



Clerk of the Circuit Court

Brevard County, Florida

400 South Street, P.O. Box 999, Titusville, Florida 32781-0999

<http://www.brevardclerk.us>

Scott Ellis, Clerk

To: Honorable Scott Ellis, Clerk of Court
From: Clerk of Court Internal Audit Staff
Date: October 10, 2013
Re: **Satellite Beach CRA**

The Internal Auditing group was tasked with providing an analysis of expenditures made by the Satellite Beach Community Redevelopment Agency (“SBCRA”), as this entity derives a substantial amount of its funds from Brevard County (the “County”) via tax increment financing (“TIF”) payments.¹

Recently, the City of Satellite Beach (the “City”), SBCRA and the County became parties to an Interlocal Agreement, the purpose of which was to definitively resolve past findings of the State of Florida, Joint Legislative Auditing Committee (“JLAC”)², and to effectively settle any potential claims the County might have regarding the transfer of TIF payments from SBCRA to the City. This office has also evaluated whether this agreement was in the interest of the County.

Purpose and Authority

The purpose of the review was to determine whether SBCRA expenditures were made in compliance with Florida Statutes. Such a determination is relevant, as the County annually provides incremental tax funds to SBCRA. The Clerk is constitutionally authorized to audit all county funds.

Scope of Project

The scope entailed the review of expenditures made over the life of SBCRA – whether those expenditures were made directly by SBCRA or through transfers to the City’s General Fund. Pursuant to Chapter 119, F.S., the Brevard County Clerk’s Office requested and reviewed the following City and SBCRA public documents:

- Audited Financials from 2003 through 2012
- SBCRA 2002 Plan and 2012 Draft Plan Update
- Acquisition financing involving Indian River National Bank (“IRNB”) and Bank of America (“BoFA”)
- SBCRA Property Acquisitions and Projects

¹ TIF funding for SBCRA is derived by multiplying County and City millage rates by the incremental increase in SBCRA district property values since Year 2002.

² Per the Florida Legislature’s website, JLAC is established by Joint Rules of the Florida Legislature. The committee “provide[s] continuous oversight of government operations, in part, through the auditing and review activities of the Auditor General and the Office of Program Policy Analysis and Government Accountability.”

- The Settlement Agreement between the City and SBCRA
- Community Redevelopment Agency Advisory Committee (“CRAAC”), SBCRA and City Council Meetings and Minutes
- TIF calculations and payments
- Correspondence between the City and JLAC
- The Interlocal Agreement between the City, County and SBCRA

FINDINGS

(1) From the analysis of SBCRA expenditures, staff has concluded that SBCRA failed to comply with Florida Statutes Chapter 163, as over \$5.0 million was apparently spent for general municipal purposes. Of the \$5.0 million, the incremental tax funding portion contributed by the County is approximately **\$1.8 million**.

(2) The August 2013 Interlocal Agreement between Brevard County, SBCRA and the City does *not* repay to the County any funds for which the County would be entitled to pursuant to Chapter 163.

(3) The October 2012 Settlement Agreement between the City and SBCRA accounts for only a small portion of the funds that were spent for general municipal purposes. This agreement merely requires a return (from the City to SBCRA) of funds used for fire department and electric service purposes during 2009 and 2010 (to wit, \$565,408). It fails to include any provision for returning to the County its prorated share of misspent funds.

(4) This report also highlights the questionable use of funds stemming from SBCRA’s decision to purchase vacant land (i.e., Sunrise Property) in 2005 at a large premium (\$750,000). Ethical violations by an appointed committee member may have occurred during this acquisition.

(5) The City entered into a “Refunding and New Money” financing with BofA without taking appropriate risk management steps, and without satisfying a savings-threshold test. The City also agreed to a potential prepayment penalty, which currently stands at about \$1,000,000. Payments on this note are in part secured by incremental taxes received from the County.

BACKGROUND INFORMATION

ISSUE: LACK OF PLAN SPECIFICITY, AND USE OF FUNDS FOR GENERAL MUNICIPAL PURPOSES

Community Redevelopment Agencies (“CRAs”) must comply with Chapter 163 requirements, including the following³:

- Redevelopment trust funds may only be used for undertakings as described in the community redevelopment plan;

³ See §§ 163.387, 163.362, 163.360, and 163.370, Florida Statutes.

- every plan must identify specifically any publically funded capital projects;
- every plan must contain adequate safeguards that the work of redevelopment will be carried out pursuant to the plan;
- every plan must contain a detailed statement of the projected costs of the redevelopment;
- every plan must be sufficiently complete to indicate such land acquisition, demolition and removal of structures, redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the community redevelopment area; and
- general government operating expenses unrelated to the planning and carrying out of a community redevelopment plan may not be financed by increment revenues

Thus, it is clear that redevelopment funds should be dedicated only to those undertakings described in the community redevelopment plan. SBCRA's 2002 Plan (as adopted by ordinance) lacks the specificity and detail required by Chapter 163.⁴ In fact, several of the expenditures that were made by SBCRA are not even remotely tied to any of the 2002 Plan provisions.

Furthermore, with the exception of land purchases and debt servicing, most of the expenditures to date reflect a transfer of funds to the City's General Fund ("GF"), with said monies in turn being allocated to fire, police, building & zoning, administrative salaries and public works. Moreover, most of the remaining funds that were *not* transferred over to the City (or appropriated for projects or debt retirement) were nonetheless *treated* as general funds (i.e., electricity, water & sewer, along with the categories noted above). In short, funds were used for general municipal purposes lacking any connection with CRA-specific activities or undertakings.

Additionally, it appears that SBCRA's 2002 Plan fails to satisfy F.S. § 163.360(3), which permits the "development and implementation of community policing innovations." While page 49 of the plan does contain the three words "increased police protection" buried within a long paragraph discussing enhanced community services, there is no description of what that protection would entail. Moreover, police-related expenses charged to SBCRA have had no direct connection to CRA-specific undertakings; the indefensible practice of using property tax valuations (*vis-à-vis* the City and SBCRA) to allocate out such expenses to SBCRA underscores this point.

Exhibit A, which is attached to this report, provides a detailed breakdown of SBCRA expenditures for the 2003-11 period. (A review of 2012 audited figures does not reveal any questionable expenditures.) The table below encapsulates the use of redevelopment funds through this period. The highlighted rows represent funds spent for general municipal purposes, which totals \$5.0 million. The County's portion of this figure is calculated by using the County's prorated percentage of TIF as a multiplier (i.e., 36%).

In conclusion, **\$1.8 million** should be repaid to the County.

⁴ SBCRA has 2012 and 2013 Draft Plan Amendments, but these documents are irrelevant, as they post-date the period in question.

Table 1: Alleged Misused SBCRA Funds. (See highlighted rows.)
Figures represented in thousands of dollars.

	2003	2004	2005	2006	2007	2008	2009	2010	2011	High- lighted Totals
Admin Salaries & Wages				6.0						
Admin Salaries & Wages via GF					82.6	31.3	28.1	20.6		162.6
CRA Salaries & Wages		12.1	26.5	110.2	159.3	151.6	99.5	100.4	104.3	
Bldg & Zoning Salaries & Wages				3.2						
Bldg & Zoning Salaries & Wages via GF					11.2	5.1	4.2	7.5		28.0
Police		127.6	136.1	116.7	112.5	140.5				633.3
Police via GF				379.1	556.6	473.4	352.2	264.3		2,025.6
Fire				74.2						74.2
Fire via GF				261.6	397.1	378.0	263.3	166.3		1,466.4
Water & Sewer						0.8				0.8
Public Works via GF					30.2	72.3	53.3	34.4		190.3
Engineering Services		57.8		12.9						
Consulting Fees		25.4		32.5	26.8	71.4	8.5	7.8	6.8	
Travel		1.0	0.6	5.4	4.4	2.5	2.7	2.8	2.0	
Electricity	37.8	37.8	37.8	37.8	37.8	37.8	67.9	67.9	62.3	424.9
Business Development				0.6	1.7	2.1	1.7	1.8	3.2	
Banking & SBA Fees				5.7	0.3		1.1	1.6	2.1	
Office Supplies				2.5	1.1	0.6	0.6	0.8	0.9	
Operating Expenses				1.6	2.7	1.9	1.6	2.0	2.8	
Publications & Subscriptions				0.6	4.9	3.5	2.7	1.9	1.9	
Façade Grant Program				15.0	90.8	37.4	74.7	128.1	145.3	
Highlighted Totals	37.8	165.3	173.9	869.4	1228.1	1139.6	769.1	561.0	62.3	5,006.4

ISSUE: SBCRA/CITY/COUNTY INTERLOCAL AGREEMENT AND PREVIOUS AGREEMENT BETWEEN CITY AND SBCRA

On August 20, 2013, representatives from SBRCA, the City and the County signed an Interlocal Agreement to ostensibly address the City's reserve issues and resolve any alleged improper TIF payments. The essence of the agreement is that SBCRA will reduce its budget to allow unused TIF funds to be returned proportionately to the City and the County (i.e., the taxing authorities) over a seven-year period. The City is thus provided a general revenue source to rebuild reserves, and the County receives a 'payback' for past alleged inappropriate transfers of SBCRA funds to the City's general operations. Upon completion of the scheduled payments, SBCRA and the City will be released from any claims the County may have against these entities.

This agreement is either duplicitous or misguided, however, because a prorated return of TIF funds to the County does not constitute a repayment for prior transgressions. The attached chart (Exhibit B) illustrates the flow of funds within a Community Redevelopment Agency ("CRA"). The TIF sources are commonly received from the City and County. Expenditures for applicable debt service, operating expenses and projects reduce the funds available in the CRA. Under Florida law, any excesses can be returned to taxing authorities, applied to outstanding debt, or appropriated to specific projects to be completed within three years. No interlocal agreement is necessary to return excess funds.

The City also entered into a settlement agreement (Exhibit C) with SBCRA (effectively themselves⁵) in 2012. The agreement was an attempt to appease JLAC, which had questioned transfers from SBCRA to the City's GF through the 2010 period. The agreement, however, only addressed a small portion of the misspent funds. We also question the integrity of the agreement, as it was meant to account for significant electricity expenses in years 2009 and 2010 only, and yet records show a similarly large electricity expense was then booked in 2011.

In summary, SBCRA's decision to reduce its budget so as to return excess TIF funds proportionally to the City and County is appropriate. However, any remittance only pertains to the surplus of that specific (future) year, and would not resolve the estimated \$1.8 million of County funds that were misspent from 2003 to 2011. The 2012 SBCRA/City settlement agreement also fails to resolve this issue.

ISSUE: INTEREST RATE SWAP AGREEMENT

In 2004 and 2005, SBCRA acquired loans of \$2,000,000 and \$250,000, respectively, from Indian River National Bank ("IRNB"). In 2006, SBCRA acquired a loan of \$6,250,000 from Bank of America ("BofA"). Proceeds of the BofA loan were to be used, among other things, to pay off the IRNB loans, which had fixed interest rates of 4.35%.

