

CITY OF MELBOURNE, FLORIDA - SPECIAL MEETING  
BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY (CITY COUNCIL) AND  
BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY ADVISORY COMMITTEE  
JANUARY 16, 2001

The Melbourne City Council convened as the Babcock Street Community Redevelopment Agency for the purpose of meeting with the Babcock Street Community Redevelopment Agency Advisory Committee. The meeting was held in the City Council Chamber, 900 East Strawbridge Avenue, and was called to order at 7:30 p.m. by Mayor John A. Buckley.

1. Pledge of Allegiance
2. Roll Call

Present:	John A. Buckley	Mayor
	Cheryl Palmer	Vice Mayor, District 5
	Richard Contreras	Council Member, District 1
	Ed Palmer	Council Member, District 2
	Pat Poole	Council Member, District 3
	Grace Walker	Council Member, District 4
	Loretta Isenberg-Hand	Council Member, District 6
	Kenneth Allen	Advisory Committee Member (arrived 7:34 p.m.)
	Richard A. Ennis	Vice Chairman, Advisory Committee
	Robert E. Jensen	Advisory Committee Member
	William C. Koehne	Advisory Committee Member
	James M. Whaley	Advisory Committee Member
	Thomas Belanger	Advisory Committee Member
	Karen Harshaw	Advisory Committee Member
	Henry J. Hill	City Manager
	Cathleen A. Wysor	City Clerk
	Paul R. Gougelman, III	City Attorney
	Cindy Dittmer	Redevelopment Coordinator
	Cathy Baker	Assistant City Clerk
Absent:	Robert L. Beals	Chairman, Advisory Committee
	Hank Porcher	Advisory Committee Member

3. PRESENTATION: A presentation by Kimley-Horn regarding the Babcock Street Study.

From the agenda report: Kimley-Horn will make a presentation on its assignment to conduct a Project Development and Environmental Study (PD&E) of Babcock Street from Valkaria Road to NASA Boulevard. Babcock Street, from U. S. 192 to NASA Boulevard is a part of the Babcock Street Redevelopment Area.

The city's representatives on the County Metropolitan Planning Organization (MPO) have encouraged the county and the state to include this area in the study. Clearly, improvements are necessary to the roadway, especially in the link from U. S. 192 to Fee Avenue where the corridor is severely constrained.

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Steve Godfrey, Kimley-Horn, introduced Gregg Caro, Project Manager, FDOT.

Mr. Caro reported that in January 2000, FDOT concluded its effort with Kimley-Horn on the arterial study (AIS). They are currently forming recommendations from that process and developing a more defined concept.

Mr. Godfrey proceeded with his presentation and stated that they began with the portion from Foundation Park Boulevard to Hibiscus Boulevard. The planning study identified deficiencies and traffic demands through 2020; a series of improvements were identified. The AIS also looked at ways to provide parallel improvements to the Babcock corridor; however, that had limited success. Babcock Street is where the additional capacity will be needed in future years.

The PD&E study will advance the AIS to identify the preferred alignment and the costs and impacts associated with the project. This is done to obtain federal design approval so the project would ultimately be eligible for federal funding. Mr. Godfrey displayed a map of the study area and pointed out that much of the corridor goes through the City of Melbourne and its Babcock Redevelopment Area. He noted that at the conclusion of the AIS, a resolution was passed by each city identifying support for the project (reference Resolution No. 1619).

Continuing, Mr. Godfrey discussed the committee process and said that many members from the technical advisory committee and citizens' advisory committee will be invited to become members of the group that will guide this project.

He discussed the design principles identified in the AIS and showed a picture of typical sections. He noted that the target year for the PD&E is 2027; however, he doubts that conditions and roadway needs will change. He stressed that there will be many opportunities for involvement in this process. A public information meeting will be held in July after alternatives are considered and a public hearing will be conducted in November.

In conclusion, Mr. Godfrey said some degree of design funding is set for FY 2002-03; however, there will not be sufficient funding for everything that comes out of the PD&E study.

Mayor Buckley asked where they plan to start. Mr. Godfrey said geographically, the area runs from Valkaria Road to NASA Boulevard. They plan to do the study at the same time – not in stages. The Mayor said he feels the most important part of the project is from New Haven Avenue to Fee Avenue. If that area is not widened, the roadway will bottleneck and it won't do much good to widen the remainder of the corridor.

Mr. Godfrey replied that was the opinion from most following the AIS. He noted that they will be speaking with the city and the county about opportunities available for right-of-way acquisition, partnering for funding, etc. in order to move the project forward.

