

LAKELAND CRA

COMMUNITY REDEVELOPMENT AGENCY

AGENDA

Community Redevelopment Area Advisory Board

Thursday, June 3, 2021 | 3:00 PM – 5:00 PM

City Commission Conference Room, City Hall

A. Financial Update & Project Tracker*

B. Housekeeping

C. Action Items

- i. Old Business
 - i. Meeting Minutes April 1, 2021 (Pg. 5-6)
- ii. New Business
 - i. 2020 Independent Financial Audit (Pg. 7-10)
 - ii. Orange Street Development TIF Agreement (Pg. 11-32)

D. Discussion Items

E. Updates

- i. Dixieland Art Infusion

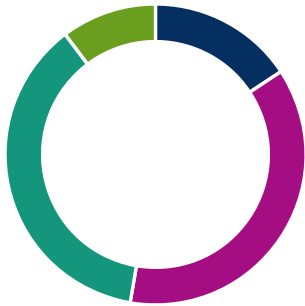
F. Adjourn

* For Information

NEXT REGULAR MEETING:

Thursday, July 8, 2021 3:00 - 5:00 PM – City Commission Conference Room

Downtown Fund



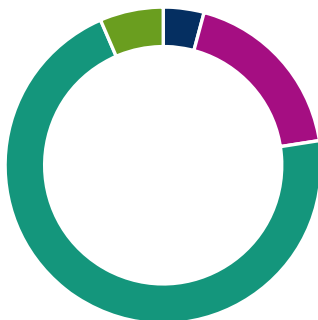
■ Available	\$605,187
■ Expenses	\$1,424,907
■ Encumbrances	\$1,427,487
■ Grant Allocations	\$395,000

Dixieland Fund



■ Available	\$330,041
■ Expenses	\$100,943
■ Encumbrances	\$767,858
■ Grant Allocations	\$200,000

Midtown Fund



■ Available	\$300,665
■ Expenses	\$1,323,832
■ Encumbrances	\$5,126,734
■ Grant Allocations	\$468,187

LAKELAND CRA

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	Vertical Construction	\$1,300,000.00	Underway & On-Schedule
Lake Parker Art Path	ON TRACK	Closeout	\$820,000.00	Construction Complete Signage Complete
Five Points Roundabout	ON TRACK	Construction	\$500,000.00	Funding Increased for FY22 with Construction Scheduled to Commence Summer 2022
Robson Neighborhood Septic to Sewer	ON TRACK	Planning	\$50,000.00	Partnership with Housing Division
Mirrorton	ON TRACK	Construction	\$970,000.00	50% Complete
N. Massachusetts Ave Development Agreement	ON TRACK	Agreement in Place		Developer Due Diligence
Providence Rd	ON TRACK	Design	\$1,100,000.00	DRMP Design
W. 14th Street Sidewalk & Pedestrian Enhancements	ON TRACK	Construction	\$280,000.00	99% Complete
South Florida Road Diet	ON TRACK	Test Phase	\$350,000.00	Guidelines complete and posted to website
Central Avenue Pedestrian Improvements	ON TRACK	Preliminary	\$75,000.00	Design
N. Kentucky Parking Improvements	ON TRACK	Construction Phase	\$250,000.00	Complete; Under Budget
N. Scott Avenue Sidewalk Improvement	ON TRACK	Preliminary	\$128,612.00	FY2022
Emma Street Sidewalk Improvement	ON TRACK	Preliminary	\$90,009.27	FY2023