⁵ At the time (October 2012), City council members comprised 5 of the 7 voting members of SBCRA's board. Currently, City council members comprise all 5 voting members of the board; and except for 2012, this apparently has been the board's composition since SBCRA's inception in 2002.

The BofA loan was obtained and then instantaneously converted into a complicated interest rate swap agreement – in essence, a hedging or derivatives contract. An essential term of the agreement was that the original variable rate of the loan⁶ was swapped to a (synthetic) fixed rate of 4.23%. SBCRA was thus able to lock into this rate for the life of the loan.

However, the agreement involved risks. If, for instance, SBCRA desired to terminate the debt early, SBCRA would be required to pay the difference between what BofA would have earned on the debt at the (synthetic) fixed rate of 4.23% and what BofA would have earned under a variable rate scenario. In other words, the termination penalty would grow in the event interest rates fell. This is exactly what has happened with the SBCRA BofA loan.

Financial Statements filed by the City of Satellite Beach effective September 30, 2012 placed a negative fair value on the swap agreement of \$993,882. (See Exhibit D.) The LIBOR rate (which is used as an index) has fallen even further since that date. Thus, if market opportunities were available and SBCRA tried to refinance the BofA loan, SBCRA would have to pay BofA a penalty of over \$1 million on top of the debt's principal. (A default scenario, such as SBCRA's failure to certify that TIF payments are over 150% of debt service obligations, could also potentially trigger an early termination with penalty.)

By all appearances, SBCRA agreed to the BofA loan terms without taking appropriate risk management steps. For instance, SBCRA failed to engage swap counsel or financial advisory services. An independent advisor can objectively explain the specifics of a transaction and does not have an interest in the final outcome. SBCRA also failed to put a note (or any derivative agreement for that matter) out to bid. The law firm of Broad and Cassel was apparently engaged to advise on the agreement, but appeared to have recommended limited safeguards in the transaction. For example, they advised that a negotiated (i.e., non-competitive) sale was standard due to the "likely lack of interest by potential investors in the Note" (See Exhibit E – an email exchange regarding SBCRA attorney inquiries which surprisingly included the BofA representative.)

Moreover, the stated benefits of the swap agreement did not merit a payoff of the IRNB loan or the penalty risk inherent with the swap agreement. Using prudent financial diligence, debt refinancing should not be considered absent a present value savings of at least 3% of total debt service where new debt is similarly structured. Calculations in Exhibit F, as produced by our office, show only a 1.1% savings and negligible net savings in dollars. Given that the IRNB loans had a fixed rate of 4.35%, replacing that with a new synthetic rate of 4.23% (through BofA) was unjustifiable, particularly given the inherent risk involved. Current penalties bear this out.

In short, SBCRA and the City failed to employ proper financial prudence and due diligence in entering into the swap agreement. As a result, SBCRA is unable to refinance without incurring a loss in excess of \$1 million. County TIF funds would be used to absorb this potential loss if the City refinanced the Note.

⁶ 63.7% of 1-month London Interbank Offered Rate (LIBOR) plus 0.50%.

ISSUE: PURCHASE OF SUNRISE AVENUE PROPERTY

SBCRA currently owns parcels (collectively, "Sunrise Property") at the east end of Sunrise Avenue; the larger parcel is located adjacent to the Atlantic Ocean. The purchase of Sunrise Property was made possible through the IRNB loans described above. The chronology of pertinent events and transactions is described below.

Sunrise Property had been owned for several years by Andrea Mitchell and the Devletoglou family. At least as early as April 22, 2004, the subject of a Sunrise Property purchase came up in SBCRA's Advisory Committee ("CRAAC") meetings. (See Exhibit G, which includes an exchange between committee members John Fergus and Jeff Fleis.)

On May 19, 2004, SBCRA was apprised by City staff that there was a contract on Sunrise Property. There was also a discussion on potential land condemnation through eminent domain. On May 24, 2004, SBCRA voted to approve a resolution necessitating eminent domain. (See Exhibit G.)

In July 2004, SBCRA board members were apprised by the City attorney that an appraisal on Sunrise Property had been requested. As of early October 2004, the appraisal was still not complete. (See Exhibit G.)

In September 2004, the \$2,000,000 loan through IRNB was executed for the purchase of Sunrise Property.

In November 2004, St. Patrick, L.L.C. purchased Sunrise Property for \$1,500,000.

In February 2005, an appraisal was performed on behalf of the City. For comparison purposes, the appraiser relied on six properties in Cocoa Beach and Satellite Beach, including the very property which was being sought. The appraiser concluded that Sunrise Property was valued at \$1,950,000 as of January 14, 2005.

On April 6, 2005, City Manager Crotty stated that Ed Fleis (of St. Patrick, L.L.C.) had an appraisal of \$2,250,000.⁷ City Manager Crotty then reported on April 20, 2005 that Mr. Fleis was willing to accept \$2,500,000. SBCRA's board authorized \$2,250,000. (See Exhibit G.)

On May 25, 2005, St Patrick, L.L.C. indicated its acceptance of SBCRA's offer to purchase Sunrise Property for \$2,250,000. On June 1, 2005, SBCRA approved the purchase for that amount. (See Exhibit G.)

On June 10, 2005, SBCRA petitioned the Court for eminent domain. On July 8, 2005, a settlement agreement between SBCRA and St. Patrick, L.L.C. was filed with the Court, whereby SBCRA agreed to pay \$2,250,000 for the Sunrise Property. (See Exhibit H.)

⁷ Clerk Internal Audit staff does not possess a copy of this alleged appraisal.

Questionable Purchase Price

The issues regarding the events above are as follows:

First, it would appear unusual that property sold for \$1,500,000 would appreciate \$750,000 (or 50%) over the course of seven months, and that SBCRA (as a competent and prudent purchaser) would be the party to such a transaction.

Second, the appraised value may be suspect. According to the Appraisal Institute's The Dictionary of Real Estate Appraisal, 5th Ed., market value constitutes "[t]he most probable price that the specified property interest should sell for in a competitive market after a reasonable exposure time . . . with the buyer and seller each acting prudently, knowledgeably, [and] for self-interest . . ." Price should not be affected by "undue stimulus," and the buyer and seller should be "typically motivated."

In the case of Sunrise Property, the appraisal value of \$300,000 per condo unit is appreciably higher than the values for any of the comparables used, including the subject property itself, which was sold two months earlier. Furthermore, the analysis is deceiving, since twice on the appraisal, it is incorrectly stated that Sunrise Property was sold to St. Patrick, L.L.C. for \$1,800,000, when the actual amount was \$1,500,000.

Third, a question arises as to why eminent domain proceedings were initiated after the parties had already agreed on purchase terms. Was this done for appearance purposes only? For that matter, it does not appear that the petition was ever served.

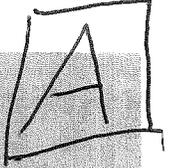
Fourth, SBCRA's decision to apparently contract out for a single appraisal constituted poor practice at best, especially given that the purchase price agreed to was \$300,000 above the appraised value.⁸

Finally, there is an appearance of impropriety which sheds doubt on whether the transaction was "typically motivated." The profit made by St. Patrick, L.L.C. of \$750,000 is of particular concern because one of the managers of St. Patrick, L.L.C. in 2004 was Jeffrey Fleis, who served on CRAAC from 2002 to 2008. (See Exhibit I.) CRAAC has input in all matters related to SBCRA, including land development. Thus, Mr. Fleis' involvement in CRAAC at the time of the Sunrise Property purchase is questionable; and SBCRA failed to seek a legal opinion on Mr. Fleis' continued involvement.

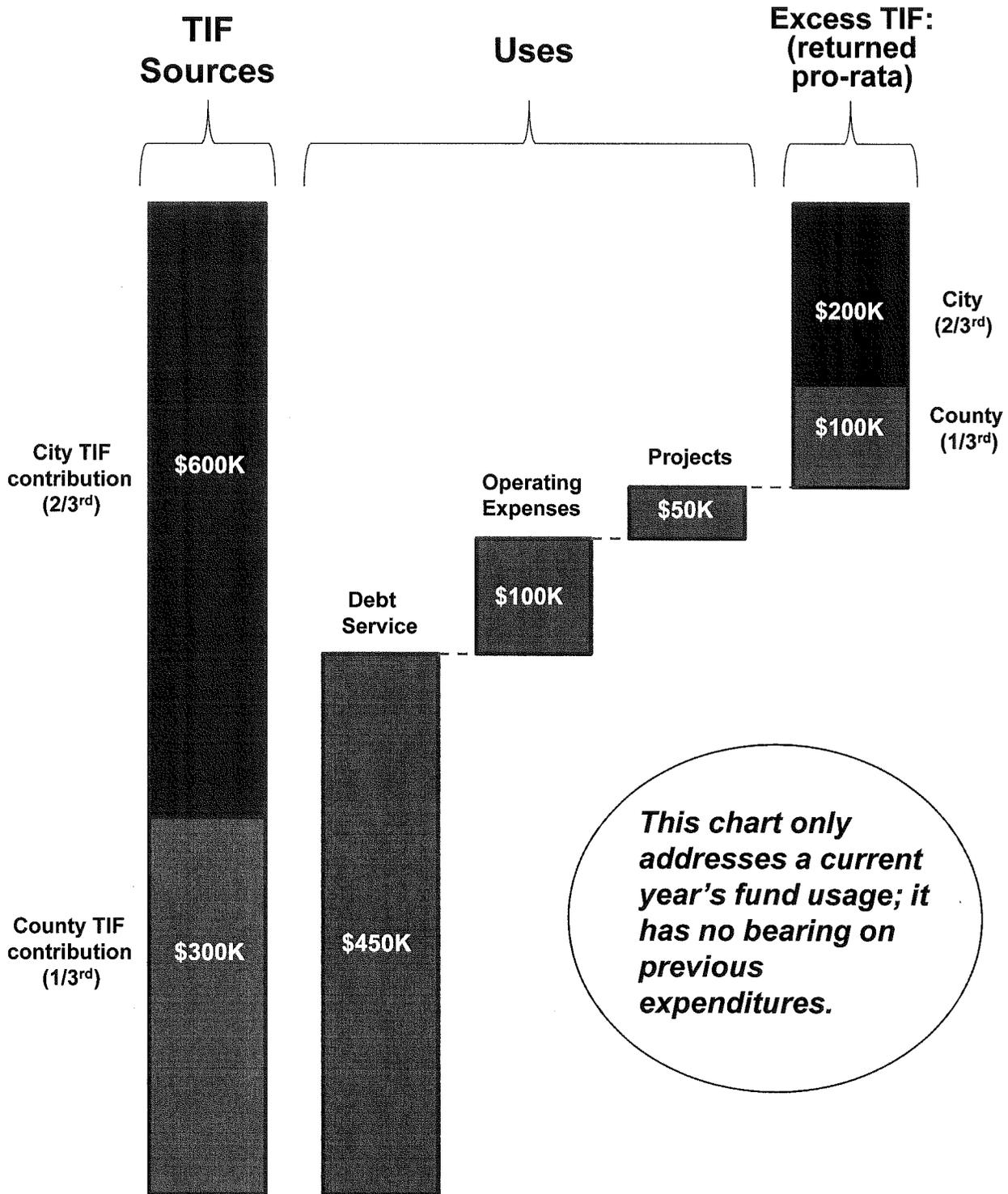
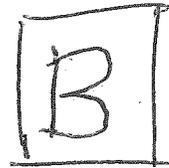
According to the City Attorney report on February 2, 2005, Council expressed concerns that title to the property had transferred from the original owner to the LLC in which Mr. Fleis was a participant; the City Council minutes did not reflect any comment or resolution of the concern. (See Exhibit J.)

