

Meeting Date
<b>September 1, 2015</b>



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

<b>ADD ON</b>	
AGENDA	
Section	<b>New Business</b>
Item No.	<b>VI E 1</b>

SUBJECT:	<b>ACKNOWLEDGE RECEIPT OF INTERLOCAL AGREEMENT BETWEEN THE CITY OF CAPE CANAVERAL AND THE CAPE CANAVERAL COMMUNITY REDEVELOPMENT AGENCY</b>
DEPT/OFFICE:	BUDGET OFFICE

Requested Action:

It is requested that the Board acknowledge receipt of the Notice to Taxing Authorities of Approval of an Interlocal Agreement Authorizing a Loan From The City to The Cape Canaveral Community Redevelopment Agency.

Summary Explanation & Background:

In accordance with Florida Statute 163.346, the City of Cape Canaveral and the Cape Canaveral Community Redevelopment Agency has issued the attached notice to the Brevard County Board of County Commissioners that on September 8, 2015 the Cape Canaveral Community Redevelopment Agency and the Cape Canaveral City Council will hold Special Meetings and public hearings to consider Joint Resolution No. 2015-04.

The Resolution provides for the approval of an Interlocal Agreement authorizing a loan from the City to the Community Redevelopment Agency in an amount not to exceed \$854,000.

The attached letter contains additional information regarding the Agreement.

**Fiscal Impact:** There is no fiscal impact to the County.

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

Exhibits Attached: A letter from the City of Cape Canaveral providing notice

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

Telephone: (321) 637-2001  
Fax: (321) 264-6972

September 2, 2015

MEMORANDUM

TO: Tom Rosenberg, Budget Director

RE: Item VI.E.1., Acknowledge Receipt of Interlocal Agreement Between City of Cape Canaveral and the Cape Canaveral Community Redevelopment Agency

The Board of County Commissioners, in regular session on September 1, 2015, acknowledged receipt of the Notice to Taxing Authorities of approval of an Interlocal Agreement authorizing a loan from the City to the Cape Canaveral Community Redevelopment Agency.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS  
SCOTT ELLIS, CLERK

Tammy Etheridge, Deputy Clerk

/kg



# City of Cape Canaveral

Community Development Department

August 24, 2015

Brevard County Board of County Commissioners  
C/O Thomas Rosenberg, Budget Director  
2725 Judge Fran Jamieson Way, Bldg. C, Suite 303  
Viera, FL 32940

RE: NOTICE TO TAXING AUTHORITIES OF APPROVAL OF AN INTERLOCAL AGREEMENT AUTHORIZING A LOAN FROM THE CITY TO THE CAPE CANAVERAL COMMUNITY REDEVELOPMENT AGENCY

Dear Mr. Rosenberg:

Consistent with the provisions of Section 163.346, Florida Statutes, the City of Cape Canaveral and the Cape Canaveral Community Redevelopment Agency does hereby issue this notice to each taxing authority which levies ad valorem taxes on taxable real property contained within the geographic boundaries of the City's Community Redevelopment Area.

Please be advised that on September 8, 2015 at 4:45 PM the Cape Canaveral Community Redevelopment Agency will hold a Special Meeting and at 5:30 PM or as soon thereafter as possible, the Cape Canaveral City Council will hold a Special Meeting and public hearing to consider:

#### Joint Resolution No. 2015-04

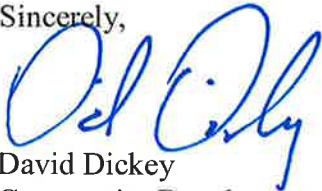
A Joint Resolution of the City Council of the City of Cape Canaveral, Florida, and the Cape Canaveral Community Redevelopment Agency ("Agency"); providing for the approval of an Interlocal Agreement authorizing a loan from the City to the Cape Canaveral Community Redevelopment Agency, in an amount not to exceed \$854,000.00, for the purposes of commencing certain redevelopment activities within the redevelopment area related to replacing and upsizing Lift Station No. 6, constructing water line improvements or such other activities in order to promote anticipated economic growth; providing for the incorporation of the terms and conditions of the Interlocal Agreement into the Redevelopment Plan of the Cape Canaveral Community Redevelopment Agency; providing for the repeal of prior inconsistent resolutions, no conflicts; severability, and an effective date.

