

# LAKELAND CRA

COMMUNITY REDEVELOPMENT AGENCY

## AGENDA

### Community Redevelopment Area Advisory Board

---

Thursday, May 2, 2019 | 3:00 PM – 5:00 PM

Haus 820, 820 N. Massachusetts Ave, Lakeland, FL 33801

#### **A. Financial Update & Project Tracker\***

#### **B. Housekeeping**

1. The Joinery
2. Lighthouse Thrift Store

#### **C. Action Items**

1. Old Business
  - i. Meeting Minutes April 4, 2019 (Pg. 5-8)
  - ii. N. Massachusetts Avenue Selection Committee Recommendations (Pg. 9-11)
  - iii. Oak Street Parking Lot Selection Committee Recommendations (Pg. 12-13)
2. New Business

#### **D. Discussion Items**

1. Presentation of the Annual Report Before City Commission (June 3<sup>rd</sup>, 2019 3:00pm, City Hall Commission Chamber)

#### **E. Announcements**

1. Yard on Mass Groundbreaking (May 9<sup>th</sup>, 2019 3:30pm, 802 N. Massachusetts Avenue)

#### **F. Public Comments**

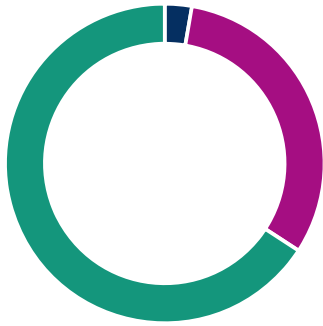
#### **G. Adjourn**

\* For Information

NEXT REGULAR MEETING:

**Thursday, June 6 2019 3:00 - 5:00 PM – City Commission Conference Room**

### Downtown Fund



■ Available	\$65,119
■ Expenses	\$749,280
■ Encumbrances	\$1,567,830

Estimated Income in FY 2020 \$1,554,000

### Dixieland Fund



■ Available	\$377,025
■ Expenses	\$62,649
■ Encumbrances	\$626,866

Estimated Income in FY 2020 \$279,000

### Midtown Fund



■ Available	\$103,235
■ Expenses	\$3,605,454
■ Encumbrances	\$4,285,696

Estimated Income in FY 2020 \$3,345,000

\* Estimated Income from Lincoln Square Home Sales \$2,619,000

# LAKELAND CRA

## COMMUNITY REDEVELOPMENT AGENCY

### PROJECT PROGRESSION REPORT



STATUS KEY	
RISKS / ROADBLOCKS	
POTENTIAL RISKS	
ON TRACK	

Project	Status	Phase	Funding Allocated	Notes
Food Truck Park	ON TRACK	Pre-Construction	\$250,000.00	Site Plan Approved; Building 100% Groundbreaking May 9th
Lincoln Square	ON TRACK	Construction	\$4,268,086.00	Phase I Complete Phase II Complete Phase III-IV Underway 60%
114 E. Parker	POTENTIAL RISKS	Design	\$350,000.00	Site and Building Construction Documents at 90%
Lake Parker Art Path	ON TRACK	Pre-Bid	\$730,000.00	Bid in July; PCBS Review
Five Points Roundabout	ON TRACK	Pre-Construction	\$175,000.00	
Kettles Ave Sidewalk	ON TRACK	Construction	\$150,000.00	Complete
Tapatios	POTENTIAL RISKS	Construction	\$340,000.00	Underway; Site Work
Mirrorton	ON TRACK	Under Contract	\$970,000.00	Site Plan Approved; Building 100% Approved
Providence Rd	ON TRACK	Feasibility Study	\$1,100,000.00	
Second Floor Activation	ON TRACK	Research		Draft