⁸ Clerk Internal Audit staff has been unable to determine whether an SBCRA or City ordinance requires that two appraisals be done for purchases of property. It is noteworthy that SBCRA contracted out for at least two appraisals before purchasing property at the corner of DeSoto Parkway and Highway A1A in 2006.

Satellite Beach CRA Calculations	Audited 2002	Audited 2003	Audited 2004	Audited 2005	Audited 2006	Audited 2007	Audited 2008	Audited 2009	Audited 2010	Audited 2011	Audited 2012	ONLY TO 2012 Total Thru 2012	CRA FUNDS TO BE RESTORED
Revenues													
DOT Ocean Outfalls					9,520			81,180				81,180	
Recreation (FRDAP) Grant			1,400			40,127						10,920	
Pelican Bch Grant							8,182	191,818				40,127	
Land & Water Cnstrnmt Grant				44,715	78,178	133,281	(4,894)	4,443	8,668	7,946	10,112	200,000	
Interest Income	1,389		3,309									314,655	
Loss on Investments				15,000				(4,152)	4,500	1,549	2,480	(517)	
Service Charges												15,000	
Contributions & Donations					1,573			2,000				3,573	
Montecito CCD							302,503					302,503	
Traffic Signal- Hunt Pinnacle													
St Patrick Imprvmt													
Brevard Cty A1A Grant													
Refunds of Prior Yr Expenditures													
Cnty CRA Contribution	66,906	149,293	149,293	258,871	349,017	622,953	623,947	591,716	479,531	395,833	332,558	3,870,625	
SUB TOTAL OF REVENUES	68,295	154,002	154,002	318,586	436,715	797,934	952,352	890,711	497,199	409,828	345,150	4,870,772	
Debt													
Debt Proceeds			2,000,000	250,000	6,250,000							8,500,000	
City TIF Contribution	99,850	222,044	222,044	400,191	612,322	953,219	1,056,736	1,232,857	1,009,013	829,646	578,078	6,993,957	447
City Additions to CRA Reserves	98,941	2,106,554	2,106,554		1,975,295								
Total Sources	168,146	2,376,045	2,376,045	968,778	7,299,037	1,751,152	2,009,088	2,123,568	1,506,212	1,239,474	923,228	20,364,729	
Expenditures/Operating Expense													
Admin Salaries & Wages					5,934							5,934	
Admin Salaries Via General Fund			12,131	26,459	110,216	82,629	31,286	28,090	20,581			162,586	
CRA Salaries & Wages					3,220	159,294	151,560	99,502	100,371	104,259	19,234	783,026	
Bldg & Zoning Salaries & Wages												3,220	
Bldg \$ Zoning Via General Fund			127,550	136,057	116,714	11,183	5,092	4,217	7,524			28,016	
Police					379,046	112,467	140,497					633,285	
Police Via General Fund					74,243	556,639	473,378	352,234	264,273			2,025,570	
Fire					261,595	397,125	378,035	263,345	166,252			74,243	
Fire Via General Fund												1,466,352	
Wtr&Svr												770	
Public Works Via General Fund			57,772		12,888	30,243	72,328	53,275	34,426			190,272	
Engineering Services			25,411		32,500	26,765	71,404	8,481	7,757	5,959	55,936	70,660	
Consulting Fees			971	602	5,444	4,402	2,485	2,681	2,823	2,844	2,252	234,213	
Electricity			37,799	37,798	37,798	37,798	37,798	67,906	67,905	62,314	424,914	424,914	
Business Devlpmt					563	1,702	2,099	1,705	1,792	3,178	210	11,249	
Banking & SBA Fees				246	5,732	305	19	1,122	1,624	2,138	3,872	15,058	
Office Supplies			250	78	2,452	1,097	645	645	761	916	50	6,894	
Operating Expenses			217	695	1,629	2,698	1,877	1,547	1,999	2,787	1,083	13,837	
Publications & Subscriptions			1,027		597	4,932	3,450	2,675	1,930	1,931	1,585	18,822	
Façade Grant Program					15,000	90,838	37,395	74,679	128,081	145,341	7,462	498,796	
Operating Expense Total	37,799	263,127	263,127	201,935	1,065,571	1,520,117	1,410,118	962,104	808,099	331,667	89,431	6,689,968	
Capital Projects													
A1A Desota Land Acq					1,552,004							1,552,004	
A1A Desota Prop Prj				2,279,018		2,739	4,000					8,739	
Sun Rise Land Acq			2,372	78,274		1,424						2,279,018	
Small Misc. Prjs					1,166							257,122	
CRA Computer Software					105,959	1,624,745	474		970			2,136	
Pelican Bch Park Improvements					1,912	9,473	952					1,731,178	
St Patrick Dr Imprvmt			3,993		15,941	26,603	6,470					14,468	
Master Street Scape					24,085	11,896	37,267					74,732	
High Twr Bch Imprvmt								753,104	21,185	3,179		850,716	

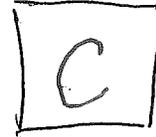


Satellite Beach CRA: Illustrative of a proposed year going forward



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Michelle Stein Spira

October 3, 2012

Ms. Kathryn H. DuBose, Coordinator
Joint Legislative Auditing Committee
111 West Madison Street, Room 876
Claude Pepper Bldg.
Tallahassee, FL 32399-1400

Re: Satellite Beach CRA

Dear Ms. DuBose:

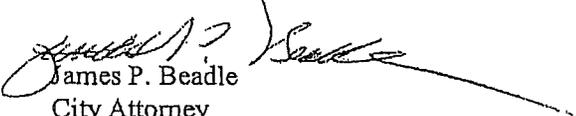
The City Council requested this letter be forwarded to provide you with an update regarding the Satellite Beach CRA. This will advise that City Council and the re-constituted CRA Board agreed to resolve the issues surrounding the questioned Satellite Beach CRA expenditures pursuant to the enclosed Settlement Agreement after considering all relevant legal and fact issues.

For purposes of settling this matter, the City Council and the CRA Board (i) determined the date from which these expenditures would be calculated, and form the basis for payment under the Agreement, were the budget years arising after the Daytona Beach Auditor General report (2008-36); (ii) concurred that the propriety of the expenditures was called into question after the date of that report; and (iii) agreed that all CRA funds transferred for fire department and electric service purposes included in the 2008/2009 and 2009/2010 fiscal year budgets would constitute the amount to be paid from the City to the CRA pursuant to the Agreement.

For your information, no questioned transfers occurred after the 2009/2010 fiscal year. As a final matter, City Council and the CRA Board agreed the questioned police department transfers would not be subject to payment as the CRA Plan arguably provided for these expenditures.

If you require any further information or have any questions regarding any of these matters, please advise.

Very truly yours,


James P. Beadle
City Attorney
City of Satellite Beach

SETTLEMENT AGREEMENT BETWEEN
CITY OF SATELLITE BEACH COMMUNITY REDEVELOPMENT AGENCY AND
CITY OF SATELLITE BEACH

THIS AGREEMENT made and entered into the 4 day of October, 2012, by and between the City of Satellite Beach Community Redevelopment Agency, a public body corporate and politic created pursuant to Part III, Chapter 163, Florida Statutes, whose address is 565 Cassia Boulevard, Satellite Beach, Florida (hereinafter "the CRA"), and the City of Satellite Beach, a Florida municipal corporation, whose address is 565 Cassia Boulevard, Satellite Beach, Florida (hereinafter "the CITY").

W I T N E S S E T H:

WHEREAS, CRA funds were budgeted and utilized for police and/or fire services of the CITY from FY 2003/2004 through FY 2009/2010; and

WHEREAS, CRA funds were budgeted and utilized to offset expenses for electric service during the same period of time; and

WHEREAS, questions arose regarding the propriety of those expenditures; and

WHEREAS, the parties have settled and resolved all issues between them regarding those expenditures pursuant to the terms hereof, and pursuant to §163.01, Florida Statutes.

NOW, THEREFORE, in consideration of the mutual conditions set forth herein, the parties agree as follows:

1. RECITALS. The foregoing recitations are true and correct, and by this reference are incorporated herein.

2. PAYMENT. The CITY shall pay to the CRA the principal sum of Five Hundred Sixty-Five Thousand Four Hundred Eight and 00/100 (\$565,408.00) Dollars, with interest at the rate of zero percent (0%) per annum, said principal shall be payable in lawful money of the United States of America at 565 Cassia Boulevard, Satellite Beach, Florida 32937, or at such place as may hereafter be designated by written notice from the holder to the maker hereof, as follows:

The sum of \$35,338.00 per year, principal only, payable on or before the 31st day of December, 2012, and the like sum of \$35,338.00 on or before the 31st day of each year thereafter until December 31, 2027, at which time the entire principal balance in the amount of \$35,338.00 shall be due and payable. This note may be prepaid in whole or in part at any time without penalty.

3. FULL FAITH AND CREDIT. Nothing contained in this Agreement shall constitute a pledge of the full faith and credit of the CITY, or constitute or create a lien or be construed or deemed to constitute or create a lien, either legal or equitable, on any of the CITY's ad valorem revenues, funds, or real, personal, tangible or intangible properties. No person shall ever have the

right to compel any exercise of the ad valorem taxing power of the CITY to make the payments provided herein against any property of the CITY, nor shall this Agreement constitute a charge, lien or encumbrance, either legal or equitable, upon any property of the CITY to make any payment contemplated by this Agreement. If the CITY makes all payments described herein in a timely manner, and otherwise honors the terms and conditions hereof, the CRA will forbear its right to pursue the collection of the monies set forth herein.