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In response to Mr. Palmer, Mr. Godfrey explained which portions will be considered for four lanes and which for six lanes. He clarified that the AIS did not go as far as NASA Boulevard. The AIS included Foundation Park to Hibiscus Boulevard. Following the AIS, the project was extended to Valkaria Road and NASA Boulevard.

Mr. Hill said through the process, the City of Melbourne has said that the northern section is the most important. The dilemma is the ongoing redevelopment effort and as a further wrinkle, north of 192 is no longer a state road – it is now a county roadway. Our feeling was that we ought to keep saying that segment is important. It doesn't make sense to funnel traffic north to an employment area in order to have it become a complete bottleneck.

Mr. Palmer asked which segment of the project is funded. Mr. Godfrey replied that funding is set aside for design. As the study proceeds with input from local officials and the MPO, there will be priorities established as to what should happen first.

Mr. Palmer asked if we anticipate problems with right-of-way. Mr. Godfrey said there will be right-of-way issues that need to be dealt with. North of 192 is very tight with a 60' right-of-way. He said they have tried to develop preliminary solutions in the AIS, which minimize those impacts and accomplish the desires of the MPO.

Mr. Contreras asked who will prioritize and identify which portions receive funding. Mr. Godfrey said the MPO, working with the FDOT, will make that determination. Mr. Contreras asked who will be responsible for maintenance of the landscape areas. Mr. Godfrey said that will depend on which section of the roadway and the level of maintenance. FDOT provides a basic level of maintenance. Typically, however, local jurisdictions will be responsible for a higher level of landscaping and irrigation maintenance.

Mr. Contreras stated that he is in favor of as much green area as possible. Mr. Godfrey agreed and said that some may not be in the right-of-way; property outside of the right-of-way may be used to create green borders.

That concluded the presentation on the Babcock Street Study.

4. COUNCIL WORKSHOP: A workshop with the Babcock Redevelopment Agency Advisory Committee

Mr. Hill reported that the advisory committee requested a meeting in order to discuss a number of concerns and receive direction. At the time Council was considering adopting and creating the Redevelopment District, there were a number of large, vacant spaces and concerns about a continuing disinvestment in the area. That lead Council to create the District and provide focus. As a result, a number of positive things occurred, which are visible and demonstrable. These include the redevelopment of the Melbourne

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Shopping Center; a number of new structures; and in the last six months, several major announcements regarding employment in large, vacant spaces.

Mr. Hill noted that it has become clear that rather than the area being focused as a retail center, it has become an employment center. If all the projects that have been announced come to completion, there will be some 2,000 new jobs at this time next year. That has caused the need for us to rethink the original plan.

As outlined in the agenda package, the committee has some main issues, including:

- ◆ Realignment of Babcock at the north end.
- ◆ Acquisition of property for south end widening.
- ◆ Contracting for a Master Plan to look at infrastructure and beautification projects.
- ◆ Proceeding with median project and dealing with private property access issues.
- ◆ Funding mechanisms for projects.

Mrs. Poole asked how much money is available through tax increment financing. Mr. Hill reviewed the budget and said that \$92,000 has been reserved for projects.

Mr. Allen pointed out that a good portion of property between Fee Avenue and Hibiscus Boulevard is for sale now. Additionally, the theater property on the north end of Babcock Street is for sale. He said the members have discussed that one of the best things the District could do would be to bond the acquisition of this property.

Mayor Buckley recommended staff finish its presentation before discussing this issue.

Mrs. Dittmer provided an overview of the District. She said that most of the new jobs created or being created have been in the high technology category. This includes the Redevelopment Area and the surrounding area. Some of the newer businesses include Submitorder.com in the former Zayres building, DRS Optronics in the former JM Fields building; and Percepta and Tantivy in the Florida Marketplace.

Mrs. Dittmer noted that the intent of the District in 1998 was entertainment related. Now it has moved to an employment/office center and we expect to see services associated with that (restaurants, dry cleaners, etc.). However, the same, basic problems exist which have not been changed by the move to the employment center. These include the problem with the alignment at the north end to connect Babcock Street to U. S. 1. The committee feels that the theater site is a prominent site that could be the key to completing this project.

Mrs. Dittmer displayed images of South Babcock Street, from 192 to Fee Avenue, and noted the properties are not very attractive. She added that right-of-way would need to be acquired on the east side and highlighted the area where a number of properties are currently for sale.

