

**Community Redevelopment Area Advisory Board
Meeting Minutes
Thursday, May 2nd, 2019
3:00 – 5:00 PM
City Commission Conference Room, City Hall**

Attendance

Board Members: Ben Mundy (Chair), Pastor Edward Lake (Vice-Chair), Dean Boring, Harry Bryant, Brian Goding, Frank Lansford, Commissioner Stephanie Madden, Cory Petcoff and Cliff Wiley

Absent: Zelda Abram and Brandon Eady

Staff: Alis Drumgo, Valerie Ferrell, D'Ariel Reed, Jonathan Rodriguez, and Jasmine Denson

Guests: Tom Anderson, Wesley Beck, Steve Boyington, Matthew Clark (Broadway Realty), Ron Clark (Broadway Realty), Palmer Davis (Assistant City Attorney), Jim Edwards, Carmen Ferrer (EHS Construction), Barry Friedman (LkldNow), Deborah Londos, Frank McCaulley, Grant Miller, Bob Puterbough, Shawn Puree (Broadway Realty), Commissioner Bill Read, Brian Rewis (Assistant Director Community & Economic Development), Gene Strickland, Jack Strollo, Captain Marvin Tarver (LPD) and Sara Welse

Packets

- Meeting Minutes dated April 4th, 2019
- Financial Update
- Project Progression Report
- Memo- N. Massachusetts Avenue Selection Committee Recommendations
- Memo- Oak Street Parking Lot Selection Committee Recommendations

Housekeeping

Alis Drumgo acknowledged the email the Board received regarding The Joinery's funding request decision. The Board commented on the grant allocation process and encouraged Staff to provide in-depth clarity to entrepreneurs so as to avoid any confusion going forward. In an effort to verify Staff's actions during this process, it was also suggested that multiple CRA Staff members be present for meetings with future grant recipients.

In response, Alis Drumgo assured the correspondence between the owner and/or operator have been transparent leading up to the Board's decision, and support for the project has been sustained. He also committed to review the grant allocation process and to refine the grant programs to reflect alignment with the guiding principles. Staff will present recommended changes to the Board at a later meeting.

Discussion ensued regarding available funds in each district.

Palmer Davis advised that if the Board opted to revisit an item that had previously been voted on, a member that voted with the majority would need to make a motion to reconsider and obtain a second.

Alis Drumgo updated the Board on the status of the Lighthouse Thrift Store building. During the inspection process, it was determined that the building was inhabitable. Staff has been advised to vacate the current tenant. Steve Tuberville has been notified and Staff has been working to assist them in the relocation process. Their notice to vacate is June 12th. It is Staff's intention to demolish the building.

Action Items – Old Business

Meeting Minutes dated April 4th, 2019

Dean Boring moved approval of the minutes. Eddie Lake seconded the motion which passed unanimously.

Financial Update

Ben Mundy noted the inclusion of the update for informational purposes.

Action Items – New Business

N. Massachusetts Avenue Selection Committee Recommendations

The CRA owns 313 N. Massachusetts Ave. The lot encompasses about a quarter of a city block consisting of approximately 0.40 acres. The site is situated in an ideal location in the North Downtown area along the Massachusetts Avenue corridor, and was recently identified as a key catalyst site in the Downtown Lakeland Vision. The property is bounded by Oak Street to the North, Greyhound station to the South and single family and multiplex to the East. The CRA purchased the property in 2006 for \$560,000, subsequently demolishing the structures. Carrying costs to date are close to \$700,000.

In March 2019, the Advisory Board recommended disposition of the property, and notice was issued accordingly. The CRA received one proposal from FURC1, LLC with interest in developing the site in a three-phased approach. The project proposed is mixed-use development including retail, flex office/residential and residential uses with the following:

Phase I—6,800sf ground floor commercial; 20,400sf live/work space; 2,000sf residential space to be leased at market rate with an estimated taxable value of \$4,672,000

Phase II--6,800sf ground floor commercial; 20,400sf live/work flex space; 2,000sf residential space to be leased at market rate with an estimated taxable value of \$4,672,000

Phase III—13,000sf retail/commercial; 40,800sf live/work flex space; 44,100sf residential valued at an estimated taxable value of \$15,760,000

Overall, the project would add 156,900sf of new space valued at over \$25,000,000 to the Massachusetts Avenue corridor. Purchase price of the land and other details are to be negotiated should the proposal meet the committee's criteria.

While there was no formal standard for this request for proposals, the Selection Committee was asked to determine if the submitted proposal warrants sale of the property for uses that align with the City's development goals, and the CRA's Downtown Redevelopment Plan specifies the following goals:

“Create and issue Development Requests for Proposals for City/LCRA owned parcels. The City of Lakeland, LCRA and the LDDA own a significant amount of real estate within the Downtown boundary. With a common vision established, it is an appropriate time to position some of these parcels for desired private investment.”

“Encourage small-scale development. While attracting transformational large-scale development should be a consistent component of future efforts, significant progress can be made through the aggregation of many smaller-sized developments.”

In addition, the redevelopment plan identifies the following opportunities as ideal in the North Downtown and Northeast Downtown sub-districts:

- Low-mid-rise office with ground floor retail and some loft style residential
- Two to five story development
- Extension of the “Main Street” experience north from Bay to Oak Street.
- Commercial/mixed-use on Massachusetts Avenue (six stories or less)

With the aforementioned goals in mind, the Selection Committee voted 6-1 in favor of commencing negotiation of a development agreement with FURC1, LLC. Staff recommended the Advisory Board accept the recommendation of the Selection Committee, and that the Advisory Board recommend negotiation of a development agreement to City Commission for final approval.

