



Agenda Report

2725 Judge Fran Jamieson
Way
Viera, FL 32940

New Business - County Manager

J.3.

5/4/2021

Subject:

Interlocal Agreement between the City of Melbourne, Olde Eau Gallie Riverfront Community Redevelopment Agency and Brevard County

Fiscal Impact:

The Interlocal Agreement provides the framework for an extension of the City of Melbourne's Olde Eau Gallie Riverfront Community Redevelopment Agency (CRA) from August 29, 2025 to September 2038. For Fiscal year 2021, the County's tax increment funding contribution to the CRA was \$209,650.00.

Dept/Office:

County Manager

Requested Action:

It is requested that the Board of County Commissioners adopt the Interlocal Agreement between the City of Melbourne, Olde Eau Gallie Riverfront Community Redevelopment Agency, and Brevard County.

Summary Explanation and Background:

On May 10, 2017 the Board directed the County Manager to move forward with the negotiation of interlocal agreements with the Cities and Community Redevelopment Agencies (CRAs) within Brevard County. Since that time, the Board has entered into Internal Local Agreements with various cities and CRA's within the County. The City of Melbourne and the Olde Eau Gallie Riverfront Community Redevelopment Agency (CRA), however, have not, entered into an interlocal agreement.

The County Manager and the County Attorney commenced discussions with the City of Melbourne staff in late 2017 to negotiate terms of an Interlocal Agreement relating to the transitioning of the CRA with the possibility of extending the CRA for infrastructure needs. Recently, the City proposed to finance a public parking garage funded from the County and City contribution of tax increment funds. To facilitate the construction of the needed parking garage, in an amount not-to-exceed \$6.835 million, the Interlocal Agreement provides that the County will pass a Resolution within 90 days of the execution delegating limited authority to the City, such limited authority to include among other limitations, that (1) the sole agency project shall be the construction of a parking garage that doesn't exceed \$6.835 million in principal (less current funds in the amount approximately of \$589,638 to be set aside in the Trust Fund for the project), (2) for a period 50 years, the garage is to be used by the public without charge with 90 percent of the parking spaces reserved for the

public, (3) tax-exempt debt will be issued to finance the parking garage, (4) administrative expenses shall be limited to those required by Statute, the interlocal agreement, or the Special Districts Offices of the Florida Department of Economic Opportunity, not to exceed 5% of the County's TIF contribution until FY 2023-2024 with no County TIF expended for administrative costs thereafter, and (5) extend the termination of the CRA to September 30, 2038 .

The City of Melbourne and the Olde Eau Gallie CRA executed the interlocal agreement on April 13, 2021.

Clerk to the Board Instructions:

Provide executed copies of the Interlocal Agreement to the following parties: County Attorney, County Manager, and the City of Melbourne



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

Telephone: (321) 637-2001
Fax: (321) 264-6972
Kimberly.Powell@brevardclerk.us

May 5, 2021

MEMORANDUM

TO: Frank Abbate, County Manager

Attn: Katherine Wall

RE: Item J.3., Interlocal Agreement between City of Melbourne, Olde Eau Gallie Riverfront Community Redevelopment Agency (CRA), and Brevard County

The Board of County Commissioners, in regular session on May 4, 2021, approved an Interlocal Agreement between the City of Melbourne, Olde Eau Gallie Riverfront CRA, and the County. Enclosed is a fully-executed Agreement.

Upon recordation, please return the recorded ILA to this office for inclusion into the official minutes.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
RACHEL M. SADOFF, CLERK

A handwritten signature in cursive script that reads "Kimberly Powell".

Kimberly Powell, Clerk to the Board

Encl. (1)

cc: Commissioner Tobia
County Attorney
Finance
Budget

RECEIVED

MAY 13 2021

County Manager's
Office

**INTERLOCAL AGREEMENT
BETWEEN CITY OF MELBOURNE,
OLDE EAU GALLIE RIVERFRONT COMMUNITY REDEVELOPMENT AGENCY AND
BREVARD COUNTY**

THIS INTERLOCAL AGREEMENT is entered into by and between the following Parties: the CITY OF MELBOURNE, a Florida municipal corporation, 900 E. Strawbridge Ave., Melbourne, Florida 32901(hereinafter "the CITY"), the OLDE EAU GALLIE RIVERFRONT COMMUNITY REDEVELOPMENT AGENCY, a Florida dependent special district created pursuant to Part III, Chapter 163, Florida Statutes, 900 E. Strawbridge Ave., Melbourne, Florida 32901 (hereinafter "the AGENCY"), and BREVARD COUNTY, a political subdivision of the State of Florida, in its own name and in behalf of each County Taxing Authority, as defined in section 2b., below), 2725 Judge Fran Jamieson Way, Viera, Florida 32940 (hereinafter collectively called "the COUNTY").

