MINUTES **DRAFT**
COCOA CRA
January 9, 2024

The Special Meeting of the Cocoa Community Redevelopment Agency was held on January 9, 2024 at City Hall, 65 Stone Street, Cocoa, FL, as publicly noticed.

I. CALL TO ORDER:

Chairperson BLAKE called the meeting to order at **5:01 pm**.

PLEDGE OF ALLEGIANCE: Agency Members ETZ and ROGERS led the assembly in the Pledge of Allegiance to the flag of the United States of America.

INVOCATION: Agency Member BARRINGER led the assembly in the Invocation.

ROLL CALL:

Michael C. Blake	Chairperson
Lavander Hearn	Vice Chairperson
Matthew Barringer	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; via phone
Matthew Barringer	Agency Member
Janne Etz	Agency Member
Alex Goins	Agency Member - late
Lorraine Koss	Agency Member
Candace Rogers	Agency Member
Anthony Garganese	Agency Attorney
Ryan Browne	Recording Secretary

ABSENT:

STAFF PRESENT:
City Manager WHITTEN, Community Services Director NEUTERMAN, and Purchasing Manager Brian DALE.

II. APPROVAL OF AGENDA AND MINUTES:

AGENDA: Special Meeting, January 9, 2024 as written or with amendments.

*** MOTION by Agency Member ETZ; SECONDED by Agency Member ROGERS to approve the Agenda for the Special Meeting of January 9, 2024, as written.**

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

MOTION PASSED UNANIMOUSLY (5-0)

Chairperson BLAKE combined the vote on the Minutes together:

MINUTES: Regular Meeting, October 2, 2023 as written.

MINUTES: Regular Meeting, November 6, 2023 as written.

MINUTES: Regular Meeting, December 4, 2023 as amended (see Exhibit A).

*** MOTION by Agency Member KOSS; SECONDED by Chairperson BLAKE to approve the Minutes for the Regular Meetings of October 2 – as written, November 6 – as written, and December 4, 2023 – as amended (see Exhibit A).**

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

MOTION PASSED UNANIMOUSLY (5-0)

III. DELEGATIONS: None.

[NOTE for the Record: Vice Chairperson HEARN joined via phone.]

IV. PRESENTATIONS: None.

V. ACTION ITEMS:

1. Request Agency approval of a Resolution Amending the FY 2024 Budget, BAF# 24-033-A, in the amount of $106,329, to adjust the budget due to the decrease in Actual Tax Increment Financing (TIF) Revenue received by the County.

[Note for the Record: Agency Member GOINS Arrived.]

i. Introduction. Director NEUTERMAN.
   1. A result of TIF reduction. County reduced their millage rate, affecting TIF for the CRA. Expense line will be reduced for the Lee Wenner Park Parking Project - temporarily. It will be added back once that project is ready to proceed.

ii. Discussion. None.

iii. Vote.

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

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

MOTION PASSED UNANIMOUSLY (7-0)

2. Approve the Evaluation Committee's recommendation to accept the proposal received by the Agency for meeting the minimum requirements of the RFP, P-24-01-COC. Request Agency invite the developer to do a full presentation of the project at a Special Meeting decided upon by the Agency.
   i. Introduction. Director NEUTERMAN.
      1. Director NEUTERMAN reviewed the basic overview of the process for the RFP (Request For Proposal) for the development of 603 Brevard Avenue into a mixed-use project.
         - Aug. 21, 2023 – RFP was released.
         - Dec. 15, 2023 – RFP deadline.
           i. Gave them a longer time to prepare and submit than the previous RFP.
         - Only one proposal was received by the deadline from GLZ Industries, LLC, of 12 Mimosa Trail, Ormond Beach, FL.
      2. Selection Committee Members:
         - Charlene Neuterman, Director, Community Services, City of Cocoa.
         - Amanda Muzaurieta, Executive Director, Historic Cocoa Village Main Street.
         - Candace Rogers, Agency Member, Cocoa CRA.
      3. The Committee reviewed the proposal. They then decided to invite the Developer to come before the Committee to answer questions. The Developer agreed to do so.