Mr. Rosenberg  
Page 2 of 2  
August 24, 2015

Both meetings will be held at the Cape Canaveral Public Library Meeting Room, 201 Polk Avenue, Cape Canaveral, FL. The resolution is available for inspection during office hours, Monday through Friday 8:30 AM to 5:00 PM in the office of the City Clerk/office of the Agency, 105 Polk Avenue Cape Canaveral, FL 32920; or within the Public Records Portal on the City's website [www.cityofcapecanaveral.org](http://www.cityofcapecanaveral.org).

If you have questions or need additional information, please contact David Greene, Registered Agent, at (321) 868-1220 or e-mail [d.greene@cityofcapecanaveral.org](mailto:d.greene@cityofcapecanaveral.org). Thank you.

Sincerely,



David Dickey  
Community Development Director  
City of Cape Canaveral, Florida

cc: David Greene, City Manager and CRA Registered Agent  
Angie Apperson, City Clerk and CRA Recording Secretary  
Todd Morley, Economic Development Director

Fisher: VI.E.1.

Whitten: Mr. Chairman, VI.E.1., is simply acknowledging receipt of a resolution from the City of Cape Canaveral with regards to an interlocal agreement for financing of projects within their CRA. And because this is a, was sent to the Budget Director, and the Statute says that they must notify taxing authorities 15-days prior to the action. The only way that we can have you all accept receipt of it, is to actually put it on the Agenda, and acknowledge that we have actually received the notification from the City.

Fisher: Okay. I do have several cards on this one. Pat Pasley.

Pasley: Good morning, Commissioners. Pat Pasley, 4740 South Highway A1A, Melbourne Beach. CRA's were created to address blight, slums, and to protect property values. Jeffrey Oris is a CECD, who is also Certified Professional Economic Developer, he is also the past President of Florida Redevelopment Association, and has a 20-year career working with CRA's. He states that it is not appropriate for a CRA is the installation, construction, repair, or alteration of any publicly owned capital improvements, if the projects are normally funded by a governing body or user fees. He also states a CRA cannot suddenly start paying for something that is a city or a county has always paid for. If this Item is to be approved, to enter the, to approve the interlocal agreement, and it passes, it will give a license to every municipality that has a CRA, to create likewise slush funds to pay for their capital improvement projects. I urge you to request this approve as it violates State Statute 163, Part III, also I'd like to comment that I am against last minute Agenda Items that are come up on Friday. I wish that this County and this Board would put a stop to it, because it does not give any time to do any type of research on it, and that is all I have to say. Thank you.

Fisher: Thank you. Ronaldas?

Jergutis: It's Ronaldas Jergutis.

Fisher: Thank you.

Jergutis: 620 Ocean Street, Satellite Beach. My problem with this is this resolution. And I concur with Pat, on what she's stated. However, my biggest issue is if the money is there to do it why is the City lending the CRA money? Why do we even have a CRA if the City has the money to do it? It doesn't make sense. And then to have funds, whatever the increment is from the County, which is the citizen's tax money. We're paying for a debt and the City's making interest revenue off of it. I have to scratch my head on that. More than scratch my head. I, I just. I am befuddled why a municipality has the money to do the project and they have a CRA. What is the purpose of a CRA though? It's to take care of areas and have basically the County assist with that, and have the CRA improve the District. The money is there already. And then County residents have got to finance this? It doesn't make sense. No logic. Thank you.

Fisher: Thank you. Mr. Yeah. Commissioner Anderson.

Anderson: I just think maybe there's a little confusion in staff or attorney. We are just acknowledging receipt of the notice of taxing authorities, we're not approving or denying anything. I mean, I have to approve this because they did notify me and I would be lying if I voted against it, so we're not doing any official action. We're just saying yeah, we received this in accordance of Florida Statute. They are required to send us this notice to a taxing authorities based on their Interlocal Agreement between the City and the CRA. So, that's all we're doing here, we can't stop anything, that's a Cape Canaveral, Canaveral CRA thing.