WITNESSETH:

WHEREAS, the CITY created the AGENCY pursuant to CITY Resolution No. 1657 and Ordinance No. 2001-23 after the COUNTY delegated its authority under Part III, ch.163, Florida Statutes, as set forth in COUNTY Resolution 2000-249; and

WHEREAS, the CITY created a tax increment redevelopment trust fund (AGENCY tax increment fund) pursuant to section 163.387, Florida Statutes, and CITY Ordinance No. 2001-23 as a part of the noted CITY and COUNTY enabling authority; and

WHEREAS, the CITY and COUNTY have continuously paid their respective full AGENCY tax increment payments required by section 163.387(1), Florida Statutes, and CITY Ordinance No. 2001-23 to the AGENCY since the first fiscal year of the AGENCY's operation; and

WHEREAS, the AGENCY desires to carry out community redevelopment objectives in the District by constructing a parking garage pursuant to section 163.370(2)(c)3. Florida Statutes, in the blighted and cramped downtown Eau Gallie area to revitalize it; and

WHEREAS, in order for AGENCY to finance and construct said parking garage, the AGENCY requires an extension to its termination date; and

WHEREAS, the CITY and COUNTY have enjoyed an excellent relationship over the years, and desire to cooperate in achieving the AGENCY's community redevelopment goals; and

WHEREAS, the COUNTY also has budgetary needs to improve transportation and roadways.

NOW, THEREFORE, the Parties mutually agree as follows:

1. **RECITATIONS.** The foregoing recitations are true and correct and incorporated by this reference.

2. **DEFINITIONS.** The terms below shall have the indicated meanings.

a. "Increment" or "Tax Increment" shall have the same meaning as "increment" as set forth in section 163.387(1)(a), Florida Statutes.

b. "County Taxing Authority" means Brevard County, through its Board of County Commissioners and any County established municipal services taxing unit or dependent special districts in behalf of which the County levies taxes or approves a budget to the extent such municipal services taxing unit or dependent special district is required to contribute a tax increment to the tax increment fund established by the CITY for the AGENCY in accordance with the requirements of section 163.387, Florida Statutes.

3. **AUTHORITY.** This Agreement is being entered into under the authority vested in the Parties by section 163.387(3)(b), Florida Statutes and, pursuant to that authority, supersedes any provision or requirement set forth in section 163.387, Florida Statutes to the extent of any conflict with this agreement and that statutory provision.

4. **AGENCY TERMINATION DATE.** The AGENCY currently terminates on August 29, 2025. In order to facilitate the construction of the parking garage, within 90 days of the execution of this agreement, the COUNTY shall pass a resolution to permit the CITY and AGENCY to extend the termination date of the AGENCY to September 30, 2038. The Parties agree the AGENCY, CITY and COUNTY shall take such actions as may be required to terminate the AGENCY on the AGENCY termination date, which actions shall include the amendment or repeal of any CITY or COUNTY resolutions or ordinances (1) delegating authority to the CITY to create an AGENCY and (2) creating the AGENCY and AGENCY tax increment fund. In accordance with section 163.387(3)(b), Florida Statutes, notwithstanding any provision in section 163.387, Florida Statutes to the contrary, after the AGENCY termination date, the COUNTY shall no longer be required to contribute a tax increment of any amount to the AGENCY tax increment fund.

In the event the AGENCY is able to complete the parking garage project and satisfy all indebtedness related to the parking garage project prior to September 30, 2038, the CITY and AGENCY agree to take such actions with the COUNTY as may be required to terminate the AGENCY prior to September 30, 2038 as set forth in this section.

