

LAKELAND CRA

COMMUNITY REDEVELOPMENT AGENCY

AGENDA

Community Redevelopment Area Advisory Board

Thursday, July 9, 2020 | 3:00 PM – 5:00 PM

In order to comply with the Safer-at-Home Order issued by Governor DeSantis, City Hall is closed to the public and the entire meeting will be conducted online. Members of the public and interested parties who wish to comment will be able to do so by calling in during the meeting. A phone number and access code will be posted online prior to the meeting and during the live broadcast on Spectrum Channel 643 or Fios Channel 43 or the webcast on www.lakelandgov.net/tv.

A. Financial Update & Project Tracker*

B. Housekeeping

C. Action Items

- i. Old Business
 - i. Meeting Minutes June 4, 2020 (Pg. 5-11)
- ii. New Business
 - i. Nomination of Brian Waller to fill Dixieland CRA Vacancy
 - ii. Nomination and Selection of Vice Chair

D. Discussion Items

- i. Ben Mundy's Recognition

E. Adjourn

* For Information

NEXT REGULAR MEETING:

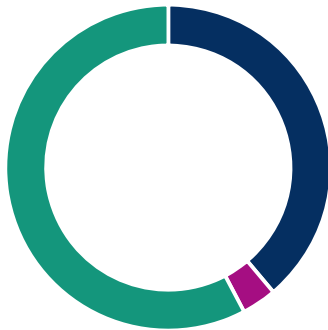
Thursday, August 6, 2020 3:00 - 5:00 PM – Location TBD

Downtown Fund



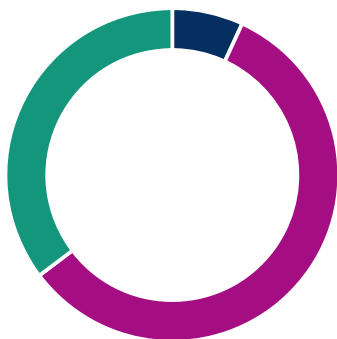
■ Available	\$267,017
■ Expenses	\$1,474,818
■ Encumbrances	\$1,865,994

Dixieland Fund



■ Available	\$444,401
■ Expenses	\$39,512
■ Encumbrances	\$660,235

Midtown Fund



■ Available	\$444,592
■ Expenses	\$3,736,230
■ Encumbrances	\$2,280,908

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COMMUNITY REDEVELOPMENT AGENCY

PROJECT PROGRESSION REPORT



STATUS KEY
RISKS / ROADBLOCKS
POTENTIAL RISKS
ON TRACK

Project	Status	Phase	Funding Allocated	Notes
114 E. Parker	ON TRACK	Pre-Bid	\$350,000.00	Redesign of New Building
Lake Parker Art Path	ON TRACK	Bid	\$820,000.00	Construction Complete Accessory Structures Underway
Five Points Roundabout	ON TRACK	Construction	\$175,000.00	Cul De Sac Under Construction Complete Roundabout Design Phase 30% Complete
Downtown Bark Park	POTENTIAL RISKS	Permitting	\$150,000.00	On Hold
Tapatios	ON TRACK	Construction	\$340,000.00	Pending Temporary Certificate of Occupany
Mirrorton	ON TRACK	Construction	\$970,000.00	Underway
N. Massachusetts Ave Development Agreement	ON TRACK	Preliminary		Pending Commission approval of Terms
Oak Street Parking Lot Development Agreement	ON TRACK	Preliminary		Pending Area Planning
Providence Rd	ON TRACK	Design	\$1,100,000.00	Notice of Award for Design Services Awarded to DRMP
W. 14th Street Sidewalk & Pedestrian Enhancements	ON TRACK	Design	\$280,000.00	Underway
South Florida Road Diet	ON TRACK	Construction	\$350,000.00	Underway

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PROGRAM PROGRESSION REPORT



STATUS KEY
RISKS / ROADBLOCKS
POTENTIAL RISKS
ON TRACK

Grants/Programs	Status	Awards	Notes
Alley Vacating	ON TRACK	3	Boundaries located between Virginia and New York and 8th and 9th Street
Affordable Housing Partnerships	ON TRACK	3	Providence Reserve Seniors- Construction Underway Midtown Lofts-70+ Units Vermont Ave Apartments- 16 Units
Builder's Line of Credit	ON TRACK	1	703 W 5th Street; Complete
Design Assistance	ON TRACK	7	Vanguard Room Wally's 110 W. 7th Street
Down Payment Assistance	ON TRACK	3	Underway; Marketing Campaign Forthcoming
Façade and Site	ON TRACK	7	Vanguard Room 110 W. 7th Street Coney Funeral Home
Fix-It Up	ON TRACK	9	Underway
Food Related	ON TRACK	0	
Infill- New Construction	ON TRACK	4	2 lots sold 2 pending
Infill Adaptive Reuse	ON TRACK	5	Coney Funeral Home Mary's Bagels Providence Reserve Seniors The RecRoom
Murals	ON TRACK	3	1 Complete 2 Inquiries
Downtown Second Floor Renovations	ON TRACK	0	\$50,000 Allocation

