



**AGENDA REPORT**  
**April 10, 2018**

**SUBJECT:**

Interlocal Agreement between Brevard County Board of County Commissioners and the City of West Melbourne/Brevard County Joint Community Redevelopment Agency

**FISCAL IMPACT:**

The fiscal impact of this request is twofold:

1. Allocation of funding equal to the difference, if any, between the County tax increment as calculated by Florida Statutes and the County's contribution to the CRA. If the proposed Interlocal Agreement is approved beginning FY 2018-2019, any County tax increment exceeding the required County contribution to the CRA, will be allocated to a separate fund within the County for authorized infrastructure expenditures as outlined in the proposed Interlocal Agreement. For Fiscal Year 2017-2018 that amount would have been \$124,706.
  
2. With the expiration of the CRA 4 years earlier than previous Agreements provided, the County's General Fund will receive these savings beginning in FY 2038-2039. There are too many variables in calculating these future savings such as property values, ad valorem tax rates and the build out of the CRA area. However, in FY 2017-2018, the County's General Fund contributed \$251,012 to the CRA.

**DEPT/OFFICE:**

County Manager

**REQUESTED ACTION:**

It is requested that the Board of County Commissioners discuss the attached proposed Interlocal Agreement between Brevard County and the City of West Melbourne/Brevard County Joint Community Redevelopment Agency. Authorize the Chair to execute the Interlocal Agreement as approved by the Board of County Commissioners.

**SUMMARY EXPLANATION and BACKGROUND:**

On May 10, 2017, the Board of County Commissioners, in regular session, directed the County Manager to move forward with interlocal agreement negotiations with the Community Redevelopment Agencies (CRAs) with guidelines provided by the Board and to bring the negotiated interlocal agreements back to the Board for its consideration.

As a result of those negotiations, the City of West Melbourne approved and executed an Interlocal Agreement that included the following terms:

1. The CRA expires on September 30, 2038 as opposed to its prior expiration date of July 17, 2042.
  - The County will no longer be required to contribute a tax increment after September 30, 2038. This will result in a savings to the County's General Fund beginning in Fiscal Year 2038-2039.
2. In every year between FY 2018-2019 and 2037-2038 the County agrees to provide funding to benefit the CRA and provide for infrastructure improvements as follows:
  - The County's tax increment funding contribution to the CRA will be based on the greater of (1) the amount of the City's contribution or (2) 50% of the County tax increment determined by section 163.387(1)(a), Florida Statutes. In no event will the County's contribution exceed the amount of the contribution to the CRA by the City. For example, in 2017-2018 the County's contribution to the CRA was \$251,012. The City's contribution to the CRA was \$126,306. This City contribution to the CRA was slightly more than 50% of the County's tax increment, the County would have contributed \$126,306 to the CRA in FY 2017-2018, if this proposed Interlocal Agreement was in place during FY 2017-2018, and;
  - Additionally, in a separate County Fund, the County shall annually set aside funding equal to the difference, if any, between (1) set aside funds in the amount of the difference, if any, between (1) the County tax increment as determined by section 163.387(1)(a), Florida Statutes and the actual County's contribution to the CRA. These funds shall be used exclusively on maintenance, construction, reconstruction, lighting and/or capacity improvement to County roads located anywhere within the municipal limits of the City of West Melbourne. For example: In FY 2017-2018, 95% of the County's incremental taxes equal \$251,012. If the County contributed to the CRA as shown above, the County would have contributed \$124,706 (\$251,012- \$126,306) to a separate fund maintained by the County.
3. In addition, the proposed Interlocal Agreement provides that the City and County tax increment payments into the CRA Redevelopment Trust Fund shall be used exclusively within the boundaries of the CRA undertaking the following infrastructure projects:
  - Property acquisition, road improvements, drainage or storm water facilities shown on approved right of way maps or design plans for the widening of Ellis Road from John Rodes Boulevard to Wickham Road, and;
  - Any City storm water project benefitting the CRA project area, and;
  - Any City sewer project that will serve commercial property located in the unincorporated area of the CRA, and;
  - Florida Department of Transportation requested lighting improvements on U.S. 192 from Circle Drive to Dairy Road.
  - The City and the CRA agree to take action required to incorporate all of the infrastructure projects listed above into the CRA redevelopment plan.
4. The CRA will prepare and submit to the County annually a report in the form set forth in Exhibit A.
  - The City additionally agreed contractually to require an independent auditor prepare

the annual audit report to examine CRA expenditures and certify that all CRA tax increment revenues have been lawfully expended solely in compliance with and for the purposes authorized under the provisions of Chapter 163, Part III, Florida Statutes.