LAKELAND CRA

COMMUNITY REDEVELOPMENT AGENCY

PROGRAM PROGRESSION REPORT



STATUS KEY	
RISKS / ROADBLOCKS	
POTENTIAL RISKS	
ON TRACK	

Grants/Programs	Status	Awards	Notes
Alley Vacating	ON TRACK	1	Downtown to Facilitate 313 N. Mass Development
Affordable Housing Partnerships	ON TRACK	4	Providence Reserve Seniors- Completed; Twin Lakes Phase II Midtown Lofts-70+ Units Vermont Ave Apartments- 16 Units- Completed
Design Assistance	ON TRACK	12	Mary's Bagels; Robinson-Kyles; Quick Print Express; Dixieland Import Auto Parts; Reececliff Family Diner; Lakeland Foot and Ankle; Stephen H. Artman; Low Country Vintage; Subs 'n Such
Down Payment Assistance	ON TRACK	3	Underway; Housing Administered
Façade and Site	ON TRACK	3	Robinson-Kyles; Krazy Kombucha; Southside Cleaners;
Fix-It Up	ON TRACK	9	Underway; Housing Administered
Food Related	ON TRACK	1	Krazy Kombucha
Infill- New Construction	ON TRACK	1	Affordable Housing Land Bank Awarded
Infill Adaptive Reuse	ON TRACK	6	Coney Funeral Home; Robinson-Kyles; The RecRoom; Mary's Bagels; Krazy Kombucha; High Class Barber & Salon
Dixieland Art Infusion	ON TRACK	17	Dixieland Import Auto Parts; Reececliff Family Diner; Lakeland Foot and Ankle; Stephen H. Artman; Low Country Vintage; Subs 'n Such; Waller Group; Bent's Schwinn Cycling & Fitness
Downtown Second Floor Renovations	ON TRACK	0	\$50,000 Allocation
EDGE	ON TRACK	4	Reviewing Applications
STEMM	ON TRACK	0	Underway

**Community Redevelopment Area Advisory Board
Meeting Minutes
Thursday April 1, 2021
3:00 – 5:00 PM
Virtual Meeting**

Attendance

Board Members: Pastor Edward Lake (Chair), Brandon Eady (Vice-Chair), Frank Lansford, Commissioner Chad McLeod, Zelda Abram, Harry Bryant, Brian Waller, Dean Boring, and Brian Goding

Absent: Cliff Wiley and Cory Petcoff

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

Guests: Jonathan Rodriguez, Mike Mustard, Jerrod Simpson and Brian Rewis

Packets

- Meeting Minutes dated March 4, 2021
- Financial Update
- Project Progression Report
- Memo-Subordination Terms & Policy

Housekeeping

Alis Drumgo discussed an open Midtown CRA seat on the Advisory Board. Annual Report and audit for fiscal year 2020 has been completed and board members will receive a hard copy.

Action Items – Old Business

Financial Update & Project Tracker

Alis Drumgo noted that financials are stable and projects are moving along. One mural completed and 13 applications submitted within the Dixieland Art Infusion. Staff working diligently to promote program.

Meeting Minutes Dated March 4, 2020

Commissioner Chad McLeod moved to approve. Frank Lansford seconded motion which passed unanimously.

Action Items – New Business

Discussion Items

At the March 4th meeting, the CRA Advisory Board engaged in discussion regarding the City of Lakeland’s Housing Division and CRA’s subordination policy. A subordination is deferred debt, associated with the public funds provided to facilitate the issuance of a mortgage. There are various reasons a homeowner may ask the City/CRA to subordinate, but the more frequent

requests are to refinance, make home improvements or sell the home. Typically, a subordination is not granted without repayment of the assigned debt.

The Housing Division's subordination policy is not to subordinate, and the CRA has loosely followed the policy. While Housing offers home purchase assistance on an income-based basis, the CRA's original intent of the down payment assistance program differs in that the CRA's funding was utilized to attract buyers to CRA areas since those buyers would have other options to purchase outside of the redevelopment area. Housing does consider request for waiver in cases such as natural disaster emergency, refinancing for educational/educational debt purposes, refinancing for medical purposes, or refinancing for reinvestment in and/or expansion of existing home which will remain the homeowner's homestead property.

At the previous meeting, Staff provided a general overview of the Housing Division's policy and explained that the CRA has revised the down payment assistance program multiple times with some repayment terms ranging from 5 to 30 years. With that information, the Advisory Board requested a detailed breakdown of the existing agreements with the terms, amounts owed and maturation dates. Staff researched and identified 87 agreements in place: 24 Agreements spanning 20+ years, 24 Agreements spanning 10 years, 36 Agreements spanning 5 years, 3 Agreements having conditional terms that have indefinite clauses.

In addition, Staff put together a standalone CRA policy that allows for some flexibility due to the nature of the CRA's down payment assistance program.

Hearing the information, Brandon Eady recommended satisfying the obligations for those liens/second mortgages in the ten (10) year term with the exception of Lincoln Square and those with indefinite clauses.