Community Redevelopment Area Advisory Board
Meeting Minutes
Thursday June 4, 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, Cory Petcoff and Cliff Wiley

Absent:

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

Guests: Charles Barmby, Dr. Sallie Brisbane, Christelle Burrola, Diana Cortes, Brandy Gillenwater, Ron Laubach, Ryan Lazenby, Mike Mustard, Sean Parker, Brian Rewis, Jonathan Rodriguez, Jerrod Simpson and Laura Shannon

Packets

- Meeting Minutes dated May 7th, 2020
- Financial Update
- Project Progression Report
- Memo- Lease Addendum Haus Management LLC
- Memo- W. 14th St. Sidewalk Installation & Pedestrian Enhancements
- Memo- DuoBakehouse Lease Renewal & Leasehold Improvements

Housekeeping

Alis Drumgo noted that the July meeting will be Ben Mundy’s last. Thus, the Board will soon need to consider a new Dixieland representative.

Action Items – Old Business

Meeting Minutes dated May 7th, 2020

Pastor Eddie Lake moved approval of the minutes. Harry Bryant seconded the motion which passed unanimously.

Lease Addendum Haus Management

Staff revisited the discussion from the May meeting after negotiations of the lease addendum and leasehold improvements by the City’s attorney.

The following items were presented for the Board’s recommendation to move the lease addendum forward to Real Estate Committee for approval;

Item	Original	Modification
1. Updates Exhibits	Exhibit “A” Parking at SW Corner of E. Parker and Tennessee7	Adds Exhibits “A-D” Lot 1 Parking Lot (Exhibit A) Lot 2 Parking Lot (Exhibit B) Lot 3 Parking Lot (Exhibit C) Preventative Maintenance Schedule (Exhibit D)

		<p>Note: Tenant releases use of 64 parking spaces in lot 1 except for access to 6 spaces to be utilized as parking and loading by Haus vendors and staff.</p> <p>Tenant will have exclusive access to 64 parking spaces in lot 2.</p> <p>All tenants share lot 3 upon completion.</p>
2. Clarifies Leased Space	7,200 sf Interior Event Space 4,800 sf Office Space	7,200 sf Interior Event Space 6,690 sf Exterior Event Space 4,800 sf Office Space
3. Clarifies the Initial Term Commencement Date	June 1, 2017	August 1, 2018
4. Corrects the Income Source on which Rent is Based	7.5% Rent + Tax Cap	Removes the 7.5% Rent + Tax Cap Note: Rent cap removal increases ability to pass through taxes to the Tenant.
5. Modifies the Renewal Terms	<p>First Renewal 5 Years Automatic Renewal 7.5% Rent Rate 10% Cap</p> <p>Second Renewal 5 Years Automatic Renewal Fair Market Rent</p>	<p>First Renewal 5 Years Automatic Renewal 7.5% Rent Rate No Cap</p> <p>Second Renewal 3 years Automatic Renewal Fair Market Rent</p>
6. Corrects Permitted Uses	Office Use Not Specified	Office Use Specified
7. Clarifies Maintenance Language and Tenant Responsibility	<p>Lessee Responsible for 1st \$500 of Repairs</p> <p>Private Maintenance Provider</p>	<p>CRA Provides Repairs + Preventative Maintenance</p> <p>Additional Items Billed Back to Tenant</p> <p>City Facility Maintenance Team Provides Services</p> <p>Note: Tenant to assume responsibility for \$1,250 monthly management fee which shall commence 1/1/2021.</p>

8. Leasehold Improvements	(Proposed) CRA provide \$100,000 allotment for leasehold improvements with no tenant obligation.	<p>CRA will pay \$25k for partition to separate Haus and Arti/fact.</p> <p>CRA to provide \$75,000 (0% interest) loan to Tenant which will be repaid under the following terms commencing 1/1/2021:</p> <p>\$400 per month for the first 12 months of the lease term. \$771.79 per month for the remaining 78 months of the lease term.</p> <p>Note: The tenant will have a \$10,000 balloon payment due August 1, 2028. However, this \$10,000 payment will be offset should the tenant, at her own effort, expend at least \$10,000 on irrigation and infrastructure improvements to the courtyard.</p>
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Discussion ensued regarding the length of repayment terms and the tenant’s obligation to renew the lease.

