

LAKELAND CRA

COMMUNITY REDEVELOPMENT AGENCY

AGENDA

Community Redevelopment Area Advisory Board

Thursday, January 4, 2018 | 3:00 PM – 5:00 PM
City Commission Conference Room, City Hall

A. Housekeeping

B. Financial Update

C. Action Items

1. Old Business
 - 1.1 Meeting Minutes dated December 7, 2017 (Pg. 1-5)
 - 1.2 Midtown Affordable Housing Program Update (Pg. 6-8)
 - 1.3 114 East Parker Street Update (Pg. 9-20)
 - 1.4 Fix-It-Up Incentive Update (Pg. 21-22)
2. New Business
 - 2.1 Tapatios Grant Request (Pg. 23-38)

D. Discussion Items

E. Adjourn

NEXT REGULAR MEETING:

Thursday, February 1, 2017, 3:00 - 5:00 PM – City Commission Conference Room

Downtown Fund



■ Available	\$763,353
■ Expenses	\$128,420
■ Encumbrances	\$645,141

Dixieland Fund



■ Available	\$647,272
■ Expenses	\$736
■ Encumbrances	\$84,481

Midtown Fund



■ Available	\$2,498,015
■ Expenses	\$329,316
■ Encumbrances	\$7,430,767

**Community Redevelopment Area Advisory Board
Meeting Minutes
Thursday, December 7, 2017
3:00 – 5:00 PM
City Commission Conference Room, City Hall**

Attendance

Board Members: Cory Petcoff (Chair), Ben Mundy (Vice-Chair), Brian Goding, Pastor Edward Lake, Frank Lansford, Commissioner Jim Malless, Cliff Wiley, Dean Boring and Zelda Abram

Absent:

Staff: Nicole Travis (CRA Manager), Celeste Deardorff (Community Development Interim Director), Alis Drumgo, Valerie Ferrell, D'Ariel Reed, Jonathan Rodriguez and Michael Smith

Guests: Marcos Fernandez (Nineteen61), Barry Friedman (Lakeland Now)

Packets

- Meeting Minutes dated November 2, 2017
- Memo – Financial Update
- Memo – Seventeen20 Update
- Memo – Lincoln Square Update
- Memo – Mass Market Parking Lots

Handouts

- Arts & Entertainment
- D'Lucas
- Midtown Affordable Housing Program

Housekeeping

Action Items – Old Business

Meeting Minutes dated November 2, 2017

In response to Ben Mundy, Nicole Travis stated that the minutes would be revised to clarify that Nujak's value engineered savings of \$162,000 to \$200,789 for the overall project as opposed to individual savings on each Lincoln Square home.

Commissioner Jim Malless moved approval of the November 2, 2017 minutes as amended. Pastor Edward Lake seconded the motion and it passed 9-0.

Financial Update

Nicole Travis explained that the CRA Available Funds Report reflects how much unappropriated surplus is left in each account based on projects that the CRA encumbered and within contract. The Midtown account includes the entire development of the Lincoln Square project. She also noted that Midtown's income is currently over 2 million dollars per year.

Seventeen20 Update

Nicole Travis provided an update on the property search for Jon and Sarah Bucklew. CRA staff was previously instructed to find a suitable property, preferably in the East Main District. The building of interest on Rose Street was purchased by another company prompting revision of the target area to include the vicinity surrounding Mass Market, in an effort to continue momentum within the Midtown district.

717 North Florida Avenue and 111 East Parker Street are both located two blocks west of Mass Market and the future location of the Food Truck Park. An offer of \$220,000 was made for the property at 717 North Florida Avenue. A separate offer was made for the appraised value of 111 East Parker Street with the seller having an option to withdraw if the appraisal is unfavorable. Both offers are subject to board approval.

Staff is proposing the purchase of both properties with renovation estimations varying between \$80-\$100 per square foot.

Alis Drumgo noted that Jon Bucklew's original request listed the space requirement for Seventeen20 at 20,000 square feet. The combination of the two buildings would allow for such.

Commissioner Jim Malless expressed concern about Bucklew's request of ownership of the property bringing the CRA's total investment into the project to 2.5 million dollars. He suggested the agreement be amended to include a buyout of 75% to 80%.

Ben Mundy requested the Bucklews submit a business plan and financial statements for the board's review.

Cory Petcoff suggested a non-refundable deposit on the future purchase of the property at \$50,000 to \$100,000.

Nicole reminded the board that during the Bucklew's original presentation they mentioned having \$200,000 to \$250,000 reserved for investment into the project.

Ben Mundy suggested the Bucklews invest their money into the renovation of the property as opposed to a reserved deposit, to facilitate the anticipated buildout of the property befitting their needs.

Cory Petcoff suggested voting to approve purchase of the property, withholding agreement on the development of the site.

Discussion ensued regarding the funds available and income expectancy for Midtown.

Nicole stated that the financial information in question will be included for each account in the Agenda packets going forward.

Discussion ensued regarding the use of 114 East Parker Street.

Ben Mundy suggested using the property at 717 North Florida Avenue in conjunction with CRA owned property at 114 East Parker Street in lieu of purchasing the property at 111 East Parker Street.

Alis Drumgo mentioned the need for parking would be solved with the purchase of 111 East Parker Street as a portion of the building would be demolished for that cause.

Commissioner Jim Malless moved approval of staff's recommendation of acquisition of 717 North Florida Avenue and 111 East Parker Street with a not-to-exceed amount of \$750,000. Dean Boring seconded the motion and it passed 9-0.

Lincoln Square Update

Alis Drumgo reported that the City Commission approved the CRA/Nujak (Contractor) contract for \$4,532,140 to construct the Lincoln Square homes on December 4th, 2017. Staff elected to decline options that would devalue the quality of the homes. Cost savings are estimated at \$51,781 across all phases of construction.

Grade-A-Way is 80% complete with site work and infrastructure, and the project is two months ahead of schedule. With all homes under contract and deposits on hand, staff recommends the Board commit to all phases of construction to prevent any construction delays for the Contractor.

Eddie Lake moved approval of staff's recommendation. Dean Boring seconded the motion and it passed 9-0.

Mass Market Update

Polk County Tax Collector, Joe Tedder, approached the CRA requesting assistance to provide additional parking of approximately 60 spaces for employees at his 916 N. Massachusetts Avenue facility which is across Plum Street the northern boundary of Mass Market. His request was specifically for a secure, paved parking lot with gated access. He proposed a lump sum payment to be determined in exchange for access to parking Monday through Friday from 8:00 AM to 5:00 PM.

The CRA was also approached by Word Alive Ministries regarding the offering of their property at 0 Kentucky Avenue. This property was offered to the CRA at a price of \$349,900 and the Advisory Board declined the offer to purchase. The current offering price is \$200,000. This lot is currently paved which will significantly reduce the construction cost of a secured parking lot, and it is directly across Kentucky Avenue from the Tax Collector's office.

