

Community Redevelopment Area Advisory Board

Meeting Minutes

Thursday, March 7th, 2019

3:00 – 5:00 PM

City Commission Conference Room, City Hall

Attendance

Board Members: Ben Mundy (Chair), Pastor Edward Lake (Vice-Chair), Zelda Abram, Dean Boring, Harry Bryant, Brandon Eady, Brian Goding,, Commissioner Stephanie Madden, Cory Petcoff and Cliff Wiley

Absent: Frank Lansford

Staff: Alis Drumgo, Valerie Ferrell, D'Ariel Reed, and Jonathan Rodriguez

Guests: Brooke Agnini (Prestige WWG), Steve Boyington (WMB-ROI), Timothy Campbell (CCLM Law), Matthew Clark (Broadway Realty), James Edwards (Coldwell Banker), Gregory Fancelli (Prestige WWG), Barry Friedman (LkldNow), Annie Gibson (Housing), Allison Guinn (Press), Carole Philipson, Commissioner Bill Read, Brian Rewis (Assistant Director Community & Economic Development), Officer Rick Taylor (LPD) and Julie Townsend (LDDA)

Packets

- Meeting Minutes dated January 3rd, 2019
- Financial Update
- Project Progression Report
- Memo- Watson Clinic Land Swap
- Memo- Oak Street Parking Lot
- Memo- North Massachusetts Ave. Property
- Branmorty Property

Housekeeping

Action Items – Old Business

Meeting Minutes dated January 3rd, 2019

Cory Petcoff moved approval of the minutes. Brian Goding seconded the motion which passed unanimously.

Financial Update

Ben Mundy noted the inclusion of the update for informational purposes.

Action Items – New Business

Watson Clinic Land Swap

The CRA owns six parcels comprising 1.08 acres. They are the remaining parcels of the twenty (20) acquired over a five-year period to assemble land for the future expansion of the Medical District. Three parcels were acquired in 2010, and three were acquired in a land swap with Lakeland Regional Health (LRH) in 2013. The property is just to the North of Watson Clinic (The Clinic) and LRH. In 2017, the CRA was approached by a private developer for the acquisition of several properties in the West Lane area to be utilized for the construction of single family residences. At the time, Commissioner Jim Malless sat on the Advisory Board and recommended no sale take place without first gauging the interest of the two medical entities. The Board voted to withhold further action.

In October 2018, the CRA was approached simultaneously by representatives of both the Clinic (Timothy Campbell of Clark, Campbell, Lancaster & Munson, P.A) and LRH (Bart Allen, Peterson & Myers, P.A.). At a joint meeting, both parties expressed the desire to move forward with a proposal to modify land uses, rezone for future development and vacate easements within the boundaries of Morrell Dr., Florida Avenue, E. Crawford Ave. and Parkview Pl. Furthermore, both parties requested a summary of CRA acquisition and carrying costs for the properties as it has been customary to recapture those costs in a transaction.

CRA Staff compiled the requested documentation, and provided to Mr. Campbell and Mr. Allen. Subsequent meetings with Planning Staff confirmed the desired land use changes and a land transaction would benefit the furtherance of the Medical District.

Since the aforementioned meeting, Mr. Campbell has submitted applications for the rezoning, land use modifications and easement vacates with LRH and the CRA signing off in a tri-party agreement. At the 2.19.19 Planning & Zoning Board meeting, the recommendations were adopted unanimously.

Because the expected exchange is the same acreage, The Clinic proposes that no consideration be required for the exchange. The Clinic agrees to pay any and all costs necessary to prepare legal descriptions, order title work, draft deeds and closing documents, issue title insurance and record the executed deeds in public records.

Staff has reviewed the request and seeks recommendation for support of the land exchange for the following reasons:

- The Redevelopment Plan has called for this type of development since adoption of the Midtown Plan in 2001 which states:
- “The Lakeland Hills Medical Center hosts the Lakeland Regional Medical Center and Watson Clinic. The District is about 140 acres in size. The district is already the location for hospital and clinic parking, officers, specialty clinics and other support activities. The cooperation of these two medical centers on issues of mutual interest, such as parking, storm water management, security and training, could create an activity center that work to the advantage of the City and both organizations.
- A 2004 corridor study by Wallis Murphey Boyington Architects also highlighted the benefits of supporting the expansion of the area as a medical campus.