Smith: May I ask a question?

Fisher: Yes, Sir.

Smith: Scott, is that true? If we voted against this it's . . .

Anderson: It's gonna go through.

Smith: It's gonna pass anyway? I mean. Because? I'm confused now.

Anderson: We are just acknowledging that we received it. It's just like signing when you get a return receipt at the Post Office, and you're signing a receipt saying yeah, I got it. That's all this is. Nothing more.

Fisher: You don't understand this.

Knox: There's a provision in the Statute that requires the cities to send a copy of certain notices to the County Commission to notify you they've done something. So really all you're doing is saying we've received what your notice says. You can't say it's a bad idea, good idea, or anything else.

Smith: So right now it's symbolic. So I vote no, it's just symbolic. I'd like to CRAs go away.

Knox: Well, you can state that, yes.

Smith: I would like to see CRAs go away.

Fisher: All right. You can vote yes, and say I'd like to see CRAs go away, too. You're acknowledging. So, let's see we've got a couple of cards. Commissioner Infantini.

Infantini: My speaker lights up there. If you'd like to see CRAs go away, then I'm curious why did you just vote today to give \$10 million to the North Economic Zone. So, you're spending money, but you said you want it to go away. So, you're spending money from the Economic Zone that you'd like to go away; but, and then I have a question is if I have to approve what this Item that's before me, then why is it before me? If I have no choice in how I vote, then why am I being asked to vote on something I have no choice in?

Fisher: Maybe Mr. Whitten would like to answer that for you.

Whitten: Yeah, we struggle with this all the time. The Statutory requirement is for them to

send it to the taxing authorities. When they send it to the Budget Director, there is no way for you as the taxing authority to acknowledge that you've received it other than to put it before you with the requested action of the Board acknowledging receipt of the notice; and that's all this is, is simply that you received it through the Budget Director per the Statute.

Infantini: Well, what about our authority to shut down the CRA before it starts bonding out money, because once it starts bonding out money, we can't shut it down; and if we're going to continue going forward claiming that we don't have enough money for our own County operations like maintaining the roads, why are we giving money, additional money, to municipalities to maintain their own infrastructure? That's why they have their own taxing districts. Let them go to their taxpayers within that city, ask them for more money, rather than asking the general population to pay for their improvements that they made? So, before we grant this, we need to move forward, and rather than approving this, I say we make a motion to shut down the CRA because it's no longer needed.

Anderson: You would need a second public hearing. This is, that is . . .

Infantini: Okay, well, we'll have this first one, and then we'll have another one.

Fisher: Let's, let's, I need to handle this Agenda Item. Mr. Knox?

Anderson: You know, I'm going to vote in favor because I would be lying if I said I didn't receive it.

Fisher: Yeah.

Anderson: And so I have in favor, otherwise I'm lying.

Fisher: Mr. Knox, you have a comment sir?

Knox: Yeah, I'm just going to point out that Commissioner Infantini's request of shutting down the CRAs is not the first individual on the Board that's asked that question. So, maybe a wise thing, if the Board would authorize the County Attorney's Office to go through and sort of pick out what provisions and laws deal with that issue and what you can and cannot do in terms of shutting down specific CRAs, because there's a lot of them in the County and they're all . . . it depends on when they were first enacted when they, and what's happened since then, a lot of things play into it. So . . .

Infantini: Okay, then I make a motion that the County Attorney . . .

Fisher: Well, then I'm not going to entertain a motion. We'll finish this Item first. So . . .

Infantini: Well, I just started speaking. You can't just stop me. Well, you can, you just did, but I make a motion that the County Attorney look into what it would take to shut down CRAs that are not already, don't already have debt on them.

Fisher: Okay, I'm not taking that motion. I'm going to look for this item here VI. . .

Infantini: I'm sorry, under Roberts Rules of Order, do you, can you tell me what authority you have to not accept a motion?

Anderson: Under Roberts Rules of Order, the point of order and the business at hand is what we're discussing, the receipt of the tax information.