4. Brief Review.
    i. Upon completion of the meeting with the Developer, the Committee voted to invite the Developer to give a full Presentation to the Agency.
    ii. The purpose of such a presentation is only to give the Developer the opportunity to give a full presentation to the Agency. The Agency is under no obligation at this point to enter into any agreements or contracts with the Developer.

ii. Discussion.

1. Chairperson BLAKE thanked Director NEUTERMAN for the clarification that this is simply a vote to decide whether to allow a full presentation from the developer, or not.
2. Director NEUTERMAN said that the Developer, Mr. Garrett Zubrik, has now joined the meeting, via phone, and is available for questions.
    - Chairperson BLAKE asked how the Agency wanted to proceed. Agency Member ETZ said that she does not want to talk to the developer via phone, she wants to talk to him in-person. Agency Member ROGERS suggested that the delegations go first, so that the developer could hear the audience concerns.
3. Delegations
    - Mr. Alecks ("Alex") Greenwood. He represents a group of about a dozen business owners in Cocoa Village called the Commercial Property Group (CPG). He stated that there was a second developer interested in submitting an RFP package for the project, however, they were delayed due to unforeseen health issues of the principal person in charge of completing the bid package. He believes that they notified the City about the delay on December 12, 2023. He expressed hope that the Agency would still consider this second proposal. CPG wants a hotel on this site due to the customer traffic that it could generate. He believes this to fulfill the 'highest and best use' criteria. He offered that the developer he is advocating for would be willing to give a full presentation when the other developer gives his presentation.
    - Agency Member GOINS asked a question to staff about the timeline of what Mr. Greenwood is referring to. How did that unfold? City Manager WHITTEN replied that he could not recall the exact date, but, he believes that it was the day of, or the day after, the deadline. Despite this, as staff we cannot accept a late submission for a hard deadline, Manager WHITTEN continued. The deadline was 3:00 PM that day. Another correction, the proposal in question has not yet been received in any case. Either way,

he will check his emails again to confirm the dates. Mr. Greenwood interjected that the email in question was dated December 12, 2023, and that he provided a copy to the Community Services Office. City Manager WHITTEN replied that even if it was received several days before the deadline, staff was still not authorized to grant an extension. Mr. Greenwood countered that the gentleman in question was in the hospital. He believes that leniency in this case is warranted, because it was due to an unforeseen circumstance.

- Agency Member ROGERS asked Mr. Greenwood, who is on the team, that was working with him, who could have completed it? Is there a team, or just one man? Mr. Greenwood confirmed there is a team. Member ROGERS countered that it would be unfair to the developer who submitted his documentation on-time to consider a late submission. Mr. Greenwood asked if the other proposal was received by the deadline. Director NEUTERMAN confirmed that, yes, it was received by the deadline.
- City Manager WHITTEN made two clarifications. Mr. Hannon sent their response (the group Mr. Greenwood is referring to) to the RFP on Monday, January 8, 2024 (12 business days after the deadline) to Mr. Whitten. The letter came in on Tuesday, December 19, 2023 (two business days after the deadline).
- Ms. Pam Shaia. (Chair of the Board, Historic Cocoa Village Main Street). First, she wanted to thank the committee for all of their hard work, over the holidays, to review the proposal that was submitted. She explained to the agency that there are "Five A's" to Tourism:
  i. Access.
  ii. Accommodations.
  iii. Attractions.
  iv. Activities.
  v. Amenities.
- Ms. Shaia reiterated that we meet all of those, except for the second one: accommodation. She went on to explain that the Brevard County Board of Tourism Development *Destination* headlines for this year show the highest TDT (Tourist Development Tax) in history for three years: $27 million dollars. 42% comes from Hotel Revenue. $15 million is budgeted for marketing. Of which 50%, or $7.5 million dollars, is allocated for District 2. (Referring to Brevard County District 2 – the Central Brevard area). D2 is the area that includes Cocoa Beach, Port Canaveral, and Cocoa. We are merely mentioned, because we don't have

accommodations. The top seven listed draws to our area are:

i. Beach
ii. Space and launches
iii. Cruise
iv. Nature and outdoors
v. Attractions and cultural events
vi. Shopping and dining
vii. Downtown

