MINUTES **DRAFT**
COCOA CRA
May 1, 2023

The Regular Meeting of the Cocoa Community Redevelopment Agency was held on May 1, 2023 at City Hall, 65 Stone Street, Cocoa, FL, as publicly noticed.

I. CALL TO ORDER:

Chair BLAKE called the meeting to order at **5:59 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
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

ABSENT:

None

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

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

II. APPROVAL OF AGENDA:

AGENDA: Regular Meeting, May 1, 2023 as written or with amendments.

*** MOTION by Agency Member GOINS; SECONDED by Agency Member ETZ to approve the Agenda for the Regular Meeting of May 1, 2023, as written.**

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

MOTION PASSED UNANIMOUSLY (7-0)

APPROVAL OF MINUTES:

MINUTES: Regular Meeting March 6, 2023 as written or with amendments.

*** MOTION by Agency Member KOSS; SECONDED by Agency Member ETZ to approve the Minutes of the Regular Meeting of March 6, 2023 as written.**

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

MOTION PASSED UNANIMOUSLY (7-0)

III. DELEGATIONS:

1. Alex Greenwood – spoke in favor of hotel approval. Package was bought by previous developer.

IV. PRESENTATIONS: None

V. ACTION ITEMS:

1. Approve a Resolution Amending the Fiscal Year 2023 Budget, BAF #23-067-A, reducing the annual TIF Revenue from Brevard County by $51,273 based on the final payment received by the County and reduce the Contingency line item in the Cocoa CRA expenses by the same amount to balance the revenue and expenses for Cocoa CRA.
    i. Background information by Director Neuterman.
        1. Typically in the June prior to our fiscal year, the County sends us an estimate of TIF. This projection estimates based on status of current projects. Once taxes have been paid by residents of the CRA, the County will send the final payment to the City. After this adjustment, we still have about $200,000 left in Contingency. This is also, after some projects that we have done, including the cameras. This is to get us through to the end of the fiscal year.
    ii. Chair **BLAKE** asked if there were any questions from Board Members?
        1. Agency Member **GOINS** asked when budget priorities will be set. Director Neuterman responded that will occur in June.

***MOTION by Agency Member KOSS; SECONDED by Vice Chair HEARN to approve the resolution.**

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

MOTION PASSED UNANIMOUSLY (7-0)

2. Approve the Evaluation Committee's recommendation to reject the only proposal received by the Agency as non-responsive for not meeting the minimum requirements required by the RFP, P-23-19-COC. Additionally, the Agency Board is requested to provide additional direction regarding the future development of the site at 603 Brevard Avenue.
    i. Chair **BLAKE** gave opening remarks about this item. He stressed as a reminder that we are seeking BHU – Best Highest Usage, of space. He suggested that we need to start thinking outside of the box and ask ourselves, 'what is the best use of this space for the community?'
    ii. Director Neuterman we are here tonight to bring to you the Evaluation Committee's Recommendation to Reject the only proposal that was received, as Non-Responsive for not meeting the Minimum Requirements by RFP, P-23-19-COC. Additionally, we are here to ask the Board to provide additional direction regarding the future development of 603 Brevard Avenue. Director Neuterman gave a brief overview of the process to this point.
    iii. Director Neuterman provided background information. She stated that on March 3, 2023 – a Request for Proposal (RFP) went out for a mixed-use hotel at 603 Brevard Avenue. March 21, 2023 – there was a mandatory pre-proposal meeting. There were 11 attendees and 7 staff members present at that meeting. Those in attendance received a presentation and a tour of the property. Attendees had until April 4, 2023 to submit questions. April 5, 2023 an addendum was posted.
    iv. The members selected to serve on the Evaluation Committee were myself, Agency Member Candace Rogers, and Amanda Mazaurieta, Executive Director of Historic Cocoa Village Main Street. The Evaluation Committee received one proposal on April 18, 2023. Received from Signature Capital Partners.
    v. The Purchasing Division reviewed the Proposal to verify the criteria were met. Section 5 of the proposal required 19 items to meet minimum requirements. Several deficiencies were found with the one proposal received. The Conceptual Site Plan – the proposer does not have the rights to the plan submitted. The description of the Proposer's entity and identification of persons having a financial interest, it states that it reserves the right to change those who have a beneficial interest. Written proof of successful financing. And completion of at least one similar hotel in the last five years. The Proposer stated that they are undertaking a renovation of a hotel in the Orlando area. However, it was for renovation and rebranding, not constructed. The other example is a vacant property project that is still in the

