

**Community Redevelopment Area Advisory Board
Meeting Minutes
Thursday, October 4th, 2018
3:00 – 5:00 PM
City Commission Conference Room, City Hall**

Attendance

Board Members: Ben Mundy (Chair), Harry Bryant, Brian Goding, Frank Lansford, Commissioner Stephanie Madden and Cliff Wiley

Absent: Pastor Edward Lake (Vice-Chair), Zelda Abram, Dean Boring and Brandon Eady

Staff: Alis Drumgo, Valerie Ferrell, Michael Smith, D'Ariel Reed, and Jonathan Rodriguez

Guests: Officer Bailey (LPD), Joel and Jennifer Batts (Rayback Team), Wesley Beck (BKFive, LLC), Annie Gibson (Housing Programs Supervisor), Edward Jennings, Craig Morby (Rayback Team), Matt Patrick (Rayback Team), Benjamin Stevenson (LHA) and Julie Townsend (LDDA)

Participated via Conference Call: Michael Blasco (Tampa Bay Food Truck Park)

Packets

- Meeting Minutes dated September 6th, 2018
- Project Progression Report
- Memo- 802 N Massachusetts Ave – Food Truck Park
- Memo- Tax Increment Financing Request – property located at 632 E. Main Street
- Memo- Tax Increment Financing Request – property located at 225 E. Lemon Street
- Memo- Affordable Housing Partnership—Twin Lakes Phase III

Housekeeping

Action Items – Old Business

Meeting Minutes dated July 12th, 2018

Brian Goding moved approval of the minutes. Cliff Wiley seconded the motion which passed unanimously.

802 N. Massachusetts Ave – Food Truck Park

In November 2017, the CRA Advisory Board approved the use of 802 N. Massachusetts Avenue as a food truck park, and in April 2018, the Board motioned for approval of a construction budget of \$400,000 with 10% contingency. A second motion approved partnership with Tampa Bay Food Truck Rally (TBFTR) provided a lease agreement. In May, Staff presented an initial draft lease to TBFTR. After a lull, Staff then met with TBFTR in August to discuss revisions by TBFTR's attorney. Revisions were sent back to TBFTR on 8/14, and in last communication on 8/22, TBFTR indicated the lease was still under review.

Valerie Ferrell notified the Board of Michael Blasco's attendance via conference call.

Project Redfish

The Project Redfish Team includes a group of Lakeland natives and a successful entrepreneur located in Boulder, Colorado. The Team has a history of merging food trucks, craft beer and events in a family friendly environment. The Rayback Collective, in Boulder, is grossing approximately \$100k a month since opening in 2016.

Their Team is seeking an opportunity to bring their experience to Lakeland and see Midtown as a chance to provide a unique experience that is in line with the CRA's plan for a food truck park at 802 N. Massachusetts Avenue. Their proposed layout will have no impact on the parking plans previously established, and the Redfish Team is infusing \$150,000 of private capital into the project as a part of the deal towards the buildout.

With slight modifications to the site and building layout, their Team is seeking the following:

- 2,600 SF building with roughly the same footprint as planned
- \$240,000 from the CRA
- 3-year lease term with renewal option after expiration
 - Payments starting after 6 months @ \$9/SF Triple Net
 - Agreed increases for years 2 and 3
 - Option to purchase at any time at Fair Market Value of unimproved property (lease payments deducted from sale price)

Staff provided this proposal as due diligence as well as the opportunity for tenant reconsideration.

The Project Redfish Team gave a brief presentation.

Discussion ensued regarding the details of TBFTR's proposal in comparison to the Project Redfish Team.

Cory Petcoff moved to cease lease negotiations with TBFTR and begin lease negotiations with the Project Redfish Team with a deadline of the November Board meeting. Frank Lansford seconded the motion which carried unanimously.

Action Items – New Business

Tax Increment Financing Request – property located at 632 E. Main Street

Lake Mirror Holdings LLC has submitted a request for Tax Increment Financing for property the entity owns at 626 & 632 E. Main Street. Plans include new construction, and site improvements to the properties. The finished proposed project will be a multi-tenant, three story office totaling 16,770 SF.

