048

May 25, 2016  
16F – 05159

Mr. Thomas Rosenberg, Director-Budget Office  
Brevard County Government Center  
2725 Judge Fran Jamieson Way, Bldg. C  
Viera, FL 32940

Subject: City of Melbourne Downtown Redevelopment Agency  
Babcock Redevelopment Agency  
Olde Eau Gallie Redevelopment Agency

Dear Mr. Rosenberg:

As required by Chapter 163.356(3)C, Florida Statutes, attached is the 2015 Annual Report for the Community Redevelopment Areas (CRA's) within the City of Melbourne. Also, enclosed is the City of Melbourne's Comprehensive Annual Financial Report which includes the financial activity of Melbourne's Community Redevelopment Agencies on pages 18 thru 22 of the Report. The statement of revenues, expenditures, and changes in fund balances identifies the revenues and expenditures, including principal and interest, as required by Chapter 163.387(8), Florida Statutes. The other financing uses (transfers out) were used for the following purposes:

Downtown -	\$60,000 Downtown façade improvements; \$285,000 800 E. Strawbridge Ave – land purchase; \$20,000 Riverview Park improvements; \$40,000 Henegar Center building Improvement; \$50,000 618 Melbourne Ave. Reverter Clause
Babcock -	\$40,000 for Babcock façade improvements; \$260,000 for Babcock medians; \$40,000 Babcock Economic Development Plan; \$40,000 FDOT NASA Resurface/CRA Enhancement Project
Eau Gallie-	\$10,000 Eau Gallie façade improvements

The ability to institute revitalization projects within the City's targeted redevelopment areas would not be possible without the County's participation. We recognize that these efforts improve the economic vitality within the respective districts and also improve the quality of life for all of the residents of Brevard County. We look forward to continuing our working relationship in the transformation of the Historic Downtown Melbourne, Babcock Street and Olde Eau Gallie Redevelopment Districts.

The report may be viewed on the City's website at  
<http://www.melbourneflorida.org/departments/financial-services/accounting>.

Sincerely,



Sondra D'Angelo  
Interim Director of Finance

Enclosures

c (w/o Enclosures):

Stockton Whitten, Brevard County Manager  
Mel Scott, Assistant Brevard County Manager  
Michael A. McNees, City Manager  
Jenni Lamb, City Engineer  
Cindy Dittmer, Community Development Director  
Downtown Redevelopment Agency file  
Babcock Redevelopment Agency file  
2015 CAFR file

An Equal Opportunity Employer

City of  
**Melbourne**  
The Harbor City



2015 Annual Reports

Melbourne Community Redevelopment Agencies

Melbourne Downtown CRA

Babcock Street CRA

Olde Eau Gallie Riverfront CRA

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## **City of Melbourne 2015 Annual CRA Reports**

Downtown Melbourne, Old Eau Gallie Riverfront, and Babcock Street comprise the Community Redevelopment Areas (CRA)'s within Melbourne city limits. The following is an overview of the three CRA areas and current projects which were completed in 2015, or are in progress within the existing districts. Specific financial information such as assets, liabilities, income and operating expenses of the individual CRA trust funds, are found within the City of Melbourne's Annual CAFR. Balance sheets and statements of revenues and expenditures for all three CRA's are also found in Appendix 'A' of this report. The CRA annual fiscal budgets begin on October 1<sup>st</sup> and end on September 30<sup>th</sup> of each year. This narrative report identifies CRA activities during the fiscal reporting period of 2015. The CRA maps indicate the current boundaries of Melbourne's three CRA districts.

## Downtown Melbourne

The original CRA was established in 1982. In 2006, the Downtown CRA completed a major plan amendment, including an expansion of its boundaries, primarily to the South along the US 1 Corridor. The Downtown CRA boundaries contain approximately 241 acres. The current 2015-2016 Downtown CRA revenue from tax increment and interest income is \$1,052,342, which supports the current operating budget, CRA projects and, CRA programs.



Downtown CRA revenues have increased gradually over the last two previous cycles, showing signs of stabilization from the periods of flat and decreasing revenue from 2009 to 2013. The current revenue in 2015-2016 is over 9.5% higher than the previous year, because of higher property valuations and increased millage rates. The Downtown CRA is beginning to realize enough revenues to contemplate construction of larger capital projects. In 2015 the CRA Advisory Committee reconfirmed that capital project priorities would be focused in the South Expansion area of the CRA.