Alis Drumgo noted that the original lease extended beyond the life of the CRA and that the addendum would expire before the expiration of the CRA. The final renewal, spanning 3 years allows for market rate rent which will increase CRA revenue.

Sean Parker and Laura Shannon thanked the Board for consideration.

Cory Petcoff motioned approval of Staff’s recommendation. Brian Goding seconded the motion which passed 10-1 with Ben Mundy voting in opposition.

Action Items – New Business

W. 14th Street Sidewalk and Pedestrian Enhancements

In early March 2020, the Community and Economic Development (CED) Department received a public request to evaluate pedestrian safety concerns near 14th Street and Providence Rd. The area was reviewed by City and CRA staff, and they confirmed the need for sidewalks in the area. During initial analysis, Staff identified a school bus stop and public transit stop as points of vulnerability. Additional analysis revealed pedestrians regularly walking and bicyclists biking on the roadway shoulder.

Discussions between Engineering, Traffic Operations, Lakeland Police, CRA, and Community Economic Development regarding speed and traffic counts occurred in April. A Jamar pole was mounted to obtain a speed profile in the vicinity of the mid-block crossing at 14th Street and Wright Drive. The traffic analysis was recorded from April 27th to May 4th and yielded confirmation that 44% of traffic was traveling greater than the posted speed limit of 25 mph. The CED team, along with the assistance of Public Works, determined the construction of approximately 600 lineal feet of sidewalk on the south side of W.14th Street between Providence Rd. and Kathleen Rd providing immediate relief to pedestrians. Based on the results of the speed profile gathered from this area, Public Works recommended converting the existing flashing beacon system on W 14th Street, west of Wright Drive to a Rectangular Rapid Flash Beacon (RRFB) system with back-to-back fluorescent green “Pedestrian” signs.

Staff is currently working with Public Works to redesign the Providence Rd. corridor spanning from Kathleen Rd. to Griffin Rd. This sidewalk project will further the Midtown Redevelopment Area’s goal objective to protect the residential connector character of Providence Road by providing improved safety and east-west connectivity within the community.

The project would be a design build with Public Works completing the installation. The estimated costs associated with the project are listed below:

Task Item	Costs
Design and Right of Way Survey	\$3,500.00
Design Plans	\$20,000.00
Inspection Services	\$5,000.00
As-built Survey	\$2,250.00
Total Engineering Division Costs	\$30,750.00
Estimated Construction Costs	\$223,852.91
Total Estimated Project Costs plus 10% contingency	\$280,500.00

Staff recommended the Board’s approval of funding and executing the project.

In response to Commission Madden, Damaris Stull confirmed multiple members of the public expressed concern regarding this area and requested the improvements.

Pastor Eddie Lake motioned approval of Staff’s recommendation. Cory Petcoff seconded the motion which passed unanimously.

DuoBakehouse Lease Renewal & Leasehold Improvements

In November 2012, the Lakeland Community Redevelopment Agency (CRA) purchased 830 North Massachusetts Avenue for \$1,337,000. The portion of the building that served as the Salvation Army Center of Hope contained a commercial hood which led staff to approach local food related businesses as potential tenants. At the September 3, 2015 meeting, the Board approved a 5-year lease with Five Dolphin Enterprises, Inc. d/b/a Your Pro Kitchen. In October 2017, Your Pro Kitchen was sold to new owners as legal and permissible in the lease.

The new owners, David Hernandez and Diana Cortes, moved to Florida six years ago where they began renting space at Your Pro Kitchen in Orlando by the hour. Their commitment eventually led to the acquisition of both the Orlando and Lakeland franchises. At the Lakeland location, DouBakehouse, they now have 15 employees, some of which began as members of our Midtown CRA’s homeless population. The couple’s current client list includes Walt Disney World, Hilton Hotels, Four Seasons Hotels, Gran Destino Tower, and various Disney Resorts Cruise Lines. The tenants have expressed the desire to expand their operations in Lakeland in order to continue to meet the client demands and have requested leasehold improvements while also pursuing a renewal of their lease which is scheduled to expire October 2021.