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Continuing, Mrs. Dittmer said that enhancements to the streetscape are needed. That is why the committee started on the median and landscaping project from Hibiscus Boulevard to NASA Boulevard. Council provided funding to start the engineering design, which is 90% complete. She informed Council that there have been concerns raised from adjacent property owners regarding access. Frazier Engineering, the firm doing the design work, is available to answer questions.

Mrs. Dittmer concluded by saying the members are seeking input from Council.

Mrs. Palmer referenced the letter from Wendy's (regarding access on the median design) and asked about feedback from businesses in the area of the 192 median re-design. Mrs. Dittmer replied that she heard initial discussion on the 192 design; however, she believes people have adjusted to the change. She added that with the Babcock design, there is interaccess to traffic signals and median cuts.

Mrs. Palmer discussed the shift of Babcock to an employment center. Following a brief discussion, Mrs. Dittmer noted that the median design started five to six months ago. Mr. Jensen added that the median/landscaping was recently designed; therefore, it does take into account the shift to an employment center.

Mr. Hill said staff does not want to minimize the concern raised by Wendy's; our goal is to accommodate businesses. However, the new employment in the area would more than offset any loss that might come with perceived inconvenience regarding access.

John Frazier, Frazier Engineering, distributed a rendering of the median design. He noted that his firm was tasked with developing a plan for landscaping, medians, and other features along Babcock Street. Mr. Frazier discussed the plan and pointed out significant areas. He added that the next step is to approach Brevard County for approval since this is their roadway.

A brief discussion followed about the specifics of the median/landscaping plan.

Mayor Buckley said he does not believe the city has the funds available to purchase the theater property. Additionally, regarding the purchase of property at the south end of Babcock, discussions will need to occur between the city and FDOT. It is possible this could be done on a reimbursement basis.

Mr. Hill pointed out that based on \$100,000 in capital money available in the District, we would be able to bond at 5% for a 10-year period for \$785,000.

Mr. Jensen said these figures are assuming the numbers stay steady. He stressed that the numbers will increase significantly as properties are reassessed and new properties come on line. He reported on an arrangement whereby a line of credit is projected, which makes money available as the increment grows. Once the projects have been completed, the city/agency goes for long term bonding. He added that he believes the District is at a stage where this can be done.

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Continuing, Mr. Jensen said that the members feel strongly that there are opportunities available now that won't be available in the future. The north end of Babcock is particularly critical. From a financing point of view, he said he feels we have the capacity to go to the lending community and obtain financing to acquire properties on the north and south ends.

Mrs. Poole said she does not believe it is the city's position to go into the real estate business.

Mr. Palmer asked if there have been any efforts to determine the property that would be required. Regarding the theater site, Mrs. Dittmer said two – three acres. Mr. Ennis added that this would allow for the jog to be taken out of the road; the city would have saleable land left over.

Mr. Palmer asked for additional information on connecting to U. S. 1. Mr. Hill said there has been discussion by the committee; a plan has not been developed. The committee is seeking direction from Council.

Mrs. Dittmer displayed an aerial and discussed one possible alignment scenario. Mr. Jensen added that the piece remaining would be extremely valuable if the roadway is straightened. He asked Council to take a bold step.

Mr. Palmer agreed that we need to do something.

Mr. Jensen said the members are not saying that the city has to come up with the money; the District has the borrowing capacity. He asked Council to look at the long-term goal and realize the capability of the District.

Mrs. Palmer asked why the committee was not considering going straight through to U. S. 1. Additionally, she asked if the committee is proposing that the city become a leaseholder with the remaining parcel. Mr. Jensen said he does not think that the city wants to be in the real estate business.

Mrs. Dittmer said this approach has been successful with other redevelopment districts throughout the state. Property is purchased, utilized for a public project and the use of the remaining land is determined through an RFP process. This allows the CRA to have some control over what is happening in the redevelopment district. Mr. Hill pointed out that although this would be new for Melbourne, it has been done in other areas.

Regarding the question about running Babcock Street straight through to U. S. 1, Mr. Hill said that would disrupt existing businesses. Additionally, there is an existing traffic light at Ballard Drive.

Discussion continued regarding the alignment.

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Mrs. Poole recalled the original plan, which involved shops, stores, and fountains, and asked what happened. She said the committee is discussing going into the real estate business and issuing bonds. Mrs. Poole noted that realtors need to take the chance and make proposals – not the city.