The transaction allows both medical entities to masterplan for the further development of the Medical District.

- The transaction is of equal size and presumable value.
- The transaction allows for the Clinic to square off its property ownership of all properties north of the Morrell Drive & West Lane intersection.
- The transaction leaves only the CRA and LRH property owners south of the intersection and leaves the CRA to negotiate directly with LRH in a future deal.

With the Board’s approval, Staff will publish disposition of the property per statute, then proceed to The City of Lakeland Real Estate Committee for final approval.

Cory Petcoff moved approval of Staff’s recommendation. Cliff Wiley seconded the motion which passed unanimously.

Oak Street Parking Lot

The CRA owns 0 N. Kentucky Ave, the Oak Street Parking Lot, comprising 1.49 acres. The lot encompasses a full city block and is situated in an ideal location about a block off both the Massachusetts Avenue corridor to the East and the Florida Avenue corridor to the West. In 2015, the CRA explored issuing request for qualifications (RFQs) for the development site but opted to expand the parking instead. Today, the CRA operates the lot as a public parking facility with about 150 spaces of which approximately 125 are leasable. The January account receivables report shows the lot at approximately 95% capacity with income of almost \$4,200.

The current operating expenses are \$16,000 annually which covers enforcement staff time and management of the leases. The currently assessed value is \$379,358.

In December 2018, the CRA was approached by a private developer with interest in developing the site as “dense urban multi-family residential project with potential of incorporating some mixed-use elements”. The area, considered part of the North Downtown sub-district, was identified within the downtown redevelopment plan update as an ideal area for lofts, midrise and mixed-use live/work opportunity.

Staff met with Community & Economic Development Planning Staff, and the following feedback was obtained:

- Consider a minimum density and height desired from any development.
- The project should meet parking demand generated by the proposed development.
- Any development including residential shall have 20% of the units set aside affordable housing for a minimum period of 15 years.
- The development team should show proof of the project’s economic sustainability with amount of required public contributions being a factor of consideration.
- Any development agreement should include per unit sale price for any residential component.

Staff recommended the Board solicit request for qualifications (RFQs) via the City’s purchasing procurement process with the intent of entering an agreement with the most qualified and responsive applicant. With the Board’s approval, Staff will draft RFQ criteria for review, recommend a selection committee and issue disposition per Florida Statute, Chapter 163.

Discussion ensued.

Cory Petcoff moved approval of Staff’s recommendation. Dean Boring seconded the motion which passed 9-1.

North Massachusetts Ave Property

The CRA owns 313 N. Massachusetts Ave. The lot encompasses about a quarter of a city block consisting of approximately 0.40 acres. The site is situated in an ideal location in the north downtown area along the Massachusetts Avenue corridor, and was recently identified as a key catalyst site in the Downtown Lakeland Vision. The property is bounded by Oak Street to the north, Greyhound station to the south and single family and multiplex to the east. The CRA purchased the property in 2006 for \$560,000, subsequently demolishing the structures.

In November 2018, the CRA was approached by a private developer with interest in developing the site in a three-phased approach. The project proposed is mixed-use development including retail, flex office/residential and residential uses.

Staff met with Community & Economic Development Planning Staff, and the following feedback was obtained:

- Projects allowing for more commercial uses should get preferential consideration.
- Any development including residential shall have 20% of the units set aside affordable housing for a period of 15 years.
- The project should meet parking demand generated by the proposed development.
- The development team should show proof of the project’s economic sustainability with amount of required public contributions being a factor of consideration.
- Any development agreement should include per unit sale price for any residential component.
- Disjointed ownership will prevent a quality project from moving forward without resolution.
- Storm water challenges will persist without an infrastructure project to alleviate the load.