Staff recommends that the Board authorize Staff to enter into a purchase agreement for 0 Kentucky Avenue at a price not to exceed \$200,000 and undertake improvement to a secured parking lot at the Tax Collector's expense in exchange for which the Tax Collector will have a long-term lease (the lease term will be determined by the cost of the improvement). The agreement with the Tax Collector would be negotiated during the due diligence period for the purchase contract. The CRA would then limit improvements on the lots directly across from Mass Market (830 N. Kentucky) to fencing and parking stops which is adequate for valet parking.

Jim Malless moved approval of the purchase of Word Alive properties at 0, 902, 910 North Kentucky Avenue and 0 North Tennessee Avenue with a not to exceed amount of \$230,000. Dean Boring seconded the motion and it passed 9-0.

Action Items – New Business

D'Lucas

Valerie Ferrell introduced Marcos Fernandez, Executive Chef and owner of Nineteen61. Marcos is looking to expand his culinary reach to another location at 1037 Dixieland Mall Lane (formerly Crane's Crossing) behind the Dixieland Mall. This location will be a commissary/bakery with to-go items and an outdoor seating area. The intent of the location is to serve primarily as a catering kitchen, with options for visitors to gather in a picnic-style setting. Two businesses will be established at this location, D'Lucas serving to-go items and Honey Comb serving as the bakery/catering service. Marcos is seeking a partnership with the CRA through assistance with façade improvements and new kitchen equipment.

Marcos is not the owner of the building, but does have a standing lease agreement with preapproval from the landlord for the renovations. Preliminary estimates obtained by the applicant demonstrate a total investment of \$134,000 to prepare the building for the kitchen use as well as outdoor dining areas. The applicant is requesting the CRA to assist with the upgrades beyond the administrative program limits in the amount of

\$41,500. The CRA investment would represent 35% of the total investment for this project. Staff supports this request and recommends approval.

Marcos Fernandez gave a brief presentation for D'Lucas and Honey Comb.

Commissioner Jim Malless suggested limiting the scope of assistance to long-term investments for the project.

Staff is seeking approval of the additional \$11,500 cost above the administrative grant for both construction and kitchen equipment.

Dean Boring moved approval staff's recommendations. Frank Lansford seconded the motion and it passed 8-0. Cory Petcoff abstained from voting.

Arts and Entertainment

In an effort to entice and bring more investment into the CRA districts, staff is proposing creation of an Arts and Entertainment grant program. This program would offer funding to agencies seeking to host a community event centered around some cultural experience. In order to make best use of funds from the CRA, staff is recommending issuing a Request for Proposals to find a consultant who is able to analyze the cultural needs and define a brand identity for what is to become an Arts and Entertainment district. Once these are defined, the consultant would offer suggestions for program funding elements and how to implement public art projects and define cultural hubs in the Lakeland community.

Nicole Travis gave a brief presentation of canvases painted by David Collins. He and the CRA staff are proposing the creation of 60 canvases to be strategically placed throughout the city to draw attention to different areas that are vacant or underutilized. Staff is requesting funds to secure a partnership with Mr. Collins.

Jim Malless moved approval of staff's request to move forward with the Arts and Culture R.F.P. process with a submission requirement to the Board defining the terms. He also authorized the allocation of funds from all three CRA accounts with a not to exceed amount of \$25,000 as the first in installation payments with respect to event funding. Dean Boring seconded the motion and it passed unanimously.

Midtown Affordable Housing

The new home construction project at Lincoln Square has such a buzz in the Midtown area that CRA staff has received contact information for nearly four hundred interested buyers. With only twenty-one homes available at Lincoln Square, there is a high demand for housing in the area. Staff is proposing to continue with the neighborhood stabilization strategy by assisting with making quality affordable homes available in the Midtown district. One strategy to provide quality and affordable housing is to strategically purchase homes in need of limited repair, renovate the homes, and offer them for sale at affordable prices.

Mike Smith reviewed two contracts for the Board's approval.

724 W. 8th Street, Lakeland, FL 33805 --- Purchase Price: \$32,500

Seller: 724 W 8th ST LAKELAND LLC

638 W. 9th Street, Lakeland, FL 33805 --- Purchase Price: \$32,500

Seller: Home and Stone Florida LLC

Due to time constraints a detailed discussion of the program will be moved to next month's agenda.

Cory Petcoff proposed moving to approve the purchase of the two homes in question and withholding motion on the details of the program yet to be disclosed.

Dean Boring moved approval of the purchase of the contracted homes. Eddie Lake seconded the motion and it passed 9-0.

Discussion Items

Cory Petcoff mentioned the vacancies Downtown (due to Todd Baylis' resignation), Midtown and the Commissioner's seat (due to Jim Malless' term ending).

Adjourned at 4:46 PM

Next Meeting, Thursday, January 4, 2018, 3 PM, City Commission Conference Room.

Cory Petcoff, Chairman

Date

DRAFT



COMMUNITY
REDEVELOPMENT
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Memo

To: CRA Advisory Board
From: Michael Smith, CRA Project Manager
CC: Nicole Travis, CRA Manager
Date: January 2, 2018
Re: Midtown CRA Affordable Housing

Introduction

Quality and affordable housing is very limited in the Midtown CRA district. There is a high volume of absentee owners and many of the homes are in disrepair. Currently the Lakeland CRA offers a down payment assistance program to encourage buyers to move into Midtown, but the number of available houses is very low. The new home construction project at Lincoln Square has created a buzz for the area and we received contact information for nearly four hundred interested buyers. With only twenty-one homes available at Lincoln Square, there is a high demand for housing in the area. Staff is proposing to continue with our neighborhood stabilization strategy by assisting with making quality affordable homes available in the district.

Proposal

One strategy to provide quality and affordable housing is to purchase homes in need of repair, renovate the homes, and offer them for sale at affordable prices. There are several investors that own multiple homes in the Midtown CRA and have let the houses become dilapidated. Staff sees this as an opportunity to reduce the number of absentee landlord properties in the area. These homes are either vacant or being rented in substandard living conditions. The intent is for the LCRA to purchase a house through tax deed sale or direct purchase, renovate

it, and offer it for sale with down payment assistance to a homestead buyer. The LCRA has the opportunity to replace an investor with a homestead buyer that wants to live in Midtown. The staff is not proposing to make a profit on the homes. These homes will be sold at an affordable price and still cover expenses incurred. (See Table 1)

Currently, houses are being purchased by investors as soon as they hit the market. Unfortunately, these investors are only putting minimal repairs into the homes and quickly renting them in substandard conditions. In order for the LCRA to help break this cycle we need to be able to move quickly when the opportunity to purchase arises.

Request

The current process for the LCRA to purchase homes requires each contract to be brought before the Advisory Board for approval. This process doesn't lend itself well to purchasing in this market. Staff is requesting approval to purchase homes in the approved designated target areas up to an annual amount of \$400,000. This budget would give staff the flexibility to purchase, renovate and sell approximately five houses.