Fisher: We're going to go . . .

Infantini: I haven't heard that rule.

Fisher: Number VI.E.1 please. Pleasure of the Board? Mr. Knox, did you have something else? I'm sorry, yeah, Dave Pasley.

Pasley: Dave Pasley, 4740 South Highway A1A, Melbourne Beach, Florida. I can't tell you how upset I am when I see things like this come before the Commission. It's not so much the receipt of, I mean that's an administrative thing. You can FedEx the thing and have everyone sign off on it, and it would be just as good, right? The bottom line is how did you get here? Why do we have, why do we have a municipality using CRA funds to pay for infrastructure improvements that they should be paying from . . . and clearly the Statute states you can't do that; but guess what? I have no knowledge that this is absolutely true, but I'll bet if you went back and looked at their CRA plan you would find that was one of the things that they said they were going to do. We approved the plan. Really? Did anyone ever read the Statute and read the plan and see where they . . . here's the case and point, here's, this is the case and point of my argument about CRAs and I'll get on my soap box every time one of the things come up. No one's watching the store. We don't have anybody in charge. There's no body in the County who looks at what they're doing. We get these reports, annual reports . . . let's see one report goes over here, one goes over there, oh, the other one we'll put in our pocket and keep it until somebody asks for it; but the bottom line is no body is consolidating all of this stuff and looking at it at a standpoint of managing the CRAs. That's all I have to say. Thank you.

Infantini: Thank you.

Fisher: Mr. Ellis.

Ellis: Scott Ellis, 400 South Street, Titusville, Florida. Your point is well taken, Mr. Anderson. The issue I will say is not a good idea or a bad idea. As I've told many people, and I roll in the Clerk's Office, that we really cannot stop smart or stupid, but we do have handles with legal and illegal. This is an ineligible expenditure by the CRA, and you as a Board, as stewards of the County dollars, should be all over that issue to verify if you think it's legitimate or not legitimate. We believe it is ineligible. We believe this is coming from their capital improvement plan for their water/wastewater system. It was already in their budget. They already approved it through their CIP with their water/wastewater. Now they're going to have the County just pay .40 cents on the dollar. I'd like to know where the loan is coming from. I don't know for a fact. I believe the loan is probably coming from the Enterprise Fund that normally would have paid for this lift station, and by using this CRA as a vehicle, they get the County to contribute 40 percent of the cost of their lift station, which they should have 100 percent of

the cost for; and it's very clear when you look at the CIP for Cape Canaveral Lift Station 6, was in their CIP for improvement and replacement. It is not eligible for a CRA expenditure, and we've gone through this with Satellite Beach that you have got as a Board to have the Budget Office go through these CRA expenditures and verify they're legitimate expenditures, because otherwise you are starting to see the cities move capital projects that normally would be paid for out of municipal funds to the CRA so they can use 40 percent dollars from the County to pay for it. It's a lift station that was already due for replacement. In fact, it already went to their agenda a year ago to pay for it, and so they've already got it in the works. It's being moved over to the CRA so that you can contribute .40 cents on the dollar. All right, I don't necessarily expect for Scott to have looked at this coming into today, but I would appreciate if you would have looked at it now because it's clear in the Statute. There are rules for doing capital improvements in a CRA, including utilities, and we went through this I don't know how many years ago on MIRA with running sewer lines out of MIRA to replace septic tank issues in the old part of Merritt Island and up and down 520. These guys are just moving it over at the last minute to get you to pay for it, and you really need to stay on it. It's the same thing we went through in Satellite Beach and you're going to see other cities jump on the band wagon. CRAs have a lot of money in search of projects; and they're starting to move it over to their normal city projects because you're willing to pay .40 cents on the dollar for their project.

Fisher: Okay.

Anderson: Scott, you understand what my argument is? I understand what you're saying. I'm just saying today it's just a ministerial duty to say we received it. The other thing I always am . . . and I don't know because I don't go to the Satellite Beach CRA meeting, but the other CRAs that I've attended, there's none of the nay sayers over there the CRA boards hammering them on these things. I mean it only seems like the only time it's addressed is in front of the Commission, never in front of the city councils, never in front of the CRA boards. Wouldn't some of this, some of these points that you're making, also be willing to be addressed at those authorities also?

