

CITY OF MELBOURNE, FLORIDA  
MINUTES – SPECIAL WORKSHOP MEETING BEFORE CITY COUNCIL  
OCTOBER 2, 2001

A regular meeting of the City Council was held in the City Council Chamber, 900 East Strawbridge Avenue, and was called to order at 7:30 p.m. by Mayor John 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
	Paul R. Gougelman, III	City Attorney
	Cathleen A. Wysor	City Clerk

Vice Mayor Cheryl Palmer reported that the Booker T. Washington neighborhood is conducting a community fun day at the corner of Masterson Street and Southland Street on October 21 from 1:00 p.m. – 6:00 p.m. The area residents have invited the Mayor and City Council Members to attend.

Mr. Hill reported on the following items: invitation from Brevard County regarding a quality improvement and strategic planning meeting being held in Jacksonville on October 31; Brevard Tomorrow Economic and Demographic Profile and Community Capacity Assessment reports available for Council review; and recent meeting with Technological Research and Development Authority regarding possible location of a business incubator in the city.

Additionally, Mr. Hill said he has asked the budget and finance staff to provide a report on what the city might expect given the recent downturn in the economy. Sales tax and other state shared revenues will be affected. The state has estimated a 3% drop in sales tax revenue. Every 1% drop equates to about \$55,000 for the city. Staff is deferring the purchase of capital items and freezing the hiring of non-essential positions.

Mayor Buckley recommended Council discuss the City Hall study first since the Babcock Street property is listed as a possible site. Mrs. Poole disagreed and said the agenda is in good order. By consensus, Council agreed to consider item 4 first.

3. COUNCIL ACTION RE: Discussion of marketing the Babcock Street former Palms 8 Theater site. (Postponed by Council 8/14/2001)

Note: Council acted on item 3 within discussion of item 4.

4. COUNCIL ACTION RE: Discussion of City Hall Study. (Postponed by Council 8/14/2001)

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This item was heard before item 3.

At the March 27, 2001 meeting, consultant Herb Sands presented layouts for four alternatives that were directed by Council. At the June 12, 2001 meeting, Council Member Contreras requested that this item be brought before Council again. Discussion was subsequently postponed until this meeting.

The four alternatives discussed include:

- Construct/expand at the present City Hall site.
- Construct at the Auditorium site.
- Construct a new building at the Auditorium site for some services while retaining some services at the present Downtown location.
- Construct on the North Babcock Street property (former site of the Palms 8 Theater).

The agenda package contains a detailed analysis of the Wells Park property. There has been a concern that use of Wells Park is restricted to recreational facilities and that there may be a reverter clause in the deeds. Staff conducted an exhaustive research of Council minutes and deeds conveying the property to the city. The only document that contains a restriction/reverter clause is the 1915 agreement with Wells. None of the land defined in that agreement was conveyed to the city by Wells. Additionally, none of the five deeds, which comprise Wells Park, contains a reverter clause.

The agenda package includes letters from the following distributed by Council Member Poole regarding Wells Park: Mickey Arbogast, former chairman of the Civic Improvement Board, confirming that the Wells gift of land carried the caveat that if the land was used for anything other than recreational or civic purposes, the land would revert to the Wells; Ruth Thornton, long time resident, confirming the reverter clause in the Wells deed; and V. Conger Brownlie, former member of the Civic Improvement Board, confirming that Wells Park may only be used for recreational purposes.

Regarding construction of a new Fire Station, the City Engineer has confirmed his earlier estimate that the cost of a new structure would be about \$700,000 (excluding land). A site on city property near Oak Street and Hibiscus Boulevard has been suggested as the location of a new station.

Herb Sands, consultant, reported that in preparing for this meeting, he re-read the evaluation and feasibility study completed in October 1999 and the City Hall site study completed in May 2001. He stated that even if the speculative numbers are cut in half, the issue does not relate to cost. The conclusion can't be based on dollars because the cost of the alternatives (after cutting speculative numbers in half) are fairly equal.

The determining factors will be location/convenience and ease of transition. Council is better equipped to make the location/convenience decision. And, renovation at the present location will present (ease of transition) difficulties. Additionally, Mr. Sands noted that the

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report references the fire station location for Council's consideration.