Enclosures:

Table 1



Memo

To: CRA Advisory Board
 From: Alis Drumgo, CRA Project Manager
 CC: Nicole Travis, CRA Manager
 Date: December 29, 2017
 Re: 114 E. Parker St. Update

Platform Art and Wish Rents both expressed interest in 114 E. Parker St. at the November 2nd meeting. The Board requested the two businesses explore the following and return in sixty (60) days:

- Shared use of the space, in an open concept, with a design amenable to both parties
- Master Tenant/Sublease Structure
- Proposed Lease Structure

The two parties have provided renderings (attached) and have expressed, that shared space without subdivision is impractical. Both have also expressed disinterest in being a landlord, and would like to be direct tenants of the CRA. With that, the proposed lease terms are as follows:

Business	Monthly Base Rent	Property Tax (est.)	Sales Tax	Monthly Rent (w. tax)	Annual Base Rent	Square Feet	Price Per SF	Price Per SF (w. tax)	Lease Term
Platform Art	\$200	\$600	Exempt	\$250	\$2,400	2,500	\$0.96	\$1.20	5yr w/3yr opt.
Wish Rents	\$400	\$1200	\$336	\$528	\$4,800	5,000	\$0.96	\$1.27	3yr w/3yr opt.

*Property tax is estimated

- Tenants propose payment of utilities
- Tenants propose separate metering
- Tenants propose CRA pay for buildout, yet Platform intends oversee construction with Project Manager expense built into budget

With the Board expressing a desire to make deals favorable to the CRA as redevelopment occurs, Staff has compiled the below information showing a comparison to current lease terms of similar businesses:

Business	Monthly Base Rent	Property Tax (est.)	Sales Tax	Monthly Rent (w. tax)	Annual Base Rent	Square Feet	Price Per SF	Price Per SF (w. tax)	Lease Term
Non-Profit									
Platform Art	\$200	\$600	Exempt	\$250	\$2,400	2,500	\$0.96	\$1.20	5yr w/3yr opt.
Art/ifact	\$250	\$9,000	Exempt	\$750 cap	\$3,000	7,200	\$0.42	\$1.20 cap	5yr w/5yr opt.

*Art/ifact to pay no more than \$750 in combination of rent and property tax in years 2-5

*Platform Art projected to pay 1/3 of taxes based on occupied space

Business	Monthly Base Rent	Property Tax (est.)	Sales Tax	Monthly Rent (w. tax)	Annual Base Rent	Square Feet	Price Per SF	Price Per SF (w. tax)	Lease Term
Non-Profit									
Wish Rents	\$400	\$1,200	\$336	\$528	\$4,800	5,000	\$0.96	\$1.27	5yr w/3yr opt.
Crystal's World of Dance	\$300- \$750	\$1,800	\$252- \$630	\$471- \$952.50	\$3,600- \$9,000	2,350	\$1.54- \$3.83	\$2.41- \$4.87	5yr w/5yr opt.

*Wish Rents projected to pay 2/3 of taxes based on occupied space

*Crystal's World of Dance has a graduate lease \$300(for months 6-12), \$500(years 2-3), and \$750(years 4-5)

The proposed terms are inconsistent with the Board's request. However, the terms are similar to previous deals made with the CRA. Staff is requesting direction from the Board.

December 19, 2017

Ms. Nicole Travis

City of Lakeland, Community Redevelopment Agency

228 S. Massachusetts Avenue

Lakeland , FL 33801

RE: Proposal from *Platform Art* and *Wish Rents* for the lease of 114 E. Parker Street, Lakeland, FL 33801

Dear Ms. Travis:

Platform Art, Inc. and *Wish Rents* have both expressed an interest in 114 E Parker Street. We listened to, heard and hope to address the issues and concerns expressed by the Board at the November 13, 2017 meeting, specifically shared use of the building, master lease concept, rent and utility structure and building/tenant improvement costs, as the major points of a potential deal. This letter is designed to answer and address the issues, items, and comments raised by the CRA board.

Who are we, as prospective tenants; who are we and what do we do? *Platform Art* and *Wish Rents* are two well established local enterprises with two different business models and different constituencies and will both use the building and space in different ways.

Proposed Building Utility:

The overall use of the building by *Wish* and *Platform* achieves the goals of the CRA of having an active building during business hours every day. *Wish* will operate during business hours or by appointment; and *Platform* offices will be open during business hours but also have programmed events bringing people to the building and neighborhood during the evening. Occupancy of both *Platform* and *Wish* are complementary uses.

Platform Art is a not-for-profit 501© 3 in the State of FL and our mission is to “link regional artists with public art projects that benefit and enhance local communities”. We accomplish this mission by engaging in signature public art projects to benefit the community in collaborations with numerous community partners, coupled with a series of smaller more intimate art programs, events and projects that community members can engage.

Wish Rents (formerly dba *Wish Vintage Rentals, LLC*) is a for-profit enterprise offering prop and surface rentals to stylists, photographers, event designers and many others who are looking to add a unique patina to their production or event. For the past five years, *Wish Rents* offered vintage furniture and decor primarily for weddings and events. As *Wish Rents*, this prop house will focus their inventory more on the needs of production clients (art directors, set decorators, stylists, photographers, prop masters, producers) to help provide unique items for their upcoming photo shoots and film productions.

The Board requested sharing the building with little or no subdivision and we examined that concept. While it may appear workable in theory, it is not in practical terms since each business has a specific use for their spaces that reflect their enterprises. *Platform* intends to use the space for offices and

program space where it will hold a variety of programs and events from artists presentations and receptions; social gatherings and cultural meetings; to PechaKucha presentations and Poetry Nights, bringing in various audiences during business hours, as well as in the evening. *Wish Rents* is a prop rental company and will use the space as offices and as a showroom during daytime business hours, by appointment.

However, it is possible and quite achievable for *Platform* and *Wish* to subdivide the building and achieve a workable floor plan, whereby *Platform* will have approximately 2,500 sf and *Wish* will have approximately 5,000 sf of space. To that end, *Platform* and *Wish* have undertaken an architectural concept study which will subdivide the building and meet the space needs of both enterprises, while echoing the *Mass Market* concept on a smaller scale.

Please see concept plans designed by victorPREBOR 3 Architecture, LLC, December 2017, including: Exterior; Interior Aerial SW; Interior Aerial SE; Interior; and Plan. These design plans are the sole property of *Platform Art, Inc.*

Lease Structure:

The second concern of the Board was the lease structure and specifically a master lease situation was discussed. Both *Platform* and *Wish* have considered the Master Lease option extensively and concluded that being a landlord takes away from running our primary business and possesses on-going building responsibilities. Therefore, neither *Platform Art* nor *Wish Rents* wants to enter into a master lease arrangement or act as landlords. So *Platform* and *Wish* each propose to be direct tenants of the CRA.

Lease Terms and Utility Structure:

Platform Art proposes to occupy 2,500 sf of space on the West side of the building (exact number to be verified). The building is approximately 7,500 sf so *Platform* will occupy approximately one-third of the building. These numbers are subject to verification.