Ellis: Well, not if you think about it. Let's say I'm a citizen of Cape Canaveral, and if I can get the County to pay 40 percent of the freight, I'm good with that.

Anderson: I know, I don't disagree with that, but I don't know why we're not getting these arguments on record at the CRAs and at the city councils.

Ellis: People have been beat down at the CRAs. Honestly people have given up at Satellite Beach people just gave up dealing with Satellite Beach CRA. It's a never ending story, Andy, and it has been.

Anderson: I don't disagree, it's just . . .

Ellis: Your Budget Office is working with the Clerk's and we're appropriating with CRAs and we need to verify as these projects come in . . . now we had questions going back, I don't remember six, seven years ago, City of Cocoa pulled some deal with the old City Hall on the CRA on buying property back and forth, and this is

even worse. This was already approved in their CIP for water/wastewater. They got \$2 million sitting in cash in their utilities. Now, my belief is they're simply going to move that money from utilities that would have paid for the lift station anyway, take it to the CRA, pay for it from the CRA, over time pay utilities back using your County dollars for that.

Anderson: No, and (unclear) just recently, just something came to light that, you know, I think you would be surprised how many city officials are not thrilled with CRAs in their own backyard.

Ellis: Well, they can dissolve it.

Anderson: And they may need some support.

Ellis: And they can dissolve it, and the other thing is, Ms. Infantini, you can roll it back to Debt Service. In other words, if it has a Debt Service, although you cannot abolish it 100 percent, you can roll the increment back to meet the Debt Service, and essentially shut it down as you meet the debt; and that was a discussion we had with MIRA over 20 years ago.

Fisher: Okay, I have another card. Thank you, sir.

Ellis: You're welcome.

Fisher: Todd Morley.

Morley: Todd Morley, 397 North Range Road, Cocoa, Florida; I'm the Economic Development Director for the City of Cape Canaveral.

Fisher: If you don't mind pulling that mike up sir. Thank you.

Morley: We have a joint Resolution, you probably have a copy of it, authorizing this 10-year loan from the wastewater fund to the CRA fund. It includes an interlocal agreement, revenue not, and amortization schedule; and the purpose of the loan is two things, to fund replacement and up sizing of Lift Station No. 6 located in the CRA, which will increase the sewer system capacity to accommodate anticipated economic growth in the Imperial Boulevard area and north central portion of the City where we currently have no utilities there. There are several parcels, several acres that just can't be dealt with because they all have to have septic tanks and there's no sewer there. Number two is to reimburse the wastewater fund for expenses incurred for replacement of Life Station No. 6. We have to do it, we have to up size the lift station as well, and waterline extensions to get water utilities up in that section of the City too. First payment is due on January 21, 2016, last payment 26. The loan amount includes \$615,000 for lift station sewer lines, \$82,000 for design engineering, \$83,000 for the cost of easements, \$74,000 for the cost of waterlines, and this is consistent with our CRA plan; and we have had our legal counsel agree with that, and we're moving forward with something that's been approved, our plan.

Fisher: Okay. Commissioner Infantini, you have a question?

Infantini: Could you . . . thank you very much for coming; and would you let me know, was this part of your CIP plan, the City's CIP plan over a year ago?

Morley: Several items or upgrades are in our CIP plan that's, and this was one of them.

Infantini: Right. So it was already part of the planned improvements that the City was going to do prior to having the CRA taking over. When was it determined that the CRA would take over the improvements rather than having the City's Enterprise Funds handle it?

Morley: Sometime within the last year.

Infantini: Okay, Board, I just think we need to change this.

Fisher: Mr. Smith you have a . . .

Smith: Yes, I have a simple question. Since CRAs are designed to improve areas that are considered blighted by the body that is asking for the CRA, in this case the City of Cape Canaveral, how does replacing or installing a lift station have anything to do with a blighted area?