5. The City agreed to limit expenses for administrative services provided to the CRA to an amount not to exceed 5% of the total City and County tax increment.
6. The County's tax increment may not be pledged for indebtedness unless the debt is for certain approved infrastructure projects outlined in the proposed Interlocal Agreement. The maturity of existing or future debts shall not extend beyond 15 years or June 19, 2038, whichever comes first.

**CLERK TO THE BOARD INSTRUCTIONS:**

Once approved by the Board. Please have the Chair sign the 3 copies of the Interlocal Agreement and return to the County Manger's Office.

**ATTACHMENTS:**

**Description**

- **Interlocal Agreement Concerning Brevard County Tax Increment Funding for City of West Melbourne/Brevard County Joint Community Redevelopment Agency**
- **CRA Annual Report Template**

MAYOR  
Hal J. Rose

DEPUTY MAYOR  
John "Coach" Tice

COUNCIL MEMBERS

Pat Bentley  
Adam Gaffney  
Bill Mettrick  
Barbara A. Smith  
Andrea Young



City Council/Clerk Department  
Cynthia S. Hanscom, City Clerk  
City Hall  
2240 Minton Road  
West Melbourne, FL 32904  
Phone: (321) 837-7774  
Fax: (321) 768-2390  
[www.westmelbourne.org](http://www.westmelbourne.org)

March 27, 2018

Ms. Katherine Wall  
Board of County Commissioners of Brevard County, Florida  
2725 Judge Fran Jamieson Way, Building C, Room 301  
Viera, FL 32940

RE: Interlocal Agreement Concerning Brevard County Tax Increment Funding for  
City of West Melbourne/Brevard County Joint Community Redevelopment  
Agency

Dear Ms. Wall:

Enclosed you will find three originals of the Interlocal Agreement Concerning Brevard County Tax Increment Funding for City of West Melbourne/Brevard County Joint Community Redevelopment Agency. Once you have received signatures, please return all originals to me. This will go before West Melbourne/Brevard County Joint Community Redevelopment Agency at their meeting of May 15, 2018.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Cynthia S. Hanscom". The signature is written in a cursive, flowing style.

Cynthia S. Hanscom  
City Clerk

Enclosure



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

April 11, 2018

**MEMORANDUM**

**TO:** Frank Abbate, County Manager

**RE:** Item II.D.4., Interlocal Agreement Between Brevard County Board of County Commissioners and the City of West Melbourne/Brevard County Joint Community Redevelopment Agency

The Board of County Commissioners, in regular session on April 10, 2018, discussed proposed Interlocal Agreement between Brevard County Board of County Commissioners and City of West Melbourne/Brevard Joint Community Development Agency; and executed the Agreement as approved by the Board. Enclosed are three executed copies of the Interlocal Agreement.

**Upon execution by all parties, please return a fully-executed document for inclusion in the official minutes of the Board.**

Your continued cooperation is greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS  
SCOTT ELLIS, CLERK

Tammy Rowe, Deputy Clerk

/cmw

Encls. (3)

cc: Budget  
Finance

**INTERLOCAL AGREEMENT CONCERNING  
BREVARD COUNTY TAX INCREMENT FUNDING  
FOR CITY OF WEST MELBOURNE/BREVARD COUNTY  
JOINT COMMUNITY REDEVELOPMENT AGENCY**

**THIS INTERLOCAL AGREEMENT** entered into the 10 day of April, 2018, by and between the CITY OF WEST MELBOURNE, a Florida municipal corporation, (hereinafter "the CITY"), the CITY of WEST MELBOURNE/BREVARD COUNTY JOINT COMMUNITY REDEVELOPMENT AGENCY, (hereinafter "the CRA"), 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 CRA pursuant to CITY Ordinance No. 2012-19 after the COUNTY delegated its authority under Part III, ch.163, Florida Statutes, as permitted under section 163.410, Florida Statutes, as set forth in COUNTY Ordinance 2011-28; and

**WHEREAS**, the CITY created a tax increment redevelopment trust fund (CRA TIF) pursuant to section 163.387, Florida Statutes under CITY Ordinance 2013-11; and

**WHEREAS**, the CITY and COUNTY have continuously paid their respective full CRA TIF payments required by section 163.387(1), Florida Statutes, to the CRA since fiscal year 2013-2014, the first fiscal year of the CRA's operation; and

**WHEREAS**, the COUNTY is facing certain budget issues relating to road maintenance, construction and reconstruction due to county charter restrictions on ad valorem tax revenues and other factors; and

**WHEREAS**, the COUNTY has evaluated multiple options to address these budget issues; and

**WHEREAS**, part of a solution to the County budget concerns would involve negotiation of an interlocal agreement with various cities and CRAs with the goal of working toward reducing or ceasing the County's future annual CRA TIF contributions in order to utilize those funds for road maintenance, construction, and reconstruction; and

**WHEREAS**, the CITY and COUNTY have enjoyed an excellent relationship over the years, and desire to cooperate in achieving the County's road program goals; and

**NOW, THEREFORE**, the parties mutually agree as follows:

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

reference incorporated herein.