Downtown CRA Capital Improvement Program, CRA projects and initiatives in 2015 consisted of the following:

- The **Phase I South Expansion Streetscape Project** conceptual planning was completed in 2013, which included two public workshops. The conceptual study area included U.S. Highway 1, Prospect Avenue, and Stone Street. The CRA Board approved an \$80,000 first phase of engineering for this project on U.S. Highway 1, with project limits from Crane Creek to Line Street. Engineering for this project began in 2014. The plans are at 60% completion and the CRA would look to begin constructing the project in 2018 through a CRA bond issue estimated between \$1.8M and \$2M. The project will include landscaped median installation, new sidewalks, paver accents, and lighting.
- One **Façade Improvement Program** project was completed in 2015, with four more that are currently under construction nearing completion. CRA funding in the amount of \$52,000 has been committed in 2015. It is estimated that these projects will leverage over \$200,000 in additional private investment. The CRA provides appropriations on an annual basis to fund the program.
- A portion of the **Phase I Riverview Park Improvement Project** is planned to begin in 2016 for \$351,000. The anticipated 2016 improvements include a large playground facility, picnic pavilions, site amenities and an all-purpose trail in the north-west quadrant of the Park. Riverview Park Master Plan improvements for the 15 acre park were estimated at \$6 million in 2013, requiring the completion of projects over time. Riverview Park is an important key to the redevelopment efforts in the South Expansion Area, which will be utilized by the community and will become a regional attraction. Staff has used the master plan to apply for grant funding from the Florida Recreation Development Assistance Program (FRDAP) and HUD's Community Development Block Grant Program. Additionally the CRA has scheduled funding on an annual basis to complete projects in the plan.
- The **West Crane Creek Pedestrian Bridge Project** has been included in the CRA's capital improvement program since 2012. The CRA Board purchased a property in 2012 for the south landing area. The CRA has \$47,000 of appropriations available for engineering and permitting and the CRA/City intends to apply for Florida Inland Navigation District funding for this project in 2017.
- The **Henegar Center Building Improvement Program** was approved through a Downtown CRA Redevelopment Plan Amendment in 2013. This program provides a 5-year annual capital matching grant for building improvements. The third-year of reimbursement was only partially claimed in 2015 for a total of \$3,905. The Total CRA expenditures to date are \$83,905. The Henegar Center intends on utilizing most of the remaining funding for a planned 2,000 sf addition, which will be constructed in 2016.

- The ***Public-Private Development Program*** was adopted as a redevelopment plan amendment in 2014. The program received its first application at the end of 2015 for the Highline residential mixed-use development. This first development is 124 unit high-end apartments with 7,600 sf first floor commercial/retail space. The Downtown Melbourne CRA Board established the program to enable the Agency to enter into public-private partnerships for facilitation of desired large scale real estate development projects. The program will target vertical mixed-use, residential, office, and hotel projects having investment of \$5 million or more. The Downtown Community Redevelopment Agency (CRA) will utilize tax increment finance (TIF) or other CRA assets, to leverage private real estate investment opportunities, to develop markets that are deficient or that do not currently exist in Downtown Melbourne.



*Phase I of Riverview Park Improvements are scheduled to commence in 2016. The City and CRA has utilized the Riverview Park Master Plan for grant opportunities as they become available. Initial improvements will include the following projects depending on funding availability: a playground, trails, picnic pavilions, restrooms, parking, and entry features. The conceptual playground that will be installed in 2016 is pictured above.*



Renovation to 928-932 E. New Haven was completed in 2015 and involved CRA funding for façade improvements of the property. The renovated property pictured in the middle restored openings to the second level including a balcony.



Pictured to the left, prior to the renovation of 928-932 East New Haven, a false front covered first and second floor openings. The second level had been primarily used as storage prior to the renovation.

The Downtown CRA has prioritized a number of projects and initiatives for 2016 and beyond. Projects and goals outlined by the CRA Advisory Committee are under development and some are in the early stages of planning.

Goals and objectives for 2016 consist of the following:

- Complete engineering for the South Expansion Streetscape Project in 2016;
- Continue the Façade Improvement Program, providing CRA funding on an annual basis;
- Complete first projects of the Phase I Riverview Park Improvements;
- Complete permitting for the Crane Creek Pedestrian Bridge;
- Complete a fourth year of grant funding to the Henegar Center for building improvements;
- Successfully approve one project through the Public-Private Development Program;
- Address management of nighttime economy and maintaining a balance of uses (retail, office, entertainment, residential, etc.) ; and
- Begin evaluation of parking management as an economic development initiative in Downtown.