Mr. Contreras pointed out that City Hall currently occupies about 37,000 s.f., yet the report indicates that 40,000 s.f. is what the city will need to meet the future demand. He said there is not a big difference between the two numbers. Mr. Sands said that is correct. He added that because of advances in technology, less space is required. He pointed out that currently the office space is scattered; use of the space is not efficient. Additionally, 3,800 s.f. is currently occupied by the fire station, which would not be in a new City Hall.

Mr. Palmer questioned the square footage required and pointed out that there are figures listed throughout. Mr. Sands clarified that the current City Hall structure has 26,000 s.f., Annex I has 6,934 s.f., and Annex II has 3,782 s.f. The city needs 40,408 s.f. to meet current and future demands.

Mr. Palmer said the issue of the fire station always pops up. Station 4 is currently located at City Hall and whether we stay here or move, the fire station must be moved. For planning purposes, he commented that a decision needs to be made about the fire station independent of the City Hall issue. Mr. Sands said he agrees 100%.

Mrs. Hand referenced the requirement for 40,408 s.f. and asked if the North Babcock site will meet our future needs. Mr. Sands replied that the current City Hall location boxes you in. The other two sites (Wells Park and North Babcock) have room for expansion.

Mrs. Palmer said in the cost comparison, \$285,700 was estimated for acquisition of the North Babcock property. She asked if that is high enough based on the design and for what looks like a prime part of that real estate. Mr. Hill said that number is based on the price per acre paid for the site. Five acres will be necessary from the site to construct a new City Hall. The property may be worth more than that; however, at a minimum the General Fund would need to pay back the Redevelopment Fund.

Mrs. Walker agreed that we need to address the fire station issue. She added that obviously it needs to be moved. Mayor Buckley agreed and said Council should make a decision to relocate the fire station and request a design.

Mr. Hill informed Council that clearly the economic circumstances are different today than when the City Hall issue first surfaced. There are constricted revenues and resources. If pursuit of a new City Hall competes with other capital needs, it may cause Council to view the issue in a different manner.

Moved by E. Palmer/Hand to instruct the City Manager to begin the process of moving the fire station from its present location at City Hall.

Mr. Palmer said various locations have been discussed and the property located near Honor America at Hibiscus and Oak is perhaps a good location.

The Mayor restated the motion, which is to ask staff to proceed with moving the fire station

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located (at City Hall) to an off-site facility with the (first choice) being property located near Honor America. Motion carried unanimously.

Mayor Buckley said the City Manager informed him that while attending a recent conference, he learned that one city uses a capital project planning commission. The commission is charged with reviewing the city's revenues, recommending what project should be done next, determining source of funding, and promoting any bond issues. Mr. Hill expanded on the idea.

Mrs. Palmer said she would like to determine if Council is in agreement that we need to pay for the Babcock property whether or not a City Hall is located there. Mayor Buckley said the money has to be paid because there is a bond issue. If the property was sold, the money would be used to pay off the bond issue. Mr. Hill added that if we sell, presumably we would sell for at least as much as we paid. That would be used to pay off the cost of acquisition. If Council decides to use the site for a City Hall, we need to determine a price for the General Fund to pay to the Redevelopment Fund.

Mrs. Palmer said if that site is selected, it needs to be configured in such a way to generate as much revenue as possible from the sale of the remainder of the property. Following a brief discussion, Mr. Sands confirmed that the site could be configured with City Hall on the north or south portion. He agreed that frontage will be important as it relates to the value of the remaining property.

Mrs. Palmer said she is not in favor of using the Babcock site for a City Hall; however, if the site is selected, it needs to be configured in such a way to generate enough from the sale of the remaining property to pay off the bonds.

Mrs. Poole referenced the February 13, 2001 minutes regarding the acquisition of the Babcock Street property. The appraisal of the property indicated that the highest and best use of the property would be an industrial facility, similar to DRS Optronics. Mrs. Poole stressed that the option unanimously selected by Council – to purchase the entire 13.3 acres – included selling the remaining acreage after meeting the realignment and retention requirements and directing the use of the property towards an economically beneficial use.