final stages of pre-development. The Security Proposal Bond was not submitted. Proposer requested that this requirement be waived. The Bonding Capacity Letter issued by Florida State Surety was not submitted. Copies of the previous proof of funds letters were not submitted. Also, missing, was a signed proposal form. Due to these deficiencies, the Review Committee recommended "non-responsive." And requests guidance from the Board on next steps.

vi. Vice Chair **HEARN** asked if the RFP was strictly for a hotel? Director Neuterman said, yes. Vice Chair **HEARN** continued, he would like to explore mixed-use ideas. Chair **BLAKE** asked Vice Chair **HEARN** to clarify, did he mean BHU – Best Highest Usage? The Vice Chair responded in the affirmative.

vii. Agency Member **ETZ** remarked that there were 11 attendees at the mandatory hotel pre-proposal meeting, but none of them submitted. She asked Director Neuterman if any of them said why they did not choose to bid. Director Neuterman responded that that question was not asked of those attendees, but, that staff could follow-up with them to do so in order to solicit their feedback. Agency Member **ETZ** said that as a business owner in Cocoa Village, a hotel excites her as "best use" for the Village.

viii. Agency Member **GOINS** asked regarding the deficiencies, was there any reason given for not submitting the full packet? City Manager Stockton responded that if the Board could look at page 204 in the agenda – Deficiency No. 2 – own the development plan. Numbers: 2, 5, 6, 9, 10, 11, 19 are all missing. Financials missing. Must prove previous funding, that is not in their proposal. Agency Member **GOINS** stated that this has been a very painful process over the last five years. He indicated that he wants to hear from the bidder.

ix. Agency Member **ROGERS** said that it has actually been the last 10 years the Board has been trying to get a project done at that address. The first five years were spent trying to get a condo developed there and now the hotel project has spend another five years. She made the point that it doesn't matter what you want to build, unless you have the financing. For her, section 14 – rejection dealbreaker; not being able to submit to meet minimum requirements; we asked for a security bond – they failed. She asked, 'did we cast a wide enough net?' Why did we not receive any proposals as a result of the mandatory pre-proposal meeting? We want a hotel, but maybe mixed use, condo, be more creative; anyone, late to the proposal stage, yes, she knows; you must prove you can follow instructions, we must see the capacity to produce.

x. Chair **BLAKE** asked what is the least amount of challenge for a Bond? Director Neuterman – the amount of money is the issue, not the type of project; City Manager Whitten added the point: we are testing to see if the developer can acquire the necessary financing; can they handle the size and scope of the project? Also, he is aware of at least two developers who found out about the RFP, but, were too late to submit bids. He plans to meet with them to hear them out as well as get some feedback from them. He speculated that this could just be a market/timing issue.

xi. Vice Chair **HEARN** commented that he still hopes for a hotel. He asked if mixed use could be added to a new RFP if we go that route. He also wants feedback from the attendees of the mandatory pre-bid meeting. City Manager Whitten said that Mixed Use Hotel or a Mixed-Use Development can be added to a new RFP.

xii. Agency Member **DYAL** said that 11 people showed up at the pre-proposal meeting. There must be some issue, since none of them submitted bids. He said that he understands that bonds can take time to get, especially for bigger projects. Could they show the Board proof of previous bonds they have done before or same size to prove? Property Tax is a problem – businesses are turned off. Can we rewrite the RFP and try again? We're invested at this point.