Morley: The blighted area covers 56 percent of the City. There's a map, a geographical map that defines the blighted area. This area is within that geographical portion of the map, so anything, any eligible expense can be attributed to that geographic area according to the plan.

Smith: Yeah, I just find that that's . . . I'll have to look at that some more because it just doesn't make sense to me that going from septic to . . . that's something that would seem to me doesn't have anything to do with blight.

Fisher: Is any of this property commercial?

Morley: Yes, it is.

Fisher: One of the things, and Mr. Knox, can you address this? Isn't it true that, you know, sometimes when you add roads, you add water and sewer systems that you can stir economic development in that area? And so, my knowledge, I've always thought that adding roadways and infrastructure was an eligible expense for CRAs, for redevelopment agencies.

Knox: Well, it happened in MIRA. I think we looked at that issue back when MIRA was paying for the cost of expanding the sewer system in a blighted area, which was very blighted, and net results has been the creation of you know, three new condo buildings that were installed that connected into that system. So I think, I think we looked at that issue many, many years ago, and I think the answer to that is you're right.

Morley: This one will transform this portion of the community and also increase property values in the CRA.

Fisher: So in the MIRA case, which is real local to us, if you didn't have water and sewer,

you never would have put the condos. You didn't put the condos you wouldn't have the tax revenue and all that other stuff. So, okay, thank you sir. Commissioner Infantini, is that a new light?

Infantini: Yes, it is. Well, back in the day, I remember my father owned a bunch of commercial rental property and the city told us that we needed to get rid of our sewers, our septic tanks and hook up to the sewer line; and they gave him a loan for a certain number of years to pay off the hook up from switching from septic tanks to sewers; and so it was the property owner that ultimately benefits because then when you sell that property, your property is going to command a higher value. So, I would contend that the commercial property owners along this road, they knew when they bought that property that they were on septic tanks, and so that they were limited. So if they want to have the extra cost and the extra benefits of the property values going up, they should be bearing the costs of the improvements. Not the taxpayers, because we're not going to see any of the profits. We will see property tax revenue, but we're not going to see profits that the property owner will then be able to sell their now improved property. They bought it on a septic system and now it's going to be converted to commercial. So once again, you have the taxpayers paying for somebody's ultimate profit. We're not benefiting in the profit. We'll benefit in the increased property taxes, but not really, because the increased property taxes will go into the CRA which will then benefit the CRA with more money to spend. I just, I'm not sure when it's going to end. I'm just curious when I'll get any support on this Board to knock these things out.

Fisher: I will entertain a motion to acknowledge the receipt of this document, not that you support it or against it or for it; but you've acknowledged you've seen it.

Anderson: Motion.

Fisher: I've got a motion by Commissioner Anderson.

Barfield: Second.

Fisher: Second by Commissioner Barfield. Any further discussion?

Smith: Yeah.

Fisher: Commissioner Smith.

Smith: I understand that all we're voting on is the acknowledgement of this, but I'm going to vote 'no' just as a protest that I just, I would like to see CRAs go away, and I think that we as a Board we need to examine these CRAs more carefully. The problem I have with CRAs is that I understand the concept, but in my mind they should be something finite number like 10 years, because you can solve a blighted area in 10 years; and then if you have more blighted areas you want to attack, come up before the Board that's there at that point in time and request another CRA. But to give these people 30 and 40 years of basically unlicensed ability to just keep digging in and grabbing money from the County . . . the County never gets reimbursement. You know, when you're a bank and you loan somebody money, at some point in time, you have to pay that money back. The

way these CRAs are set up, the County never gets paid back, because the money that goes, the increased value that comes from that, that increased value doesn't come back to the County. Those increased taxes go into the CRA for them to spend more money, and then they keep coming back, and as long as they stay in debt, we can't dissolve them as I understand it. So, I'm going to vote no as a protest, but I understand that it doesn't mean anything.

Fisher: You're voting no to acknowledge it, that you've seen it? Okay, all right. All in favor say Aye.

Fisher, Barfield, Anderson: Aye.

Fisher: All opposed?

Infantini, Smith: Nay.

Fisher: Okay, 3:2.