

City of Melbourne, Florida
Minutes
Olde Eau Gallie Riverfront Community Redevelopment
Agency Advisory Committee / Waterfronts Florida Partnership
Committee Meeting

City Hall Council Chamber
900 E. Strawbridge Avenue
Melbourne, FL 32901

July 10, 2025 ♦ 8:00 A.M.

1. A regular meeting of the Olde Eau Gallie Riverfront Community Redevelopment Agency Advisory Committee was held at the City Hall Council Chamber, located at 900 E. Strawbridge Avenue, and was called to order at 8:00 A.M. by Chairman George Alexander.

2. Pledge of Allegiance.

3. The following members were:

Present: George Alexander, Chairman
Tom Richards, Vice Chairman
David Wickham, Member
Karen Kissack, Member
Kyle Smyth, Member
Ilana Grimes, Alternate Member
Edilene Johansson, Alternate Member

Absent: Buz Underill, Member (Excused)
Justin Jennings, Member (Excused)

Staff Present: Doug Dombroski, Economic Development Manager
Samantha Buck, Acting Recording Secretary

4. **Approval of Minutes – May 8, 2025**

Moved by Wickham/Richards to approve the May 8, 2025, meeting minutes, as presented.

Motion carried unanimously.

5. **Program and Project Updates**

Mr. Dombroski updated the Committee on the progress of the proposed hotel development and public parking facility in Eau Gallie. He summarized the steps taken since City Council's approval of the Unsolicited Conceptual Proposal in June 2024.

March 2025 saw the submittal of the Unsolicited Detailed Proposal, and Staff completed the substantive review in June 2025. As the City will effectively be procuring a city facility, plans had to be beyond a conceptual product, and architectural drawings and engineering plans had to be available for review.

Mr. Dombroski explained that City Council approved the framework for Unsolicited Detailed Proposal at their meeting on July 8, 2025. Ideally, Mr. Dombroski would

have liked the Committee to have had the opportunity to review this before it moved on to City Council for approval, however City Council wanted to see this proposal on the agenda as soon as possible. Despite this, he felt that it was important for the Committee understand what is happening and have the opportunity to provide feedback. This item will continue to be added to the agenda as it makes further progress

Mr. Dombroski provided the Committee with a summary of the proposal where Melbourne Hospitality Holdings (MHH) will develop a 160 room, full-service hotel at 1463 Highland Ave. As part of the development, MHH will also construct for the City a joint-use parking facility with 542+ parking spaces on City-owned property adjacent to the hotel (1551 Highland Avenue). This facility will offer 300+ public parking spaces and the 242+ hotel parking spaces required by Code. The developer is looking for public support for economic viability and has requested that the City pay for the public portion of the joint-use facility (\$10.5m) in addition to providing a 10-year annual grant reimbursement of the City's portion of real property taxes on the hotel.

A discussion ensued on the amount of public parking spaces, with Mr. Richards asking if any public parking spaces will be lost with the new development on the site at 1551 Highland Avenue.

Mr. Dombroski estimated that 75 spaces on the existing site may be lost to allow for the new parking facility to be constructed. He added that although no building plans are available as yet, the size of the parking spaces can be reduced in order to gain more parking spaces in the parking garage.

The project timeline was discussed, and Mr. Dombroski commented that since Prime Group is now involved, he envisions breaking ground within the next year.

Mr. Wickham said he had heard talk of the City donating right-of-way on Bud Yeager Drive to the hotel, and Mr. Dombroski replied that this was incorrect. The developer is already preparing to take their conceptual plans for the hotel and parking garage to the Planning & Zoning Board for their review and approval.

Note: It was subsequently determined by staff that the project does not need Planning & Zoning Board approval because it is less than three acres.

A conceptual rendering of the hotel and parking garage was shown and the Committee discussed the proposed design.

Mr. Dombroski then explained the substantive review process and the steps that were taken by the two consultant teams (DRMP and Grow America) that assisted Staff during the review process.

He then provided a brief summary of the agreement's preliminary framework and the agreement where the City will provide \$10.5m for 300+ public parking spaces, and MHH will deliver the 524+ space joint parking facility to the City upon completion. The City will disburse funds based on performance benchmarks that will be agreed upon in the future.

The City will also provide a 10-year grant reimbursement after the hotel is on the tax roll, and it has also been agreed that MHH will be responsible for any taxes attributable to the joint-use parking facility. The City will license or lease 242+ spaces for the hotel's use.

MHH will also be responsible for any annual operating costs of the facility in lieu of an annual lease payment, any long-term capital costs greater than \$5,000 will be shared proportionally.

The annual costs for shared stormwater facilities will be shared proportionally, with a figure for this being determined at a future date.