Discussion ensued regarding the disposition process.

Palmer Davis clarified that during the negotiation phase the developer would be responsible for providing preliminary plans in addition to pricing to present to the City Commission.

Ben Mundy suggested a development timeline be provided as well during the negotiation period.

Eddie Lake moved approval of Staff’s recommendation with a 90-day cap on negotiations. Dean Boring seconded the motion which passed unanimously.

Oak Street Parking Lot Selection Committee Recommendations

The CRA owns 0 N. Kentucky Ave, the Oak Street Parking Lot, comprising 1.49 acres. The lot encompasses a full city block and is situated in an ideal location about a block off both the Massachusetts Avenue corridor to the East and the Florida Avenue corridor to the West. In 2015, the CRA explored issuing request for qualifications (RFQs) for the development site but opted to expand the parking instead. Today, the CRA operates the lot as a public parking facility with about 150 spaces of which approximately 125 are leasable.

In March 2019, the CRA Advisory Board voted 9-1 to solicit requests for qualifications (RFQs) via the City’s purchasing procurement process with the intent of entering an agreement with the most qualified and responsive applicant. The Board adopted the following for integration into criteria for review:

- Consider a minimum density and height desired from any development.
- The project should meet parking demand generated by the proposed development.
- Any development including residential shall have 20% of the units set aside affordable housing for a minimum period of 15 years.
- The development team should show proof of the project’s economic sustainability with amount of required public contributions being a factor of consideration.
- Any development agreement should include per unit sale price for any residential component.

Following the procurement process, two applicants, Broadway Real Estate Services and Catalyst Asset Management Inc, were deemed qualified and responsive. The Selection Committee reviewed the qualifications based on the criteria set forth and deemed Catalyst Asset Management to be the most qualified and most responsive with a ranking of 8 versus Broadway Real Estate Service’s ranking of 13. The lower number holding the most weight.

Catalyst Asset Management Inc (Catalyst) is a Tampa based investment firm and developer of affordable, workforce and market rate multifamily properties, senior housing, and mixed-use properties. Catalyst asserts itself as a mission-driven organization that engages in projects that yield positive social impact.

Catalyst has successfully engaged in the following projects:

- Grand Central (280 Units & Retail; Ft. Myers, Florida; \$53 million value)
- Liberty Health Park (320 Units Multifamily, 131 Units Assisted Living, 20,000SF Retail; Cape Coral, Florida; \$74 million value)
- City Walk (318 Multifamily Units & 15,000SF Commercial and 128 Room Hotel; Fort Myers, Florida; \$58 million value)
- Midtown Apartments (90 Multifamily Units; Cape Coral, Florida; \$14 million value)
- Channelside Apartments (325 Multifamily Units; Cape Coral, Florida; \$40 million value)

In partnership with the CRA, Catalyst proposed to redevelop the site as a 6-story mixed income, mixed-use property, comprised of market rate and affordable rents. Conceptually, the firm believes it can build 173 residential units (with 38 being at affordable at 50% or less AMI) and 10,000SF of commercial space with the hopes of integrating a Downtown grocery store. The project would be considered Class A offering amenities such as community clubhouse, fitness center, game room, business center and pool. Additionally, the project will include a four-story parking garage to accommodate all uses and for public parking.

The Selection Committee voted unanimously to accept the ranking. Then, the Committee voted unanimously to initiate firm negotiations as ranked. Staff recommended the Advisory Board accept the ranking of the Selection Committee, and that the Advisory Board recommend negotiation of a development agreement to City Commission for final approval.

Alis Drumgo reminded the Board of the protest period and process respondents have the option of adhering to.

Matt Clark petitioned the Board for a continuance on the final decision or the opportunity to formally present Broadway's proposal. It was suggested that denial of said request would violate their right to due process thus posing cause for legal action.

Palmer Davis advised the Board was not legally obligated to hear either respondent's presentation; approval was at the Board's discretion. The Board's requirement was to approve or deny Staff's recommendation to issue an intent to award to the respondent chosen by the Selection Committee.

Discussion ensued regarding the selection and approval processes as well as Committee members. The ultimate approval will be granted by the City Commission.

Alis Drumgo noted the members of the Selection Committee and also reminded the Board that the Selection Committee based their votes on the requirements discussed at the March Advisory Board meeting.

Bob Puterbough encouraged the Board to allow a formal presentation.

Cory Petcoff moved to hear formal presentations from both respondents at the June Board Meeting. Cliff Wiley seconded the motion. In response to Eddie Lake, Palmer Davis clarified presentations made before the Board shall be limited to that which was included in the original submissions; any additions will not be considered. After further discussion, the motion carried unanimously.

Discussion Items

Alis Drumgo noted the presentation of the Annual Report to the City Commission will take place on June 3rd at 3:00pm in the Commission Chamber and briefly previewed the online version.

Ben Mundy reminded the Board of the Yard on Mass' Groundbreaking ceremony on May 9th at 3:30pm.

Adjourned at 4:05 PM

Next Meeting, Thursday, June 6th, 2019 3 PM, City Commission Conference Room.

Ben Mundy, Chairman

Date