## Babcock Street

The Babcock Street CRA was established in 1997 and was expanded twice, once in 2001 and again in 2003. The area contained within the CRA boundaries is approximately 538 acres. The current 2015-2016 Babcock CRA revenues of \$749,579 that supports the operating budget, programs and projects is a combination of City and County tax increment revenue, as well as interest income. After flat revenue growth over the two previous years, the Babcock CRA has realized an approximate 15% increase in the 2015-2016 budget over the previous year.



The CRA has completed, identified or continues to work on the following projects within the Babcock CRA Capital Improvements Program:

- The south portion "Phase B" of the **Phase III Medians Project** is currently being redesigned in-house by the City's Engineering Department. Staff anticipates holding a workshop for the affected property owners through this portion of the project. The project limits extend from the FEC Rail Road to Avenue A. Additionally, staff will proceed in acquiring the necessary ROW and easements in

2016 with an anticipated construction commencement in 2017. Project improvements include: lighting, sidewalks, water lines, sewer repairs landscaped medians, and hardscape accents. The demolition of the dilapidated former sign shop located at 311 S. Babcock was also completed;

- The **Babcock Facade Improvement Program** continues to be helpful in assisting area owners and businesses with exterior building renovations. Two projects were completed in 2015 utilizing \$32,389 of CRA funding that leveraged an estimated \$513,000 of private investment. One project is currently under construction;
- The **Babcock FDOT Widening & CRA Enhancement Project** is substantially complete. Primarily a Florida Department of Transportation widening project, a portion of the project (U.S. Highway 192 to Fee Ave. Park) is within the Babcock Street CRA. Babcock CRA funding of approximately \$116,000 was used for upgrades to landscape, lighting, crosswalks, retention pond fountains, and signage. The district sign was installed in 2015 but the fountain remains as an element for completion in 2016;
- The **Babcock CRA Small Business Assistance Plan** was adopted by the CRA Board in 2014. In 2016, the CRA will begin efforts to expand the CRA district, and extend the sunset period requiring a CRA redevelopment plan amendment. Both the extension and expansion are necessary to provide needed roadway infrastructure and capacity improvements in support of the Babcock CRA's Economic Development efforts;
- The **Babcock CRA NASA Landscape Medians Project** was included as a new project in 2014 within the Babcock CRA's five-year capital plan. It is intended to provide additional enhancements to the NASA Florida Department of Transportation (FDOT) roadway resurfacing project. The FDOT project is currently under construction. Primarily a resurfacing project, the Department of Transportation is also installing sidewalks, alleviating sidewalk gaps, and adding bike lanes. The CRA will be contributing to the project to enhance the medians with landscape installation and irrigation. A \$30,000 design of the median landscape and irrigation will be completed in 2016. The CRA hopes to leverage a landscape materials grant from FDOT. This corridor serves as the gateway to the Orlando-Melbourne International Airport; and
- The **Hickory Street Complete Streets Project** has been designed and the Babcock CRA is participating with funding to construct the "festival street" portion of the plan. CRA Funding of \$150,000 was allocated within the 2015-2016 Capital Improvement Program over two years, to ensure this portion of the project was economically feasible. Once completed the festival street design allows for an outdoor event location tucked next to Wells Park which will promote activity within the CRA district. Construction is slated to begin in 2016.

## Babcock Street CRA 2015 Capital Projects



Construction on the Babcock Street FDOT widening and CRA Enhancement Project was completed at the end of 2015. CRA beautification efforts include landscaping in the medians and around the retention pond. A district sign was installed in 2015 and fountain will also be installed in 2016.

10 East New Haven, a former service station and used car sales lot at the right was demolished with CRA funding from the Babcock Façade Program. The commercial center below was constructed and replaced the vacant service station.



The Babcock Street CRA Advisory Committee has outlined a series of goals for achievement in 2016 and future program years. The following projects, programs and initiatives have been identified by the CRA:

- Complete redesign of the south section Phase III Medians Project, acquire all necessary right-of-way or easement through the south section 'B';
- Complete the FDOT Enhancement Project to include the installation of a fountain within the retention pond, and consider additional improvements in that corridor;
- Complete landscape architecture and irrigation design for the Babcock CRA NASA Landscape Medians project;
- Begin construction of the Hickory Street festival street;
- Begin an RFP process for 311 S. Babcock for private redevelopment;
- Continue funding and promotion of the Babcock Façade Improvement Program; and
- Begin implementation of the Babcock Street CRA Business Assistance Plan by extending the sunset of the CRA and expanding the district.