Platform Art proposed a five-year lease term with one, three-year option for renewal. The rental rate will be \$200 per month for the initial term of the lease. The option rate will be negotiated at the time of renewal. *Platform's* current lease is up for renewal, May 2018.

Wish Rents proposed to occupy approximately 5,000 sf of the building (exact number to be verified).

Wish Rents proposes a three-year lease term for the initial term at a lease rate of \$400 per month, with one, three-year option for renewal. The option rate will be negotiated at the time of renewal. *Wish's* current lease is up for renewal, March 2018.

According to Lakeland Electric, the utilities for 114 E. Parker St. have historically averaged \$1500-\$2000 per month. The tenants request the utilities be metered separately and that each tenant is responsible for its own usage.

Building Improvements and Tenant Improvements:

If the landlord elects to accept the concept plans proposed by *Wish* and *Platform* (the tenants) then the white box improvement to bring the building to code should include the bathrooms, the HVAC and electric separately metered, the subdivision of the space, any stairs and ramps and any fire rated interior and exterior doors.

The tenant improvements for *Platform* will be the office build out, the windows into the program space, a kitchen and the designated outside space. It is proposed that the white box improvements and the tenant improvements will be the responsibility of the landlord.

The tenant improvements for *Wish Rents* are the kitchen, the garage door at the East side, and windows along the East side of the building.

Both *Platform* and *Wish* propose to share the kitchen facility on a ratio basis eliminating the need to construct two kitchens in the building.

The conceptual plans have been shown to a contractor, estimate for the PSF price of the construction is \$75-\$100 PSF. Since no formal plans or specifications are prepared this is just a ball park estimate of the scope of construction.

The Administration and Management of the Construction Process:

The Board suggested in the November 13, 2017 meeting that either *Platform Art* or *Wish Rents* manage the construction process by getting the bids and engaging a general contractor. *Wish Rents* has no interest or capacity to exclusively manage the construction process and expressly will not take on this primary responsibility.

Platform Art would be willing to have a further discussion with the CRA about structuring a construction management agreement, whereby, the CRA pays for the construction but *Platform* solicits the construction bids and manages the construction process and timeline but in order do this work, *Platform* will need to be indemnified/held harmless and hire a project manager to work on *Platform's* behalf. This aspect of the deal needs to be further discussed and vetted.

Wish Rents requests to be significantly involved with all decision making of the building interior and exterior renovation, including the design and landscaping features.

Wish Rents and *Platform Art* are looking forward to working together to revitalize 114 Parker Street and create a new home for both our enterprises. We are happy to meet with you to discuss this proposal in further detail at your earliest convenience. Thank you.

Regards,



Cynthia Haffey

Executive Director

Platform Art, Inc.



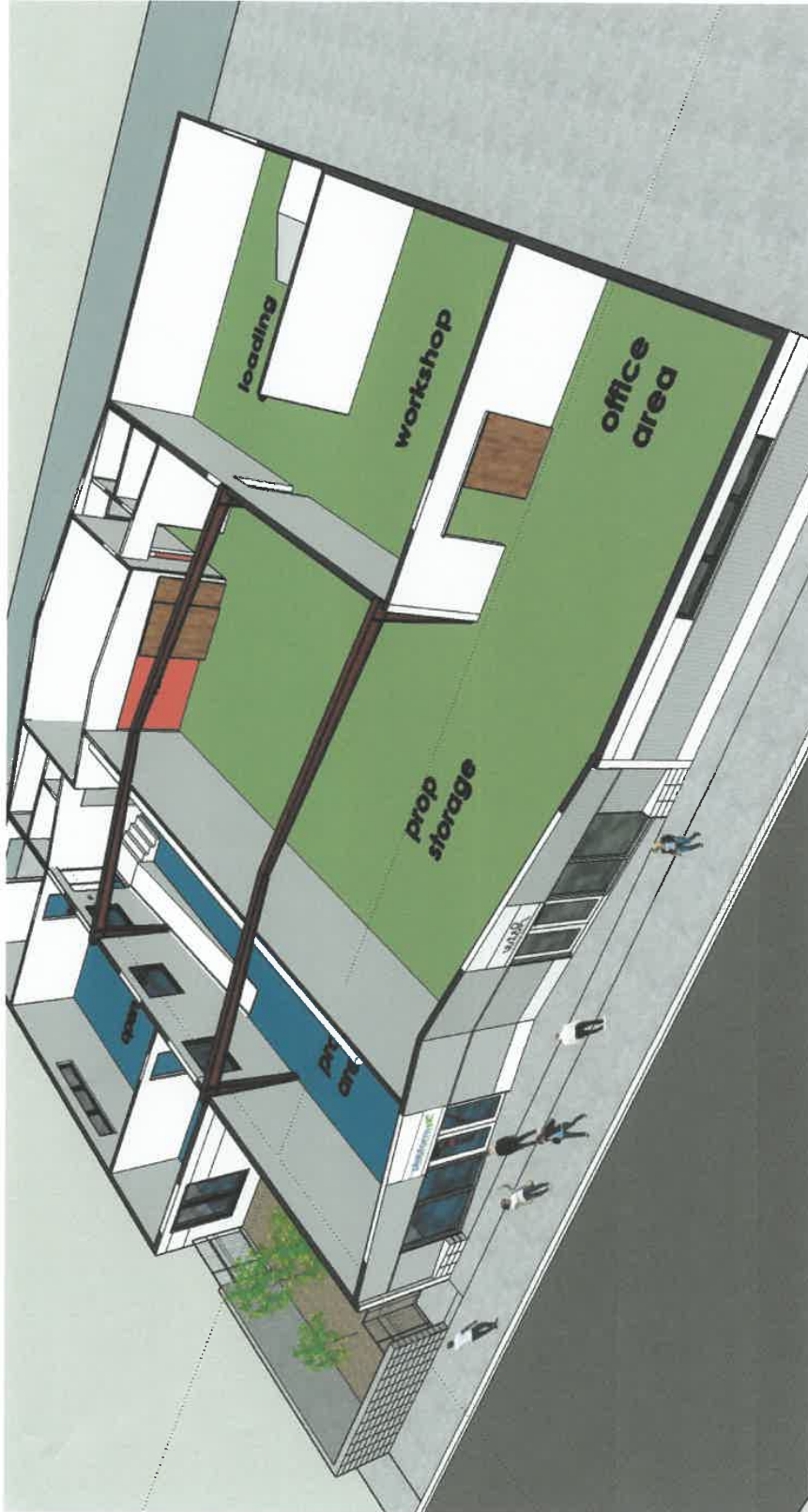
Lisa Malott

Owner, Proprietor

Wish Rents



ENTRY



INTERIOR AERIAL SE

130 S. Massachusetts Ave. Lake Mirror Tower Suite 212 Lakeland, FL 33801
863.255.7033 victor@vprebor.com www.prebor3.com AA26003300