The City and MHH will execute any necessary easements and maintenance agreements required for the development and additionally, MHH will ensure that public parking and private parking will have managed designation.

Finally, MHH will also provide streetscape enhancements on Highland Ave., Pineapple Ave., and Bud Yeager Drive.

Mr. Dombroski then answered questions from Ms. Johansson and Mr. Richards regarding taxes on public parking and the taxable income that will be reimbursed to the developer.

The source of the funding was also discussed and Mr. Dombroski confirmed that there is currently approximately \$3.5M set aside for this project so there will be no need to extend the life of the CRA as funds have been placed in escrow. The City will request that any funds held in escrow be used so that the principal figure will be lower.

Grow America is an organization that only works for government or non-profits in helping communities expand their economic development, and recently worked with the City on the Hotel Melby Development.

Mr. Dombroski said that their conclusion at the end of the study was that without the requested assistance, this development would not be economically feasible for the developer. In their opinion, the hotel incentive and the returns for the developer were not unreasonable, and it will ultimately be a good return on investment for the City. In light of this, Staff felt comfortable moving forward with the agreement.

Mr. Alexander left the meeting at 8:30 a.m.

Mr. Dombroski then discussed the 2021 Interlocal Agreement between the City CRA and Brevard County and the general points of negotiation that will have to take place in order to accommodate the P3 agreement. Points of negotiation will include ensuring that the interlocal agreement authorizes a P3; increase of the total project cost and removal or revision of the \$6.85M cap in financing; allowance for flexibility for taxable and tax-exempt finance, the allowance to use TIF funding currently held in escrow to reduce the principle; authorization of a future parking management plan to allow for paid parking and also the ability for a reduction or elimination of 90% public parking requirement. The goal would be to pay the parking garage off early so that TIF funds would then come back into the City and the County.

Mr. Dombroski then went on to explain why this was a qualifying project in addition to public benefits that included the elimination of a blighted building; provision of public parking; a \$45M hotel investment in the area with fiscal and economic impacts

that included hotel guests spending approximately \$270/day in the Eau Gallie CRA and other taxes such as tangible property and sales taxes. The development will also bring streetscape improvements to public right-of-way in addition to the creation of over 75 FTE jobs associated with the hotel, with many positions being available for low- and moderate-income employees.

The likelihood of achieving the goals of the new interlocal agreement were discussed and during this discussion, Mr. Dombroski told the Committee that although City Council thought these requests were reasonable, it is not always possible to know how the policy-makers at the County will react. He noted that in addition to the provision of parking that will benefit the whole County, the proposed development will also generate tax revenue for the County. Stall will be meeting with the County soon and a draft agreement will be prepared and be ready for review as soon as possible.

Mr. Dombroski confirmed that he was requesting the following approvals from the Committee to affirm their support of Council moving forward:

- a. Approval of the conceptual framework of the unsolicited detailed proposal submitted by Melbourne Hospitality Holdings, LLC, including authorization for City Staff to continue negotiations with MHH to bring the unsolicited detailed proposal to a public hearing as contemplated by Section 20-340, City Code.
- b. Authorization for City Staff to renegotiate the terms of the Interlocal Agreement between the City of Melbourne, Olde Eau Gallie Riverfront Community Redevelopment Agency and Brevard County.

Move Smyth/Richards to support and approve City Council's decision to move forward with this project, as presented.

There was no further discussion on this item.

Motion carried unanimously

**6. EGAD Main Street Annual Report
Kathie Elias, Executive Director EGAD Main Street**

Ms. Elias was not available to provide information on the EGAD Main Street Annual Report.

7. General Public Comment

There was no general comment.

8. Additional Business

Guava Avenue

Mr. Dombroski said that he has contacted the City's Engineering Department for an update on Guava Avenue. He was told that the City is trying to utilize an existing contract for this project; however, the contractor is tied up with another project at the moment. Changes are only planned for Guava Avenue at the moment, but the City will consider this elsewhere if it works out well. He estimates that this will bring approximately 20 spaces to the area.

Mr. Smyth asked if the City has any plans to re-pave any of the Streets in Downtown Eau Gallie as the potholes are especially bad on Avocado Avenue.

Mr. Dombroski said that he can submit a request to the Streets Department to for general maintenance and Staff will bring this information to the Committee at the next meeting. He asked Mr. Smyth to email him with the information and he would forward this on to the Streets Department.

As this would be Mr. Dombroski's last meeting before leaving the City, he thanked the Committee for their participation on the Committee over the years. He has been with the City for 20 years and appreciated their continued support over this time.

9. Adjournment

Moved by Smyth/Kissack to adjourn the meeting at 8:48 a.m.

Motion carried unanimously.

Respectfully submitted,

Samantha Buck
Samantha Buck, Acting Recording Secretary