Staff has worked closely with the City’s Facilities Departments and Semco Construction to obtain cost estimates for the requested improvements. The CRA’s contribution to these leasehold improvements would be approximately \$1 for every \$12 the tenant spends. The CRA will cover the total cost of the leasehold

improvements (\$123,043.05) upfront. The tenant's contribution (\$113,723.80), will be reimbursed monthly (\$1,895.40) over the term of the lease. The repayment will be added to the base rent amount and included on the monthly invoice. All improvements, with the exception of the walk-in cooler and generator, will stay with the building should the lease be terminated. The leasehold improvements are expected to take 15-17 weeks to complete with the bulk of the timeframe being the order and delivery time on the generator. The leasehold improvements and lease renewal are sought during this down time to prevent future disruptions in production while securing the tenant's long-term presence at the location.

Improvement	Cost	Responsibility
FRP panel installation where spills/splashes may occur	\$5,460	CRA
Transition guard installation at all kitchen doorways	\$750	CRA
Restroom door modifications to meet ADA requirements	\$3,109.25	CRA
Convert unused restroom into storage	\$12,025	Tenant
Walk-in freezer installation in one of the office spaces Room prep for install and wrap-up after installation	\$26,777.17 (Freezer) \$16,671.63 (Room Prep)	Tenant
Generator and installation	\$18,275 (Generator) \$39,975 (Installation)	Tenant
TOTAL	\$113,723.80 \$9,319.25	Tenant CRA

Under the current lease terms, the monthly base rent for the 4,500 square foot commercial kitchen is \$2,187.50. The tenant is also responsible for additional monthly expense including management fees, property/sale's taxes and utilities which equals an approximate monthly payment of \$4,086.52. This monthly total does vary slightly based on the tenant's portion of the monthly Electric bill. Per the lease, the renewal rent shall be ninety-five percent (95%) of the market rate or the rent for the initial term, whichever is greater. Staff contracted with a local Appraiser to determine the market rates for all tenants based on similar uses in the Lakeland area. It was determined that the triple net market rate for a commercial kitchen in Lakeland is \$15.00 per square foot with a 3% annual escalation. In accordance with these results, the monthly payment would increase to \$8,365.39 for year one. After reviewing the market rates of each tenant in comparison with the actual rents paid, this tenant is the only one currently paying over 60% of market rent. Our remaining tenants range from 21.28% to 40.89% of market rent. Given the proposed tenant improvements and history of payments at a higher rate than other CRA tenants, Staff recommends the triple net renewal rate of \$5,263.83 for year one, which is 60.88% of the market rent.

In response to Ben Mundy, D'Ariel Reed confirmed management fees cover the cost of maintenance by the City's Facilities department.

Diana Cortes thanked the Board for consideration.

Dean Boring motioned approval of Staff's recommendation. Commissioner Madden seconded the motion which passed unanimously.

Updates

114 E. Parker Street Update

In February 2018, the CRA Advisory Board reviewed renovation proposals for 114 E. Parker St as a response to a preliminary tenant inquiry for the building. The tenant was proposing a master lease for a multimedia company, Well-Done Events!, with the ability to sublet to other tenants that would blend with an artistic studio, multipurpose space and restaurant.

In June 2018, Well-Done Events!, owned by Dr. Sallie Brisbane Stone, submitted a formal letter of intent to the CRA Advisory Board and revised proposal to be a master tenant at 114 E. Parker Street. The vision for the space, to be call “The Well”, was to be a collaborative workspace and multipurpose event room for culturally relevant performing arts and educationally focused resources for small business. The Board approval allowed for the “vanilla-box” improvements, and included proceeding with Well-Done Events! negotiations and renovation budget not to exceed \$350,000.

In September of 2019, after working with Furr & Wegman Architects to estimate the true cost costs of the project, hopefully avoiding cost overruns and change orders, Staff determined that, given the required site work and extensive renovations, and based on recent CRA-owned property renovations, it would be better to pursue a new build project. The Board was asked to consider, and approved, demolition of 114 E Parker St and to direct Staff to issue an RFP including integration of The Well into an areawide redevelopment effort in the parker Street neighborhood. The Board also directed staff to assist Dr. Stone with defraying costs of venues booked for The Well’s 2020 program calendar as the project schedule has been pushed back significantly. Redevelopment plans are underway, demolition has been completed, and the CRA as assisted securing event space for The Well.

Staff provided a detailed timeline of project activities from September 2019 to date.

Based on obligations, the balance of the original \$350,000 grant award is currently \$252,690. The table below reflects expenditure details.

The Well Project Estimates	
114 East Parker Street	
Design and Permitting	
Architectural/Design	\$63,607.00
Engineering	\$18,824.00
Permit Fees	\$730.00
Event Booking	\$14,149.00
Demolition	\$13,495.00
Subtotal	\$11,805.00
CRA Grant Award (Not to Exceed Amount)	\$350,000.00
Grant Balance	\$239,195.00

Final construction costs will be confirmed after the invitation to bid process has been completed and a general contractor contract awarded. However, based on present day construction costs, Furr & Wegman estimates building costs to be in the rage of \$800,000 - \$900,000. Therefore, a funding gap of approximately \$560,000 - \$660,000 is anticipated. Subsequently, the Board will be asked to consider approving dollars to close the funding gap, ensuring the feasibility of the project to be completed.