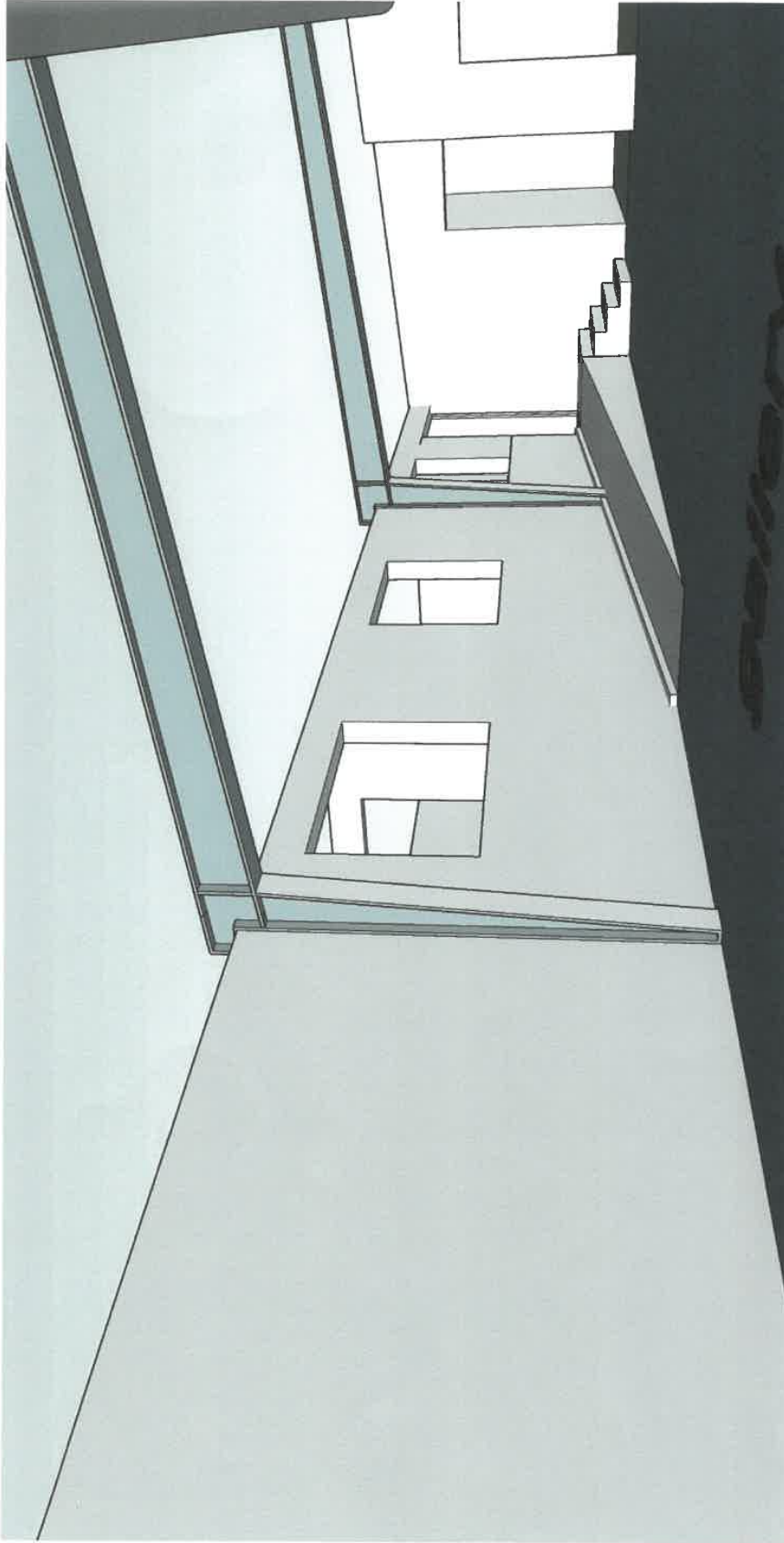
VICTORPREBOR **3** ARCHITECTURE LLC



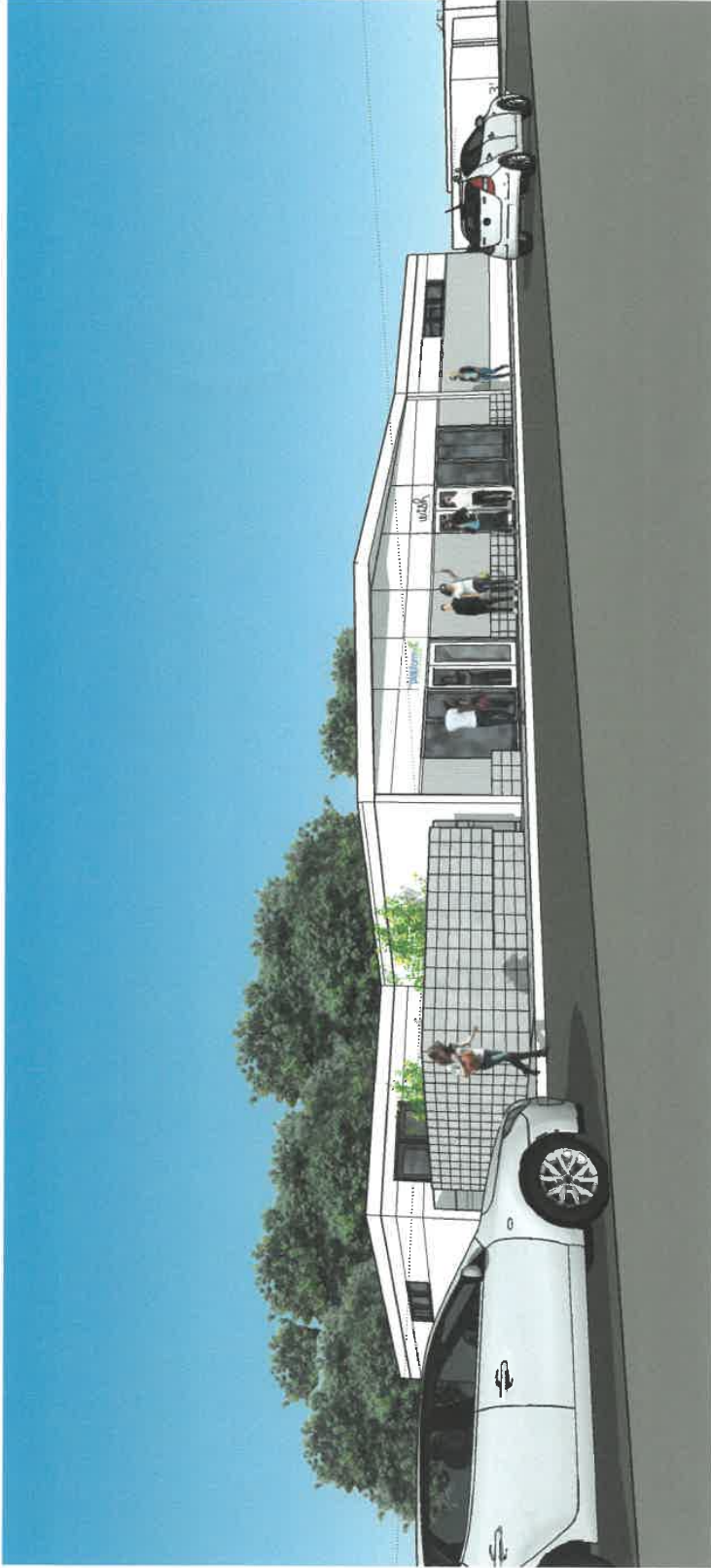
PLAN



INTERIOR AERIAL SW



INTERIOR



EXTERIOR



EXTERIOR



COMMUNITY
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Memo

To: CRA Advisory Board
From: D'Ariel Reed, CRA Jr. Project Manager
CC: Nicole Travis, CRA Manager
Date: January 2, 2018
Re: Fix-It Up Incentive Program