Mrs. Poole discussed the purchase price, interest rate, etc. and pointed out that if this site is selected, \$87,024 in interest will have been paid while the item waits to appear on the November 2002 ballot. She added that the referendum could possibly fail. Additionally, she referenced the three resolutions (1675, 1676, and 1705) unanimously adopted, which provide for a loan and bonds for purchase of the Babcock property. The documents indicate that the proceeds will be derived from the Babcock Community Redevelopment Agency Trust Fund.

Continuing, Mrs. Poole said the City Council and the Babcock Street Community Redevelopment Agency Advisory Committee have both voted to post the property for sale. Additionally, the Redevelopment Fund is paying the interest, developers are looking at the property, and the property is listed in the Economic Development Commission's data base.

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If the city reneges on its previous action, it could destroy our credibility. Citizens would be subjected to increased taxes for a new City Hall, we would lose the ad valorem tax revenue on the property, and lose the possibility of a new industrial facility, which would enhance the redevelopment plan.

Mrs. Palmer said all this background has not escaped her attention. She added that she remembers the February 13 meeting. She agreed that the city has a lot to lose.

Mayor Buckley asked how many members would prefer that the city sell the Babcock property. The Mayor and Council Member Hand said no.

Moved by Contreras/Walker to sell the (Babcock Street) property.

Mrs. Hand stated this is the best location for a City Hall. It is the gateway to the Babcock Redevelopment Area and there is plenty of room for expansion. Mayor Buckley agreed.

The question was called. Motion carried. Council Member Hand and Mayor Buckley voted nay.

A brief discussion followed regarding the Auditorium. Mr. Hill updated Council on the status of the insurance claim. The insurance carrier has denied coverage and we are now dealing with FEMA. We do not expect a quick resolution.

Mayor Buckley stated that Council needs to determine the asking price for the Babcock property, whether to use a broker, and the rate. Mr. Hill referenced the Airport policy where they handle their own transactions; however, if a broker brings them a buyer/tenant, a fee is paid. He noted that Strategic Development Consultants (reference material in agenda package) has expressed an interest in the property for residential purposes. Council will need to determine whether we are going to entertain all offers, or strictly industrial/commercial offers for use of the property.

Mrs. Hand said residential was one thought for the redevelopment area. Mr. Hill replied that the original plan discussed a town center type of development. However, Council agreed to buy the property based on the highest and best use of commercial/industrial. That will provide the economic benefit in the district.

Mr. Palmer said commercial would tie in better with the redevelopment area. He added that when the road is realigned, the appraised value will go up. Based on that, he said he believes it would be prudent to obtain a new appraisal. Mr. Hill said a new appraisal could be lower based on current economic conditions. He said Council could simply name a price and see if any proposals are made.

Mayor Buckley recommended that Council entertain any offer, whether residential or commercial, if a buyer is willing to offer a fair price.

Regarding the issue of the broker, Mr. Contreras recommended the city act as the seller in

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order to offset some of the costs. Mrs. Palmer agreed.

Moved by Contreras/Poole that the city be the organization to sell the property.

Mrs. Walker pointed out that a multiple listing would provide better exposure. Mr. Contreras said the property is also listed with the Economic Development Commission. Mrs. Poole recommended that the “for sale” message be listed on both sides of the sign.

Mr. Hill referenced the Airport policy and asked if Council wants to provide a fee if a broker brings in a proposal. Mrs. Walker said Council should follow the Airport’s policy.

Following a brief discussion, Mr. Hill said staff will indicate to buyers that they should make their best offer and Council will consider it.

Mr. Palmer asked if we decided that it be commercial. The Mayor said Council determined commercial or residential. Mrs. Palmer said Council did not come to consensus on that point.

By consensus, Council agreed that the property be advertised as commercial/industrial. Mr. Hill was instructed to turn down the offer by Strategic Development.

The question was called. Motion carried unanimously.

Mayor Buckley referenced the asking price and said the original number of one million dollars is a good figure. Mr. Palmer agreed and said he sees profit in that. By consensus, Council agreed that the asking price be one million dollars.

Following a brief discussion, Council agreed that the realignment plans and the median project will appear on a regular Council agenda for consideration.

Mayor Buckley said Council needs to act on the Auditorium property. He asked which Council Members wanted to build at Wells Park. Mrs. Palmer said she did.

At this point a motion was made (Poole/Walker) to not build City Hall at Wells Park; however, later in discussion, Mrs. Walker withdrew her second.