Brian Rewis noted that the Lincoln Square ten-year term is appropriate when taking in consideration return investment.

Dean Boring seconded motion which passed unanimously.

Staff recommended adoption of CRA Subordination policy as presented.

Commissioner McLeod motioned to approve to approve the policy as presented. Zelda Abram seconded the motion which passed unanimously.

Alis Drumgo reminded board members of upcoming grand openings for Vermont Place Apartments on April 14th and Midtown Lofts on April 26th.

Adjourned at 3:46 PM

Next Meeting, Thursday, May 6, 2021 3:00 PM.

Pastor Eddie Lake, Chairman

Date

Board of Commissioners
Lakeland Community Redevelopment Agency
Lakeland, Florida

Report on the Financial Statements

We have audited the financial statements of the Lakeland Community Redevelopment Agency (the “Agency”), a component unit of the City of Lakeland, Florida, as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated March 24, 2021.

Auditor’s Responsibility

We conducted our audit in accordance with United States generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and *Chapter 10.550, Rules of the Florida Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of The Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant’s Reports on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 24, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings noted in proceeding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Agency met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Agency did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the City in which the Agency is presented as a blended component unit and included in the City's assessment. It is management's responsibility to monitor the Agency's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Crowe LLP

Tampa, Florida
March 24, 2021

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
SECTION 218.415, *FLORIDA STATUTES*

Board of Commissioners
Lakeland Community Redevelopment Agency
Lakeland, Florida

We have examined the Lakeland Community Redevelopment Agency's (the "Agency") compliance with Section 218.415, *Florida Statutes*, concerning the investment of public funds during the year ended September 30, 2020. Management of the Agency is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the requirements contained in Section 218.415, *Florida Statutes* for the year ended September 30, 2020.

The purpose of this report is solely to comply with Chapter 10.550, *Rules of the Florida Auditor General*. Accordingly, this report is not suitable for any other purpose.



Crowe LLP

Tampa, Florida
March 24, 2021

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
SECTIONS 163.387(6) and (7), *FLORIDA STATUTES*

Board of Commissioners
Lakeland Community Redevelopment Agency
Lakeland, Florida

We have examined the Lakeland Community Redevelopment Agency's (the "Agency") compliance with Sections 163.387(6) and (7), *Florida Statutes*, concerning the expending of Community Redevelopment Agency (CRA) funds only for CRA undertakings as described in the Agency's CRA plan and pursuant to the Agency's CRA adopted budget and funds remaining after the payment of expenses during the year ended September 30, 2020. Management of the Agency is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the requirements contained in Sections 163.387(6) and (7), *Florida Statutes* for the year ended September 30, 2020.

The purpose of this report is solely to comply with Chapter 10.550, *Rules of the Florida Auditor General*. Accordingly, this report is not suitable for any other purpose.



Crowe LLP

Tampa, Florida
March 24, 2021



228 S MASSACHUSETTS AVE
LAKELAND, FLORIDA 33801
863.834.6011

Memo

To: CRA Advisory Board
From: D'Ariel Reed, CRA Project Manager
Through: Alis Drumgo, CRA Manager
CC: Jason Lewis, 725 E Orange LLC
Date: June 3, 2021
Re: **Tax Increment Financing Request – Property Located at 721 & 725 East Orange Street and 0 Lake Avenue**

I. Background:

725 E. Orange LLC has submitted a request for Tax Increment Financing (TIF) for properties the entity owns at 721 & 725 East Orange Street and 0 Lake Avenue. This is the proprietor's second residential project in the area. Jason Lewis also brought the Lemon Street Apartments before the Advisory Board for TIF reimbursement in October 2020. Plans for these properties include new construction and site improvements to the properties which are located in the Downtown CRA's Garden District.



II. The Site:

The existing site consists of parcels 24-28-18-205000-023031, 24-28-18-209500-000040 and 24-28-18-209500-000052; totaling 40,510.8 SF (.93 acres) of land. There were two pre-existing structures on the property. One has been demolished, and the other is in the process of being relocated for the sake of preservation.