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 (MSTU) or dependent special districts in behalf of which the County levies taxes or approves a budget to the extent such MSTU or dependent special district is required to contribute a tax increment to the tax increment fund (TIF) established by the City for the CRA 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, to the extent of any conflict with this agreement and that statutory provision. Nothing in this agreement shall be interpreted as modifying the authority of the Board of County Commissioners (hereinafter the "Board") to either revoke its delegation of authority or to designate themselves as the redevelopment agency at any time the Board deems that is necessary for the protection of the health, safety, welfare or fiscal interests of the public or the redevelopment area. Notwithstanding the foregoing, no such revocation of the delegation of authority to the municipality and no such designation by the Board as the CRA shall: 1) impair any contract made by the CRA prior to the time when the Board shall have exercised or taken such action, or 2) affect the obligation of the CRA (or of the Board, if it designates itself as the CRA) to raise revenues through increment tax financing or other charges in the amounts necessary to comply with the CRA's obligations in respect of any outstanding bonds or other evidences of indebtedness; or 3) affect the obligation of the CRA for the Board, if it designates itself as the CRA) under any outstanding bond, bond anticipation note, tax anticipation not, or other evidence of indebtedness. In the event that the Board revokes its delegation of authority or otherwise designates itself as the CRA, the Board shall take all necessary or appropriate action to protect the interest of any holders of bonds issued by the CRA. At any time that the City's CRA shall request, the Board will consider the adoption of such resolutions as may be necessary from time to time for the CRA to issue bonds or other evidences of indebtedness.

4. **ADDITIONAL CONSIDERATION.** In addition to the promises and covenants made, the CITY, CRA and COUNTY agree as follows:

a. The CITY and COUNTY tax increment payments into the CRA Redevelopment Trust Fund shall be transferred to and used exclusively within the boundaries of the CRA by the governmental entity or entities undertaking:

- (1) Property acquisition, road improvements, drainage or storm water facilities shown on approved right of way maps or design plans for the widening of Ellis Road from John Rodes Boulevard to Wickham Road;
- (2) Any CITY storm water project benefitting the CRA project area;

- (3) Any CITY sewer project that will serve commercial property located in the unincorporated area of the CRA;
- (4) Florida Department of Transportation requested lighting improvements on U.S. 192 from Circle Drive to Dairy Road.

b. The CRA and CITY agree to take such action as may be required to incorporate all of the projects referenced in Paragraph 4, above, into the CRA redevelopment plan. The COUNTY hereby consents to and approves of the incorporation of those projects into the CRA redevelopment plan.

5. **EXPIRATION OF CRA.** The CRA shall expire on September 30, 2038. The parties agree that the CRA that the CITY and COUNTY shall take such actions as may be required to terminate the CRA on the date of expiration, which actions shall include the amendment or repeal of any CITY or COUNTY resolutions or ordinances 1) delegating authority to the CITY to create a CRA and 2) creating the CRA and CRA Trust Fund. In accordance with section 163.387(3)(b), Florida Statutes, notwithstanding any provision in section 163.387, Florida Statutes to the contrary, after September 30, 2038, the COUNTY shall no longer be required to contribute a tax increment of any amount to the CRA TIF.

6. **COUNTY TIF PAYMENT.** Subject to the COUNTY CRA payment expiration provision in section 5, above, the COUNTY will continue its annual contribution to the CRA TIF as required by §163.387, Florida Statutes, in every fiscal year between FY 2017-2018 and FY 2037-2038, provided, the amount of the COUNTY TIF payment shall in no event exceed the amount of TIF payment contributed to the CRA by the CITY. This provision shall not operate to reduce the COUNTY TIF payment below 50% of the COUNTY increment as determined by section 163.387(1)(a), Florida Statutes. Each year, the COUNTY shall set aside funds in the amount of the difference, if any, between: (1) the COUNTY increment as determined pursuant to section 163.387(1)(a), Florida Statutes; and (2) the actual COUNTY TIF contribution to the CRA. The COUNTY shall expend such funds solely and exclusively on the maintenance, construction, reconstruction, lighting of, and/or capacity improvements to, COUNTY roads located anywhere within the municipal limits of the City of West Melbourne. Provided further, that in no event shall the COUNTY continue to pay a tax increment into the CRA TIF after September 30, 2038.