Staff did not ask the Board to take action at this time.

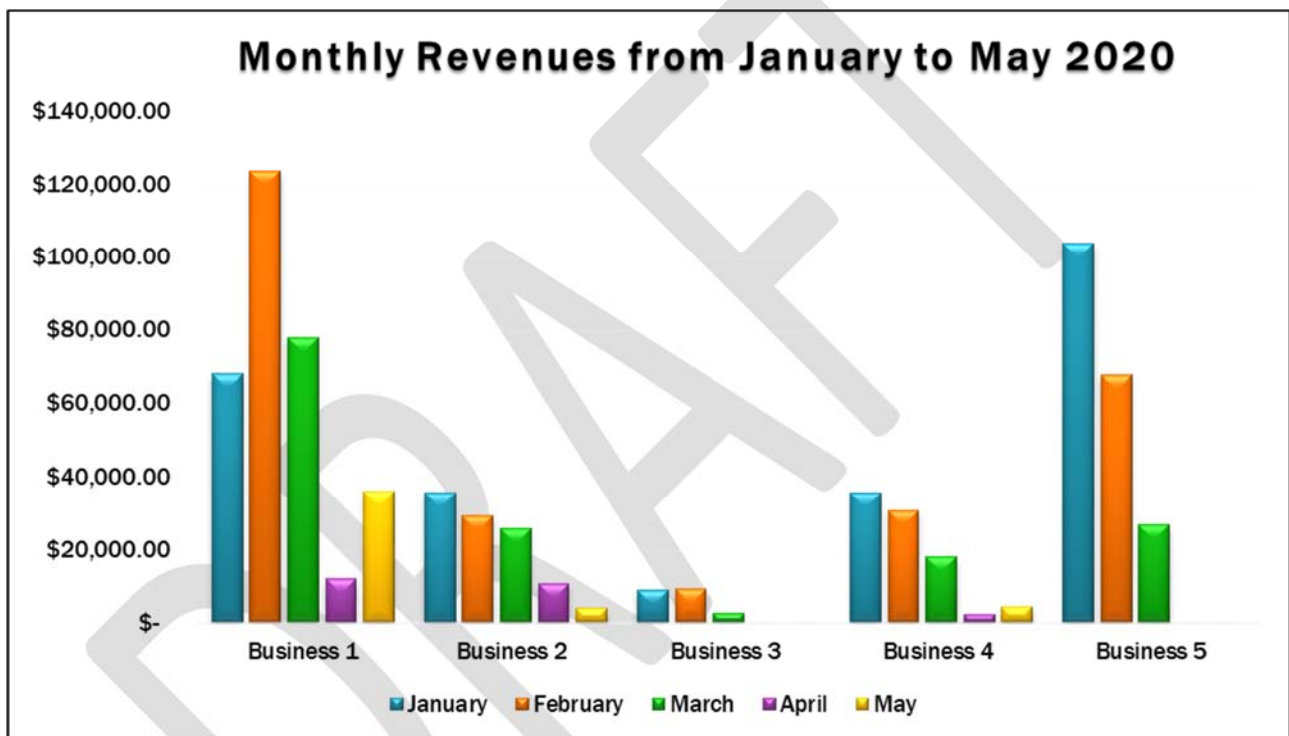
Discussion ensued regarding the Mass Market Area master plan and pedestrian connectivity.

Commercial Business Partner Update

On May 7, 2020, the CRA Advisory Board requested an update from Staff regarding the status of CRA Business Partners during the COVID-19 pandemic. A survey, comprised questions included in a recently issued questionnaire by Bridge Local, was conducted to obtain pertinent business information from commercial partners and recent grant recipients. Nine out of eleven businesses responded

- All businesses were stable prior to COVID-19
- 2/3 of businesses did not furlough employees
- 7 of 9 businesses saw revenue reduction by 50% or greater
- 7 of 9 businesses applied for business assistance grants
- 6 of 9 businesses received grants

5 of the 9 businesses reported their income from January to May 2020 as follows;



Commissioner Madden requested Staff continue to monitor the progress of the respondents.

Discussion Items

Adjourned at 4:06 PM

Next Meeting, Thursday, August 6, 2020 3:00 PM, Location TBD.

Ben Mundy, Chairman

Date