

City of Melbourne

City Hall • 900 E. Strawbridge Avenue, Melbourne, FL 32901
(321) 608-7200 • Fax (321) 608-7219



Babcock Street Community Redevelopment Agency

June 12, 2018 • 6:30 PM

The following item will be heard during the regular meeting of the Melbourne City Council. The meeting will begin at 6:30 p.m. See full City Council agenda for location of the following item.

1. First amendment to interlocal agreement regarding rehabilitation and transfer of a portion of South Babcock Street
 - a. **Resolution No. 3744:** First amendment to interlocal agreement regarding rehabilitation and transfer of a portion of South Babcock Street

Mayor Kathy Meehan, Council Member Debbie Thomas, and Council Member Tim Thomas, as members of the Airport Authority Board, may discuss Airport Authority issues, which may subsequently be addressed by the Airport Authority.

Mayor Meehan and Council Members Teresa Lopez, Betty Moore and Paul Alfrey (alternate), as members of the Space Coast Transportation Planning Organization (SCTPO), may discuss SCTPO issues, which may subsequently be addressed by the SCTPO.

Pursuant to 286.0105, Florida Statutes, the City hereby advises the public that if a person decides to appeal any decision made by the City Council with respect to any matter considered at its meeting or hearing, he will need a record of the proceedings, and that for such purpose, affected persons may need to insure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. This notice does not constitute consent by the City for the introduction or admission into evidence of otherwise inadmissible or irrelevant evidence, nor does it authorize challenges or appeals not otherwise allowed by law. In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statutes, persons with disabilities needing special accommodation to participate in this meeting should contact the City Clerk's Office (321/608-7220) at least 48 hours prior to the meeting.



DEPARTMENT: Community Development	Reading No.	N/A
	Public Hearing	Yes
	Quasi-judicial Item (Disclosure Required)	No
COUNCIL DISTRICT: 3 & 4	Item No.	A.1.

SUBJECT:

Resolution No. 3744, first amendment to interlocal agreement regarding rehabilitation, transfer of a portion of South Babcock Street

BACKGROUND/CONSIDERATION:

This is a request for approval of a joint resolution from the Babcock Street Community Redevelopment Agency (CRA) and the City of Melbourne. A first amendment to the interlocal agreement for a portion of Babcock Street roadway repairs and transfer is proposed. The original agreement was fully executed in January 2018. The first amendment expands the construction project for additional stormwater drainage repairs to Babcock Street that are necessary prior to the roadway reconstruction. Stormwater drainage defects were discovered by City staff during inspection of the roadway utility infrastructure. The cost of lining the stormwater pipes has been estimated at \$370,750.

Through negotiation with the County, the County has agreed to fund these stormwater infrastructure repairs through the Babcock Street CRA, by extending the sunset date of the agency by one year, through September 9, 2024. This requires an amendment to the three-party interlocal agreement with approvals of the County, City of Melbourne, and Babcock Street CRA to include the additional construction costs and the one year CRA extension. The Babcock Street CRA Redevelopment Plan and the loan agreement will need to be amended and will return for consideration in July.

FISCAL/BUDGET IMPACT:

An increase to the capital project of \$370,750

REQUESTED ACTION:

- a. Approval of Resolution No. 3744 by the Babcock Street Community Redevelopment Agency.
- b. Approval of Resolution No. 3744 by the City of Melbourne.

MEMORANDUM



Community
Development
Department

TO: Michael A. McNees, City Manager

THRU: Cindy Dittmer, AICP, Community Development Director

FROM: Doug Dombroski, Economic Development Manager

RE: **First Amendment To Interlocal Agreement for the Rehabilitation and Transfer of a Portion of Babcock Street**

DATE: May 31, 2018

This is a request for consideration of a joint resolution for approval of an amendment to the three-party agreement by and between the City of Melbourne, the Babcock Street Community Redevelopment Agency (CRA), and Brevard County. The original *Interlocal Agreement for the Rehabilitation and Transfer of a Portion of Babcock Street* was approved by City Council on October 24, 2017, and the Babcock CRA on January 9, 2018, and the underlying agreement was executed by all three parties on January 11, 2018.