xiii. Agency Member **KOSS** made it clear that she believes the Board needs to move forward. She likes the idea of being creative. Her primary concern is that she wants to see actual progress.

xiv. Agency Member **ETZ** asked about the developer's other projects, one in development in Orlando and the other is a pre-development in Brevard – big discrepancy? She is eager to hear an explanation. She is very concerned that she does not want something that gets started, but then just sits there. She wants to see the money upfront. She wants completion. The site is a $1.5 million property. It is a good deal. Chair **BLAKE** said that he concurs.

xv. Delegations: Eric Lyons – development consultant. He introduced Jim Hannon, the developer. He explained that they had technical reasons why they did not respond to certain points in the bid. He stated that originally the due date was set as May 9. He mentioned that they have a meeting scheduled with the City Manager to discuss this week. He claimed that they are not able to address in a public forum due to trade secrets. He asked if the Board could consider tabling the issue until after their meeting with the City Manager. He said that feasibility studies have been done saying that this is a good site. He provided a Handout from Developer (Exhibit F). He claimed that a current, larger project is under way, a $43 million project, detailed in the handout. He said that it is provable and documented and can provide in a closed forum with the City Manager. Security, he said, is not bondable as is; they are requesting a waiver. They want to ask the Agency Attorney for more balanced language. He also took issue with the bonds. He said one is a bid bond to cover costs; while the second is the construction bond – comes from the contractor not the developer; why we did not put in a pre-bid; we committed to not.

xvi. Chair **BLAKE** – asked for clarification: "You are 100% independent of Jack Brown?" Response: "Yes, sir." Chair **BLAKE** – "I am taking you at your word." Vice Chair **HEARN** asked if any adjustments in the language occur, wouldn't the RFP need to be available? – City Manager Whitten – not intent to overrule Committee, but, proposal has seven deficiencies. No. 2 – do you own the conceptual site plan? No. Bid bond – you give us that so that you can participate. Bonding capacity letter – that you have an ability to bid; digest these points. 2, 5, 6, 9, 10, 11, 19 all deficient. Agency Member **GOINS** – did you give that to the Committee? City Manager Whitten – let me give you an example: page. 47 commitment to finance – proof of funds. Mr. Lyons – that's a direct requirement of the RFP – in response to no. 12. City Manager Whitten – Committee. Mr. Lyons – Mr. Brown DFI Construction responsible for MBV was not paid. Lien expires in three days. Intent is to procure the rights to the plans. Agency Member **GOINS** – bonds; still could have received bid bond – why not done? Lyons – not bondable; reviewed by his lawyers; moving target; no prudent businessman would bid this; if re-written, could consider; City Manager Whitten – bid proposal – let Agency Attorney Garganese discuss; Proposer does not currently have rights; No. 9 security $75,000, not bonding the project. Agency Attorney Garganese – do not conflate the two; no.12 – construction performance bond; advise board to caution dealing with what ifs with consideration of proposals; Committee has reviewed on your behalf – did they submit minimum required – no, did not meet minimum; it is deficient. Your prerogative, but, not how bid process works. This did not occur. Incomplete information. Several times the board has been burned on this. Chair **BLAKE** – Agency Member **ROGERS** – look that this is a positive development; Cocoa has a great draw; it's not cookie cutter, it's a special place; We love it hear; we have a train (hopefully getting a train station) - we can do better than what we have; look at this as an opportunity. Agency Member **ETZ** – question voting on the motion. What to do after? Agency Member **KOSS** – looking forward to opportunity.

xvii. Mr. James Hannon. I've been involved for four months. Marriott, Hilton, and Choice – second parcel under contract; No reason to buy if rejected; MVE civil engineer – known to me; would I hire him to finish a project, not unless I own an RFP; too costly, we would have to change, and that cost – I would hire a contractor, will be qualified for a $30 million. Agency Attorney Garganese – need public improvement projects at risk of time – yes, performance bond required. Hannon – construction, why would. Agency Attorney Garganese – included in the building is the parking, right of way, etc. Current issue – responsive proposal, answer is NO. Mr. Hannon- no proof of funds. Two lenders interested, but, I must be in control of property; solid terms sheet – underwriting – I'm not going to submit; solid proof of terms sheet; reading the RFP provided not enough clarity. I disagree about what you need. I think 100 space parking; who benefits; trying to work together, but, saw a long term okay, not sure how this projects.