Mr. Contreras cautioned that this action would back us into use of the current site – which has no room for expansion. Mr. Hill said we would be limited on this site; however, there is other property available on this block. Also, there is a possibility of using the Annex II site and a parking garage has been discussed. At the Auditorium, there is a possibility of expanding. There does not seem to be any reverter clauses or restrictions in the deeds. However, the property was originally platted with the use of the land as a park. That may complicate things; however, it is a separate issue.

Mrs. Poole asked that the three letters, referenced earlier, be read into the minutes. Mr. Hill said the letters were included in the agenda package; however, he is not sure about the

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basis of the information. Perhaps some of the recollection is not accurate because the property was exchanged for certain services. Reversionary clauses did not make it into the deeds. However, it is clear that the parcels were assembled for municipal, public and park uses. Whether use of the site for an Auditorium, library, museum, water facility, etc. is consistent with park use is up to Council to consider. These uses are consistent with a park, but the property is not strictly used as a park.

Mrs. Palmer said there would be no cost for land acquisition at Wells Park and City Hall would enhance the use of the park. The property would be easily accessible to the public and overflow parking would be available for both facilities. This is a good plan that would allow for city recreation and services to be in one aesthetically pleasing area with plenty of parking and green area.

Recessed: 8:59 p.m.  
Reconvened: 9:09 p.m.

Mrs. Poole referenced the three letters submitted by former Civic Improvement Board members and a long time resident of the city. She explained that the CIB was an autonomous body created in 1947. The Auditorium was paid for by a bond of indebtedness issued against Florida Power and Light franchise fees (administered by the CIB) on property donated by the Wells. The land was donated with a restriction that it be used only for recreation purposes. She stated that the city should honor that agreement and not build a City Hall at this location. Mrs. Wells wanted green area and lakes for our citizens' enjoyment.

Continuing, Mrs. Poole said she spoke with Jackson Vaughn, whose father was the former City Attorney, and he recalls the stipulation – everyone understood that the land was for park purposes only.

In response to Council Member Poole, Mayor Buckley said the three letters will be made a part of the record.

Mrs. Hand pointed out that there is no room for future expansion on the current City Hall site. Additionally, if we reconstruct the current City Hall, people will be moved from their work places. In light of that, she said she would support the Wells Park site. It is a beautiful, green area and a new City Hall would enhance the operation of the Auditorium.

At this point, Mrs. Walker withdrew her second (see above).

Moved by Poole/E. Palmer to not use Wells Park for the location of a new City Hall.

Mr. Contreras asked if there is any information beyond what has been gathered regarding a restriction on use of the property. Attorney Gougelman stated that based on our review of the plats, deeds, and agreements, there is nothing that specifically prohibits the property being used for other than park purposes; there are no reverter clauses.

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Mr. Contreras said based on a 20 or 40 year plan of expansion, the Wells Park property would enhance use of the space and add to the current operation of the Auditorium. Therefore, he cannot support the motion.

Mrs. Poole said people have indicated that there is room for expansion on the current site – the second floor can be extended. Also, a parking garage can be provided for a lot less than what has been quoted. City Hall was constructed with expansion in mind. Additionally, City Hall is located in the Downtown Area and if it is moved, it could have a devastating effect on redevelopment.

Continuing, Mrs. Poole referenced the funds that have been spent renovating the current City Hall. As previously mentioned, technology has resulted in the need for less room.

The question was called. The roll call vote was:

Aye: E. Palmer, Poole, and Buckley

Nay: Contreras, Walker, Hand, and C. Palmer

Motion failed.

Mr. Hill pointed out that the purpose of the workshop was to reach consensus. He stressed that Council has made progress at this meeting. He added that if certain action is taken by Council, he will not view it as being the only direction.

Mrs. Walker pointed out that it does not seem prudent to plan anything too extensive now in view of the economy and the uncertainty of our revenue. She added that Council has decided to move the fire station and that will make some space available. She recommended Council leave all options open at this point.

Mrs. Poole agreed that Council should leave things alone at this point.

Moved by Hand/Contreras to select (Wells) park site as the new City Hall site. The roll call vote was:

Aye: Contreras, Hand, and C. Palmer

Nay: E. Palmer, Poole, Walker, and Buckley

Motion failed.

