

**Community Redevelopment Area Advisory Board
Meeting Minutes
Thursday March 4, 2021
3:00 – 5:00 PM
Virtual Meeting**

Attendance

Board Members: Pastor Edward Lake (Chair), Brandon Eady (Vice-Chair), Frank Lansford, Commissioner Chad McLeod, Brian Waller, Harry Bryant, Clifford Wiley, Dean Boring and Cory Petcoff

Absent: Brian Goding and Zelda Abram

Staff: Alis Drumgo, Terrilyn Bostwick, Iyanna Jones, Damaris Stull, D’Ariel Reed and Heisel Ortiz

Guests: Jonathan Rodriguez, Mike Mustard, Brian Rewis, Jerrod Simpson, and Adil R. Khan, MHA (Phoenix Properties, LLP)

Packets

- Meeting Minutes dated January 7, 2021
- Financial Update
- Project Progression Report
- Memo- Science, Technology, Engineering, Mathematics and Manufacturing Incentives Program (STEMM)
- Memo- Encouraging Growth Development & Expansion Incentive Program (EDGE)
- Memo- 103 West 7th Street Disposition
- Memo – Mortgage Subordination Policy

Housekeeping

Action Items – Old Business

Financial Update & Project Tracker

Alis Drumgo noted progression of the Dixieland Art Infusion program. Staff is working towards reaching all business owners in the Dixieland area. Tapatios has been completed. Recent grant inquiries from Nathan’s. Midtown Lofts coming to a close, ribbon cutting set for April 26.

Meeting Minutes Dated January 7, 2021

Cory Petcoff moved to approve minutes. Harry Bryant seconded the motion which passed unanimously.

Action Items – New Business

Science, Technology, Engineering, Mathematics and Manufacturing Incentive Program (STEMM)

In 2016, Tindale Oliver completed an Economic Development study which was part of the strategy in East Main District, one of Midtown's target areas. As short-term goals, Staff specifically marketed the existing Midtown CRA incentives including Design Assistance, Façade and Site Improvement Matching Grants. The Food-Related Services Incentive, available only in Dixieland, was also made available in the East Main District.

In addition, the Job-Related Incentive was made available in the East Main District for companies creating new jobs. This program included: \$5,000 incentives for each full-time job, and \$2,500 for relocation of jobs within Polk County. The grant required creation of a minimum of five (5) jobs with a maximum of 210 jobs. The grant award is paid in arrears for the entire calendar year upon certification of positions being filled for the entire year. Payments for this grant are in lump sum annually over a five (5) year term.

Since target marketing began in East Main District, Staff has administered a dozen Design Assistance, Façade, & Site and Infill Reuse Grants. However, there have been no Food-Related Incentives awarded, and there has been only one award for the Job-Related Incentive. Annually since 2018, Colorado Boxed Beef has received \$210,000, and the CRA's obligation will be completed in 2022.

During City of Lakeland 2021 Strategic Planning meeting with the City Commissioners, leaders focused on key Strategic Target Areas. City Commissioners held extensive conversations regarding Economic Opportunity Goals, so Lakeland could attract and retain a talented, educated, creative, and technically qualified workforce. Priorities include increasing the average wage for incoming businesses to receive city incentives, to attract high wage jobs with a focus on education, and raise threshold for those targeted incentives; while aligning with the City's program. City intends to offer a Manufacturing/Research and Development program as one component of an Economic Development Infrastructure Incentive that will focus on generating higher wage jobs, in the manufacturing/research and development sectors, for those businesses that are located or expanding within the city. Eligible businesses must be located outside of the redevelopment area.

To align with the City's incentive, the CRA is proposing an Economic Development Infrastructure Incentive focused on Science, Technology, Engineering, Mathematics and Manufacturing (STEMM) to recruit those businesses that are incoming to or expanding in the Midtown CRA. To be eligible, applicants must meet one of three criteria of creating a minimum of 10 new jobs paying 150% average wage (\$65,048), creating a minimum of 25 new jobs paying 125% average wage (\$54,206), or creating a minimum of 50 new jobs paying 115% average wage (\$49,870) of Polk County. Also, businesses must make a minimum capital investment of \$2.5 million. CRA would pay in a lump sum payment for eligible improvements of permitting fee reimbursement, water and wastewater impact fees, relocation of water, wastewater and elective transmission lines, infrastructure improvements, electric transformers and dual feeds, or transportation and traffic improvements. Maximum available incentive per project will be \$150,000.

Staff is recommending to adopt STEMM Incentive with the wage thresholds presented. With the reallocation of \$150,000 from the East Main District Job-Related funds for the starting year of 2022. The request is also to sunset the Job Related Pilot Incentive.

Brandon Eady moved to approve Staff's recommendations. Clifford Wiley seconded the motion which passed unanimously.