Introduction

The Fix-It Up Incentive Program provides assistance to homesteaders and renters, within the specified boundaries, with exterior repairs or enhancements of the properties to improve safety, property values and aesthetics of the neighborhood. We have completed a total of 34 houses. We continue to receive a lot of interest in the program as we currently have 23 residents on the waiting list.

Problem

Fix-It Up as it is today, improves the aesthetics of the property but is not having as strong of an impact on the aesthetics of the neighborhood, it's not fully improving safety and is not increasing property values. Our goal of improving safety is not being met because many of the houses are not structurally sound; they need roof repairs/replacements, have electrical, plumbing and HVAC deficiencies and/or in need of a complete rebuild. Currently, we are unable to improve any of these issues as they are all prohibited. We're investing this money into these homes but not increasing the property's value as the work is not requiring permits. Permits are the trigger that notifies the Property Appraiser that work is being done to the property.

Recommendation

Staff is proposing the Fix-It Up Incentive be broken up into three levels.

- Level I would simply be the Fix-It Up program as it is today.
- Level II would increase the maximum grant amount to \$25,000. Houses that need roof repair/replacement and/or exterior wood treatment and replacement will qualify for Level II. With the roof repairs, we will attempt to have homesteaders utilize their home owner's insurance and the grant funds will be used to cover their deductible.
- Level III will allow a full assessment of the house to determine whether the home needs a major renovation or demo and rebuild. This level will allow for interior repairs limited to systems (Electrical, Plumbing and HVAC) only. We are still working to determine the specifics of how this level will function so we are not proposing immediate implementation of this level at this time. Staff will present the details proposed for this level in conjunction with our new construction infill initiative, prior to beginning any projects that fall into this level.

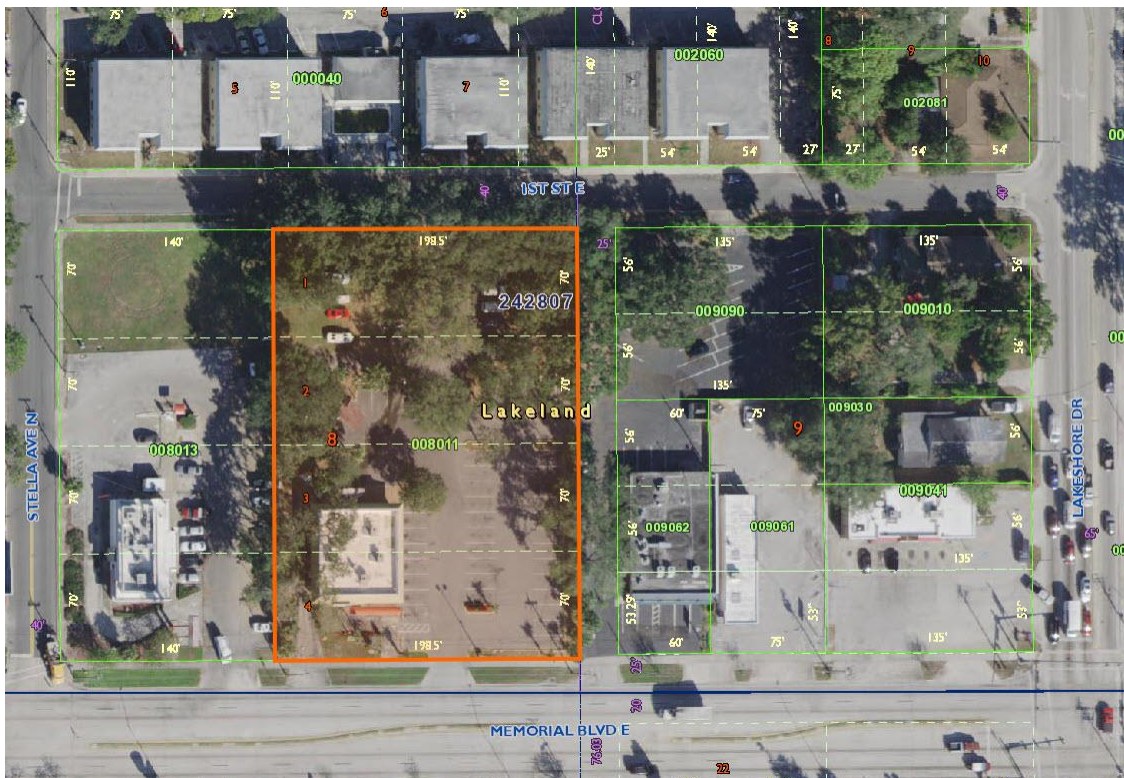


COMMUNITY
REDEVELOPMENT
AGENCY

Memo

To: CRA Advisory Board
From: Alis Drumgo, CRA Project Manager
CC: Nicole Travis, CRA Manager
Date: December 29, 2017
Re: Tapatio's Renovation

Sandra & Rene Vargas are the owners and operators of Tapatio's Mexican Restaurant located at 724 E. Memorial Blvd. The corridor is one of focus in the Midtown Redevelopment Plan and aesthetics are a key factor for area growth. The restaurant is one of few sit-down dining establishments along the corridor. Recently, Floridino's, Italian Restaurant, next-door, went out of business. Tapatio's has been operating for twenty-one years, and in November, they acquired the building for \$835k.





The Vargas' would like to make their business more attractive, efficient, and accessible for clients with disabilities. There are also issues with exterior lighting, security deficiencies and lot circulation issues that need reconciliation. Sandra & Rene are seeking a partnership that will provide this long-standing business with the funding to proceed with the project and provide a model for what the CRA hopes to establish along the Memorial Blvd. corridor.

General renovations include:

- Site lighting
- ADA Accessibility
- Decorative ornamental fencing
- Reconciliation of the existing drive thru
- Approximately 3,000sf of additional space that includes reduced setback on the Memorial Blvd. frontage to fit the urban context
- Kitchen and service area reconfiguration
- Major exterior renovation to the south and east facades.
- New signage

Tapatio's utilized the Design Assistance Program and would be eligible for up to \$90k reimbursement in conjunction with the façade and site improvement grant. Tapatio's would also be eligible for \$75k of the Infill Adaptive Reuse Program funds that reimburses 50% of site, security and ADA compliance. Overall, they could receive **\$165k** administratively. However, cost of reconfiguring the kitchen and equipment costs, that are grant ineligible, will push the project beyond the owner's budget.