III. Project Description:

The Developer is proposing a new construction of four, 3 story buildings, consisting of thirty-two (32) apartment units and on-site surface parking. The Developer's hard costs are projected to be \$3,760,300 with an additional \$442,554 in soft costs and \$880,000 in land acquisition costs, bringing the total development costs to approximately \$5,094,679. Renderings and proposed plans are attached.



IV. Project Evaluation:

The Tax Increment Financing program allows qualified developers to receive a reimbursement of tax increment funds collected by the Lakeland Community Redevelopment Agency (CRA). The reimbursement is based on incremental revenue collected due to increases in the property's taxable value resulting from the investment made in the real estate. The standard term of the reimbursement is five (5) years, beginning in the year following the project's receipt of a Certificate of Occupancy. Under the standard TIF, the developer will receive a reimbursement of 50% of the tax increment generated in the first year and that same dollar amount will be reimbursed upon proof of payment of property taxes each of the next four years for a total of five years. Once awarded, this program is not transferrable and will expire upon the sale or transfer of the property.

There are two primary criteria which must be met to qualify for this program:

- 1) *The renovation/improvement must be at least 50% of the then current assessed value of the property and must bring the property up to meet all building codes.*
- 2) *The applicant must apply for consideration prior to receiving a building permit for construction.*

The current total assessed value of the properties is \$132,141 and improvements are estimated to be \$3.7 million. Based on this information, the renovation/improvement clearly exceeds the required 50% investment above the current assessed value. The applicant currently has plans ready to submit for permitting.

In January 2008, the Lakeland Downtown Development Authority (then the review and approval authority for this program) adopted several additional Selection Considerations for the Tax Increment Financing Program. These Selection Considerations were based on the physical characteristics of different parts of Downtown.

To be considered for incentives, a project must be consistent with the following Downtown CRA goals:

- Be consistent with the Redevelopment Plan
- Maintain and enhance the historic and pedestrian character of Downtown

- Provide a catalyst for economic development
- Promote infrastructure improvements including bike/pedestrian connections that allow for connectivity between all areas of Downtown
- Promote infill development

The Development aligns with that sought by the CRA's Redevelopment Plan as:

- 1) It will maintain and enhance the historic character of the Garden District, as confirmed by the Design Review Committee of the Historic Preservation Board, who approved the design on May 27, 2021;
- 2) It will provide a catalyst for economic development by the expansion of the residential community in Downtown, which will result in the expansion of retail, restaurants and other commerce in Downtown; and
- 3) It will provide infill development by constructing thirty-two apartment units on underutilized land located in the Garden District of Downtown.

The Developer is estimating completion in the Summer of 2022.

The Developer is requesting consideration for a modified 5-year TIF with 100% reimbursement for years 1 through 3, and 80% for years 4 and 5. Based upon estimated project costs, TIF payments under the modified TIF are projected to total \$201,248.31 over the five-years. Based upon estimated project costs, TIF payments under the standard TIF are projected to total \$109,374.08 over the five-years.

Staff is recommending approval of a standard 5-year TIF with 50% reimbursement for each year.

V. Board Consideration:

At the Board's discretion to consider 725 E Orange LLC's request for Tax Increment Financing for properties at 721 & 725 East Orange Street and 0 Lake Avenue for a reimbursement of 50% of the tax increment for five years.

Attachments:

- Agreement
- Application
- Payment Projector
- Renderings
- Letter of Request

Developer Agreement

Tax Increment Benefits

This agreement is made this _____ day of _____, 2021, by and between the City of Lakeland Community Redevelopment Agency, a public body corporate and politic created pursuant to Part III, Chapter 163, Florida Statutes (the “LCRA”), and 725 E Orange LLC (the “Developer”).