Mr. Contreras asked the cost of the land at the north and south ends. Mr. Allen said he is not sure about the south end; however, he believes the theater property is in the range of \$800,000 - \$900,000. Mrs. Dittmer said it would be close to this range, if not higher, on the south end.

Mayor Buckley said Council will take the land purchase under advisement and discuss at a later meeting. He added that he does not believe we are ready to decide if we are going to become landowners.

Mr. Koehne offered that the change of complexion of Babcock Street to an employment center will result in the increase of traffic to levels that the FDOT, county and city have not even considered. He noted that it would be logical for Council to seriously consider acquisition of the property that is available now.

Mr. Palmer said it is worthy of consideration.

Mr. Ennis asked the law or impact if (ad valorem) taxes were waived for new businesses in the Redevelopment District.

Mr. Hill said the county has requested an opinion from the Department of Revenue regarding how a tax abatement would affect a redevelopment district. The concern raised is that the county and/or city general fund would take a double hit. He explained that if property was abated and the county did not collect taxes, the value of the property and the increment would increase, so the district would expect to be paid from the county the very money that the county would no longer be collecting. This runs counter to the purpose of the abatement.

A brief discussion followed. An opinion is pending from the state.

4. ADJOURNMENT

The meeting adjourned at 9:00 p.m.

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City Clerk – 1/23/2001

Approved by Council: February 13, 2001

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MINUTES – SPECIAL MEETING BEFORE CITY COUNCIL  
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A special meeting of the City Council was held in the City Council Chamber, 900 East Strawbridge Avenue, and was called to order at 9:14 p.m. by Mayor John A. Buckley.

1. All present gave the Pledge of Allegiance to the Flag of the United States of America.
2. Roll Call.

Present:	John A. Buckley	Mayor
	Cheryl Palmer	Vice Mayor, District 5
	Richard Contreras	Council Member, District 1
	Ed Palmer	Council Member, District 2
	Pat Poole	Council Member, District 3
	Grace Walker	Council Member, District 4
	Loretta Isenberg-Hand	Council Member, District 6
	Henry J. Hill	City Manager
	Cathleen A. Wysor	City Clerk
	Paul R. Gougelman, III	City Attorney
	James L. Reinman	Special Counsel

3. COUNCIL ACTION RE: Consideration of offer by Harbor City Volunteer Ambulance Squad to pay the City of Melbourne \$300,000 in exchange for a full and complete release of any and all deed restrictions and reverter interests in the Hickory Street property.

From the agenda report: The city has been in a dispute with HCVAS over a reversionary clause included in the deed to the property (which consists of approximately .93 acres and a building). The city granted the property to the squad for the purpose of running its ambulance operations. With the county takeover of the ambulance service, the work of HCVAS has ended. The city believes that the reversionary clause has been triggered and the property should be returned to the city.

Mr. Hill referenced the information he distributed and discussed at the January 9 meeting and noted that the offer by the Harbor City Volunteer Ambulance Squad merits Council's consideration. He added that the matter has been ongoing for a couple of years. In the past we have discussed that if we were successful, we would need to also acquire the adjacent property and the parcel owned by the Harbor City Volunteer Ambulance Squad Foundation. The parcels would need to be assembled and sold as one piece.

The latest wrinkle is that the squad has offered to pay the city \$300,000, which they represent to be half of the proceeds of the sale of the property, for us to release our interest. The city would be paid directly by HCVAS.

Mr. Reinman addressed Council and stated that he thinks this is a purely economic decision. He said that he believes the city's cause is meritorious; he has defended us vigorously and expects that we will prevail in the suit. The city has a reversionary right to the property deeded in 1972. The property was deeded to HCVAS for the purpose of the site being used as an ambulance facility. A condition was that if it ceased to be used for

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that purpose, it would revert to the city. As a result of Hurricane Erin in 1995, the building became damaged and unusable by the squad. They stated at that time that they intended to move back to the property; however, in 1999 they lost their contract with the county. The city requested return of the property at that point and although it is not clear why, they took the position that the reversionary clause had not been triggered. As a result, we filed declaratory action. That is what the litigation is about.

Since that time, there have been numerous discussions, especially since we don't like to see public agencies suing each other. Additionally, the city has always been a big supporter of the squad. We discussed acquiring all three parcels, since they are more valuable together. We could never reach agreement. One issue is that one of the parcels is owned by the foundation, which is a separate entity from HCVAS.

Continuing, Mr. Reinman said the trial was set for December. The city was ready; however, HCVAS asked for and received a continuance. The trial has been re-noticed although it has not been reset. We expect to go in the next several months and we expect the city to prevail. However, there is never a 100% certainty.