With the aforementioned information, CRA Staff recommends the Board hold on issuing the request for qualifications (RFQs) until the majority of the adjacent properties are consolidated under one ownership, and public infrastructure is able to accommodate the proposed development.

Discussion ensued.

Cory Petcoff moved to dispose of the property. Dean Boring seconded the motion which passed unanimously.

Staff will collect and review proposals and present to the Board for recommendation at the May meeting.

Branmorty Property

Several properties have become available for purchase near Mass Market posing an opportunity for a large-scale, future project to build upon the current momentum. The ownership is held by Frank Kendrick under pseudonyms, Branmorty Properties and 209 Myrtle LLC. Mr. Kendrick owns several parcels in the area both commercial and residential, some directly in proximity to the area Staff identified as the Mass Market small area study and others on the West side of the South Florida corridor. Only properties within the study area, primarily along the Parker Street corridor, are being considered at this time. Mr. Kendrick has submitted his asking price for the properties which staff countered based on 120% of Property Appraiser's record of just market value. Negotiations have landed on the asking price below:

<u>Location</u>	<u>120% of Just Market Value</u>	<u>Asking Price</u>
211-213E Parker St.	\$ 59,786.40	\$ 59,800.00
207-209 E. Parker St.	\$ 39,794.40	\$ 80,000.00
209 Myrtle St	\$ 16,245.60	\$ 16,245.00
	\$ 115,826.40	\$ 156,045.00

Staff worked with Mrs. Patricia Hendler to analyze current real estate conditions as well as residential leases of the two occupied parcels on E Parker Street. There are some concerns with lease terms and code compliance of the residential rentals given the space operates like a rooming house. However, there are a total of 10 tenants yielding approximately \$4,400 in rental income monthly. All leases have a 30-day cancellation clause, and in case of relocation or renewals, lease rates are stated as month-to-month.

Staff inspected the property and found an environment that would expose the organization to potential high cost renovations and/or issues with relocating tenants in order to vacate due to subpar living conditions. However, the continued land assemblage allows the opportunity for a major project and leverage to attract a developer to invest in a new mixed-use development. The goals for the acquisition would be to compliment the Mass Market investment and increase the sustainability for continued private investment in the area. Therefore, Staff recommended approval to proceed with purchase contract with Mr. Frank Kendrick for three parcels as identified herein for the asking price of \$156,045, provided a lengthy due diligence, with closing contingent upon the current owner vacating the property and relocating existing tenants as outlined accordingly by the CRA's land use attorney.

Cliff Wiley moved to approve the purchase price of \$156,045 to be placed in escrow and disbursed once all tenants have been vacated by the owner. Eddie Lake seconded the motion, which passed unanimously.

A proxy vote was administered via email to revise the Board's original decision due to a typo in the memo provided by Staff. A majority of favorable votes were received to approve payment of \$20,000 for the purchase of the 209 Myrtle Street property, bringing the total purchase price to \$159,799.40.

Discussion Items

HUD is requesting an adjustment to the Mirrorton development agreement which currently states 306 units will be built. As HUD's plans call for 305 units, the agreement will be revised to reflect that at the next City Commission meeting. Closing is expected to take place within the next 60 days.

Construction plans for 114 E. Parker St. are about 90% complete. Once fulfilled, Staff will put them out for Bid and update the Board accordingly.

The Yard on Mass is close to submitting building permits and are planning a ground breaking event soon after. Staff will update the Board accordingly.

The Midtown Lofts project has moved past litigation. Closing is expected in early Summer.

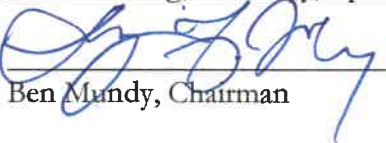
The Joinery has experienced budgetary setbacks due to unforeseen roof expenses. Staff met with Jon Bucklew to discuss.

Steve Boyington presented a residential infill project for the Dixieland District.

Discussion ensued.

Adjourned at 4:16 PM

Next Meeting, Thursday, April 4th, 2019 3 PM, City Commission Conference Room.


Ben Mundy, Chairman

4/4/19
Date