- Ms. Shaia reiterated that what we need to fill is accommodations. We need a hotel. She contrasts this need with the fact that we have all of the other elements – we are only missing one: a hotel. She also mentioned that the proposal we are looking at is from an architect working on his first solo project. Not something that inspires much confidence. She said we need a boutique hotel with rooftop dining and parking.
- Ms. Eva Marlow. She owns a business in Cocoa Village. We need a hotel. We need it for "Utility Delta." She said that she has serious concerns about the proposal as it exists. Issues:
  i. Parking. The plan, she says, contains parking in lots that the City does not own and that are not part of the RFP. Three specific lots that the City would purchase and give to the developer to turn into parking lots, according to her reading of the RFP. She asked for correction, if that is incorrect. She said that she saw a plan for only 30 parking spots for 39 residences. She said she does not know anyone who would want to live in a place where they did not have a guaranteed parking spot. She asked how would that work? Especially, given that this does nothing for the mixed-use space in the plan for their parking needs.
  ii. Size. She mentioned that for a size comparison, the size of the proposed mixed-use retail, restaurant, and office space is only about the size of the Merritt Island Mall's Dillard's store – half of the one-story footprint.
  iii. Comparison. Titusville can fill three brand name hotels, on the fringe of the city without an issue.
  iv. Proposed fix. Put the hotel on Factory Street. And then move this development to the corner of Rosa L. Jones Dr. and Florida Ave., where it would be better served and has a big enough space for it.
- Mr. Don Roy. He does not believe that it is incumbent on the developer to provide public parking spaces, just sufficient parking for the mixed-use residents and tenants,

whether residential, retail, or hotel. He believes that the parking issue is a bigger issue that one property will not be able to solve. He is supportive of a hotel.

- Mr. Brad Whitmore. He said that the City of Cocoa is known for taking its time looking into things, in order to make optimal decisions for 'highest and best use' for the city. This is why he believes that we have such a wonderful city, is because we do that. Something must be wrong if only one proposal came in. Mixed use vs. hotel. This saddened him, as he believes having a hotel would be the 'best use' of this space. He went on to relay a comment made to him by a TDC rep a few years ago, who said to him: "Cocoa Village is irrelevant." He believes the rep said that because we do not bring in any tax dollars from hotel taxes. What we are missing is a hotel. We need it to become viable as a destination, for the growth of our community, and round out what we offer. He believes that a hotel, either on this site, or another, would be the 'highest and best use' we are looking for in this case.
- City Manager WHITTEN gave a clarification: the RFP called for "mixed use"; which can include: "any combination of: hotel, residential, retail, restaurants." So, the RFP did call for a hotel in the mix.
- Agency Member KOSS asked the City Manager about the mixed-use vs. hotel language. Manager WHITTEN responded that the process gone through before was strictly a hotel. This was a mixed use. Director NEUTERMAN reminded that this is actually the fourth attempt to develop this property. The first attempt was called 'White Chalice' in 2014. It was a residential community project, which failed to complete the process.
  i. Round 1: Residential. 'White Chalice'. Failed to complete process.
  ii. Round 2: Hotel. (Jack Brown.)
  iii. Round 3: Hotel. One applicant. Did not meet minimum requirements. Rejected. Updated RFP and reposted it.
  iv. Round 4: Mixed Use, with hotel. One applicant. Did meet minimum requirements.
- Agency Member GOINS said that he knows that this gives us heartburn because we all just want a hotel to be done. However, he said, developers and investors don't care about our feelings. We may love the Village, but they are looking at whether a profitable project is possible. Each time we have either generated zero or one applicant. We are not doing something right. There is some reason why