## Olde Eau Gallie

The Olde Eau Gallie Riverfront CRA was established in 2000 and was expanded in 2005 containing approximately 217 acres within its boundaries. The current 2015-2016 Olde Eau Gallie CRA revenues of \$272,504 from tax increment funding and interest supports the operating budget, programs, and capital projects of the agency. The current budget revenues are approximately 25% higher than the previous year. This is a positive sign that the agency will be able to financially support a large capital project in the future. The Eau Gallie CRA is still recovering from the severe year over year declines between 2009 and 2013.



In 2015, projects in the Eau Gallie CRA Capital Program progressed forward despite the lack of robust TIF revenue. The following highlights the accomplishments in Eau Gallie over the last year:

- The **Highland Avenue Parking Lot Improvements** was completed in 2015. The City of Melbourne was awarded an EPA grant in the amount of \$103,000 to improve the Highland Avenue parking lot with integrated storm water retention and landscaping. While the improvement project was a goal of the CRA, this improvement is being completed without the need for CRA funding.
- The **Eau Gallie Façade Improvement Program** and the **Arts District Overlay Incentive Program** continue on with a nominal amount of existing funding. The lack of funding has limited the need to extensively market the programs and funding will be targeted for impact projects. One Art District Overlay Incentive Program project was completed in 2015 at 1861 Highland Avenue. The residential property was converted to a professional office;
- The **Real Estate Investment Refund Program** was implemented in 2014, and had its first application in 2015. Accent Technologies was approved to receive a 65% TIF reimbursement over five-years for their investment in 1411 Highland Avenue. The company has pledged 25 to 30 new full-time employees will be working in the district. This program incentivizes private real-estate development projects, by pledging a reimbursement of the TIF generated from the new investment resulting from the redevelopment;
- **Eau Gallie Boulevard FDOT Streetscape Enhancements** have been incorporated into the Florida Department of Transportation's (FDOT) resurfacing project on Eau Gallie Boulevard. This FDOT resurfacing project will include \$38,000 of CRA enhancements within the downtown core, to include landscaped bulb-outs and stamped asphalt crosswalks. These enhancements are consistent with the Eau Gallie Phase I Streetscape conceptual plans that were completed in 2013;
- The **Eau Gallie Central Business Overlay Zone (CBOZ)** was developed by staff and approved by the CRA Board/City Council in 2015. The CBOZ is a tool to removing development barriers in Melbourne's urban core areas, where developing dense vertical mixed-use projects is difficult and costly. The overlay zone achieved the following: it removed the Eau Gallie Height Overlay that limited vertical development, reduced parking space sizes, and reduced the number of parking spaces required for multi-family residential and hotel projects. Additionally, the overlay provides more opportunity for outdoor display and seating.
- A **Redevelopment Plan Amendment** in 2015 provided for a minor expansion to include two properties (1971 Pineapple Avenue and 1951 Pineapple Avenue) that were adjacent to the CRA boundary. This CRA expansion to include blighted vacant property is intended to help promote redevelopment in that location.



1861 Highland Avenue Arts District Overlay Incentive Project was completed in 2015. The building is used as a professional office.



Highland Avenue parking lot purchased by the CRA was formerly a gravel lot. Improvements were completed by the City in 2015 with EPA grant funding. The project provides storm water quality improvements.

The Eau Gallie CRA Advisory Committee has prioritized the following projects and initiatives to be completed over the next five years:

- Continue marketing the Eau Gallie Arts District Overlay Zone Incentive Program with the goal of completing one project in 2016;
- Continue to promote the Façade Improvement Program within the targeted commercial area of the CRA and completing one impact project;
- Continue marketing efforts for the Olde Eau Gallie Riverfront CRA Real Estate Investment Refund Program to potential development projects;
- Begin engineering and design of Highland Avenue lighting and site improvements;
- Work with the EGAD Main Street organization to study parking opportunities, and management of the existing parking supply;
- Coordinate completion of CRA improvements with FDOT for Eau Gallie Boulevard enhancements; and
- Study the rezoning of a portion of the CRA situated west of U.S. Highway 1, east of the FEC Rail lines, and north of Eau Gallie Boulevard.