Mr. Reinman reported that the squad has received an offer to buy from an undisclosed medical group that wishes to convert the building into medical offices. The squad's offer to pay us \$300,000 is contingent on the sale being made. There have been some appraisals, which indicate that the city's parcel is worth less than \$300,000. Also, there is the issue of the contribution of the building. If the city accepts the offer, they will pay us after closing. If not, the issue will go to trial.

Mrs. Walker pointed out that we would incur court costs if we continue with the litigation. Mr. Reinman agreed and added that most of the work has been done. However, if the issue is tried, there will be the expense of the trial and possibly appeals. One advantage to resolving the issue now is that the legal expense will end.

Mrs. Poole asked who is on the board of the squad. Mr. Reinman replied Sue Schmidt and Don Nohrr. He noted that the others served by virtue of their office and since the squad no longer exists, the argument has been made that there are no others on the board.

Mrs. Poole questioned how the squad, which has been dissolved, can pay fees to Sue Schmidt's son. She added that she does not believe this is legal. Mr. Reinman said they do have the responsibility to wind up the affairs of the corporation. He offered that whether or not they are following their internal rules and bylaws is beyond the scope of what he was charged with.

Mrs. Poole noted that many issues need to be investigated. She asked if the Clerk of Court can audit (the board). Mr. Reinman said not that he is aware of; however, he repeated that this is beyond his scope.

Discussion continued regarding the operation of the current board.

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Mr. Hill commented that there are concerns about the building. The city does not have a use for it. If we prevailed, we would have a .93-acre parcel with a building that would be unusable. The adjacent parcel, at a minimum, would have to be purchased to make the property usable. If we win the suit, we would still have to spend some money – acquiring additional parcels, putting the property up for sale, and dealing with the building. There are risks both ways. The bottom line is that if the city prevails, we would need to spend additional funds to market the property.

Mrs. Poole disagreed and stated the property is usable as it is; the other parcels are not needed. She stressed that this is the city's property and if we can prevail, we should not give this up. The reverter clause was placed in the deed to protect us and the city should be the one to have the property and dispose of it.

Mrs. Palmer asked if the \$600,000 offer is for all three parcels. Mr. Reinman said there is some confusion, but he believes the price does not include the foundation parcel. The offer is for two of the parcels. The price may be \$650,000 with the foundation parcel.

Mrs. Palmer asked if we could realize \$300,000 from the sale of the property if we don't accept this offer. Mr. Hill said he doesn't know. We would need to acquire other property in order to make it work.

Mrs. Poole asked who did the appraisal for the city. Mr. Reinman said both appraisals were done by HCVAS. Following a brief discussion, he confirmed for Mrs. Poole that his father, who is an MAI appraiser and has practiced here for 50 years, reviewed the appraisal for the city.

Mr. Reinman commented that he and Mr. Hill are uncomfortable talking values because they are amazed that the squad has an offer of this magnitude for the property.

Mr. Palmer asked why the city views the building as a liability. Mr. Hill said a vacant building without a use has a certain liability. Additionally, we are fairly certain there is asbestos in the building and there may be a fuel tank on the property.

A brief discussion followed regarding the offer being contingent on the sale and the pending litigation.

Moved by Buckley/Walker to accept the offer of \$300,000 (which is contingent on the sale of the property).

Attorney Reinman said he has no intention of delaying the litigation until the city has the check in hand.

Mr. Hill confirmed for Mr. Contreras that we do not have a particular use for the building; it is not suited for our needs.

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Regarding the squad's claim about the building having a value, Mrs. Poole referenced the deed of conveyance and said that the building remains with the property. Mr. Reinman agreed and said typically when property is sold by warranty deed, all the rights thereto are conveyed.

Mr. Palmer said \$300,000 is a good price – the only problem is that it is based on the sale.

Mrs. Poole said the city was ready to go to court. She questioned this last minute offer. Mr. Reinman said the city was just as surprised; however, apparently they were approached with an offer.

The question was called. The roll call vote was:

Aye: Contreras, E. Palmer, Walker, Hand, C. Palmer, and Buckley

Nay: Poole

Motion carried. (Mrs. Poole voted Nay)

4. ADJOURNMENT

Moved by Contreras/Walker to adjourn. Motion carried unanimously.

The meeting adjourned at 9:47 p.m.

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City Clerk – 1/25/2001

Approved by Council: February 13, 2001