developers are not competing to get into our space. When he spoke to developers at Cocoa Beach they told him they did not want to take the risk. He did not probe into detail with them about the 'why not'. He does not know what the challenge is that is keeping developers away. We need to move on something. Personally, he would like a hotel. But, he said it's not up to him. He does not have $30 million dollars sitting in the bank to develop a project like this. He believes that we have made it attractive to most developers, but, still, hotel investors are not coming in. He said that he wishes we could flip this property and the Bank of America property and make that the hotel. He reminded the agency that how we feel about the Village is not the primary tool that a developer uses when choosing to invest in a new project. Regarding the developer who had a late proposal. They have put the agency and staff in a tough spot, because while the community may want the hotel, they did not follow the rules, and that would set a bad precedent to agree to that. He said that he is very interested in what Agency Member ROGERS has to say about the project, since she was on the selection committee. He saw her numbers on the evaluation score sheet.

- Agency Member ROGERS said that the developer presented a very flexible plan, so she is interested in hearing more about it and how it might be able to fit our needs. She does believe that it is very important that the anchor be a hotel. She cited the fact that the developer has significant experience with major projects – and in major cities, including in New York City and San Francisco – the latter of which, has a project called the Mission Rock Project – which is what inspired this design. These two cities are some of the most difficult places to do in-fill, she noted. This project would consist of two buildings. The smaller one, on Brevard Avenue, would be lower profile, allowing more light to flow to street level. The taller building, identified in the renderings as "The Tower." Which could be used as a hotel. The lot is difficult. She found the solution to be a well-thought out one. The street plan was also interesting and she would like to discuss to consider if it would even be possible. She liked the connectivity and cohesion. Future Road Connections, were included that could help with improving the current traffic situation. This would connect the Central Business District to the Southside, while Whitley Bay anchors the north. He always comes in on-schedule. He was brought in to solve a difficult project, which he did, and ahead of schedule. She

believes that this shows he has experience, teamwork, and good communication skills, suited to this, and she believes that it is clear that she wants a hotel. She recommends that the agency give him the courtesy of a full presentation.

- Agency Member ETZ said that how we feel about the Village does matter, because we know it. She said that she will vote no if there is no hotel in this project. She asked City Manager WHITTEN about the parking and the idea of acquiring additional lots for that purpose. She wanted to know if that was still an option on the table. Manager WHITTEN confirmed, that yes, that was still a possibility. Member ETZ continued that because this site sits in a strategic location - in the middle of the Village, it has the opportunity to connect the northside and southside. It needs to look like it's part of the Village though, she said. The layout is not terrible. On page 19 of the plan, the Tower Building shows what could be an ideal size for a hotel with 60 total rooms. She also reminded everyone that this is a critical component needed for visitor turnover that the shops need. She expressed her interest in meeting with the developer – in-person to ask him questions.
- Chairperson BLAKE reminded the agency that the intent of the action item before the board is simply whether to invite the developer to give a full, in-person, presentation of his proposed plan for this project site. And whether to ask for a special meeting for this purpose, or to add it to the agenda for the next meeting. He asked staff, what is needed next? City Manager WHITTEN replied that staff needs direction from the agency: do we invite the developer for a full presentation, or not? If not, what would you like us to do as next steps? Should we put the RFP back up?
- Member GOINS posed a question to the developer: if not a hotel component, how flexible with us would he be? The community seems not to want a residential only.
- Mr. Zubrik thanked everyone for their comments. He said that this is his first-time bidding on an RFP with the City of Cocoa. He said that he did not know that there was this kind of desire for a hotel. He said that he is flexible in working with a hotel. He offered that the second developer could partner with him to do the hotel component. He said that he is planning to purchase two additional lots to the south to help fulfill the parking requirements. He also planned to build some type of Airbnb-type structure on those lots as well. He thought that owners would be preferred to hotel patrons. He would be interested in working with partners for the hotel component and

reiterated that the design is still on the table. He said that the hotel is not something that is part of his expertise. He said he knows how to build a hotel, but, not how to operate one. He knows how to operate residential and rental units. He reiterated that he is open to working with the other developer.