4. COVENANT TO BUDGET. The CITY covenants to budget and appropriate in each fiscal year such amount of non- ad valorem revenues sufficient to provide for the timely payment of those sums provided in Paragraph 2. The CITY shall include in its annual budget, by amendment if necessary, such amounts of non-ad valorem revenues as will be needed to provide for the timely payment of those sums provided in Paragraph 2 when due. This covenant to budget does not give the CRA a prior claim to non-ad valorem revenues, as opposed to claims of general creditors of the CITY. Such covenant to budget is subject in all respects to the prior payment of obligations secured by a pledge of non-ad valorem revenues heretofore or hereafter entered into, including the payment of debt service on bonds and other debt instruments. The CITY shall never be obligated to maintain or continue any activities of the CITY which generate non-ad valorem revenues. Except as provided herein, the obligations of the CITY under this Agreement shall not be construed as a pledge of or a lien on all or any legally available non-ad valorem revenues of the CITY, but shall be payable solely as provided in this Agreement and are subject in all respects to the provisions of §166.241, Florida Statutes, and are further subject to the payment of services and programs which are for essential public purposes affecting the general health, welfare and safety of the inhabitants of the CITY.

5. REPRESENTATIONS OF CRA. The CRA represents and warrants to the CITY that each of the following statements is true and correct as of the date of this Agreement:

(a) The CRA is a public body corporate and politic under Part III, ch. 163, Florida Statutes, and has the requisite corporate power and authority to carry on its business as now conducted and to perform its obligations under this Agreement and any document contemplated hereunder to which it is or will be a party.

(b) This Agreement has been approved by the CRA, and the person signing this Agreement on behalf of the CRA has been duly authorized to execute and deliver same on behalf of the CRA. Neither the execution and delivery hereof, nor compliance with its terms and conditions, (i) requires the approval and consent of any other party, except as has been duly obtained or as specifically noted herein, (ii) contravenes any existing law, judgment, governmental rule, regulation or order applicable to or binding on the CRA, or any indenture, mortgage, deed of trust, bank loan, credit agreement, applicable ordinances, resolutions or, on the date of this Agreement, any other agreement or instrument to which the CRA is a party, or by which it or its properties are bound, specifically including any covenants of any bonds, notes or other forms of indebtedness outstanding on the effective date of this Agreement, or (iii) contravenes or results in any breach of, or default under any agreement applicable to the CRA, or results in the creation of any lien or encumbrance upon any property of the CRA.

(c) This Agreement constitutes a legal, valid and binding obligation of the CRA,

enforceable against the CRA in accordance with the terms hereof, except as such enforceability may be limited by public policy or applicable bankruptcy, insolvency or similar laws from time to time in effect which affect creditors' rights generally and subject to usual equitable principles in the event that equitable remedies are involved.

(d) There are no pending or, to the knowledge of the CRA, threatened actions or proceedings before any court or administrative agency, or against any officer of the CRA, which question the validity of this Agreement or any document contemplated hereunder, or which are likely in any case, or in the aggregate, to materially adversely affect the consummation of the transactions contemplated hereunder or the financial condition of the CRA.

6. COVENANTS OF CRA. The CRA covenants with the CITY that:

(a) The CRA shall timely fulfil, or cause to be fulfilled, all of the conditions expressed herein which are within the control of the CRA or which are the responsibility of the CRA to fulfil.

(b) During each year this Agreement remains in effect, the CRA shall cause to occur and to continue to be in effect those agreements, instruments, documents, certificates and events contemplated by this Agreement that are applicable to, and the responsibility of, the CRA.

7. REPRESENTATIONS OF CITY. The CITY represents and warrants to the CRA that each of the following statements is true and correct as of the date of this Agreement:

(a) The CITY is a municipality validly existing under Florida law, and has the requisite corporate power and authority to carry on its business as now conducted and to perform its obligations under this Agreement and any document contemplated hereunder to which it is or will be a party.

(b) This Agreement has been approved by the CITY, and the person signing this Agreement on behalf of the CITY has been duly authorized to execute and deliver same on behalf of the CITY. Neither the execution and delivery hereof, nor compliance with its terms and provisions, (i) requires the approval and consent of any other party, except as has been duly obtained or as specifically noted herein; (ii) contravenes any existing law, judgment, governmental rule, regulation or order applicable to or binding on the CITY, or any indenture, mortgage, deed of trust, bank loan, credit agreement, applicable ordinances, resolutions or, on the date of this Agreement, any other agreement or instrument to which the CITY is a party, or by which it or its properties are bound, specifically including any covenants of any bonds, notes or other forms of indebtedness outstanding on the effective date of this Agreement, or (iii) contravenes or results in any breach of, or default under any agreement applicable to the CITY, or results in the creation of any lien or encumbrance upon any property of the CITY.

(c) This Agreement constitutes a legal, valid and binding obligation of the CITY, enforceable against the CITY in accordance with the terms hereof, except as such enforceability may be limited by public policy or applicable bankruptcy, insolvency or similar laws from time to time in effect which affect creditors' rights generally and subject to usual equitable principles in the event that equitable remedies are involved.

(d) There are no pending or, to the knowledge of the CITY, threatened actions or proceedings before any court or administrative agency, or against any officer of the CITY, which question the validity of this Agreement or any document contemplated hereunder, or which are likely in any case, or in the aggregate, to materially adversely affect the consummation of the transactions contemplated hereunder or the financial condition of the CITY.

8. RELEASE; INDIVIDUAL LIABILITY. Except as otherwise provided in this Agreement, each party, for itself and its respective successors and assigns, releases the other party and the members of the respective governing bodies and their respective officers, directors, agents, employees, contractors, successors and assigns, from all claims, actions, causes of actions, suits, demands, rights, damages, sums of money, accounts, contracts, controversies, agreements, promises, costs and expenses whatsoever, in law or in equity, which each party may have had, or now has, against the other up to the date of the execution of this Agreement. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member of the governing body, or agent or employee, of the CITY or the CRA in its, his, her or their individual capacity. Neither the members of the governing body of the CITY or the CRA, nor any official executing this Agreement, shall be liable personally, or shall be subject to any accountability, by reason of the execution of this Agreement by the CITY or the CRA or any act pertaining thereto.

9. EFFECTIVE DATE. This Agreement shall be effective upon the execution of this Agreement by the person(s) designated by both parties, and its filing with the Clerk of the Circuit Court of Brevard County, Florida.

10. GENERAL PROVISIONS.

(a) BINDING EFFECT. This Agreement, including any documents and papers delivered pursuant hereto, constitute the entire agreement between the parties and supersedes all prior agreements and understandings, oral or written, between the parties to this Agreement with respect to the subject matter hereof. Neither this Agreement nor any term hereof may be amended, changed, waived, discharged or terminated other than by a written agreement executed by the parties hereto. This Agreement shall be binding upon the parties, their heirs, personal representatives, administrators, executors, assigns and successors in interest.

(b) DELIVERY OF DOCUMENTS. The parties to this Agreement will execute and deliver or cause to be executed and delivered such additional or further instruments as the other party may reasonably request for the purpose of carrying out the transaction contemplated by this Agreement.

(c) COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed an original.

(d) ATTORNEY'S FEES. In the event any litigation arises out of this transaction or under this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs, including attorney's fees for any appeal.

(e) GOVERNING LAW. The validity, construction and enforcement of, and the remedies under, this Agreement shall be governed in accordance with the laws of the State of Florida, and venue of any proceeding shall be Brevard County, Florida.

(f) CONSTRUCTION. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties jointly prepared it, and any uncertainty or ambiguity shall not be interpreted against the drafting party.

(g) HEADINGS. The captions, headings and titles to sections of this Agreement are for convenience of reference only, and shall in no way restrict or affect, or be in any way an interpretation of the provisions of any such section of this Agreement.

(h) SAVINGS CLAUSE. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

IN WITNESS WHEREOF, the parties have hereunto entered into this Settlement Agreement as the day and year first above written.

SATELLITE BEACH COMMUNITY
REDEVELOPMENT AGENCY

ATTEST:

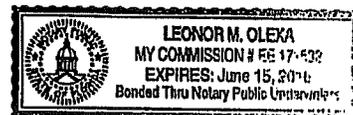
Diane Niasi

By: *Scott Rhodes*
Its CRA Vice-Chair Scott P. Rhodes

STATE OF FLORIDA
COUNTY OF BREVARD

The foregoing instrument was acknowledged before me this 4 day of October, 2012, by *Scott Rhodes* and *Diane Niasi*, the *CRA Vice-Chair* and *Admin Asst to City Clerk*, respectively of the Satellite Beach Community Redevelopment Agency, who are personally known to me and who did not take an oath.

Leon M. Oleka
Notary Public
My Commission Expires: *6/15/2016*



CITY OF SATELLITE BEACH

ATTEST:

Diane Niosi

By: Joseph R. Ferrante
Its Mayor Joseph R. Ferrante

STATE OF FLORIDA
COUNTY OF BREVARD

The foregoing instrument was acknowledged before me this 4 day of October, 2012,
by Joseph R. Ferrante and Diane Niosi, the Mayor
and Admin Asst to City Clerk respectively of the City of Satellite Beach, who are personally
known to me and who did not take an oath.

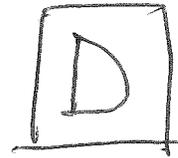
Leonor M. Olexa
Notary Public
My Commission Expires:



CITY OF SATELLITE BEACH, FLORIDA

Notes to Financial Statements

For the Year Ended September 30, 2012



NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. LONG-TERM DEBT (CONTINUED)

The debt service requirements of the variable-rate debt and net swap payments are shown below assuming current interest rates remain the same. The current variable rate on the \$6,250,000 note is 0.64% as of September 30, 2012. Therefore, the interest rate related to the \$6,250,000 swap is 3.59% as of the same date, calculated as the difference between the synthetic fixed rate of 4.23% and the 0.64% variable rate.

The interest rate swap agreement has a negative fair value of \$993,882 as of September 30, 2012. The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate note payable, creating lower synthetic rates. Because the payments on the City's variable-rate notes payable adjust to changing interest rates, the note payable does not have corresponding fair value increases. The fair value of the swap was obtained from the counterparty and is based on the quoted market price using the mark-to-market method. The change in fair value for the year ended September 30, 2012 is a decrease of approximately \$10,000. *

As of September 30, 2012, the City was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the City would be exposed to credit risk in the amount of the derivatives' fair value. As of September 30, 2012, the swap's counterparty was rated AAA by Fitch Ratings. The calculation of variable interest payments is an estimate. It is calculated based upon the total interest to be paid less the calculated amount of swap interest to be paid.

The derivative (interest rate swap) contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The City or the counterparty may terminate the swaps if the other party fails to perform under the terms of the contracts. If the swaps were terminated, the variable-rate notes and bonds would no longer carry synthetic interest rates. Also, if at the time of termination a swap has a negative fair value, the City would be liable to the counterparty for a payment equal to the swap's fair value as of that date. As of September 30, 2012, the City has no intention of terminating its swap agreements.