# LAKELAND CRA

## COMMUNITY REDEVELOPMENT AGENCY

### PROGRAM PROGRESSION REPORT



STATUS KEY	
RISKS / ROADBLOCKS	
POTENTIAL RISKS	
ON TRACK	

Grants/Programs	Status	Grant Awards to Date	Notes
Alley Vacating	ON TRACK	1	Boundaries located between Florida and Kettles Avenue and 9th and 10th Street
Affordable Housing Partnerships	ON TRACK	3	<ul style="list-style-type: none"> <li>• Providence Reserve Seniors (Fall Groundbreaking)- 193 Units</li> <li>• Midtown Lofts- 70+ Units</li> </ul>
Builder's Line of Credit	ON TRACK	1	703 W 5th Street; Underway 40%
Design Assistance	ON TRACK	4	<b>Active Sites</b> • 938 E. Main Street • 1212 E. Main Street • 905 E. Rose Street
Down Payment Assistance	RISKS / ROADBLOCKS	17	All Funding Allocated
Façade and Site	ON TRACK	6	2 Proposals Pending
Fix-It Up	RISKS / ROADBLOCKS	8	All Funding Allocated <b>Active Sites</b> • 313 S. Lake Avenue • 1334 Kettles Ave
Food Related	ON TRACK	0	
Infill- New Construction	RISKS / ROADBLOCKS	1	Housing Transfer
Infill Adaptive Reuse	ON TRACK	7	3 Proposals Pending
Murals / Tapestries	ON TRACK	2	1 Remaining Grant Award; Boring Business Systems/Pending Façade Grant Improvements

**Community Redevelopment Area Advisory Board  
Meeting Minutes  
Thursday, April 4<sup>th</sup>, 2019  
3:00 – 5:00 PM  
City Commission Conference Room, City Hall**

**Attendance**

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

Absent: Cory Petcoff

Staff: Alis Drumgo, Valerie Ferrell, D’Ariel Reed, and Jonathan Rodriguez

Guests: Jon Bucklew, Sarah Bucklew, Equilla Cherry, Wendy ConDurbin, Matthew Clark (Broadway Realty), Richard Elyo, Carmen Ferrer, Barry Friedman (LkldNow), Stephanie Gavric, Annie Gibson (Housing), William Likely (Nuera), Jim Lobinsky, Teresa Maio (Planning), Grant Miller, John Milone, Gerald Poleon, Commissioner Bill Read, Brenda Reddout (Talbot House), Brian Rewis (Assistant Director Community & Economic Development), Sol Shalmy, Mike Smith (Housing), Officer Rick Taylor (LPD) and Julie Townsend (LDDA)

**Packets**

- Meeting Minutes dated March 7, 2019
- Financial Update
- Project Progression Report
- Memo- The Joinery Funding Request
- Memo- 912 & 920 N. Vermont Ave.
- Memo- Residential Incentives Transition

**Housekeeping**

**Action Items – Old Business**

**Meeting Minutes dated March 7, 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**

**FY 2017 Financial Statement**

Ben Mundy reported that there were no findings in the 2018 Fiscal Year audit.

**The Joinery Funding Request**

In April 2018, the CRA led an exploratory trip to Armature Work in Tampa to preview the elements of a high performing public space. While energy was high and attendees were optimistic, during a June recap discussion, the Board opted to divert from initial thoughts to utilize 717 N. Florida Ave. and 111 E. Parker St. due to concerns regarding renovation costs and potential gentrification of the adjacent community. However, during the meeting, the Board was presented an opportunity to test the food hall concept at the old Lakeland Brewing

Company. Commissioner Madden moved to approve the contribution to the buildout at a not to exceed of \$250,000 which carried unanimously.

Since June, Jon and Sarah Bucklew have secured a long-term ground lease and embarked upon renovations. Thus far, the total work has included: roof replacement, demo, painting, legal fees, branding and lease deposits. To date, the CRA has disbursed about \$180k of the allocated grant. Now dubbed, “The Joinery”, the entrepreneurs have building permit in hand and have realized a significant budget increase from the initial estimates ranging between \$670k-\$930k. The total project cost ballooned to about \$1.46 million. Subsequently, the operators met with Staff in February and early March to discuss project progress, and Staff recommended value-engineering of some components to reduce costs.