- Chairperson BLAKE reiterated that the ultimate question on the table is whether to have the developer do a full presentation or not.
- Member GOINS responded that he was previously open to the developer doing a presentation, that is, until he heard him speak. He said that the developer is not going to be ready to do what the agency is asking of him: to give a presentation at a special meeting or at the regularly scheduled meeting in February. He said he is inclined to say no to a presentation and possibly ask to reopen the RFP.
- Member ETZ said that she agreed with Member GOINS. And she added that if the packet they received does not have a hotel component, then she is also a "no" vote.

iii. Votes.

***MOTION by Agency Member GOINS; SECONDED by Agency Member ETZ to <u>disapprove</u> the motion to allow a presentation.**

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

MOTION PASSED UNANIMOUSLY (7-0)

Manager WHITTEN asked if the agency could have a second motion to re-open the RFP for another 45 days.

***MOTION by Agency Member GOINS; SECONDED by Agency Member ETZ to reopen the RFP for a mixed-use project at 603 Brevard for another 45 days.**

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

MOTION PASSED UNANIMOUSLY (7-0)

Agency Attorney GARGANESE asked the Chair to include a formal rejection in the motion, for clarity. And specify that the same RFP would be used for the reopening that was previously approved by the board. Stating that the reopening would allow for the submission of new proposals, within the timeframe the City Manager indicated. So, reject all proposals, then reopen as the City Manager recommended.

Member GOINS asked the developer if from his reading of the RFP that it was not clear to him that a hotel was desired? He asked Mr. Zubrik if this was still his frame of mind from the current RFP that he made a proposal on?

Mr. Zubrik asked to whom was he speaking with?

Member GOINS introduced himself to Mr. Zubrik: Agency Member GOINS. Mr. Zubrik thanked Member GOINS for asking the question and clarified his earlier remarks, saying that what he was trying to convey was that there was this type of desire for a hotel versus a residential. The RFP clearly stated mixed-use, residential or hotel, mixed-use, residential. He is surprised that his proposal is being rejected. He feels this is disrespectful of all of the hard work he and his team put into their proposal. He explained that he is a serious person, treating this seriously and feels that the vote that just happened was making light of all that work. He added that if the other developer were serious, they would have submitted their proposal on-time, like he did.

Member GOINS countered that actually he was trying to help Mr. Zubrik, by allowing him time to re-group with this new information and then give a presentation. He referenced Mr. Zubrik's comment about a collaboration with the other developer, for the hotel component, saying that the additional 45 days would give him the opportunity to put that together. He was clarifying that the rejection is procedural to move to the reopening of the RFP. Mr. Zubrik responded that whether the Tower contains a residential component or a hotel component, it makes no difference to the design.

***MOTION by Agency Member GOINS; SECONDED by Agency Member ETZ to formally reject the proposal and reopen the RFP for an additional 45 days.**

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

MOTION PASSED UNANIMOUSLY (7-0)

VI. ATTORNEY'S REPORT: None.

VII. UPDATES AND STAFF REPORTS: None.

VIII. NEXT MEETING DATE:

Monday, March 4, 2024, at **6:00 pm** in the Council Chambers located in Cocoa City Hall, 65 Stone Street, Cocoa, Florida.

IX. ADJOURNMENT:

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

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

MOTION PASSED UNANIMOUSLY (7-0)

MEETING WAS ADJOURNED AT 6:06 PM.

Michael C. Blake, Chairperson

Respectfully Submitted by:

Ryan Browne, Recording Secretary