Whereas, the City of Lakeland City Commission, as the Community Redevelopment Agency for the Downtown Community Redevelopment Area, has the authority to contract with private developers for Tax Increment Benefits; and

Whereas, the Developer proposes to complete substantial renovations or improvements to the real property located at 721 & 725 East Orange Street and 0 Lake Avenue, Lakeland, FL 33801 and more specifically described in Exhibit A attached hereto (the “Property”); and

Whereas, the current assessed value of the Property, as certified by the Polk County Property Appraiser, is _\$132,141.00¹_; and

Whereas, the Developer has confirmed that the proposed renovations or improvements to the Property, said renovations and improvements being more specifically described in Exhibit B attached hereto (the “Project”), have an estimated value equal to or exceeding fifty percent (50%) of the current total assessed value of the Property; and

Whereas, the Developer has presented, and the Downtown Community Redevelopment Area Advisory Board as advisory board to the LCRA, has approved, the Project for receiving Tax Increment Benefits; and

Whereas, upon completion of the Project, the Polk County Property Appraiser will reassess the Property for Ad Valorem Tax purposes;

Now, therefore, the LCRA and the Developer agree as follows:

1. The foregoing findings are incorporated herein by reference and made a part hereof.
2. Beginning in the year immediately following the year in which the Project is completed and continuing for a total of five (5) years, the LCRA shall make a single annual payment to the Developer in an amount calculated according to the following equation:

Assessed Value (Post Improvement) – Pre-Construction Assessed Value (Base Year)
X Combined Millage Rates of Polk County, City of Lakeland Lakeland Area Mass
Transit District, and all other taxing authorities then required by law to deposit
increment taxes into the Community Redevelopment Trust Fund X 95% X 50%.

¹ 2020 County Taxable Value as of May 2021

For the purposes of this calculation, the Post-Improvement Assessed Value of the Property shall be determined each year from the records of the Polk County Property Appraiser. The "Base Year" shall be the year in which the Project is completed. A Project shall be deemed completed when the City issues a Certificate of Occupancy, Certificate of Completion or other official acknowledgement indicating completion of the Project in accordance with all applicable regulations. "Year One" shall be the year immediately following the Base Year. In the event the Property Appraiser has not reassessed the Property after completion of the Project, and, as a result, the assessed value of the Property in Year One has not increased above the assessed value for the Base Year, the Base Year shall be deemed to be the year immediately following the year in which the Project is completed and Year One shall be the year immediately following the revised Base Year. However, in no event shall the base year be further revised.

3. The Developer will receive the benefits as calculated above for five consecutive years

4. Prior to payment, the Developer shall provide the LCRA with proof of payment of taxes for the Property. The LCRA shall, within 30 days of the receipt of such proof or at such time as sufficient revenues have been deposited into the Downtown Redevelopment Trust Fund, whichever occurs last, cause disbursement to the Developer of payment in the amount calculated according to the above equation.

5. In the event this Agreement or any provision of this Agreement is for any reason held illegal or unenforceable by a court of competent jurisdiction, the parties shall attempt in good faith to negotiate a new agreement or provision that is legal and enforceable and that effectuates the intent and purpose of this agreement. To such extent, the provisions of this agreement shall be deemed severable.

6. Nothing in this Agreement shall operate or be construed to compel the City Commission of the City of Lakeland, the LCRA, or any other taxing authority to either directly or indirectly levy ad valorem taxes or otherwise exercise its taxing power to fund any obligation created by this Agreement.

7. The benefits and obligations of this Agreement are not assignable and shall terminate upon the sale or transfer of the property.

8. This Agreement represents the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes any prior understandings or agreements between the parties. No modifications to this Agreement shall be enforceable unless in writing and executed by both parties hereto.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

DEVELOPER:

Jason Lewis
725 E Orange LLC

LAKELAND COMMUNITY
REDEVELOPMENT AGENCY:

Kelly S. Koos, City Clerk

By: _____
H. William Mutz, CRA Chairman

Approved as to form and correctness: _____
Palmer Davis, City Attorney

EXHIBIT A

Address: 721 East Orange Avenue, Lakeland, FL 33801
725 East Orange Avenue, Lakeland, FL 33801
0 Lake Avenue, Lakeland, FL 33801

Parcel ID: 242818-205000-023031
242818-209500-000040
242818-209500-000052

Legal Description: MORTONS ADD DB Q PG 79 BLK W LOT 3 E1/2
AND
TYLER ROB SUB PB 3 PG 6 LOTS 1 TO 4
AND
TYLER ROB SUB PB 3 PG 6 LOT 5 W 47.5 FT

Value Summary (2021)

Land Value	\$49,140
Building Value	\$83,001
Misc. Items Value	\$0
Total Taxable Value (County):	\$132,141