After some material adjustments, the costs were estimated at about \$1.31 million, so the Bucklews added an equity investor. However, the project is still short approximately \$175k which was requested of the Board.

Jon and Sarah Bucklew gave a brief presentation. Discussion ensued.

Brandon Eady moved to deny the request for additional funding. Harry Bryant seconded the motion which passed unanimously. Frank Lansford recused himself as his company is working on the project.

**912 & 920 N. Vermont Ave.**

In March 2018, the City acquired 834 N. Vermont Ave. (one single-family residence), 836 N. Vermont Ave. (vacant single family lot), 905 N. Vermont Ave. (four single-family residences), 912 and 920 N. Vermont Ave. (sixteen multi-family units). The properties were all under the ownership of one individual that had been identified as a troubled owner and repeat code enforcement violator. Issues of illegal dumping, criminal activity and homeless camping were pervasive on the property. In July 2018, the City deeded the properties to the CRA, and the CRA acted to mitigate the blight. The properties have been cleaned-up and boarded and are regularly monitored for trespassing with monthly carrying costs of \$1,725. The properties currently have an assessed value of just over \$160,000.

During discussions at one of the Mayor’s Homelessness Steering Committee meetings, Dr. Reddout (Talbot House) expressed potential interest in the acquisition of some of the properties. Particularly, she mentioned the desire to convert 912 and 920 N. Vermont Ave. into sixteen affordable units with the intent to lease them as workforce and disabled housing. She added that Talbot House operates ten units of permanent supportive housing and twenty transitional units, but the length of stay is roughly four years due to shortage in affordable stock. Dr. Reddout sees the opportunity to provide wraparound services to clients while offering rents in the \$250-\$600 range. Dr. Reddout’s Board of Directors has reviewed and approved the pursuit of the project. She seeks the CRA’s donation of the property so she may seek funding from the following sources to complete the project:

<b>Funding Structure</b>	
Affordable Home Loan Bank	\$400,000
BB&T Bank	\$50,000
SHP Funds	\$50,000
Donations	\$100,000
City of Lakeland/CRA	\$50,000
<b>Total Project Budget</b>	<b>\$650,000</b>

Should the Board support the donation of the property and a \$50,000 funding commitment, Staff would need to issue disposition of the property per statute and solicit other offers. Subsequently, the transaction would need to be approved by City Commission. Dr. Reddout expects the first tenant to move-in November 2020.

Dr. Reddout gave a brief presentation. Discussion ensued.

Eddie Lake moved approval of the donation of the properties and the \$50,000 contribution. Cliff Wiley seconded the motion which passed unanimously.

After further discussion, Brandon Eady amended the motion to move forward with the project and receive proposals through the disposition process contingent upon adequate financing as presented by November 2019. Eddie Lake seconded the motion which passed unanimously.

### **Residential Incentives Transition**

In February 2016, the LCRA Advisory Board voted to approve the Fix-It Up Grant. The intent was to improve the neighborhoods by assisting existing homesteaders with essential exterior repairs and enhancements to their properties to improve the safety, value and aesthetics. In January 2018, Fix-It Up was modified to include a Level II to allow for a greater impact on the health and safety of residents by also accommodating interior renovations at a higher funding amount. In total, the CRA has improved fifty-three (53) houses with the Fix-It Up Program.

In April 2016, the Homeowner's Down Payment Assistance Grant was approved to stabilize the neighborhoods within the Midtown district by encouraging new homesteaders to purchase their new homes within the district.

In April 2018, the Homeowner's Down Payment Assistance Grant was modified to apply a maximum grant amount to better reflect affordability in the district and increase the overall budget to provide up to fifteen (15) grants per fiscal year. Since approval, the CRA has provided assistance to fifty-six (56) homestead buyers.

