MINUTES **DRAFT**
COCOA CRA
June 5, 2023

The Regular Meeting of the Cocoa Community Redevelopment Agency was held on June 5, 2023 at City Hall, 65 Stone Street, Cocoa, FL, as publicly noticed.

I. CALL TO ORDER:

Chair BLAKE called the meeting to order at **6:00 pm**.

ROLL CALL:

Michael C. Blake	Chairperson
Lavander Hearn	Vice Chairperson
Rip Dyal	Agency Member
Janne Etz	Agency Member
Alex Goins	Agency Member
Lorraine Koss	Agency Member
Candace Rogers	Agency Member
Anthony Garganese	Agency Attorney
Ryan Browne	Recording Secretary

PRESENT:

Michael C. Blake	Chairperson
Lavander Hearn	Vice Chairperson - late
Janne Etz	Agency Member
Alex Goins	Agency Member
Lorraine Koss	Agency Member
Candace Rogers	Agency Member
Kristin Eich	Agency Assistant Attorney
Ryan Browne	Recording Secretary

ABSENT:

Anthony Garganese	Agency Attorney
Rip Dyal	Agency Member

STAFF PRESENT:
City Manager Stockton Whitten and Community Services Director Charlene Neuterman.

Agency Member **GOINS** led the assembly in the Invocation and Agency Chairperson **BLAKE** led the assembly in the Pledge of Allegiance to the flag of the United States of America.

II. APPROVAL OF AGENDA:

AGENDA: Regular Meeting, June 5, 2023 as written or with amendments.

*** MOTION by Agency Member KOSS; SECONDED by Agency Member ETZ to approve the Agenda for the Regular Meeting of June 5, 2023, as written.**

AYES: BLAKE, ETZ, GOINS, KOSS, ROGERS.

MOTION PASSED UNANIMOUSLY (5-0)

APPROVAL OF MINUTES:

MINUTES: Regular Meeting May 1, 2023 as amended.

Amended: Agency Member **ROGERS** asked that on the Minutes, Page 7 – replace "beehives" with "seahives."

*** MOTION by Agency Member ROGERS; SECONDED by Agency Member GOINS to approve the Minutes of the Regular Meeting of May 1, 2023 as amended.**

AYES: BLAKE, ETZ, GOINS, KOSS, ROGERS.

MOTION PASSED UNANIMOUSLY (5-0)

III. DELEGATIONS:

1. **Alex Greenwood**
    i. "Model T" golf carts; wants to have them legal in the Village.

[Agency Vice Chairperson HEARN arrives at 6:05 pm.]

    ii. Response: Director Neuterman – that's a City Council ordinance that would have to be addressed, at council.

2. **Brad Whitmore** – Dog Park at Lee Wenner Park idea. East end (by bathrooms); large and small dog park; $50,000 benefactor will finance the project. Renderings are being drawn up; more details will be presented to City Council.

IV. PRESENTATIONS: None

V. ACTION ITEMS:

1. Request Agency Approval of a BAF and Resolution Amending the FY23 Budget in an amount not to exceed $7,000 for the purchase and installation of a camera and monitoring at the Municipal parking lot, north of City Hall.
    i. Introduction. Director Neuterman. Purchase of an additional camera. Three previously approved. Located in the Municipal lot, north of City Hall. This allows all primary areas to be monitored fully.
    ii. Discussion
    iii. Vote

***MOTION by Agency Chairperson BLAKE; SECONDED by Agency Member ETZ to approve the resolution.**

AYES: BLAKE, HEARN, ETZ, GOINS, KOSS, ROGERS.

MOTION PASSED UNANIMOUSLY (6-0)

2. Request Agency Approval of a Commercial Façade Improvement Program (CFIP) Grant application for an amount not to exceed $10,000 for the property located at 101 Brevard Avenue, Cocoa, FL and authorize the City Manager to complete and execute a Commercial Façade Grant Agreement.
    i. Introduction. – Director Neuterman. Describing repairs and improvements. 50% Match, not to exceed $10,000. Property is located on a prominent space between Willard and Brevard. Very visible from Westbound SR 520. Mr. Steinberger is present to answer any questions you may have.
    ii. Discussion.
        1. None.
    iii. Vote

***MOTION by Agency Member KOSS; SECONDED by Agency Chairperson BLAKE to approve the resolution.**

AYES: BLAKE, HEARN, ETZ, GOINS, KOSS, ROGERS.

MOTION PASSED UNANIMOUSLY (6-0)

3. 603 Brevard Avenue RFP discussion with updates from meetings with several developers. Request Agency recommendation regarding the RFP guidelines.
    i. Introduction. City Manager Whitten introduced the item.
    ii. He began by reminding the Board that they had tasked Staff to meet with developers and hoteliers to gain feedback concerning the lackluster response to the previous hotel RFP and to solicit feedback on what could be done to improve it.
    iii. City Manager Whitten said that the Staff team who met with the developers and hoteliers consisted of himself, along with Community Services Director Neuterman, as well as the City's Purchasing Manager, Brian Dale. They met with about a half dozen developers, hoteliers, and investment executives. People who actually invest in hotels and got their comments, not only on the RFP, but also general feedback about the project. Summary bullet points have been provided to the Board for review (see handout).
    iv. City Manager Whitten then proceeded to walk through the points from his summary bullet points handout.
    v. Some specific feedback points that were noted:

1. The size of the site limits what you can do with the property. The property is less than an acre, so a private party would have to acquire the private property next to it in order to make a profitable project.
2. The original idea of 100 plus rooms is not feasible on this property. Suggestions ranged from 60-70 rooms. However, opinions differed. Others said that a minimum of 80-85 rooms would be needed to make the project breakeven.
3. Strong suggestion was made that the CRA do its own market/feasibility study, which would provide an objective source of current market condition information to ensure highest and best use.
4. The industry experts spoke about what they call the "demand generators" for Cocoa Village. These are the economic drivers for an area. For example, in Viera the demand generator is the sports complex. While at the beachside communities it is the beaches. And in Melbourne and Titusville it's the space industry. This study could identify the demand generators for Cocoa Village.
5. Hilton and Marriott – leaders in the industry; are looking to expand but have been taking on hotel concepts that include mixed uses, including vacation rentals.
6. Several developers and investors warned to beware of developers who are 85-90% leveraged. Too much leverage creates an unnecessary risk for the Board and the City.
7. Construction of elevated, covered parking has a current market cost for 100 spaces of $30,000-40,000/space. Thus, a developer would have to spend $3-4 million, just for parking. This is over double the current appraised value of the property, currently valued at $1.55 million.
8. On the RFP, recommendations were made that it be as open-ended as possible.
9. A Proposal Bond was recommended, but no amount was suggested.
10. Bonding Capacity Letter: developers do not do this; construction companies do that part. The 45–60-day window, was not enough time to submit conceptual site development plan, leave it open longer to allow time to comply with requirements. Need more time to get everything accomplished for planning, scheduling, etc.
11. Investment executive commented that this level of financing is usually done by community banks, but their operating environment is difficult right now and they have been pulling back on these types of projects. He projected better performance during the fourth quarter of the 2023 calendar year. Developers should also have approximately 25% cash in. They need to be invested in the success of the project.
12. Director Neuterman added that a feasibility study has not been done in the last ten years. She believes it is beneficial for us to know what the current trends are, so that we can know how to move forward.

vi. Discussion

1. Agency Member **KOSS** thanked Staff for their work on getting good feedback and asked how much a market study would cost. Director

Neuterman responded that, depending on how we set the parameters, estimates for similar recent studies have been in the $30,000 - $70,000 for study. Quotes would be necessary to find good consultants capable of taking on this study. Agency Member **KOSS** followed up with a question about the community banks. She asked, if they are pulling back, isn't that a problem?

2. City Manager Whitten replied that not necessarily, since there is a lead time for all of these things, the timing may actually be fortuitous. Remember that the fourth quarter of the calendar year may bring better conditions - just when they may be helpful for this project.
3. Agency Member **ETZ** commented that she is open to a feasibility study, but she wants to be sure that any study will really look at the actual issues faced by the Village. She wants the study to accurately reflect the lived experience of the Village. She wants them to come on a Craft Fair weekend, for example, to see the parking issues, the ups and downs of the 'real village.'
4. Agency Member **ROGERS** commented that she would prefer visitors, people who will spend money, but not take permanent parking spaces. She reminded the Board that at one time the Village had four hotels. She said that we are missing out on bed tax, advertising, and other revenues. She believes that if the RFP is open-ended enough, we would get a diversity of proposal types.
5. Chairperson **BLAKE** asked the City Manager, would this feasibility study provide many of these questions with answers? City Manager Whitten replied: Yes. Their expertise is what we need.
6. Agency Member **GOINS** would like to liquidate the property and use the funds to fund other projects, such as additional parking elsewhere in the Village.
7. Agency Member **ROGERS** said in response to Agency Member **GOINS**, our purpose is to re-develop the community; just selling the property and spending that money on parking, is not highest best use. When we do little projects, we spend more than we have coming in. We need larger projects that generate TIF funds and support the agency goals. I want developer to be successful. Our job is to bring in big projects, so we bring in big dollars.
8. Chairperson **BLAKE** asked Director Neuterman – When does the CRA Sunset? Director Neuterman responded the CRA sunsets in 2041. We have 17 years left.
9. Delegations
   - Mr. Greenwood: He advocates selling the property.
10. Vice Chairperson **HEARN** commented that he would like to see a new RFP, however, he is not sold on a feasibility study.
11. Chairperson **BLAKE** remarked that he would like to maintain control of the property, so as to have a say in its use. Then, he led the Board through a series of up or down votes to separate wishes of the Board on how to have Staff proceed.

vii. Votes

1. Question # 1: Should we keep our property?
   - Answer # 1: **Yes**; vote is 5 to 1. ***Passed.***
2. Question # 2: Should we reword the RFP to be more open?
   - Answer # 2: **Yes**, vote is 6 to 0. ***Passed unanimously.***
3. Question # 3: Should Staff bring back quotes for a hospitality feasibility study?
   - Answer # 3: **Yes**, vote is 6 to 0. ***Passed unanimously.***

VI. <u>ATTORNEY'S REPORT:</u> None.

VII. <u>UPDATES AND STAFF REPORTS</u>:

1. No Staff Reports.
2. Agency Member GOINS passed out a printout of a presentation on the Consent Decree (Exhibit A).

VIII. <u>NEXT MEETING DATE:</u>

Tuesday, July 11, 2023, at **4:30 pm** in the Council Chambers located in Cocoa City Hall, 65 Stone Street, Cocoa, Florida.

IX. <u>ADJOURNMENT:</u>

* **MOTION by Agency Member GOINS; SECONDED by Agency Chairperson BLAKE to adjourn the meeting.**

AYES: BLAKE, HEARN, ETZ, GOINS, KOSS, ROGERS.

MOTION PASSED UNANIMOUSLY (6-0)

MEETING WAS ADJOURNED AT <u>7:26 PM</u>.

Michael C. Blake, Chairperson

Respectfully Submitted by:

Ryan Browne, Recording Secretary