With building and construction costs being approximately \$540,000, Tapatio's is seeking funding from the CRA for their remodel above the grant allotment. After reviewing preliminary costs from Furr & Wegman Architects,



- 1

"BARREL TILE LOOK"
METAL ROOF
- 2

DISTRESSED BRICK
- 3

STUCCO
- 4

PAINTED METAL FLASHING
- 5

PAINTED EPS TRIM

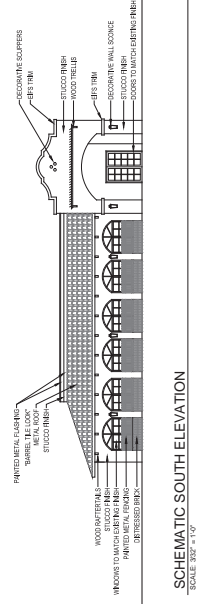
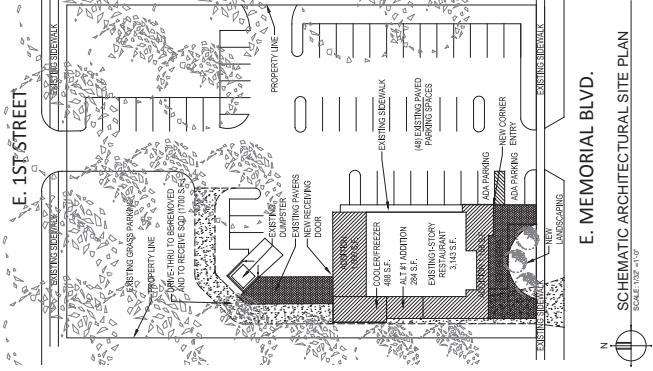
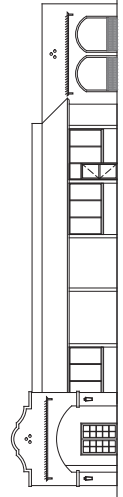
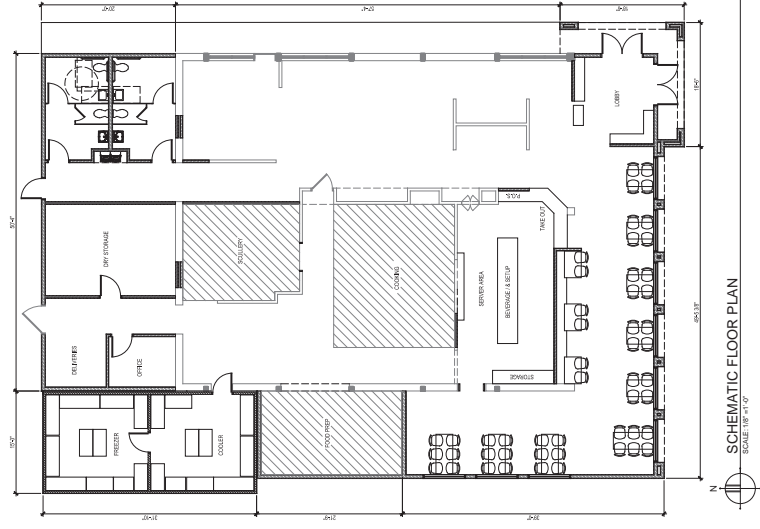
Tapatio's Restaurant

Schematic Design

Lakeland, Florida
11.21.2017



NO.	REVISION DESCRIPTION - THIS SHEET ONLY	DATE
1		
2		
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7		



who will manage the renovation project and bid out the respective components to ensure the best value, staff is recommending the CRA cover the cost of site lighting and ADA compliance at 100%. In addition, the recommendation is for the CRA to pay 100% of construction documents and civil engineering fees in the amount of \$62,368 which accounts for 43% of Tapatio’s soft costs. The total CRA contribution would not exceed \$340,000. The owner’s contribution would be **\$1,030,208** including the building purchase and would be at a \$3 to \$1 ratio of CRA contribution.

Renovation	Amount Eligible	Amount Recommended
Façade & Site	\$90,000	\$90,000
Infill Adaptive Reuse	\$75,000	\$75,000
ADA Compliance (100%)	50% included in Infill Grant	\$64,740
Site Lighting (100%)	50% included in Infill Grant	\$48,000
Architectural Fees & Engineering Fees	N/A	\$62,368
Total Recommended	\$165,000	\$340,108

December 20, 2017

Mr. Alis Drumgo
CRA Project Manager
Lakeland Community Redevelopment Agency
228 S. Massachusetts Ave.
Lakeland, FL 33801

RE: Tapatio's Restaurant

Dear Mr. Drumgo:

The following is our Probable Construction Cost Estimate:

Façade & Site Improvement Grant (CRA contributes up to \$90k):

Signs (improve monument sign)	\$15,000.00
Awnings/Canopies (demo canopies – new trellis)	\$10,000.00
Facades (Exterior walls, roof and door/window openings @ \$40/S.F.)	\$86,320.00
Landscape (between restaurant and Memorial Blvd.)	\$25,000.00
Fence (730 LF aluminum 6FT “wrought iron look” & rolling gate)	\$30,000.00
Subtotal:	\$166,320.00

Infill Adaptive Reuse Grant (50% matching) for Interior Improvements (CRA contributes up to \$75k):

Electrical/Security (\$12/SF x 2,158 S.F.)	\$25,896.00
Plumbing (\$1,500 x 13 fixtures)	\$19,500.00
HVAC (8 additional tons, dishwasher hood & Kitchen hood)	\$45,600.00
ADA Compliance (restrooms, doors, circulation)	\$64,740.00
Site Lighting – 6 pole mounted fixtures	\$48,000.00
Subtotal:	\$203,736.00

Additional Owner Expenses:

Silt fence (320LF)	\$3,200.00
Demolition (assuming no asbestos)	\$20,000.00
Subtotal:	\$23,200.00

Total “Hard” Construction Costs: \$393,256.00

Soft Costs:

Architectural Fees for (Construction Documents)	\$34,968.00
Site Lighting Design Fees	\$2,400.00
Civil Engineering Fees	\$25,000.00
General conditions (11%)	\$43,258.16
Contractor overhead & profit (5%)	\$19,662.80
Owner’s contingency (5%)	\$19,662.80
Subtotal	\$144,951.76

Total: (CRA contributes \$165,000 total) \$538,207.76

If you have any questions, please contact our office.

