

# Community Redevelopment Area Advisory Board

## Meeting Minutes

### Thursday May 7, 2020

### 3:00 – 5:00 PM

### Virtual Meeting

#### 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, Terrilyn Bostwick, Jasmine Denson, Iyanna Jones, D'Ariel Reed and Damaris Stull

Guests: Rudy Brown, Christelle Burrola, Brandy Gillenwater, David Green, Fiorella Hall, Barret Hollis, Mike Mustard, Sean Parker, Brian Rewis (Community and Economic Development Assistant Director), Jonathan Rodriguez, Jerrod Simpson and Laura Shannon

#### Packets

- Meeting Minutes dated February 6<sup>th</sup>, 2020
- Financial Update
- Project Progression Report
- 2019 Independent Financial Audit
- Memo- Rec. Room- 202 N. Massachusetts Avenue
- Memo- 820 N. Massachusetts Avenue Waterproofing
- Memo- Lease Addendum Haus Management LLC

#### Housekeeping

The Annual Report has been published and can be viewed on the CRA website.

#### Action Items – Old Business

##### Meeting Minutes dated February 6<sup>th</sup>, 2020

Brandon Eady moved approval of the minutes. Commissioner Madden seconded the motion which passed unanimously.

##### Financial Update & Project Tracker

Alis Drumgo noted the Downtown Bark Park project is on hold until further notice. As for the Providence Road project, Staff has selected a firm for design services. A notice to award will be published soon. The N. Massachusetts Avenue Development agreement will go before the City Commission in June.

#### Action Items – New Business

##### 2019 Independent Financial Audit

Ben Mundy noted the inclusion of the audit for informational purposes. Alis noted the full audit can be viewed on the CRA website.

Brian Goding moved to accept the audit as presented. Zelda Abram seconded the motion which passed unanimously. Pastor Lake was absent for the vote due to connectivity issues.

### **Rec. Room- 202 N. Massachusetts Avenue**

The 10,600-square foot historic building, located at 202 N. Massachusetts Avenue, in the Downtown CRA District has been vacant since 2017. The property was purchased last year by Baron Management LLC. The proposed business, RecRoom, will function as an arcade and event space. The new business owner, Conn O'Leary, has proposed the complete renovation of the current structure and parking lot, to include; interior buildout, new outdoor seating area, and exterior enhancements.

The applicant provided a preliminary scope of work that included complete electrical rewiring, new HVAC ductwork, brand-new ADA compliant restrooms and plumbing improvements. The improvements are projected to cost \$115,000. The business owner is expected to spend approximately \$181,000 in interior improvements.

The construction commenced in April and the completion of the project is anticipated for the end of June 2020. The Lakeland CRA does not have grant programs in place within the Downtown Redevelopment District to review the grant request administratively, so Staff has brought the request before the Board for consideration. The applicant is seeking a total grant award of up to \$100,000. The improvements are consistent with the Downtown Redevelopment Plan, and will contribute to the physical improvement and economic viability of the area.

Alis Drumgo noted that the applicant originally approached Staff in February 2020 and Staff agreed to allow construction to commence prior to the grant request being heard as to not penalize the applicant due to meeting constraints imposed by COVID-19.

Conn O'Leary, Barret Hollis and Rudy Brown gave a brief presentation.

Discussion ensued regarding available funds in the Downtown fund. The Board suggested a smaller contribution in lieu of the full \$100,000.

With consideration to the economic challenges caused by the COVID-19 pandemic, the Board was hesitant to commit the full \$100,000 to one Downtown business, when a number of other small businesses are currently at risk.

Alis Drumgo assured the Board that adequate funds were available in the small project assistance account, which is specific to Downtown properties and would not require re-appropriation.

Cliff Wiley moved approval of a \$35,000 matching grant to be distributed as a reimbursement. Harry Bryant seconded the motion which passed unanimously. Frank Lansford recused himself.

### **820 N. Massachusetts Avenue Waterproofing**

In May 2013, the Lakeland Community Redevelopment Agency (CRA) purchased 820 North Massachusetts Avenue at the appraised value of \$538,000. Initially, the intent was to convert the existing building into a secured warehouse for lease by the City's Public Works Department for an initial annual rent of \$19,320. During the February 4, 2016 meeting, the Board voted to enter into a contract with Strickland Construction based on their bid for site/building renovation in the amount of \$2,554,870 with the understanding that change orders would be forthcoming once final tenants were selected. At the March 3, 2016 meeting, the Board approved a lease of no more than 10 years with Ashton Events for the event space in 820 North Massachusetts Avenue and 4,800 sq. ft. of collaborative office space in 830 North Massachusetts Avenue. Also approved, was up to \$400,000 in change orders for the event and collaborative office spaces.