Upon the City's inspection of the roadway system, which included the storm drainage system, it was discovered that it was necessary to rehabilitate the stormwater pipe prior to rebuilding the roadway. This situation was not apparent until the City performed inspections as part of the due diligence in acceptance of the roadway infrastructure. Relining of the stormwater pipes, including inlet repairs, is essential to prevent road failure after the reconstruction is completed. The additional cost of \$370,750 for this process has been negotiated to be absorbed through a one-year extension of the Babcock Street Community Redevelopment Agency.

In summary, the *First Amendment to Interlocal Agreement Regarding Rehabilitation and Transfer of a Portion of South Babcock Street* provides the ability for the three agencies to cooperate in carrying out the following in 2018:

- The City will contract additional drainage work in the amount of \$370,750.
- All three agencies agree that the additional cost will be paid through the Babcock Street Community Redevelopment agency by extending the sunset date to September 9, 2024.
- Brevard County passed a resolution amending the delegation of authority to allow for one additional fiscal year for this purpose.

- As a condition to this agreement, the Babcock CRA will amend the Babcock Street CRA Redevelopment Plan to include the additional year.
- All agencies acknowledge that the drainage improvements will be funded by amending the existing loan agreement between the CRA and the City by increasing the term and the amount of the loan. The loan agreement will return for consideration in July.

Recommendation

- a. Approval of Joint Resolution by the Babcock Street Community Redevelopment Agency.
- b. Approval of Joint Resolution by the City of Melbourne.

RESOLUTION NO. 3744

A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MELBOURNE, FLORIDA AND THE GOVERNING BODY OF THE BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY RELATING TO THE INTERLOCAL AGREEMENT WITH BREVARD COUNTY PROVIDING FOR REHABILITATION AND TRANSFER OF A PORTION OF SOUTH BABCOCK STREET; MAKING FINDINGS; APPROVING THE FIRST AMENDMENT TO INTERLOCAL AGREEMENT; PROVIDING AN EFFECTIVE DATE; AND PROVIDING FOR ADOPTION.

WHEREAS, Brevard County, the City of Melbourne (the "City") and the Babcock Street Community Redevelopment Agency (the "CRA") entered into that certain Interlocal Agreement Regarding Rehabilitation and Transfer of a Portion of South Babcock Street, Melbourne, Florida recorded in Official Records Book 8068, Page 2637 on January 12, 2018 (the "Interlocal Agreement") pursuant to Section 163.01, Florida Statutes; and

WHEREAS, the parties desire to amend the Interlocal Agreement to provide for restoration of certain related stormwater facilities; and

WHEREAS, attached hereto is the First Amendment to Interlocal Agreement Regarding Rehabilitation and Transfer of a Portion of South Babcock Street, Melbourne, Florida, which is negotiated by and between Brevard County, the City and the CRA (herein: the "First Amendment to Interlocal Agreement"); and

WHEREAS, it is necessary and desirable to approve the form of and authorize the execution of the First Amendment to Interlocal Agreement; and

WHEREAS, all acts, conditions and prerequisites relating to the passage of this resolution and required by the Constitution or laws of the State of Florida to happen, exist and be performed precedent to and in the passage hereof have happened, exist and have been performed as so required; and

WHEREAS, this resolution is adopted pursuant to Article II, Chapter 20, City of Melbourne Code of Ordinances, Chapter 166 and Part III, Chapter 163, Florida Statutes, and other applicable provisions of law.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MELBOURNE, FLORIDA, AND THE GOVERNING BODY OF THE BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY:

SECTION 1. APPROVAL. That the First Amendment to Interlocal Agreement attached hereto is hereby approved.

SECTION 2. PROVIDING DIRECTION TO CITY MANAGER. That the City Manager and other staff are hereby authorized and directed to carry out the intent of this resolution by preparing the necessary documents required to perform the obligations under the Interlocal Agreement as amended by the attached First Amendment to Interlocal Agreement.

SECTION 3. EFFECTIVE DATE. That this resolution shall become effective immediately upon its adoption in accordance with the Charter of the City of Melbourne.

PASSED AND ADOPTED at a regular meeting of the governing body of the Babcock Street Community Redevelopment Agency on the ____ day of _____, 2018.

**BABCOCK STREET COMMUNITY
REDEVELOPMENT AGENCY**

BY: _____
Kathleen H. Meehan, Chair

ATTEST:

Cathleen A. Wysor, City Clerk

PASSED AND ADOPTED at a regular meeting of the City Council on the ____ day of _____, 2018.