xviii. Alex Greenwood. Lots of opportunity, with Port. Mixed use project. This is a commercial property, not handled the same. I attended the meeting. They needed the extra land for this project. Anyone else, looks at the land and solved drainage etc. $2 million to satisfy 100 spaces for parking. Wants them to get more time; but, then proof of funds.

xix. Chair **BLAKE** –Agency Members discussion. Agency Member **GOINS** – market could be an issue, plot of land may be issues – go back ask developers, what turned you off from bidding; language in bid, etc. Mr. Hannon – mixed use: as a developer, how do you feel about it.; first floor already has that; retail is difficult to lease; we build restaurant/bar, conference space, food, drinks, the space, all in one place; phase 2 is condos; must be separated, franchise hotel will not do that; keep separate – not the same access points. Can't put in same building, flag hotel will not do that. Agency Member **ETZ** – what's wrong with the proposal, etc. that is not flowing right; how do we fix that? I do have to say, the tone is different from past. Six months later, back at square one. Believes them to be serious. Torn about. City Manager Whitten – vision moving forward: meeting with developers, they will tell me, we can make those adjustments; we are not going to substantially change the financial benchmarks. Simply RFP not met; simply submit a new RFP; Chair **BLAKE** – make sure that Board Members input; asking beneficial – do we need to wait until next meeting? Legal – Agency Attorney Garganese – non-responsive proposal, due diligence, re-issue a new RFP – this process can start over, after evaluation; material ways different – does not match; fair process for new RFP. Vice Chair **HEARN** commented that in 2018 there was only one submission as well. Director Neuterman responded, in favor of City Manager. Motion to accept denial.

MOTION by Vice Chair HEARN; SECONDED by Agency Member GOINS to approve the motion.

AYES: BLAKE, HEARN, DYAL, ETZ, GOINS, KOSS, ROGERS; MOTION PASSED UNANIMOUSLY (7-0)

Agency Member **GOINS** – concerned, but, also thinking of Bank of America property as well; we need to be realistic. Something wrong with parcel. Chair **BLAKE** – swapping property; City Manager and Attorney can investigate.

VI. ATTORNEY'S REPORT: None

VII. UPDATES AND STAFF REPORTS:

1. Director Neuterman. Ask for Consensus July 3 move to July 10. ***Approved unanimously.***
2. We are welcoming Ryan Browne, incoming Recording Secretary to the Board.
3. We are saying farewell to Lori Chabot, outgoing Recording Secretary to the Board, who is in audience and will be a Volunteer with the City of Cocoa. Standing ovation.
4. Agency Member **KOSS** – (we were unable to get presentation to work; technical problems.) living shoreline with a sea wall. View, but, keep people off wall; sea wall; Chair **BLAKE** – to cut mangrove, do we need special permission? Director Neuterman – Yes.
5. Agency Member **ROGERS** – they call them beehives; to attenuate – magnified water; doubled size and energy of waves – we should look site specific – will this fix the problem. Agency Member **DYAL** – we need a breakwater. Agency Member **ROGERS** – we need to explore with experts. Vice Chair **HEARN** – incorporate.

VIII. NEXT MEETING DATE:

Monday, June 5, 2023, at 6:00 pm in the Council Chambers located in Cocoa City Hall, 65 Stone Street, Cocoa, Florida.

IX. ADJOURNMENT:

*** MOTION by Agency Member DYAL; SECONDED by Agency Member ETZ to adjourn the meeting.**

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

MOTION PASSED UNANIMOUSLY (7-0)

MEETING WAS ADJOURNED AT 7:30 PM.

Michael C. Blake, Chairperson

Respectfully Submitted by:

Ryan Browne, Recording Secretary