Map

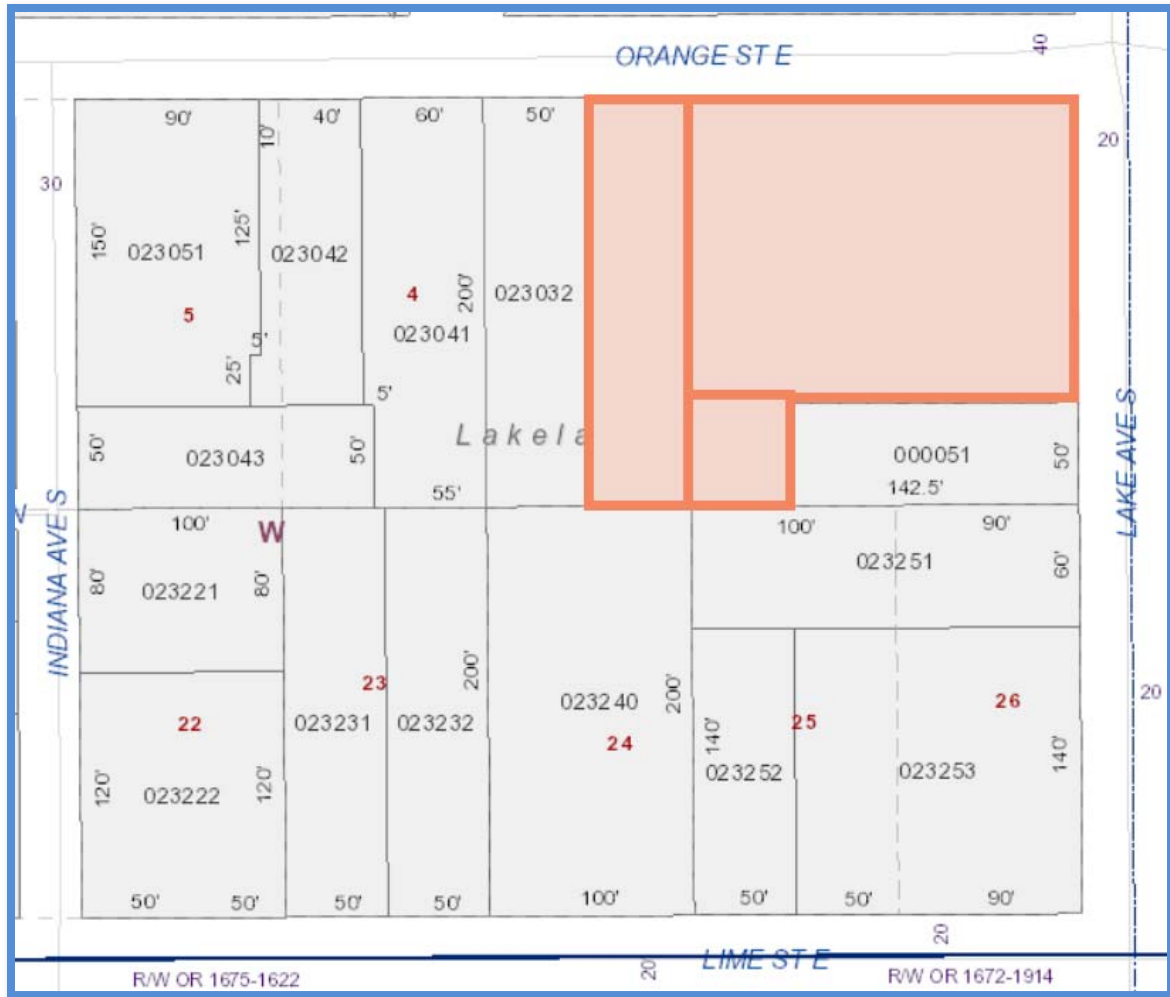


EXHIBIT B

- Scope of Work (see attached)
- Site Plan & Renderings (see attached)
- Budget (see attached)

Community Redevelopment Agency
 228 South Massachusetts Avenue
 Lakeland, Florida 33801

Date: 5/3/2021

Section 1: Applicant Information

Applicant Name: Jason Lewis

Business Name (if applicable): 725 E Orange LLC

Mailing Address: 1526 Commercial Park Dr. Ste. 2 Lakeland, FL 33801

Phone: 760-505-8195 Email Address: jason@benchmarkpgrp.com

Project Address: 725 E Orange St. Lakeland, FL 33801

Project Budget: \$ 5,094,679.00 Requested Grant Amount: \$ 5 year TIF

Lease Term (if applicable): _____

Property Owner's Name: 725 E Orange LLC

Property Owner's Mailing Address: 1526 Commercial Park Dr. Ste. 2 Lakeland, FL 33801

Phone: _____ Email Address: _____

Section 2: Please select the checkbox that corresponds to each grant for which you are applying. Complete the referenced section(s).