Annual debt service requirements to maturity for the City's notes payable are as follows:

September 30,	Principal	Interest	Interest (swap)	Total
2013	\$ 503,741	\$ 103,515	\$ 169,273	\$ 776,529
2014	528,001	88,667	159,571	776,239
2015	553,994	73,018	149,463	776,475
2016	514,513	57,035	138,911	710,459
2017	450,465	45,798	127,913	624,176
2018-2022	2,080,661	104,861	457,327	2,642,849
2023-2026	1,602,400	24,947	113,853	1,741,200
Totals	\$ 6,233,775	\$ 497,841	\$ 1,316,311	\$ 8,047,927



outstanding (need a payoff letter))

- (3) Information regarding the Interest Rate option chosen by the CRA (fixed or synthetic fixed)
- (4) Detail regarding the CRA's planned application of the proceeds of the Note
- (5) Names of the Members of the CRA (including the Chairman and Vice Chairman) and the names of the Members who will be signing for the CRA (we have assumed that the Chairman or Vice Chairman will sign and the Clerk will attest; please let us know if this needs to be revised)
- (6) The terms of office of the Members of the

Laura Canady, JD
Community Redevelopment Coordinator
City of Satellite Beach
Phone: (321) 773-4409 ext. 241
Fax: (321) 773-6619
Email: lcanady@satellitebeach.org

-----Original Message-----

From: Teresa Motley [mailto:tmotley@broadandcassel.com] **On Behalf Of** Joseph Stanton
Sent: Wednesday, April 12, 2006 2:42 PM
To: lcanady@satellitebeach.org; todd.a.morley@bankofamerica.com; jbeadle@sbmlawyers.com
Cc: Holly Collins
Subject: Bank of America/Satellite Beach Draft Documents

Ladies and Gentlemen:

We have attached for your review and comment a revised draft of the Resolution and drafts of the Closing Index and closing documents, certificates and opinions related to the above referenced transaction. We do have some open items that we will need information on in order to complete the documents, and have provided a list below, as well as our response to the comments/questions raised by Jim, some of which the CRA will need to respond to or confirm.

Please feel free to contact us with any comments or questions.

Open Items in the Draft Documents Circulated:

- (1) Date and No. of the Resolution(s) that established the CRA and its Community Redevelopment Area (we also need to see copies of these Resolutions and the CRA's Charter, if any)
- (2) Information regarding the CRA's loan to be refinanced (e.g., name of bank, principal amount outstanding (need a payoff letter))
- (3) Information regarding the Interest Rate option chosen by the CRA (fixed or synthetic fixed)
- (4) Detail regarding the CRA's planned application of the proceeds of the Note
- (5) Names of the Members of the CRA (including the Chairman and Vice Chairman) and the names of the Members who will be signing for the CRA (we have assumed that the Chairman or Vice Chairman will sign and the Clerk will attest; please let us know if this needs to be revised)
- (6) The terms of office of the Members of the CRA

Responses to Questions Raised by Jim Beadle (*Jim's Questions/Comments are in italics*)

Second sentence of Section 3.D. - is this true?; In 3E, the CRA sets forth the finding that the Note is payable from CRA Revenues (which is provided for in the Resolution), and that CRA Revenues are sufficient to pay principal of and interest on the Note when due. We assume that this is correct, and will need to discuss this if there is any concern regarding this issue.

Section 3.E. - is this true?; In 3.E., the CRA sets forth certain findings regarding the installation, construction, etc. of the Project – that the proposed Project is an integral part of and necessary for the carrying out the community redevelopment plan; that the Project would not normally be financed with user fees, and that the Project normally would not be installed, constructed, etc. pursuant to a previously approved capital improvement plan. The statutory reference for this provision is Section 163.370(2)(b), Florida Statutes.

Section 13.E. - is this true?; In 13.E., the CRA makes certain representations regarding the audited financial statements (i.e., that they were prepared in accordance with GAAP; that they fairly present the financial position of the CRA and that there has been no material adverse change in the financial condition since the date of such financials). Again, we assume that this is correct, and will need to discuss this if there is any concern regarding this issue.

did "negotiated sale" reflected in Section 3.J. occur? The Note is being sold by negotiated sale to Bank of America as opposed to competitive sale (i.e., potential investors bidding on the purchase of the Note on a pre-appointed sale date). A negotiated sale is standard for these types of transactions, given the timing involved, the costs of a negotiated sale and the likely lack of interest by potential investors in the Note due to the fact that they have little or no knowledge regarding the CRA.

as I am not privy to the Federal Reserve docs referred to in the Resolution and Note, what is the actual prepayment penalty that the Agency will be subject to under the terms of those docs?; The prepayment penalty is formula based and is subject to calculation on the date the prepayment occurs. It is a calculation of the present value of the difference between the interest on the prepaid amount that B of A would have received if the Note was not prepaid, less the interest that B of A could have earned on the prepaid amount if it took the prepaid amount and re-invested it from the date of prepayment to the date of maturity. The prepayment penalty will vary depending upon rates on the date that the prepayment, if any, occurs.

based upon the docs provided to date, is this a fixed rate note and if so, what is the rate (it appears to be fixed in that there is no language provided establishing parameters for adjustment). The CRA has two options with respect to the interest rate on the Note: (1) a Fixed rate note, with the fixed rate being determined just prior to closing, or (2) a synthetic fixed rate Note (i.e., a Variable Rate Note that is synthetically converted to a fixed rate by the CRA entering into a separate swap agreement with respect to the payments under the Note). Both the Note and the Resolution may need to be modified if the synthetic option is chosen.

As I have no knowledge regarding same, it must be determined by whoever has such information that this note will qualify as a qualified tax exempt obligation, and what must be done, if anything, by the agency and/or the city, to ensure that it retains that status. The requirements are set forth in the Tax Certificate (Section 2.90), namely that (1) the issuer of the Note, together with any subordinate entities (we assume none for the CRA, but will need to confirm this) or entities on whose behalf the CRA issues (we assume the City of Satellite Beach, Florida) has not, and does not reasonably anticipate issuing more than \$10,000,000 in tax-exempt obligations during the current calendar year (including this obligation), and (2) the CRA must designate the Note a "qualified tax-exempt obligation" for the purposes of Section 265(b)(3) of the Internal Revenue Code. This is based on reasonable expectations at the time of issuance. If some unforeseen circumstance arises which requires the City or the CRA to issue additional tax-exempt obligations this calendar year, then the bank qualified status of these obligations may not be affected. The rates quoted by Bank of America are based on the fact that the obligation is bank qualified, so if there are any issues in this regard, we may need to discuss this further.

I have some concern from my perspective regarding what the lender will require of me as I have no E&O coverage for this type of transaction. Therefore, please provide me with a copy of all

Satellite Beach CRA Refinancing Records

09/03/12

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documents the lender will require be executed by me as a condition for giving the agency this loan. We have provided for your approving signature on the Resolution and will also need an opinion from you in the form provided with this email (see Proposed Form of CRA Counsel's Opinion). Todd, I will follow up with you on this issue.

Filing Deadlines:

Finally, we wanted to remind you of certain deadlines with respect to the issuance of the Note:

(1) The two Notices to Taxing Authorities must be sent by certified mail at least 15 days before the Resolution is adopted. Assuming adoption of the Resolution on May 1st, these Notices will need to be mailed by the CRA on or before April 15, 2006.

(2) The Notice of Adoption of Resolution is required to be published in a newspaper of general circulation in Brevard County or the City of Satellite Beach at least 10 days before the adoption of the Resolution. Assuming adoption of the Resolution on May 1st, this Notice will need to be published on or before April 20, 2006. The submission deadline for the County edition of Florida Today is 5 p.m. two days before publication. As a result, we will need to submit this Notice on or before 5 p.m. on April 18, 2006.

Teresa Motley
 LEGAL SECRETARY FOR JOSEPH STANTON
 390 NORTH ORANGE AVENUE
 SUITE 1100
 ORLANDO, FL 32801-4961
 TELEPHONE: (407) 839-4200
 FACSIMILE: (407) 425-8377
 DIRECT LINE: (407) 481-5214



E-MAIL: TMOTLEY@BROADANDCASSEL.COM

www.broadandcassel.com

"MMS <broadandcassel.com>" made the following annotations on 04/12/06 14:41:44

Pursuant to federal regulations imposed on practitioners who render tax advice ("Circular 230"), we are required to advise you that any tax advice contained herein is not intended or written to be used for the purpose of avoiding tax penalties that may be imposed by the Internal Revenue Service. If this advice is or is intended to be used or referred to in promoting, marketing or recommending a partnership or other entity, investment plan or arrangement, the regulations under Circular 230 require that we advise you as follows: (1) this writing is not intended or written to be used, and it cannot be used, for the purpose of avoiding tax penalties that may be imposed on a taxpayer; (2) the advice was written to support the promotion or marketing of the transaction(s) or matter(s) addressed by the written advice; and (3) the taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

THE INFORMATION CONTAINED IN THIS TRANSMISSION IS ATTORNEY PRIVILEGED AND CONFIDENTIAL. IT IS INTENDED FOR

Sources of Funds:

Principal Amount of Current Interest Bonds (CIBs)

2,149,378.24

Total SOURCES of Funds

\$2,149,378.24

Uses of Funds:

Cost To Redeem 2004 and 2005 Bonds on 5/1/2006

2,149,378.24

Total USES of Funds

\$2,149,378.24

Miscellaneous Bond Issuance Information:

Delivery Date:	05/01/2006
Principal Amount of Bonds Being Refunded	2,135,326.24
Principal Amount of the Refunding Bonds	2,149,378.24
Proceeds of "The (new) Bonds"	2,149,378.24
Rate/Yield on the Refunded Bonds	4.35227536%
"All Costs Included" TIC on the New Issue is	4.25236614%
Federal Arbitrage Yield on the New Issue is	4.25236614%
Yield on Escrow	-
Total Debt Service Savings	33,102.81
Less Cost of Issuance @ 1%	23,252.12
Present Value Savings @ 4.25236614%	21,493.78
Net Savings	1,758.34

Refunding Savings Benefit Sources & Uses Report

Total Debt Service as a Percent of Total Debt Service of Refunded Bonds 1.06008519%

Present Value Savings as a Percent of Principal Amount of Bonds Being Refunded 1.08892466%

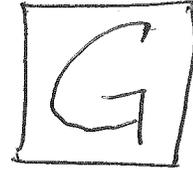
SAVINGS DO NOT MEET 3% PV TEST
 Savings must exceed \$64,481



**COMMUNITY REDEVELOPMENT AGENCY
ADVISORY COMMITTEE MINUTES
APRIL 22, 2004**

PAGE 3

- Dave Porter, Mar Brisa
- Kerry Stoms, Recreation Director
- Angie Rhodes, 435 Glenwood Avenue
- Laura Canady, 440 Glenwood Avenue
- Brett Murphy, 560 Norwood Avenue
- Barbara Miller, 145 Skyline Blvd.