Very truly yours,



M. Aaron Banks, AIA

Section 1: Applicant Information

Applicant Name: Rene and Sandra Vargas
 Business Name (if applicable): Tapatias Restaurante Mexicano Inc.
 Mailing Address: 734 E Memorial Blvd, Lakeland
 Phone: 863-686-6958 Email Address: SandraVargas57@gmail.com
 Project Address: 734 East Memorial Blvd.
 Project Budget: \$ 300,000.00 Requested Grant Amount: \$ 150,000.00
 Lease Term (if applicable): N/A
 Property Owner's Name: Rene and Sandra Vargas
 Property Owner's Mailing Address: 955 Lake Deeson Pt.
 Phone: 863-660-0833 Email Address: SandraVargas57@gmail.com

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

Commercial

- Design Assistance** –Sections 3 & 7
(Dixieland and Midtown Only)
- Façade & Site Improvement** –Sections 3 & 7
(Dixieland and Midtown Only)
- Food-Related Services** –Sections 3, 4 & 7
(Dixieland and Midtown Only)
- Infill Adaptive Reuse** –Sections 3 & 7
(Midtown Only)
- Infrastructure Improvement** –Sections 3 & 7
(Midtown Only)
- TIF** – Complete Sections 3, 6 & 7
(Downtown and Midtown Only)

Residential

- Fix-It-Up** –Sections 3 & 7
(Midtown and Downtown Target Areas only)
- Homeowner's Down Payment Assistance**
Sections 5 & 7
(Midtown Only)
- Job Creation** – Contact the CRA Office
(Midtown Only)

Section 3: Project Description

Building's existing use(s): ~~Hotel~~ Restaurant

Building's new use(s): Restaurant

General description of proposed improvements:

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

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

See Attached

Section 4: Business Information

What is the expected opening date? _____

What type of food-related business is being proposed? Mexican Restaurant

What will be the business' hours of operation? 10 am to 10pm.

Is the proposed business a franchise? No Yes _____

Will entertainment be offered? No Yes Mariachi

Will there be outdoor seating at this establishment? No Yes

What is the proposed seating capacity of the restaurant, if applicable? 150-160 people

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

Section 5: Purchase Information

Address of Home/Lot being Purchased: _____

General Description: _____

Mailing Address: _____

Seller: _____ Contractor (if applicable): _____

Do you currently own a home? Yes No (if yes, list below)

Have you previously owned a home? Yes No

Bank/Agency issuing the Mortgage: _____

Home Purchase Price: _____ Your Cash Contribution: _____

Estimated Closing Date: _____

Are you currently Employed? Yes No If yes, length of employment: _____

Employer: _____

Section 6: Required Documentation


- Project Schedule
- Proposed site plan
- Three cost estimates
- Permit ready drawings
- Notarized letter from property owner
- Food-related services resume(s) – If applicable
- Certificate of Review from the Historic Preservation Board
- Photographs of the existing building and the proposed project area
- Schematic drawings illustrating proposed work, or pictures with project description outlines


For TIF Applications Only

- Letter of request
- Project plans
- Current Assessed Value
- Project Budget

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Section 7: Signature

Applicant's Signature: *R. Rodriguez* Date: 11-28-17 

Property Owner's Signature: *R. Rodriguez* Date: 11-28-17 

FOR STAFF USE ONLY

Date of initial contact: 11/9/17 Electronic submission In person

Staff representative: Alis Drumgo

Design Professional: Aaron Banks

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: _____

Tapatio's 734 E. Memorial Blvd
Design Assistance

Revised 05/6/15

Selection Criteria

The Community Redevelopment Area staff will review completed applications against review criteria and will state his/her findings to the MidTown CRA Advisory Board.

Scoring Criteria	
CRITERIA	POINTS
<u>Location/Visibility</u>	<u>40 points max</u>
Tier 1 Corridor	25
Corner Property	15
<u>Potential Aesthetic Enhancement</u>	<u>40 points max</u>
Compatibility of proposed improvements to the surrounding structures/styles	
Good	15
Fair	5
Poor	0
Principal Building Improvement	15
Site Improvement	5
Building and Site Improvement	25
<u>Private Contribution</u>	<u>25 points max</u>
Between \$25,000 and \$70,000	20
Between \$70,000 and \$150,000	25
More than \$150,000	15
TOTAL POINTS	105

90/105

Applications that score below 40 points will be recommended for denial. Applicants are advised that grant funds are provided at the sole discretion of the MidTown CRA Advisory Board and the findings stated in the recommendation do not create an entitlement to funding.

Available Assistance

The MidTown CRA Advisory Board will set the amount of assistance available for the fiscal year in its Annual Budget. The standard maximum grant contribution per application is set at 25% of the annual allocation. The CRA Advisory Board may raise or lower this amount at any time upon a majority vote of its members.

Expiration of Design Assistance

Applicants must meet with the Architect within thirty (30) days from the date that the MidTown CRA Advisory Board approves the Design Assistance grant request and completed within sixty days or the award will expire. Extensions may be granted by the CRA Advisory Board under special circumstances.

Tapatio's Facade + Site

60% reimburse

Revised 05/6/15

The Applicant will be notified in writing of the Board's decision within five (5) business days of the Board meeting.

Selection Criteria

The CRA will review completed applications against review criteria and will state his/her findings in a recommendation to the CRA Advisory Board.

Scoring Criteria	
CRITERIA	POINTS
<u>Private Contribution</u>	<u>20 points total</u>
Between \$25,000 and \$70,000	15
Between \$70,000 and \$150,000	20
More than \$150,000	10
<u>Location</u>	<u>40 points total</u>
Tier 1 Corridor	25
Corner property	15
<u>Aesthetic Enhancement</u>	<u>70 points total</u>
Principal Building Improvement	20
Building and Site Improvement	30
Implementing results of Design Assistance Grant	25
Compatibility of proposed improvements to the surrounding structures/styles	
Good	15
Fair	5
Poor	0
	130 points total

105 / 130

Applications that score below 60 points will be recommended for denial. Applicants are advised that grant funds are provided at the sole discretion of the CRA Advisory Board and the findings stated in the recommendation do not create an entitlement to funding.

Available Assistance

The CRA Advisory Board will set the amount of assistance available for the fiscal year in its Annual Budget. The standard maximum grant contribution per application is set at \$75,000¹. The CRA Advisory Board may raise or lower this amount at any time upon a majority vote of its members. An applicant must contribute at least 50% towards the total cost of the eligible improvement. Expenses must be related to direct labor, equipment or materials associated with the eligible improvement to be counted towards the project cost. Grants will be awarded on a first-come first-served basis.

¹Sixty Percent (60%) reimbursement may be available on a case-by-case basis for implementing results of Design Assistance Grant

Tapatu's Infill

60/100

SCORING CRITERIA	
Private Contribution	30 Points Total
Between \$10,000 and \$25,000	5
Between \$25,000 and \$70,000	10
Between \$70,000 and \$150,000	15
Building Type	10 Points Total
Building Addition	5
Vacant Building	5
Leasehold Improvements	35 Points Total
Electrical/Security	5
Plumbing	5
HVAC	5
Fire Suppression/Sprinkler System	5
ADA	5
Two or more	10
Type of Tenant for Improved Space	25 Points Total
Improvements to Attract Tenant	5
Lease Executed	10
Currently Rented	10
BONUS POINTS	10
Project is located in a Neighborhood Stabilization Area	10
TOTAL POINTS	100 Points Total

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