5. **INDEBTEDNESS.** After the execution of this agreement, the Parties agree that the CITY, as regards the AGENCY, and the AGENCY shall not borrow money, issue any kind of bond, pledge tax increment funds to a bond, incur indebtedness beyond 12 months, enter

contracts for services or supplies extending beyond 12 months, or apply for and accept advances, loans or any other repayable financial assistance, or to give such security as may be required for any of the above. Notwithstanding this, the COUNTY agrees that CITY and AGENCY may do all of the above to finance the construction of a parking garage in downtown Eau Gallie provided the indebtedness (a) does not exceed the termination date of the AGENCY, (b) is tax-exempt, and (c) does not exceed \$6.835 million in principal for the remaining term of the AGENCY. The CITY agrees to assume, and to be fully liable for any indebtedness owed by the AGENCY after the AGENCY termination date, as provided in section 189.076(2), Florida Statutes.

6. PROJECT IDENTIFICATION, WINDING DOWN AND TAX INCREMENT FUNDING.

a. The sole AGENCY project shall be the construction of the parking garage. The Parties agree that, for a period of fifty (50) years, there shall be no parking fees for the public to park in the parking garage and 90 percent the spaces in the garage shall be reserved for the public. CITY and AGENCY shall execute a deed restriction to be recorded in the public records of Brevard County, Florida providing that the garage is to be used by the public without charge for a period of fifty (50) years. The deed restriction shall provide enforcement rights to Brevard County, Florida and be recorded with this Interlocal Agreement.

b. No tax increment funding may be transferred outside the trust fund accounts to city capital fund accounts.

c. The Parties agree that the CITY and AGENCY will wind down all other AGENCY projects, obligations and actions, so that after the end of Fiscal Year 2021, the AGENCY shall cease all other expenditures except for the construction of the parking garage project and the long-term indebtedness associated with it, and any administration expenses of the AGENCY required by Statute, this agreement or the Special Districts Office of the Florida Department of Economic Opportunity. All other expenditures shall cease, including operating and capital outlay expenses.

d. From Fiscal Year 2022 onward, the Parties agree that any unspent tax increment funds shall be used to reduce the amount of indebtedness on the parking garage project pursuant to section 163.387(7)(b), Florida Statutes; deposited into an escrow account for the purpose of later reducing the amount of indebtedness on the parking garage project pursuant to section 163.387(7)(c), Florida Statutes; or returned to the Taxing Authorities at the end of each fiscal year pursuant to section 163.387(7)(a), Florida Statutes.

7. BOUNDARIES. The Parties agree that the CITY and AGENCY will not modify the community redevelopment plan to expand the boundaries of the Community Redevelopment Agency (CRA).

8. COUNTY TAX INCREMENT PAYMENT. As required by section 163.387, Florida

Statutes, the COUNTY shall continue its annual contribution to the AGENCY tax increment trust fund in every fiscal year through the AGENCY Termination Date.

9. **CITY PAYMENT INTO AGENCY TAX INCREMENT FUND.** Nothing in this agreement shall be deemed to prevent the CITY from continuing to contribute into the AGENCY tax increment fund through the AGENCY termination date, or through any extension of the AGENCY termination date approved by the COUNTY in the future.

10. **ANNUAL AUDIT; REPORT; AND MEETING.** Each year, the AGENCY shall prepare and submit to the COUNTY a report in the form set forth in Exhibit A, attached and incorporated by this reference. The AGENCY shall prepare and submit to the COUNTY an annual report of the AGENCY to include audited financial statements to the COUNTY, as required by section 163.387(8), Florida Statutes. The CITY and AGENCY agree to contractually require an independent auditor preparing the audit report to examine AGENCY expenditures and certify that all AGENCY tax increment fund revenues have been lawfully expended solely in compliance with and for community redevelopment purposes authorized by law, under the provisions of Chapter 163, Part III, Florida Statutes, and the terms of this agreement. The City Manager of the CITY or Chairperson of the Agency governing body shall annually meet with the County Commissioner in whose District the Agency is located to discuss the annual and audit reports. The CITY, AGENCY, and COUNTY agree that, in accordance with its authority under section 125.01(1)(x), Florida Statutes, at any time during the remaining term of this agreement, the COUNTY shall have the right to require the AGENCY to retain an independent auditor to conduct a performance audit paid for by the COUNTY.

11. **PROJECT IDENTIFICATION.** The Parties agree that the Agency plan shall specifically identify the Agency redevelopment project as the construction of a parking garage in downtown Eau Gallie. Any changes to the Agency plan subsequent to the execution of this Agreement shall require the approval of the Brevard County Board of County Commissioners.