CITY OF MELBOURNE, FLORIDA

BY: _____
Kathleen H. Meehan, Mayor

ATTEST:

Cathleen A. Wysor, City Clerk

Resolution No. 3744

Attachment: First Amendment to Interlocal Agreement Regarding Rehabilitation and Transfer of
a Portion of South Babcock Street, Melbourne, Florida

**FIRST AMENDMENT TO
INTERLOCAL AGREEMENT
REGARDING REHABILITATION AND TRANSFER
OF A PORTION OF SOUTH BABCOCK STREET, MELBOURNE, FLORIDA**

THIS FIRST AMENDMENT TO INTERLOCAL AGREEMENT REGARDING REHABILITATION AND TRANSFER OF A PORTION OF SOUTH BABCOCK STREET, MELBOURNE, FLORIDA (this "Amendment") is entered into on the date the last party executes this agreement, by and between the CITY OF MELBOURNE, a Florida municipal corporation, 900 E. Strawbridge Ave., Melbourne, Florida 32901 (hereinafter "the CITY"); the CITY OF MELBOURNE BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY, a Florida dependent special district, 900 E. Strawbridge Ave, Melbourne, FL 32937 (hereinafter "the CRA"); and BREVARD COUNTY, a political subdivision of the State of Florida, in its own name and in behalf of each County Taxing Authority, as defined in section 2b., below, 2725 Judge Fran Jamieson Way, Viera, Florida 32940 (hereinafter collectively called "the COUNTY").

WITNESSETH:

WHEREAS, the CITY created the CRA pursuant to CITY Ordinance No. 98-23 after the COUNTY delegated its authority under Part III, ch.163, Florida Statutes, as set forth in COUNTY Resolution 97-187; and

WHEREAS, the CITY created a tax increment redevelopment trust fund (CRA TIF) pursuant to §163.387, Florida Statutes, and CITY Ordinance No. 98-23 as a part of the noted CITY and COUNTY enabling authority; and

WHEREAS, the CITY and COUNTY have continuously paid their respective full CRA TIF payments required by §163.387(1), Florida Statutes, and CITY Ordinance No. 98-23 to the CRA since the first fiscal year of the CRA's operation; and

WHEREAS, the CITY, COUNTY and the CRA entered into that certain Interlocal Agreement Regarding Rehabilitation and Transfer of a Portion of South Babcock Street that was formally executed by all parties on January 11, 2018 and recorded on January 12, 2018 in Official Records Book 8068, Page 2637 of the public records of Brevard County (the "Original Agreement"); and

WHEREAS, the Original Agreement provides that the County agrees to the extension of the CRA, the CRA acceptance of the reconstruction and rehabilitation of Babcock Street between Hibiscus Boulevard and Apollo Boulevard as a CRA project, the transfer of the ownership and maintenance responsibilities of a portion of Babcock to the CITY, and the institution of specific requirements on the CRA's use of County Tax

Increments; and

WHEREAS, upon inspection of the underlying stormwater drainage system serving Babcock Street by the CITY, the CITY discovered that some rehabilitation work needs to be accomplished before the Construction Project can begin; and

WHEREAS, the full scope of the need for rehabilitation of the underlying stormwater drainage system was unknown at the time the parties executed the Babcock Street Project agreement; and

WHEREAS, all parties desire to accomplish the rehabilitation of the underlying Babcock drainage system in an amicable and expeditious manner in order to create a necessary foundation for the rehabilitation of South Babcock Street;

NOW, THEREFORE, the parties mutually agree as follows:

1. **RECITATIONS.** The foregoing recitations are true and correct and by this reference incorporated herein.

2. **MODIFICATIONS TO THE ORIGINAL AGREEMENT.** Notwithstanding anything to the contrary set forth in the Original Agreement, the following modifications shall apply:

(a) **CRA Termination Date.** Paragraph 2.e. is modified as follows:

[***]

“CRA Termination Date” means September 9, ~~2023~~ 2024.