The Developer is proposing a new construction of 16,770 SF of office space to be condominiumized with the lower level dedicated to parking. The office space will consist of five (5) separate units. The current assessed value of the properties is \$146,166 and improvements are estimated to be \$3.4 million. Based on this information, the renovation/improvement clearly exceeds the required 50% investment above the current assessed value as stipulated in the TIF program criteria.

This site is currently underutilized and the improvement will increase the pedestrian traffic in the area. The project provides a vital link back towards the downtown core and supports the growth of the east side of downtown. Construction is scheduled to begin in October 2018 with completion anticipated for June 2019.

Staff recommends this project for approval.

Cory Petcoff moved approval of Staff's recommendation with a caveat on the transfer of TIF to the five (5) initial condominium owners. Frank Lansford seconded the motion which passed unanimously.

Tax Increment Financing Request – property located at 225 E. Lemon Street

BKP Five LLC has submitted a request for Tax Increment Financing for property the entity owns at 225 E. Lemon Street. Plans include new construction, and site improvements to the property. The finished proposed project will be three story office totaling 39,765 SF.

The existing site consists of two parcels which total 65,468 SF of land. Currently, the land is utilized as parking for office users at Heritage Plaza.

The Developer is proposing a new construction of 39,765 SF of office space to be built out in the future once users are determined. The office space will comprise approximately 14% of the vacant property with the remainder to be utilized for a multistory parking garage for use by the public and private businesses. Initial investment will total an estimated \$3.9 million to construct a shell. However, an additional \$2 million will be invested later to build out office spaces for users bringing the total investment to an estimated \$5.9 million.

The project provides the first new, multi-tenant, office space built downtown in the last twenty (20) years and supports the growth of the south side of downtown. Construction is scheduled to begin in November 2018 with completion anticipated for August 2019.

Staff recommends this project for approval.

Cory Petcoff moved approval of Staff's recommendation. Cliff Wiley seconded the motion which passed unanimously.

Affordable Housing Partnership—Twin Lakes Phase III

The Florida Housing Finance Corporation modified submittal requirements that allowed for local governments to partner with developers to expedite affordable housing projects. Currently, Housing Trust Group (HTG) is the co-developer of the site that once housed the West Lake Apartments. Phase I, a senior housing development, is currently under construction, and HTG is working diligently with the Housing Authority to fund Phases II and III. HTG and the Housing Authority are seeking a \$426k or 2.7% of the investment to support Phase III of the project comprising 77,142 SF, 86 units with rents ranging between 40%-60 AMI (\$402-\$835).

In an effort to address the City's homelessness and affordable housing needs, Staff views this as an opportunity to contribute to a project that will provide new housing in Midtown and leverage funds in a method that costs the CRA less than \$5,000 per unit. The return on investment would be approximately 36:1 for CRA dollars contributed.

Staff is recommending approval of \$426,000 to support the development of Twin Lakes Phase III with \$200,000 to be budgeted in FY 2020 and \$226,000 in FY 2021, provided the developer and Housing Authority commit to providing the following to help Lakeland and the CRA meet its long-term needs to mitigate the impacts of homelessness:

- Of the 86 units, 20% be allocated to some of Lakeland's most chronic issues
 - 15% or 13 units be allocated towards supporting "Chronically homeless families with school age children" as identified by the Polk County School Board's Homeless Liaison
 - These units should be set at 50% AMI or less
 - 5% or 4 units be allocated towards Permanent Supportive Housing intended for chronically homeless persons with significant needs

The funds would be disbursed at the issuance of certificate of occupancy, and the Housing Authority would be responsible for providing annual documentation showing the continued compliance with the terms of the funding.

Cory Petcoff moved approval of Staff's recommendation. Brian Goding seconded the motion which passed unanimously.

Discussion Items

Alis provided an update on Lakeland Brewing Company's proposal to develop a food hall concept. In June of 2018 the Board motioned to negotiate a short term lease and buildout of Lakeland Brewing Co. not to exceed \$250,000. Jon Bucklew and Wesley Beck have since entered into a land lease and are working on the buildout of the site as well as securing tenants. Updates will be provided as plans and/or renderings are received.

Adjourned at 4:10PM

Next Meeting, Thursday, November 1, 2018, 3 PM, City Commission Conference Room.

Ben Mundy, Chairman

Date

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