12. **LIMITATION ON ADMINISTRATIVE EXPENSES.** No provision of this Agreement shall be construed or interpreted as limiting or prohibiting the CITY from annually providing administrative services to the AGENCY which are necessary and incidental to the implementation of the AGENCY Community Redevelopment Plan adopted by the CITY and the AGENCY. Additionally, each fiscal year, the AGENCY shall be permitted to reimburse the CITY for such annual administrative services as limited by paragraph 6b of this agreement. However, said reimbursement, payable from COUNTY tax increment funds, shall not exceed five percent (5%) of the total COUNTY tax increment funding for fiscal year 2021-2022 and 2022-2023, and no COUNTY TIF shall be expended for administrative expenses after Fiscal Year 2023-2024.

13. **EFFECT OF AGREEMENT.** This Agreement, including the exhibits, and any written amendments executed by the Parties to this Agreement constitute the entire agreement between the Parties. This Agreement may be amended only by written agreement approved

and executed with the same formalities as this Agreement by all Parties. This Agreement supersedes all prior agreements to the extent that they are in conflict with this Agreement. Nothing in this Agreement shall be interpreted as modifying the authority of the Board of County Commissioners as outlined in Section 3(b) of Resolution 2000-249.

14. **ATTORNEY'S FEES.** In the event any litigation arises out of this Agreement or under this Agreement, each party shall bear its own attorney's fees and costs.

15. **NOTICES.** All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and, in the case of notice to the City or County Manager, by email. Notice shall be deemed to have been duly given if emailed and by personal delivery or deposit of the same in first class mail, postage prepaid by certified mail:

CITY and CRA:

City Manager/AGENCY Director
City of Melbourne
City Hall, Fifth Floor
900 E. Strawbridge Ave
Melbourne, FL 32901
(email address available at City Website)

COUNTY:

County Manager
2725 Judge Fran Jamieson Way
Melbourne, FL 32940
(email address available at County Website)

or to such other addresses such by notice in writing to any other parties.

16. **GOVERNING LAW.** The validity, construction and enforcement of and the remedies under this agreement shall be governed in accordance with the laws of the State of Florida, and venue of any proceeding shall be Brevard County, Florida.

17. **SAVINGS CLAUSE.** The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

18. **EFFECTIVE DATE.** This Agreement shall take effect on the date that it is executed by all Parties and recorded in the Official Records of Brevard County, Florida by either the CITY or the COUNTY.


IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their duly authorized representatives.

ATTEST:


Kevin McKeown, City Clerk




ATTEST:


Rachel Sadoff, Clerk

CITY OF MELBOURNE

By:  4.14.2021
Shannon Lewis, City Manager Date
(as approved by City Council on 4.13. 2021)

**OLDE EAU GALLIE COMMUNITY
REDEVELOPMENT AGENCY**

By:  4.14.2021
Shannon Lewis, City Manager Date
(as approved by the CRA Board on 4.13. 2021)

BREVARD COUNTY

By:  May 4 2021
Rita Pritchett, Chair Date
(as approved by the Board on May 4 2021)

**Community Redevelopment Agency
Annual Report Template**

- I. INTRODUCTION, MISSION AND OVERVIEW
- II. BOARD MEMBERS AND STAFF
- III. BOUNDARY LINES
- IV. HISTORY
 - a. Creation Date
 - b. Plan Amendment Dates
 - c. Applicable Resolution(s) and Ordinances
- V. PROJECTS OVERVIEW
- VI. FINANCIAL REPORTS
 - a. Balance Sheet
 - b. Statement of Revenues, Expenditures, & Changes in Fund Balance
 - c. Summary of Projects, Grants and Debt
- VII. PERFORMANCE INFORMATION
 - a. Total projects started, completed and estimate cost for each project
 - b. Assessed property values when the CRA was enacted vs. current assessed property values
 - c. Total amount expended for affordable housing
- VIII. ADDITIONAL ANNUAL REPORTING REQUIREMENTS
 - a. Provide the Board of County Commissioners the CRA's proposed budget for the upcoming fiscal year, 60 days prior to the beginning of the fiscal year
 - b. Provide the Board of County Commissioners any budget amendments to its operating budget within 10 days after the adoption by the CRA