7. **INDEBTEDNESS.** The Parties agree that the CITY and CRA may not incur indebtedness pledging COUNTY tax increment funds as a source of repayment unless the proceeds of the debt are designated for use in a project described in paragraph 4, above. The maturity date for any existing or future CRA or CITY indebtedness for which County tax increment funds have been pledged as a source of repayment, unless consented to by the COUNTY, shall not extend beyond a period of 15 years from the date of issuance or June 19, 2038, whichever comes first.

8. **CITY PAYMENT INTO CRA TIF.** Nothing in this agreement shall be deemed to prevent the City from continuing to contribute into the CRA TIF through the expiration date of the CRA.

9. **ANNUAL AUDIT; REPORT; AND MEETING.** Each year, the CRA shall prepare and submit to the COUNTY a report in the form set forth in Exhibit A, attached hereto. The CRA or CITY shall also submit the annual CRA audit report required by section 163.387(8), Florida Statutes. The CITY and CRA agree to contractually require the independent auditor preparing that audit report to examine CRA expenditures and certify that all CRA TIF revenues have been lawfully expended solely in compliance with and for the purposes authorized under the provisions of chapter 163, Part III, Florida Statutes. The City Manager of the CITY or Chairperson of the CRA governing body shall annually meet with each County Commissioner in whose District the CRA is located to discuss the annual and audit reports. The CITY and COUNTY agree that, in accordance with its authority under section 125.01(x), Florida Statutes, at any time during the term of this agreement the COUNTY shall have the right to require the CRA to retain an independent auditor to conduct a performance audit paid for by the COUNTY. At the discretion of the COUNTY, any performance audit of the CRA required by the COUNTY shall, at the discretion of the COUNTY, include any or all of the matters specified in the definition of "performance audit" set forth in section 11.45(1)(h), Florida Statutes (2016).

10. **LIMITATION ON ADMINISTRATIVE EXPENSES.** The CITY and CRA agree to limit administrative services expenses provided to the CRA and payable from COUNTY tax increments to an amount not to exceed 5% of the total CITY and COUNTY increments.

11. **EFFECTIVE DATE AND EFFECT OF AGREEMENT.** Pursuant to Chapter 163, Florida Statutes, the effective date of this agreement shall be the date on which the fully executed agreement is recorded with the Clerk of the Circuit Court in and for Brevard County. This agreement, including the exhibits and all documents and papers delivered pursuant hereto, and any written amendments hereto executed by the parties to this agreement, constitute the entire agreement between the parties and supersede all prior agreements and understandings, oral or written, among the parties to this agreement with respect to the subject matter hereof. This agreement may be amended only by written agreement approved and executed with the same formalities as this Agreement by all parties.

12. **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.

13. **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: CITY OF WEST MELBOURNE,  
2240 Minton Road,  
West Melbourne, FL 32904  
email address: smorgan@westmelbourne.org

CRA: City Manager  
2240 Minton Road  
West Melbourne, FL 32904  
email address: smorgan@westmelbourne.org

COUNTY: County Manager  
2175 Judge Fran Jamieson Way  
Melbourne FL 32940  
email address: Frank.Abbate@brevardfl.gov

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

14. **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.

15. **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.

**(signature blocks on the next page)**

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be signed on this the first date first above written.

ATTEST

Cynthia Hanscom  
Cynthia Hanscom, City Clerk

CITY OF WEST MELBOURNE

By: Hal J. Rose  
Hal J. Rose, Mayor  
(as approved by the City Council on Mar. 20, 2018)

CITY of WEST MELBOURNE/ BREVARD  
COUNTY JOINT REDEVELOPMENT  
AGENCY

By: Hal J. Rose  
Hal J. Rose, Chairperson  
(as approved by the CRA Board on May 15, 2018)

BREVARD COUNTY

By: Rita Pritchett  
Rita Pritchett, Chair  
(as approved by the Board on 4/10/ 2018)

ATTEST:

Scott Ellis  
Scott Ellis, Clerk

# Community Redevelopment Agency Annual Report Template

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- 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 Balances
  - c. Summary of Projects, Grants and Debt
- VII. Performance Information
  - a. Total projects started, completed and estimate cost for each project
  - b. Number of jobs create and sector of the economy from which these jobs were created within the CRA

## Community Redevelopment Agency Annual Report Template

- c. Number of jobs retained within the CRA
- d. Assessed property values when CRA was enacted vs. current assessed property values
- e. 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
-