Commercial

<input type="checkbox"/> Design Assistance –Sections 3 & 6 (Dixieland and Midtown Only)	<input type="checkbox"/> Infill Adaptive Reuse –Sections 3, 5 & 6 (Downtown, Dixieland, and Midtown)
<input type="checkbox"/> Façade & Site Improvement –Sections 3, 5 & 6 (Downtown, Dixieland, and Midtown)	<input checked="" type="checkbox"/> TIF – Sections 3, 5 & 6 (Downtown and Midtown Only)
<input type="checkbox"/> EDGE Program –Sections 3, 4, 5 & 6 (Downtown, Dixieland and Midtown)	<input type="checkbox"/> Dixieland Art Infusion - Sections 3, 5 & 6 (Dixieland and Downtown -S. FL Corridor Only)
<input type="checkbox"/> STEMM Program – Sections 3, 5 & 6 (Midtown Only)	

***All Projects will be deemed final upon issuance of reimbursement or payment.

Section 3: Project Description

Building's existing use(s): Vacant Land & Two vacant apartment buildings

Building's new use(s): 32 Unit Multi Family Apartments

General description of proposed improvements:

- New Construction Rehabilitation
- Façade Awnings/Canopies Signs Walls/Fencing/Landscaping
- Electric HVAC Plumbing Fire Suppression
- Mural Other _____

Please provide a brief description of the work to be performed, materials to be used, color and material samples (if applicable).

Section 4: Business Information

What is the expected opening date? _____

What type of food-related business is being proposed? _____

What will be the business' hours of operation? _____

Is the proposed business a franchise? No Yes _____

Will entertainment be offered? No Yes _____

Will there be outdoor seating at this establishment? No Yes

What is the proposed seating capacity of the restaurant, if applicable? _____

Is this the business' 1st location, 2nd location or a relocation? _____


Section 5: Required Documentation

- Project schedule
- Proposed budget
- Three cost estimates
- Schematic drawings illustrating proposed site plan/floorplan
- Description of materials to be used, the construction procedure and colors
- Photographs of the existing building and the proposed project area
- Notarized letter from property owner
- W-9
- Food-related services resume(s) – if applicable
- Certificate of Review from the Historic Preservation Board – if applicable
- Rendering of proposed artwork- if applicable
- Number of Full-Time jobs created – if applicable

TIF Applications (Additional Documentation)

- Letter of request
- Current assessed value

Section 6: Signature

Applicant's Signature:  _____ Date: 5/3/2021

Property Owner's Signature: _____ Date: _____

FOR STAFF USE ONLY

Date of initial contact: _____ Electronic submission In person

Staff representative: _____

Design Professional: _____

Pre-Application Meeting

Post-Application Meeting

Three estimates submitted? Yes No

Taxes current? Yes No

Staff Decision: Approved Denied Board Appealed

Property Site File Number: _____

TIF Calculation Spreadsheet

	Projected Costs per Developer	Assessed Valuation at Time of TIF Application	Projected Assessed Valuation (80% of projected cost)	Increment Produced by Redevelopment	Projected Increment Generated Property Tax using 2020 millage (.0128634)*	Projected Reimbursement to Developer
Total Project Analysis						
Land	\$880,000	\$49,140	\$704,000.0	\$654,860.0	\$8,423.7261240	
Improvement	\$3,760,300	\$83,001	\$3,008,240.0	\$2,925,239.0	\$37,628.5193526	
Total	\$4,640,300	\$132,141	\$3,712,240.0	\$3,580,099.0	\$46,052.25	\$21,874.82

*The CRA reimburses taxes paid into the CRA Trust Fund by Polk County (6.899), City of Lakeland (5.564400), and Lakeland Area Mass Transit (.5) These are the 2020 millage rates. If any of these entities cease to pay into the Fund, they will not be eligible for reimbursement. State Statute only allows reimbursement of 95% of the increment.