[***]

(b) **Closing conditions.** Paragraph 14, line (vi) is amended to read:

[***]

And (vi) the parties understand and agree that the “First Amendment of the Interlocal Agreement Regarding Rehabilitation and Transfer of a Portion of South Babcock Street, Melbourne, Florida” is intended to provide funding for certain stormwater drainage work needed to restore the integrity of the existing drainage system serving Babcock Street but is not intended to modify the design or capacity of the existing drainage system. Accordingly, at Closing, the County will provide a statement that “Brevard County verifies that it is not aware of any deficiencies in the drainage design or capacity that would restrict the drainage system’s ability to handle the drainage expected from the South Babcock Street construction project provided that

the construction does not result in an increase to the impervious surface area in the right of way." ~~Verification that the County drainage can accommodate the drainage expected from the construction project.~~

[**]

(c) As the County has diligently searched and has not located any construction plans, paragraph 14. Line (iv) and (v) is deleted as follows:

[**]

~~(iv) any construction plans in the COUNTY's possession for the Construction Project; (v) assignment to the CITY of the right to use the construction plans prepared on behalf of the COUNTY, which assignment shall be consented to by the engineer sealing such plans;~~

[**]

(d) County obligations. Paragraph 5.e. of the Original Agreement shall be modified as follows:

[* * *]

e. Shall continue its annual contribution to the CRA TIF as required by §163.387, Florida Statutes, in every fiscal year between FY 2017-2018 and FY 2022-2023-2024.

[* * *]

(e) City obligations. Paragraph 6. of the Original Agreement shall be modified to add sub-paragraph h. as follows:

[* * *]

h. Shall continue its annual contribution to the CRA TIF as required by §163.387, Florida Statutes, in every fiscal year between FY 2017-2018 and 2023-2024.

[* * *]

3. DRAINAGE WORK. The CITY agrees to perform work on the existing stormwater drainage system for Babcock Street, which work shall consist of pipe lining and inlet repair. The parties agree that the additional CRA TIF generated from the extension of the CRA Termination Date shall be used to pay for the cost of the drainage work. The parties understand and agree that the CRA and the CITY may negotiate the

Loan to include the cost of the drainage work. In the event the COUNTY is responsible for Unforeseen Costs associated with the Construction Project pursuant to paragraph 16 of the Original Agreement, the parties understand and agree that the COUNTY's share of Unforeseen Costs, as defined in paragraph 2.h. of the original agreement, shall be paid from the COUNTY portion of the CRA TIF arising from the extension of the CRA Termination Date set forth herein except to the extent allocated to the COUNTY's share (50%) of the cost of the drainage work.

4. **CRA PROJECT IDENTIFICATION.** The parties understand and agree that the extension of the CRA Termination Date requires a modification to the CRA plan. The CITY and the COUNTY further understand and agree that the CRA plan may not be amended absent the required public notice and opportunity for public comment and that any further obligations of this Amendment are subject to the conditions that (i) the CRA plan is so amended and (ii) the Loan is increased to include the estimated additional cost of the drainage work as set forth in this Amendment.

5. **NO FURTHER MODIFICATIONS.** Except to the extent expressly modified or amended by this Amendment, the Original Agreement shall remain unmodified and in full force and effect and is hereby ratified and affirmed. As used herein, underlined words indicate additions to existing text, and ~~stricken~~ words include deletions from existing text. Asterisks (* * *) indicate an omission from the text, which exists in the Agreements. It is intended that the omitted text of the Agreements denoted by the asterisks and not set forth in this Amendment shall remain unchanged from the language existing prior to adoption of this Amendment. To the extent of any inconsistency between the Amendment and the Original Agreement, the terms and conditions of this Amendment shall control.

6. **CAPITALIZED TERMS.** Any capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Original Agreement.

7. **EFFECTIVE DATE.** This Agreement shall take effect on the date that it is executed by all parties and recorded in the Official Records of Brevard County, Florida by either the CITY or COUNTY.

[Signature page to follow.]

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be signed on this the first date first above written.

CITY OF MELBOURNE

By: _____
Michael A. McNees
As City Manager

ATTEST:

Cathleen A. Wysor, City Clerk

**CITY OF MELBOURNE BABCOCK STREET
COMMUNITY REDEVELOPMENT
AGENCY**

By: _____
Michael A. McNees
As City Manager

ATTEST:

Cathleen A. Wysor, City Clerk

BREVARD COUNTY

By: _____
Rita Pritchett
As Chair

(as approved by the Board on
_____ 2018)

ATTEST:

Scott Ellis, Clerk