A summary of the committee's comments were as follows:

- Vice-Chair David Schechter commented on how great it is that the public can talk about the pavilions being the right size for birthday parties. He also read a memo submitted by Chairwoman Lawandales who was unable to attend.
- John Fergus commented on parking not only at Pelican Beach Park but throughout the City. Mr. Fergus feels the public has voiced their opinions on the ocean being visible at the park but does not feel the vegetation should be disturbed. Mr. Fergus also feels the cost estimates are low-balled and feels the money would be better spent in purchasing the property at the end of Sunrise Avenue.
- Jeff Fleis commented that the purchase of property was not on the agenda, and did not feel it was appropriate to bring it up at this time.
- Vice-Chair David Schechter stated that each member is allowed to make any comment they feel is important.
- Sue Gaines asked if the conservation area contained Scrub Jays or Gopher Tortoises besides endangered plants? Ms. Gaines liked the idea of fencing along Highway A1A. She was pleased with the concept on a whole but felt there should be more shaded seating.
- Janice Oberwetter liked the use of berms instead of fencing along the road but felt the play area should be fenced with landscaping around it. She feels the restrooms should be visible and up front. The access to Pelican Beach Clubhouse was fine. She felt the horseshoe pits should be moved North and add some parking to the South for access to the beach or activities in the South of the park.
- Pat Utecht feels this is a great starting point. He does not agree with additional paved parking. He would like to see access in some way for deliveries to the large pavilion. Mr. Utecht would also like to see a low-level boardwalk with benches along the dune line into the Conservation Area allowing people to sit and look out at the ocean.
- Jeff Fleis agreed with Chairwoman Lawandales comments on rotating the large pavilion and bringing the horseshoe courts parallel to the pavilion. He would like to see everything compressed and shifted to the North and leave the South for additional parking if needed in the future.
- Don Barrett felt the committee has come along way. He likes what was presented but feels it could be massaged some, including the pavilion and horseshoes. He does have some concerns about parking. He liked Jeff's idea about developing the other beach accesses to possibly alleviate parking at Pelican Beach Park.
- Ken Lebron feels the consultants did a good job. Parking was also a concern which he felt could be handled by squeezing things closer together and leaving a soft area to the South that could be used for additional parking if needed.

* [

COMMUNITY REDEVELOPMENT AGENCY MINUTES
MAY 5, 2004

Pursuant to Public Notice, Mayor Brimer convened a regular meeting of the City Council on Wednesday, May 5, 2004, at 7:00 p.m., in the Council Chambers. Those present were Mayor Mark Brimer, Vice-Mayor Sal D'Amato, Councilman Frank Catino, Councilman Joseph Ferrante, Councilman Dominick Montanaro, City Attorney James Beadle, City Manager Michael Crotty, and City Clerk Barbara Boyens.

At 9:40 p.m., Mayor Brimer convened the Council as the Satellite Beach Community Redevelopment Agency for the following items:

REDEVELOPMENT ISSUES:

ESTABLISH A MEETING DATE FOR PELICAN BEACH PARK CONCEPTUAL PLAN REVIEW AND REVIEW OF REQUEST TO REDEFINE ROLE OF COMMUNITY REDEVELOPMENT AGENCY ADVISORY COMMITTEE

Council established a meeting date of Thursday, May 13, at 7:30 p.m., to review the conceptual plan for Pelican Beach Park.

Pat Utecht, alternate member of CRAAC, asked Council to review/reaffirm the original aim Charter and priorities for CRAAC, especially as they impact density and intensity.

Council members said that a request to review the Charter and priorities should come from the Chair or Vice-Chair of the Committee. Since this is a barrier island and has to meet evacuation standards, any increase in density would have to be approved by the State.

Mayor Brimer asked for public comments. There were no comments.

FOLLOW-UP DISCUSSION ON POTENTIAL PROPERTY PURCHASE(S) IN REDEVELOPMENT DISTRICT

City Manager Crotty stated that the CRA has discussed the potential purchase of properties at the David R. Schechter Community Center and the Sunrise Avenue property. CRAAC members have not made purchasing property a priority but have indicated that they would consider a proposal once a specific recommendation/property is available.

Mayor Brimer asked for public comments. The following individuals addressed Council:

- Kitty Wade, 320 Lynn Avenue, encouraged purchase of conservation property before prices escalate even more. Sunrise Avenue should be a priority. However, the restrooms at Pelican Beach Park also need to be replaced.

Mr. Cooper stated that Mr. Fleis has a contract on the Sunrise property and he has an agenda item for tonight's meeting requesting realignment of Beach Street. Mr. Fleis has indicated that he is not willing to assign the contract to the City.

* City Attorney Beadle stated that the Community Redevelopment Agency (CRA) could condemn the land for purposes of the District by identifying a public purpose for the property. The Florida Department of Transportation uses the quick take method for eminent domain. That establishes a value as of the date of the taking and can be accomplished by adopting a Resolution of Public Necessity, then obtaining appraisals, and negotiating for thirty days. At the end of thirty days, if agreement has not been reached, the City has the option of filing a petition with the Circuit Court requesting a hearing with the judge to establish need and fair market value. If the parties do not agree on the judge's determination, there will be a twelve-person jury trial to determine value.

Mayor Brimer asked for public comments. The following individuals addressed Council:

John Fergus, 135 Maple Drive, stated that this parcel is zoned RM-3 and could have as many as 12 units on the 1.2 acres. He further stated that purchasing this property would be consistent with the Comprehensive Plan regarding density, intensity, access, and walk/drive beach access. He recommended that the City retain an attorney with eminent domain experience as soon as possible and start the process to purchase the land. This is a vacant lot with an owner willing to sell. Combining this parcel with the 100-foot right of way to the north and 50 foot right of way to the south would create 350 feet of open beachfront property to provide the citizens a view of the ocean and access to the beach.

Rodney Smith, 265 South Robert Way, stated that this property is valuable to his family, to the citizens of Satellite Beach, and to the community to provide an ocean view from A1A and encouraged Council to take steps to purchase the property for an open park.

Gary Williams, 735 Beach Street, asked what the impact to the neighborhood would be if the property were developed.

Building Official Cooper stated that development would create additional units and some traffic. The sixteen foot wide right of way would probably be open to one-way traffic. Currently, a single-family residence could be built on the triangle next to A1A and up to ten units could be built on the parcel next to the beach. The developer has proposed six units 56 feet high.

Bret Murphy, 560 Norwood Court, stated that the name of the street is Sunrise and spoke against development that would block the view of the sunrise.

Susana Tuzzo, 710 Sea Palm Lane, spoke in opposition to development on this lot, stating that she had chosen to live here because Satellite Beach values oceanfront land and beach access.

COMMUNITY REDEVELOPMENT AGENCY MINUTES
MAY 24, 2004

Pursuant to Public Notice, Vice-Mayor D'Amato convened a special meeting of the Community Redevelopment Agency (CRA) on Monday, May 24, 2004, at 4:50 p.m., in the Council Chambers. Those present and seated as the CRA were Vice-Mayor Sal D'Amato, Councilman Joseph Ferrante, Councilman Dominick Montanaro, and Mayor Mark Brimer (arrived at 4:55). Also present were and City Manager Michael Crotty, City Attorney James Beadle, and City Clerk Barbara Boyens.

RESOLUTION NO. 795, A RESOLUTION OF THE CITY OF SATELLITE, BEACH COMMUNITY REDEVELOPMENT AGENCY, BREVARD COUNTY, FLORIDA, DETERMINING THE NECESSITY TO EXERCISE THE POWER OF EMINENT DOMAIN OVER CERTAIN REAL PROPERTY DESCRIBED IN THIS RESOLUTION FOR RECREATION AND OPEN SPACE PURPOSES; PROVIDING AN EFFECTIVE DATE

City Manager Crotty stated that, at the direction of the CRA on May 19, 2004, Resolution No. 795 was drafted to begin proceedings to acquire the vacant property at Sunrise Avenue and Highway A1A. This property is owned by the Devletoglou family and is currently under contract for sale to Edward Fleis.

Councilman Montanaro MOVED, SECOND Councilman Ferrante, to read Resolution No. 795 by title only. VOTE: ALL AYES. MOTION CARRIED.

CRA Vice-Chairman D'Amato read Resolution No. 795 by title only, there being sufficient copies for those present,

City Attorney James Beadle introduced Joseph Miniclier, Attorney for the City of Rockledge and an experienced eminent domain attorney.

Attorney Miniclier outlined two eminent domain methods: (1) the slow take, which can take several years; or (2) the quick take, which is cleaner and used more often. Under the quick take, if the CRA adopts Resolution No. 795, the City would order an appraisal and send a certified letter to the owners of the property, advising them of the desire to purchase the property. This certified letter begins the thirty-day negotiation period. If, at the end of thirty days, no agreement has been reached, the City has the option to file a petition and declaration of taking with the Circuit Court. At a hearing before the Judge, expert witnesses such as surveyors, engineers, and appraisers would present testimony to the judge to establish a fair market value. The fair market value would be deposited with the Court and title to the property would transfer to the City at that time. If the Judge's valuation is not accepted, a twelve-person jury would then hear the arguments and review the testimony of both parties to determine a fair market value.

CRA Chairman Brimer asked for public comments. The following individuals addressed the CRA:

* Sunrise Avenue and Highway A1A: City Attorney Beadle reported that Attorney Miniclier had requested an appraiser to provide a cost estimate for an appraisal of the property at Sunrise Avenue and Highway A1A. When Attorney Miniclier next spoke with the appraiser, he was approximately 80% through the appraisal process. Attorney Beadle has also received one quote on the cost of an appraisal.

City Manager Crotty reported that the Florida League of Cities Bond Pool is not able to lend money to the CRA because of the short time the CRA has been in existence. Staff is pursuing proposals from other lending institutions.

Kash 'n Karry: Dennis Drake, Licensed Real Estate Broker, presented highlights from his June 16, 2004, correspondence regarding purchase of real property. He offered his services to research potential priority sites, contact owners, familiarize the Council with the standard FAR BAR purchase contracts, facilitate a Free Look (due diligence) period to secure the property while the City assesses the value, and to negotiate price and terms.

In response to questions from Council, City Attorney Beadle stated that the Council can have any realtor do this as long as the seller pays the fees. He referred to the laws concerning buyer/seller/transactional relationships for brokers. If the City does retain Mr. Drake, they may need to receive competitive bids.

Mayor Brimer asked for public comments. There were no comments.

Council had the following comments:

- Council and CRA need to prioritize projects and/or purchases
- What would the City do with any property purchased? Unless there is a need or plan to use the property, it would not be wise to purchase it.
- Even if the City does not hire Mr. Drake, he can research properties and bring information to Council.