TIF Reimbursement over 5 years		Modified TIF Reimbursement over 5 years	
50%	\$21,874.82	100%	\$43,749.63
50%	\$21,874.82	100%	\$43,749.63
50%	\$21,874.82	100%	\$43,749.63
50%	\$21,874.82	80%	\$34,999.71
50%	\$21,874.82	80%	\$34,999.71
Total	\$109,374.08	Total	\$201,248.31



VIEW 01.

ORANGE STREET APARTMENTS | THE LUNZ GROUP | 03.30.2021

LIC: AAC001580



VIEW 02.

ORANGE STREET APARTMENTS | THE LUNZ GROUP | 03.30.2021

LIC: AAC001580



VIEW 03.

ORANGE STREET APARTMENTS | THE LUNZ GROUP | 03.30.2021

LIC: AAC001580

THE
LUNZ
GROUP



VIEW 04.

ORANGE STREET APARTMENTS | THE LUNZ GROUP | 03.30.2021

LIC: AAC001580



VIEW 05.

ORANGE STREET APARTMENTS | THE LUNZ GROUP | 03.30.2021

LIC: AAC001580



VIEW 06.

ORANGE STREET APARTMENTS | THE LUNZ GROUP | 03.30.2021

LIC: AAC001580

Dear Downtown CRA Advisory Board:

The Orange St. Development will be built by 725 E Orange LLC on the property located at 725 E Orange St., 721 E Orange St. and 0 Lake Ave., which is in the Garden District of Downtown Lakeland. The Development will consist of five, 3 story buildings, having a total of (32) apartment units, with a mix of one- and two-bedroom apartments. The Development Review Committee granted approval of the design of the Development on January 28, 2021. This approval was sought to be consistent with the City's Redevelopment plan. This will help the City meet their goals of enhancing and maintaining the historic character of Downtown.

The Property was purchased on October 29, 2020 for \$880,000.00. The current assessed value of the lots are \$132,141.00. The Developer's hard costs for the Development are projected to be \$3,760,300.00 with an additional \$442,554.00 in soft costs and \$891,825.00 (includes closing costs) in land acquisition costs, bringing the total development costs to approximately \$5,094,679.00. These hard costs were estimated in September of last year (2020). We are in the process of getting an update budget and expect it to be significantly higher.

We are seeking a TIF Agreement that would reimburse the tax increment generated from the Development over a five (5) year period, with a reduction to the reimbursement over the five (5) year period as follows: 100% for years 1, 2 and 3, 80% for years 4 and 5. We are requesting this increment due to significant costs associated with the development of this particular parcel.

The cost of land was significantly higher because of the two existing structures on the lot. One of which (the two story building) had a negative opinion from anyone I spoke with who was familiar with the property. We have allowed for salvage of the materials from this building which was then demolished on May 17, 2021. The single story structure is in the process of being relocated to a vacant lot on Lime st. owned by Gregory Fancelli. I'm working with him to facilitate this process. All three parcels equal about one acre. The average cost of an acre in this area is \$400,000. We paid more than twice as much to acquire this property.

We've made a conscious effort to put an appropriate number of apartments on this lot that is not too dense for the neighborhood. As well as, design the project so that it complements the historic nature of the Garden District. In doing this, our cost per unit is significantly higher than it otherwise could have been.

Also, we broke ground on April 22, 2021 for our Development of 22 units on Lemon St. in the Garden District. Unfortunately, the cost of materials has skyrocketed over the last six months and there was an increase of almost \$500,000 in costs to this project. A few weeks ago, I received another cost increase of \$215,000 for this project. If these costs continue to rise it could put the Development on Orange St. in jeopardy and make it no longer financially feasible.

The TIF Agreement we are requesting of the City is a reasonable request due to the excessive costs involved to construct these units and the payment of the reimbursement is truly a non-out-of-pocket incentive. Therefore, we are simply asking the CRA for help through a TIF agreement.

Thanks for your consideration.

Best Regards,

Jason Lewis