In November of 2016, the Board approved \$600,000 for Phase II renovations and in February 2017, multiple change orders totaling \$122,000.

Throughout the initial lease term, Staff received numerous calls about water intrusion. Below is a list of measures taken to eliminate these occurrences.

- In April 2018, the CRA spent \$2,725 for patches to the roof as water was pouring into the building when it rained.
- In September and October 2018, a total of \$5,221 was spent resealing windows as it was determined as an entry point for water.
- In September and November 2018, a total of \$1,595 was spent inspecting and repairing drainage pipes as water was not flowing, seemingly causing it to pool next to the building and penetrate through the floor level bricks.
- In October 2018, the CRA spent another \$27,265 resealing the entire roof as water was still penetrating the roof during heavy rains.
- In November 2018, the CRA spent \$6,300 to have a mason fill in the gap between the building and the concrete walkway eliminating another location where water was pooling and allowing penetration through the floor level brick.

Despite these efforts, a substantial amount of water was still entering the building through the brick walls. Also, large amounts of water would rush into the building under the door located on the south elevation. In September of 2019, at the cost of \$40,000, the City's Construction & Maintenance Department was hired to regrade the site on the south side of the building and extend the knee wall to divert rain water away from the building and towards Massachusetts Avenue. Lastly, in November 2019, Professional Service Industries (PSI) was contracted to conduct a Field & Water Test and provide a findings report which included technical specifications for repair, Construction Administration Services and Quality Assurance Monitoring. The Field and Water Test revealed that the brick mortar joints were deteriorated, cracking, and showing evidence of plant growth throughout the masonry walls. No evidence of previous point work was observed. The current paint finish is thin and stained at various areas with plant growth. The general overview of the recommended repairs includes:

- All flexible sealants applied at CMU mortar joints to be removed and repointed.
- General pressure wash cleaning of the CMU walls will be required prior to recoating. Recoating will include all exterior Brick walls and parapets, as well as hollow core steel service doors and frames.
- Waterproofing of open "vent" conditions on the east and west elevations: The intent is to preserve the look of the vents while making them obsolete regarding air circulation performance. This will require installation of a solid backing material at the interior of the vent.
- Followed by detailing of the open vent conditions with sealant in preparation for application of the specified performance coating.
- Wet-Seal of Storefront Assemblies: Remove old existing sealant and gaskets, prepare the areas and apply a new wet seal. Sealant selection will be approved by exterior coating manufacturer for compatibility and performance warranty.

The CRA worked with the City's Purchasing and Facilities Departments and PSI to issue a Request for Proposals (RFP). Staff sought to establish the true cost of the project to prevent future change orders and cost overruns. The bids submitted were from qualified general contractors encompassing the exterior building envelope repairs.

Reviewing the bid submittals, the PSI Consultant, noticed a few discrepancies with the bid documents submitted. Purchasing issued a request for clarification for all bidders regarding quantities related to point work. Responses to the request were received from five of the six bidders; Innovative Masonry Restoration did not respond and was thus disqualified. The clarifications resulted in a considerable decrease in the bid amounts. With consideration to the clarifications, the following bids were received.

1. <u>Krystal Companies, LLC (d.b.a. Krystal Klean)</u>	
• Base Bid.....	\$ 155,327.66
2. <u>Five Arrows, Inc. (d.b.a. SPC construction Group)</u>	
• Base Bid.....	\$ 183,050.00
3. <u>Waterproofing Specialists, Inc.</u>	
• Base Bid.....	\$ 192,170.00
4. <u>Shield Coating &amp; Waterproofing</u>	
• Base Bid.....	\$ 221,465.00
5. <u>Schnell Contractors, Inc.</u>	
• Base Bid.....	\$ 321,305.00

Considering references and bid price, PSI recommended Krystal Companies as the vendor for the project.

Staff left the decision at the Board’s discretion, to recommend the City Commission issue Notice of Intent to Award the contract for waterproofing of 820 North Massachusetts Avenue to Krystal Companies Inc.

Discussion ensued.

David Green clarified the discrepancy between the initial bid and the final submittals.

Brandon Eady moved to approve the staff’s recommendation. Pastor Eddie Lake seconded the motion which passed unanimously.