Having received the broker's information the night before the meeting, Council decided to delay a decision on hiring a real estate broker.


Barbara Boyens, CMC
City Clerk

CITIZEN COMMENTS

The following individuals addressed Council:

- Dave Levitt expressed appreciation for the efforts to find funds to restore the beaches.
- Don Kraus of the Buccaneer Beach Club, 1125 Highway A1A, recommended hardening the beach with seawalls and/or rip-rap.
- Hank Wilhide, Dune Erosion Control, stated that he works with shoreline restoration and serves as a mediator between homeowners and state and local government. He recommended trucking sand to the dunes.
- Tony Loizzo, 1665 Highway A1A, stated that the severity of dune erosion in Satellite Beach has been caused by man. Failing to renourish the mid-reach section of the beach has created a 7-mile long funnel that sucked the sand out of this area.

COUNCIL COMMENTS

Councilman Montanaro stated that he attended the FEMA Town Hall meeting at Satellite High School and several of the staff teleconferences with EOC. He congratulated staff on a good job during the hurricanes.

Councilman Ferrante expressed appreciation to City Manager Crotty and the Mayor for their interaction with FPL and other utilities to get services restored to the citizens.

Councilman Catino thanked staff for their actions before, during and after the storms. He noted the foresight to have full fuel tanks to keep for the City's emergency vehicles on the road and to be able to help the County and neighboring emergency response vehicles with fuel.

Mayor Brimer commented on the sense of community with residents, volunteers, and staff to work together to restore the City.

CITY ATTORNEY REPORT

* | City Attorney Beadle stated that he will have more details on the purchase of the vacant lot at Sunrise Avenue and A1A later in the week. The appraisal is not complete yet.

COMMUNITY REDEVELOPMENT AGENCY MINUTES
APRIL 6, 2005

Pursuant to Public Notice, Mayor Brimer convened a regular meeting of the City Council on Wednesday, April 6, 2005, at 7:00 p.m., in the Council Chambers. Those present were Mayor Mark Brimer, Vice-Mayor Joseph Ferrante, Councilman Sal D'Amato, Councilman Frank Catino, Councilman Dominick Montanaro, City Attorney James P. Beadle, City Manager Michael P. Crotty, and City Clerk Barbara Boyens.

Mayor Brimer recessed the Council meeting at 10:00 p.m. and reconvened the Community Redevelopment Agency at 10:05 p.m.:

DISCUSS/TAKE ACTION ON ISSUES RELATING TO PURCHASE OF PROPERTY AT SUNRISE AND HIGHWAY A1A

* (City Manager Crotty stated that he had met with Ed Fleis, owner of the property at Sunrise and A1A, to discuss the offer of the appraised price of \$1,950,000. Mr. Fleis requested an extension of the thirty-day negotiation period so that he could obtain a current appraisal. Mr. Fleis has an appraisal of \$2,250,000 and stated that he would not consider any offer lower than that.

Mayor Brimer asked for public comments. Ryan Gibbons asked the CRA to identify the property and if the State of Florida controls what can be built there.

The CRA discussed various scenarios, including the possibility of getting the property at a lower price through the courts than the price the owner will be willing to accept. The CRA concurred that they do not wish to grant any extension and recognized to move forward with negotiations based on the offer dated March 7, 2005.

Councilman Catino MOVED, SECOND Councilman Montanaro, to offer \$2,000,000, to ask former Mayor David R. Schechter to help with the negotiations, and to extend the negotiating time until April 21, 2005. VOTE: ALL AYES. MOTION CARRIED.


Barbara Boyens, CMC
City Clerk

COMMUNITY REDEVELOPMENT AGENCY MINUTES
APRIL 20, 2005

Pursuant to Public Notice, Mayor Brimer convened a regular meeting of the City Council on Wednesday, April 20, 2005, at 7:00 p.m., in the Council Chambers. Those present were Mayor Mark Brimer, Vice-Mayor Joseph Ferrante, Councilman Sal D'Amato, Councilman Frank Catino, Councilman Dominick Montanaro, City Attorney James P. Beadle, City Manager Michael P. Crotty, and City Clerk Barbara Boyens.

Council convened as the Community Redevelopment Agency for the following agenda items:

DISCUSS/TAKE ACTION ON PURCHASE OF PROPERTY AT HIGHWAY A1A

City Manager Crotty stated that he had met with Mr. Ed Fleis on April 14 to offer the \$2 million for the property at Sunrise Avenue and Highway A1A. Mr. Fleis stated that he had been negotiating with the owner of the property for a number of years and does not want to sell it. However, in order to resolve the matter now and avoid court proceedings, he would take \$2.5 million for it. Mr. Fleis would be willing to take \$2 million and finance the remaining \$500,000 over three years at 6% interest. *

Council discussed the following:

- Public sentiment against development of oceanfront property,
- The costs of litigation,
- The ramifications of a slow take and a quick take,
- Responsible use of taxpayers' money,
- The number of beach accesses in the City, and
- The amount of beachfront property the City owns.

Council concurred that they do not want to move beyond the \$2 million for the purchase price. However, they agreed to add the potential \$250,000 of court costs, attorney fees, and expert witness fees to the price offered to Mr. Fleis.

Mayor Brimer asked for public comments. There were no comments.

Councilman Catino MOVED, SECOND Councilman Montanaro, to authorize the City Manager and former Mayor David R. Schechter to present an offer of \$2,250,000 to Mr. Fleis. VOTE: ALL AYES. MOTION CARRIED. *

PRESENTATION OF MONTHLY REPORT ON NEW AND POTENTIAL DEVELOPMENTS WITHIN THE COMMUNITY REDEVELOPMENT DISTRICT

Building Official/Planning Director Cooper presented an overview of his April 13, 2005, memorandum regarding permits issued for new signs and new construction in the

City Manager Crotty presented a memo dated May 25, 2005, indicating that Mr. Fleis is willing to accept the City's offer to purchase his property at Sunrise and A1A for \$2.25 Million. If Council desires to accept this offer, it would be appropriate to direct the attorney to draft a formal request to enter into a settlement agreement and to direct staff to finalize financial issues. *

Mayor Brimer asked for public comments. The following individuals addressed Council:

- Rodney Smith stated that many citizens would be happy to learn about the purchase and thanked Council for their action.
- Bill Higginson, encouraged council to approve the purchase and move forward.

Councilman Montanaro MOVED, SECOND Councilman D'Amato, to purchase the property for \$2.25 million, to direct the attorney to finalize the legal issues, and to direct staff to obtain the additional \$250,000 financing for the purchase, with any legal fees to be paid from the Redevelopment Trust Fund. VOTE: ALL AYES. MOTION CARRIED. *

Councilman Montanaro stated for the record his appreciation of Mr. Fleis' decision to forego development of this parcel and to sell the land to the City.

DISCUSS/TAKE ACTION ON RECOMMENDATION REGARDING VACANT BUILDING AT DESOTO PARKWAY AND HIGHWAY A1A (PEG LEGS)

Community Development Director/Building Official Cooper stated that he met with the new owners of the former Peg Legs and Corinthian Apartments. They have received an offer of \$1.1 million and have countered with \$1.7 million. CRAAC has recommended that the CRA purchase these properties and others to aggregate for development.

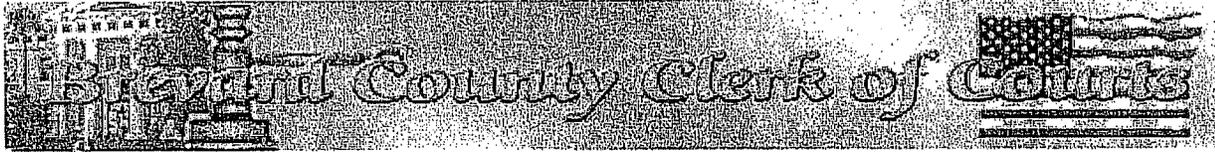
City Manager Crotty commented as follows:

- The Agency can purchase the property, design a plan, and put it out to bid.
- Once the City owns the property, the citizens will want it to remain vacant. The CRA would have to have a firm resolve that it be used for redevelopment.
- CRAAC should develop a specific plan and determine the cost of property, plus development.
- Redevelopment funds already committed are \$2.25 million for the Sunrise Avenue property, funds to renovate Pelican Beach Park, and funds for median and right of way improvements on Highway A1A, possibly including underground wiring.

Mayor Brimer asked for public comments. The following individuals addressed Council:

Laura Canady stated that this property looks like a good place for mixed use. It would be necessary to determine a density pattern and possibly use this for a town center.

Rodney Smith stated that Kash n Karry is a better property to purchase.



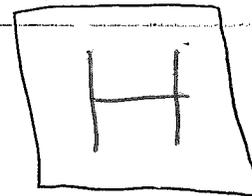
eFACTS

Register of Actions Activity

05-2005-CA-018031-XXXX-XX - SATELLITE BCH VS ST PATRICK

Prty	Event Date	Doc	Seq	Img	Description	Amount	Writ Doc	Deputy
P 1	06/10/2005		1		ASM: CIRCUIT CIVIL FILING FEE	\$256.00		165
	06/10/2005		2		ORIGINAL FILING UPDATED			165
P 1	06/10/2005	1	3		CIVIL COVER SHEET			165
P 1	06/10/2005	2	4		PETITION			165
	07/08/2005	3	1		ER: VOLUNTARY DISMISSAL			209
	07/08/2005		2		ORIGINAL DISPOSITION UPDATED			
	07/08/2005	4	3		AMENDED COMPLAINT			932
					FILED BY: CITY OF SATELLITE BEACH COMMUNITY REDEVELOPMENT AGENCY			
	07/08/2005	5	4		SETTLEMENT AGREEMENT/STIP			209
	07/14/2005		1		ER: RECORDED: DISMISSAL			
					CFN/BOOK/PAGE(S) 2005249623/5499/3842-3842			

[Return to Case Information](#)



1/3

IN THE EIGHTEENTH JUDICIAL CIRCUIT COURT
FOR BREVARD COUNTY, FLORIDA

CITY OF SATELLITE BEACH
COMMUNITY REDEVELOPMENT
AGENCY, a municipality
of the State of Florida,

CASE NO. 05-2005-CA-018031-XXXX-XX

Petitioner,

PARCEL NO. 1

vs.

ST. PATRICK, L.L.C., a
Florida limited liability
corporation,

Respondent.

FILED IN TITLE
CLERK OF COURT
BREVARD COUNTY
2005 JUL - 8 A 11:2
SCOTT ELLIS

SETTLEMENT AGREEMENT

Petitioner, CITY OF SATELLITE BEACH COMMUNITY REDEVELOPMENT AGENCY, and Respondent, ST. PATRICK, L.L.C., have negotiated a settlement to this cause of action. The settlement is as follows:

1. The Respondent agrees to sell to Petitioner the real property, the subject of this action, for \$2,250,000.00. A copy of the deed is attached as Exhibit "A".