## Appendix A

Fiscal Year End CRA Balance Sheets  
Statements of Revenues and Expenditures  
October 2014 - September 2015

**CITY OF MELBOURNE, FLORIDA  
BALANCE SHEET  
DOWNTOWN REDEVELOPMENT  
SEPTEMBER 30, 2015**

**ASSETS**

Equity in pooled investments	\$ 120,405
Interest receivable	<u>141</u>
Total assets	<u>\$ 120,546</u>

**LIABILITIES AND FUND BALANCE**

Liabilities:	
Accounts payable	\$ 19,164
Accrued payroll expenditures	<u>6,189</u>
Total liabilities	<u>25,353</u>
Restricted fund balance	<u>95,193</u>
Total liabilities and fund balance	<u>\$ 120,546</u>

**CITY OF MELBOURNE, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES.**  
**DOWNTOWN REDEVELOPMENT**  
**THE YEAR ENDED SEPTEMBER 30, 2015**

<b>REVENUES</b>	
Intergovernmental	\$ 955,510
Investment earnings	<u>2,654</u>
Total revenues	<u>958,164</u>
 <b>EXPENDITURES</b>	
Current:	
General government	622,853
Debt service:	
Principal	125,535
Interest and fiscal agent fees	<u>26,816</u>
Total expenditures	<u>775,204</u>
Excess of revenues over expenditures	<u>182,960</u>
 <b>OTHER FINANCING USES</b>	
Transfers out	<u>(455,000)</u>
Net change in fund balance	(272,040)
Restricted fund balance, October 1	<u>367,233</u>
Restricted fund balance, September 30	<u>\$ 95,193</u>

**CITY OF MELBOURNE, FLORIDA  
BALANCE SHEET  
BABCOCK REDEVELOPMENT  
SEPTEMBER 30, 2015**

**ASSETS**

Equity in pooled investments	\$ 221,167
Interest receivable	<u>251</u>
Total assets	<u>\$ 221,418</u>

**LIABILITIES AND FUND BALANCE**

Liabilities:	
Accounts payable	\$ 745
Accrued payroll expenditures	<u>7,712</u>
Total liabilities	<u>8,457</u>
Restricted fund balance	<u>212,961</u>
Total liabilities and fund balance	<u>\$ 221,418</u>

**CITY OF MELBOURNE, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**BABCOCK REDEVELOPMENT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

<b>REVENUES</b>	
Intergovernmental	\$ 645,083
Investment earnings	<u>2,286</u>
Total revenues	<u>647,369</u>
 <b>EXPENDITURES</b>	
Current:	
General government	<u>202,434</u>
Excess of revenues over expenditures	<u>444,935</u>
 <b>OTHER FINANCING USES</b>	
Transfers out	<u>(380,000)</u>
Net change in fund balance	64,935
Fund balance, October 1	<u>148,026</u>
Fund balance, September 30	<u><u>\$ 212,961</u></u>

CITY OF MELBOURNE, FLORIDA  
BALANCE SHEET  
EAU GALLIE REDEVELOPMENT  
SEPTEMBER 30, 2015

**ASSETS**

Equity in pooled investments	\$	257,349
Interest receivable		<u>288</u>
Total assets	\$	<u><u>257,637</u></u>

**LIABILITIES AND FUND BALANCE**

Liabilities:

Accounts payable	\$	620
Accrued payroll expenditures		3,043
Due to other funds		36,064
Advances from other funds		<u>138,994</u>
Total liabilities		<u>178,721</u>

Resticted fund balance		<u>78,916</u>
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Total liabilities and fund balance	\$	<u><u>257,637</u></u>
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**CITY OF MELBOURNE, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**EAU GALLIE REDEVELOPMENT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**REVENUES**

Intergovernmental	\$	212,231
Investment earnings		1,744
Other revenue		<u>5,000</u>
 Total revenue		 <u>218,975</u>

**EXPENDITURES**

<b>Current:</b>		
General government		142,686
 <b>Debt service:</b>		
Interest and fiscal agent fees		<u>3,694</u>
 Total expenditures		 <u>146,380</u>
 Excess of revenues over expenditures		 <u>72,595</u>

**OTHER FINANCING USES**

Transfer out		<u>(10,000)</u>
 Net change in fund balances		 62,595
 Fund balance, October 1		 <u>16,321</u>
 Fund balance, September 30	\$	 <u><u>78,916</u></u>