**Lease Addendum Haus Management**

In May 2013, the Lakeland Community Redevelopment Agency (CRA) purchased 820 North Massachusetts Avenue. In the February 2016 meeting, the Board voted to approve the renovations of the structure. Subsequently, at the March 2016 meeting, the Board approved a lease with Ashton Events for Haus 820, the event space at 820 North Massachusetts Avenue, and The Collective, 4,800 sq. ft. of collaborative office space, in 830 North Massachusetts Avenue. Included in the original lease, was shared parking at mid-block spanning the southwest comers of the entire parcel owned by the CRA. This parking lot (lot 1) is currently to the west of Yard on Mass which was privately owned and operated as a car lot.

With the 2019 construction of Yard on Mass, Staff sought to align the shared parking allocations in a manner more favorable to all businesses which requires a lease addendum with Haus Management LLC. The shift will provide parking on lot 1 for Yard on Mass. Haus 820 will park to the west on lot 2, and all tenants Haus, Artifact and Yard on Mass will share parking at Lot 3 once the lot is constructed. While proposing this addendum, Staff is recommending clean up some of the lease’s original terms based on recently adopted operational changes.

To offset the parking adjustment and impacts to daytime events at Haus820, Staff is proposing CRA schedule and pay for valet services for all daytime events held on Monday through Friday with a guest count above 200 attendees provided Haus Management requests valet services, including a guest count, seven (7) days prior to the event date. This provision will expire upon completion of the anticipated improvements to Lot 3. Additionally, the tenant requested an allotment of \$100k for leasehold improvements that would stay with the building upon termination of the lease.

- At the Board’s discretion to approve the lease addendum, leasehold improvements and valet services as presented by Staff.
- At the Board’s discretion to approve the construction of lot 3 as soon as economically feasible in order to support Mass Market Area development.

Discussion ensued regarding the CRA's total investment and average rent amounts for Haus 820 and The Collective.

The Board expressed hesitation to invest any additional funds into the building for leasehold improvements.

In response to Zelda Abram, Alis Drumgo added that market rate rent for Haus 820 would be \$7,800 per month and \$5,600 per month for The Collective. The tenant currently pays \$2,500 per month for Haus 820 and none for The Collective.

Based upon the current lease structure, the CRA would not be able to collect near market rate for another 7 years.

Dean Boring added that the return on the rent makes it cost prohibitive to invest any additional dollars into the building.

Sean Parker added that the leasehold improvements would stay with the building as a benefit to future tenants.

In response to Ben Mundy, Laura Shannon noted that dimmable lights, partitions needed to separate Haus 820 and the Artifact event space and the need valet parking are among the improvements that have come about since the establishment of the original lease terms.

With consideration to the economic challenges caused by the COVID-19 pandemic for small businesses, Commissioner Madden opted to approve the parking improvements and hold off on the leasehold improvements.

Alis Drumgo clarified the structure in which the Board would need to vote; the construction of surface parking along with valet service to support Mass Market area businesses and separately, the lease addendum to include the aforementioned leasehold improvements.

In response to Jerrod Simpson, Alis Drumgo clarified that it is Staff's request that lot 3 parking improvements move forward with or without the adoption of the lease addendum as it has become a necessity for all Mass Market area tenants.

Dean Boring moved to approve lot 3 parking improvements. Brian Goding seconded the motion.

Commissioner Madden moved to amend the motion to include valet service for daytime events with 200 or more attendees. Brandon Eady seconded the motion. Dean Boring accepted the amendment which passed unanimously. Ben Mundy was absent for the vote due to connectivity issues.

Commissioner Madden moved to assign the negotiations for the lease addendum and leasehold improvements to the City Attorney and hold further discussion until the June meeting. Frank Lansford seconded the motion which passed 6-2 with Cliff Wiley and Dean Boring voting in opposition. Ben Mundy was absent for the vote due to connectivity issues.

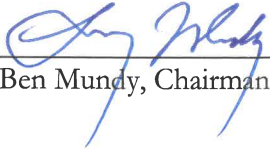
## **Updates**

As a result of the COVID-19 pandemic, the City has provided a 90-day rent deferment option to CRA tenants. Staff will provide an update from tenants regarding their businesses status during the pandemic.

## **Discussion Items**

Adjourned at 5:26 PM

Next Meeting, Thursday, June 2, 2020 3:00 PM, Location TBD.

  
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Ben Mundy, Chairman

06/04/2020  
Date