In July 2018, the Builder's Line of Credit Program was approved to provide an alternative financial resource for the construction of quality new homes on infill lots. The program is only offered to builders with a prequalified, contracted buyer. The CRA provides a maximum credit up to \$150,000, and the line of credit must be settled upon closing of the home.

The CRA has invested a total of \$1,071,618.88 towards stabilizing the Midtown neighborhoods through the Fix-It Up and Homeowner's Down Payment Assistance Grants alone. Due to the success and affordability relative to the other parts of the City, the demand for housing in Midtown has increased. In addition to demand, the real estate values in the district have risen 20%.

Staff recommended transitioning the administration of CRA residential grants to the Housing Office in order to continue with our goals of providing affordable housing and stabilizing neighborhoods. Staff also recommends decreasing the Down Payment Assistance annual budget from \$450,000 to \$250,000 to support the administration of twenty (20) grants at a lower funding level. The CRA will then allocate \$250,000 annually to a revolving loan fund dedicated to the recruitment of large scale affordable housing projects in CRA districts with Housing Trust Group (HTG) being the first recipient of the dedicated funding in fiscal year 2022. With the shift in administration, the following will also be applicable:

- Down payment assistance to provide funding for applicants up to 120% AMI
- All recipients will attend Keystone Homeownership Course
- Grant amounts will align with Housing's disbursement practices
- CRA will forego the purchase option and adopt 10-year lien (repayment of 100% in years 1-5 and 50% in years 6-10)

Staff did not recommend any changes to the Fix-It Up program at this time; however, it's administration will be transitioned to the Housing Office as well at the following funding amounts:

- Fix-It Up: \$200K (Midtown Target Areas) & \$100K (Garden District)
- Midtown: Maximum of two (2) Level II projects a year

There is one active project under the new Builder's Line of Credit Program and the estimated completion date is May 28, 2019. At time of closing, the builder will repay the grant funds. With the shift in philosophy, it is recommended Builder's Line of Credit no longer be offered as the need to bundle lots in tandem with the City's, to entice an affordable builder, will take precedent and expedite the infill process.

Annie Gibson briefly detailed Housing's processes. Discussion ensued.

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

### **Discussion Items**

Alis provided an update on the Mirrorton project. The developer agreement has been revised from 306 units to 305. With the delay of the federal government shutdown, closing has been delayed approximately 60 days. Framework will ask for an extension through June 21<sup>st</sup>, 2019.

Ben reminded the Board to attend the Boards and Committees Annual Social as well as the South Florida Road Diet public meeting on April 9<sup>th</sup>, 2019.

Alis noted D'Ariel's promotion to Project Manager.

Ben Mundy noted the Annual Report is available online.

Brian Goding noted a public comment from the March meeting. He suggested Staff look into additional ways to market properties that become available for purchase. Alis mentioned that the Property Information division normally handles these notices; this is an ongoing process Staff is working to improve.

Valerie noted the Yard on Mass will announce a groundbreaking event before the end of the month.

### **Adjourned at 4:24 PM**

**Next Meeting, Thursday, May 2<sup>nd</sup>, 2019 3 PM, Haus 820, 820 N. Massachusetts Ave, Lakeland, FL 33801**

\_\_\_\_\_  
Ben Mundy, Chairman

\_\_\_\_\_  
Date





228 S MASSACHUSETTS AVE  
LAKELAND, FLORIDA 33801  
863.834.6011

# Memo

To: CRA Advisory Board  
From: Alis Drumgo, Interim CRA Manager  
Date: May 1, 2019  
Re: N. Massachusetts Avenue Selection Committee Recommendation

---

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 this 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 recommends 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.





228 S MASSACHUSETTS AVE  
LAKELAND, FLORIDA 33801  
863.834.6011

# Memo

To: CRA Advisory Board  
From: Alis Drumgo, Interim CRA Manager  
Date: May 1, 2019  
Re: Oak Street Parking Lot Selection Committee Recommendation

---

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 recommends 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.