2. At the time of execution of this agreement the parties shall mutually agree upon a Title Company to handle the closing for the subject property.

3. Petitioner shall pay \$2,250,000.00 for the property and any closing costs.

4. Respondent shall be responsible to provide Petitioner with a clean title to the subject property, free of any and all liens, mortgages, taxes or other possible encumbrances on the property's title.

5. The closing shall be within thirty (30) days of this agreement or other date agreed between the parties.



Carol Van
5

06/17/2005 10:02 321-779-1388
06/16/2005 00:27 321-779-1388
06/17/2005 09:16 321-779-1388

CITY SATELLITE BEACH
WUESTHOFF REJUN 14
CITY SATELLITE BEACH

PAGE 03/03

PAGE 01/01 (2)
PAGE 03/03

Not Suitable for Imaging

5. If either party shall fail to perform or abide by any of the provisions of this agreement, then the prevailing party in any enforcement action, both at trial and on appeal, shall be entitled to attorney's fees and costs.

Date: _____, 2005

Date: _____, 2005

CITY OF SATELLITE BEACH

ST. PATRICK, J.J.C.

By: Malcolm Brown
Title: Mayor

By: _____
Title: _____

HRKULD 1 BISILINE PH FAX:521-636-1170

JUN 14 2005 15:52 P.05

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6. If either party shall fail to perform or abide by any of the provisions of this agreement, then the prevailing party in any enforcement action, both at trial and on appeal, shall be entitled to attorney's fees and costs.

Date: _____, 2005

Date: 6.15.05, 2005

CITY OF SATELLITE BEACH

ST. PATRICK, L.L.C.

By: _____

By: [Signature]

Title: _____

Title: MANAGING MEMBER



CFN:2005249623 07-14-2005 08:49 am
OR Book/Page: 5499 / 3842

IN THE EIGHTEENTH JUDICIAL CIRCUIT COURT
FOR BREVARD COUNTY, FLORIDA

✓ CITY OF SATELLITE BEACH
COMMUNITY REDEVELOPMENT
AGENCY, a municipality
of the State of Florida,

CASE NO. 05-2005-CA-018031-XXXX-XX

Petitioner,

PARCEL NO. 1

vs.

✓ ST. PATRICK, L.L.C., a
Florida limited liability
corporation,

Respondent.

Scott Ellis

Clerk Of Courts, Brevard County

#Pgs: 1 #Names: 2
Trust: 0.00 Rec: 0.00 Serv: 0.00
Mtg: 0.00 Excise: 0.00
Int Tax: 0.00

FILED IN 05-01
CLERK OF COURTS
2005 JUL -8 A 11: 24
SCOTT ELLIS

NOTICE OF VOLUNTARY DISMISSAL

TO: St. Patrick, L.L.C.
2060 Highway 1A, Suite 308
Indian Harbour Beach, FL 32937

YOU ARE NOTIFIED that Petitioner dismisses this action with
prejudice, pursuant to 1.420(a), Fla.R.Civ.P., each party to bear
its own attorney's fees and costs.

I HEREBY CERTIFY that a true copy of the foregoing has been
furnished by U. S. Mail this 8 day of July, 2005, to the above
addressee.

STROMIRE, BISTLINE & MINICLIER,

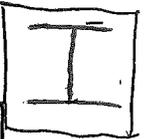

JOSEPH E. MINICLIER

Florida Bar No. 0814725
1970 Michigan Avenue, Bldg. E
Post Office Box 8248
Cocoa, Florida 32924-8248
(321) 639-0505
Attorneys for Petitioner

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RECEIVED

FEB 01 2013



City of Satellite Beach APPLICATION TO SERVE ON CITY BOARDS & COMMITTEES

Name JEFFREY E. FLEIS Home Phone —
 Address 420 Desoto Parkway E-mail jeff@brevardrealttygroup.com
 Business Brevard Realty Group Business Phone 321 779 4850
 Address 1275 S. Patrick Dr Ste J
 Education Bachelor of Building Construction, Univ. of FL 1988, MBA Webster University Nov 2012
 Relevant Experience Former Satellite Beach Councilman 2008-2011
Member CRAAC committee 2002-2008
Chair Ad Hoc Committee AIA & Desoto Pkwy Property 2007-2008
 (Use additional sheets if necessary, or attach resume)

Are you a registered voter?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Are you a resident of the City?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Do you hold public office?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Do you serve on a City board/committee now?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

PLEASE CHECK THE BOARD(S)/COMMITTEES(S) YOU ARE INTERESTED IN, AND RANK MULTIPLE SELECTIONS.
(SEE SECOND SHEET OF THIS FORM FOR BOARD/COMMITTEE DESCRIPTIONS)

- BEAUTIFICATION BOARD
- *BOARD OF ADJUSTMENT
- *CODE ENFORCEMENT BOARD
- COMMUNITY REDEVELOPMENT AGENCY ADVISORY COMMITTEE
- *COMPREHENSIVE PLANNING ADVISORY BOARD
- *GENERAL EMPLOYEES RETIREMENT PLAN BOARD OF TRUSTEES
- LIBRARY BOARD
- *PLANNING AND ZONING ADVISORY BOARD
- *POLICE OFFICERS AND FIREFIGHTERS RETIREMENT PLAN BOARD OF TRUSTEES
- RECREATION BOARD
- SAMSONS ISLAND PARK COMMITTEE

*MEMBERS ARE REQUIRED TO FILE FINANCIAL DISCLOSURE STATEMENTS.

WHY DO YOU THINK YOU ARE QUALIFIED TO SERVE ON THE BOARD(S)/COMMITTEE(S) YOU SELECTED?

Previous experience on City and other boards helps me contribute to the process immediately. I am anxious to serve the city as needed.

WOULD YOU CONSIDER SERVING ON A BOARD/COMMITTEE NOT SELECTED ABOVE? Yes No

Signature [Signature] Date 2/1/2013

Submit completed applications to: City Clerk, 565 Cassia Boulevard, Satellite Beach, FL 32937
PHONE: 773-4407 ■ FAX: 779-1388 ■ E-Mail: lolexa@satellitebeach.org

Notice: under Florida law, any information you provide to the city, including any email address(es), are public records. If you do not want your email address(es) released in response to a public records request, do not do either of the following: (i) send electronic mail (email) to the city, or (ii) include your email address(es) in any correspondence to, or application filed with, the city. Instead, contact the city by phone or in writing (but do not include your email address in any such writing).

2004 LIMITED LIABILITY COMPANY ANNUAL REPORT

**FILED
Apr 27, 2004
Secretary of State**

DOCUMENT# L02000011274

Entity Name: ST. PATRICK, L.L.C.

Current Principal Place of Business:

2060 HIGHWAY A1A STE. 308
INDIAN HARBOUR BEACH, FL 32937

New Principal Place of Business:

Current Mailing Address:

2060 HIGHWAY A1A STE. 308
INDIAN HARBOUR BEACH, FL 32937

New Mailing Address:

FEI Number: 59-2649473 FEI Number Applied For () FEI Number Not Applicable () Certificate of Status Desired ()

Name and Address of Current Registered Agent:

HEALY, PATRICK F ESQ
1800 WEST HIBISCUS BLVD STE. 138
MELBOURNE, FL 32901 US

Name and Address of New Registered Agent:

The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.

SIGNATURE:

Electronic Signature of Registered Agent

Date

MANAGING MEMBERS/MEMBERS:

Title: MGRM () Delete
Name: FLEIS, EDWARD M MR
Address: 2060 HIGHWAY A1A, SUITE 308
City-St-Zip: INDIAN HARBOUR BEACH, FL 32937 US

Title: () Delete
Name:
Address:
City-St-Zip:

Title: () Delete
Name:
Address:
City-St-Zip:

ADDITIONS/CHANGES:

Title: () Change () Addition
Name:
Address:
City-St-Zip:

Title: MGR () Change (X) Addition
Name: FLEIS, GERARD J
Address: 2060 HIGHWAY A1A
City-St-Zip: INDIAN HARBOUR BEACH, FL 32937 US

Title: MGR () Change (X) Addition
Name: FLEIS, JEFFREY E
Address: 2060 HIGHWAY A1A
City-St-Zip: INDIAN HARBOUR BEACH, FL 32937 US

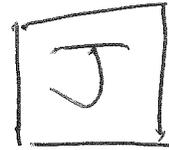
I hereby certify that the information supplied with this filing does not qualify for the for the exemption stated in Section 119.07(3)(i), Florida Statutes. I further certify that the information indicated on this report is true and accurate and that my electronic signature shall have the same legal effect as if made under oath; that I am a managing member or manager of the limited liability company or the receiver or trustee empowered to execute this report as required by Chapter 608, Florida Statutes.

SIGNATURE: EDWARD M FLEIS

MGRM

04/27/2004

Electronic Signature of Signing Managing Member, Manager, or Authorized Representative / Date



COUNCIL COMMENTS

Vice-Mayor Ferrante commented on the tragedy of the fire at the Patrick Air Force Base O'Club and requested that the City generate a letter of support, offering to host some of the social activities at City facilities, perhaps at a reduced fee. Mayor Brimer will send a letter on behalf of the City offering support and encouraging reconstruction of the O'Club.

Councilman Montanaro reported that he had attended the retirement party for Bob Stowe and commended the Public Works Department for organizing a good send-off.

He also reported that he had attended the January 25 meeting of the Brevard County Board of County Commissioners to express the City's appreciation for their efforts in dune renourishment and to ask them to consider including Hightower Beach Park in the areas to be renourished.

Councilman Montanaro gave a brief overview of information gathered at the National Association of Installation Developers (NAID) Conference, stating that some installations, which are necessary but under utilized, are considering enhanced use leasing projects. Patrick Air Force Base may fall into this category.

Councilman Montanaro also recommended that the City prepare an application for the Defense Community Awards based on the successful annexation and privatization of Patrick Air Force Base South Housing. This will be an agenda item for the next Council meeting.

Councilman D'Amato stated that he attend Bob Stowe's retirement party. He also reported that he attended the Comprehensive Planning Advisory Board meeting and they are developing a ten-year vision for the City.

Mayor Brimer stated that he attend Bob Stowe's retirement party and thanked staff for organizing it.

CITY ATTORNEY REPORT

City Attorney Beadle stated that he had referred City Manager Crotty's questions regarding the eminent domain proceedings to Attorney Miniclier. City Manager Crotty stated that Mr. Miniclier expects to have the appraisal and survey of the property at Sunrise and Highway A1A and have all necessary research completed within the next two weeks. At that time, the City will make an offer and the 30-day negotiation period begins.

* { Council expressed concern that title to the property has transferred from the original owner to an LLC in which Mr. Ed Fleis is a participant. They noted that Mr. Fleis was present at the Council meeting where eminent domain proceedings were authorized and was aware of the City's intent.