Encouraging Growth Development & Expansion Incentive Program (EDGE)

Alis Drumgo presented on the Encouraging Growth Development & Expansion (EDGE) Incentive Program. The Food-Related Services Incentive program that was started in Dixieland. The grant program covers up to \$15,000 dollar-for-dollar matching funds to attract food related businesses coming into the Dixieland CRA, which then was expanded to the East Main District in 2016. The grant targets businesses

sit-down restaurants, potential grocers, cafés, health and produce markets, and mobile food establishments. Grant funding approved uses are for: electrical/plumbing upgrades, installation of attached fixtures, grease traps, utility connections, venting systems, sprinkler systems, solid waste and recycling management, mechanical electrical and plumbing engineering services. The program has attracted Born & Bread Bakehouse, Patriot Coffee, Nineteen61, D'Lucas and Hillcrest Coffee. However, there have been no incentives awarded in the East Main District.

During the October 2020 retreat, CRA Advisory Board asked Staff to loosen the grant restrictions in the redevelopment areas to support small businesses and provide funding for businesses that want to grow in place, but do not have the capital required to engage in other CRA Incentives.

City of Lakeland intends to offer an EDGE Program for expanding small and mid-sized manufacturers that use innovative technology. The grant is also geared towards food related businesses and caps out at \$10,000. Eligible businesses must be located outside of the redevelopment areas. To align with the City's intent, the CRA intends to offer EDGE Program within the redevelopment areas with a maximum reimbursement of \$25,000. This will be an additional grant; it will not replace other grants being offered.

Staff is recommending the adoption of the EDGE Program that will be offered within Dixieland, Downtown and Midtown. Program will be funded through the small project assistance line item in each District. Since food related businesses will be targeted as well within the EDGE grant, Staff is requesting sunset of Food-Related Incentive as a standalone program.

Brandon Eady moved to approve Staff's recommendation. Cory Petcoff seconded the motion which passed unanimously.

103 West 7th Street Disposition

CRA acquired a 10,584 square foot vacant property at 103 West 7th Street, which is located along US-98, on May 10, 2007. The property has an assessed value of \$13,364, with an average annual carrying cost of \$536.41. In January 2020, Staff was contacted by a local attorney interested in constructing a 3,500 square foot office/medical building. After considering building size and layout, use, zoning regulations and site improvements, the applicant decided not to move forward with this specific location.

On November 30, 2020, Staff received an official letter of interest to purchase the property from 103 W. 7th Street, LLC. In accordance with Florida Statute 163.380, Staff published a Notice of Disposition in The Ledger on Monday, December 28, 2020. Development requirements included minimum of 2,500 square feet of office, commercial or retail space. The ability to accommodate parking on-site with cross access to the adjacent parcel, and a minimum purchase price of \$30,000. The proposed development must align with Midtown Districts goals. Proposals were due on Wednesday, January 27, 2021. Only two proposals were received. 103 West 7th, LLC submitted a proposal to purchase the property for \$30,000 for the construction of a two-story mixed use building with 2,500 square feet of retail/office space on the ground floor and housing for medical personnel, as permanent or temporary living quarters, on the second floor. Phoenix Properties, LLP submitted a proposal to purchase the property for \$32,000 for the construction of a medical facility of approximately 2,600 square feet or larger.

On February 10, 2021, Staff received written notification from 103 West 7th, LLC formally withdrawing interest in purchasing the property.

Adil R. Khan, MHA presented his proposal on behalf of Phoenix Properties, LLP. Adil R. Khan, MHA noted that Phoenix Properties, LLP has had a presence in Lakeland for over 70 years. Currently, Lakeland Regional Health, is a significant client of Phoenix Properties, LLP. At this time Phoenix Properties, LLP owns several properties along US-98 that will connect with the property on 103 West 7th Street. Adil R.

Khan requested CRA Advisory Board approval of the proposal to purchase the property on 103 West 7th Street.

Staff recommended the Board authorize Staff to negotiate a Development Agreement with Phoenix Properties, LLC for the purchase of 103 West 7th Street at the proposed purchase price of \$32,000, which will go before the City of Lakeland's Real Estate & Transportation Committee for formal approval.

Frank Lansford moved to approve proposal as presented. Clifford Wiley seconded the motion which passed unanimously.

Discussion Items

Mortgage Subordination

Alis Drumgo noted that the CRA has provided down payment assistance with a lien or promissory note at closing that gives first right of action to the CRA if the homeowner were to refinance or sale. Given the recent trend in lowering mortgage interest rates, the CRA has received several requests to subordinate mortgage position in the past several months. Within the Midtown District terms of obligation have fluctuated between 30 years, to most recently, 5-year terms. CRA has loosely followed housing's policy which in turn, has called to question some changes in terms within the last few years.

Brian Rewis provided background information to the City of Lakeland's housing subordination policy, which he partly wrote. Brian Rewis recommended that Staff revises the City of Lakeland housing subordination policy to align with the CRA.


Discussion ensued regarding the City of Lakeland housing subordination policy, different terms, and owner's reason for refinancing.

Commissioner McLeod requested that Staff compile list of those under a subordination policy and their current terms, expiration dates, and amount of down payment assistance provided which will be brought forth for further discussion.

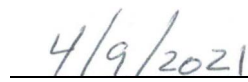
Alis Drumgo reminded Advisory Board Members of Midtown Lofts ribbon cutting on April 26th at 9:30am.

Adjourned at 4:21 PM

Next Meeting, Thursday, April 1, 2021 3:00 PM.



Pastor Eddie Lake, Chairman



Date