Mr. Contreras pointed out that Council's lack of indecision will result in the cost almost doubling if we wait another five years before acting.

In response to Mrs. Poole, Mr. Hill said he previously distributed information regarding the funds that have been spent on renovating City Hall over the last five years. He added that

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he will update the information and send again.

Mr. Hill commented that we have made progress. He encouraged Council to continue providing direction and noted that there are still too many options.

Mayor Buckley summarized the action taken by Council at this meeting. The Mayor said he would entertain a motion to adjourn.

Mrs. Walker recommended Council revisit this issue after the second quarter review (of the 2001-2002 budget). She said at that point we will have a better feel about our revenues and expenditures.

Mrs. Poole asked if the plan prepared by Herb Sands is the only plan Council has to accept. She noted that other architects have indicated that improvements can be made to the current site for a lot less money than what he has estimated.

Mr. Hill clarified that Mr. Sands' mission was to provide concepts as to how the different properties might be utilized and the general costs. His plans are not construction plans. They are subject to further refinement.

Mr. Sands said the only fair way to compare sites is in like kinds of end product. The numbers in the report are for new buildings or changing the current City Hall into a new building – use of a chiller unit, up to date electrical, etc. He agreed that through a band-aid process, the city could spend a lot less on the current structure. He stressed that he didn't consider this site with a downgraded building.

Mr. Contreras asked if in the long run, due to efficiencies, the city would be better off with a new building. Mr. Sands said a new building is going to be far more efficient. He added that this will be important as energy rates continue to increase.

Mr. Contreras said at some point the return on our investment will be negative if we continue pouring dollars into the current facility. Mr. Sands agreed that the process should not be addressed in piecemeal fashion. He added that this building is in bad need of major changes.

Mr. Contreras said the reason Council is at this meeting is to narrow down the alternatives and make a decision. We are not committed to spending dollars; however, we can proceed with the engineering and architectural plans to determine what the cost will be today.

Mayor Buckley said on the basis of the last two votes, he does not know what else Council can do. It will take a majority to proceed.

Moved by Contreras/Hand to exclude the current location of City Hall for the new location of City Hall.

At this point, Mrs. Poole made a motion to adjourn; however, it did not receive a second.

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Mrs. Hand said if we don't consider Wells Park, we should not do anything on the current site. Mr. Contreras said we are band-aiding the current location and at some point we need to stop. Mayor Buckley said there has to be room for routine maintenance at City Hall. Mr. Contreras said he is not referring to routine maintenance.

Discussion followed regarding the previous action taken by Council and the result of the last two votes.

Mrs. Palmer noted that Council did not thoroughly discuss the current location of City Hall.

Mayor Buckley stated that the motion is that we not invest additional funding other than routine maintenance on the (current) building. (Note: the motion as restated by the Mayor is the motion that will be voted on.)

Mr. Hill pointed out that Council has funded various projects at City Hall. Maker/seconders agreed that the motion is for no new projects.

Mr. Palmer said this action will tie the hands of staff. Mrs. Palmer said that is the effect of not making a decision on a new City Hall. Council has prolonged that decision. Mayor Buckley said sometimes a non-decision is a decision.

The question was called. The roll call vote was:

Aye: Contreras, Hand, and C. Palmer

Nay: E. Palmer, Poole, Walker, and Buckley

Motion failed.

Mayor Buckley said Council has narrowed the selection to two sites. At this point, Council is going around in circles.

Moved by Hand/E. Palmer to adjourn.

Mrs. Palmer asked for a summary of action taken. Mayor Buckley summarized the action taken by Council at this meeting. Mrs. Hand asked when the item will return.

Mayor Buckley stated there is a motion to adjourn on the floor. Mrs. Walker asked that the motion be reconsidered. Mayor Buckley said the motion to adjourn takes precedence. Mr. Gougelman confirmed that and said the choice is to vote up or down the motion to adjourn.

The question was called.

Aye: E. Palmer, Poole, Hand, and Buckley

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Nay: Contreras, Walker, and C. Palmer

Motion carried.

The meeting adjourned at 10:06 p.m.

5. ADJOURNMENT

See previous item.

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City Clerk – 10/8/2001

Approved by Council: \_\_\_\_\_