

Community Redevelopment Agency (CRA)
Meeting Minutes April 12, 2022
(APPROVED)

4/12/2022 - Minutes

1. CALL TO ORDER & ROLL CALL

CRA Members Present: Chair Robin Gibson, Mayor Eugene Fultz, Terrye Howell, Jack Hilligoss, Daniel Williams

Staff Present: James Slaton, Executive Director, Jennifer Nanek, City Clerk; Albert C. Galloway, Jr., City Attorney

Chair Robin Gibson called the meeting to order at approximately 3:00 p.m. A quorum was present.

2. COMMENTS AND PETITIONS

3. Minutes - March 8, 2022

Commissioner Howell made a motion to approve minutes of March 8, 2022. Commissioner Williams seconded the motion.

by voice vote:

ALL "YES"

motion approved 5-0.

4. PRESENTATION - Lake Wales Connected Status Update

James Slaton, Executive Director, said 63 action items are related to the Lake Wales Connected Plan. Two are completed another 29 in progress and 6 in the planning stage.

Michael Manning, Assistant to the City Manager, distributed a print out of the Connected Plan Action step Status list.

He shared a slide show of the projects in progress.

The key update is that the construction documents for Park Avenue Improvements are nearly complete. This is starting to go through the bid process. He reviewed the two step bid process to ensure quality at an affordable cost. The design elements from the open house events are still the same.

Construction documents for First Street are in process. The design includes gateway features He shared the 2 options from the plan. We are going with option 2 with the bicycle track and tree lawn which is more expensive but this should be done correctly to begin with.

He shared slides on planned improvements on the streets that will be addressed by grant funding. On Tillman Avenue sidewalks will be repaired and added and new Washingtonian palms will be added. The area near the Police Department will be a prime area of focus. On Orange and Crystal streets there will be street resurfacing, parallel parking and innovative steps will be taken to address storm water issues.

Mr. Manning shared a trail map of Lake Wales of trails and bike paths that will hopefully be constructed over the next few years. These will hopefully make our community more bicycle friendly.

Mr. Manning shared plans and images of the Market plaza redesign. This will be done with Park Avenue. There will be live oaks in the plaza. The overhead power lines will go underground soon. Comcast will do theirs soon after. The northern phase will address the Wells Fargo parking area.

Mr. Manning said their goal is to unify the appearance of Lake Wales with Bok Tower. He said we have a new horticulturist authorized by the CRA board to transform our downtown area. He reviewed plans to improve appearances on Scenic HWY and Stuart Avenue. He will be working on improving our trees over the next few years as well as making improvements on Lincoln Avenue as well. They have approached CSX to get a multi-modal trail along Scenic HWY. This was not possible but they are coming up with work-arounds to still have a trail along Scenic HWY.

Mr. Manning shared plans to improve our gateways. They plan to enhance the ROW along the railroad. There will be great landscaping at key intersections along First Street. He then reviewed plans over the next few years to improve sidewalks and add trees in the Northwest neighborhood. These plans can change depending on funding for Grove Manor. Construction will start in late summer depending on design process. There is a CDBG-CV grant that we applied for that may help with some of these costs. We are waiting to see if we are awarded funding.

Mr. Manning said there are plans to add murals and sculptures in our downtown. Cheryl Baksh, CRA Specialist, reported on plans to have a sculpture contest soon.

Darrell Starling, CRA Coordinator, reviewed recent efforts to add more affordable housing in the northwest neighborhood. There are 7 applications for housing rehabilitation with CDBG grant. He shared about our partnerships to provide homebuyers education courses and down payment assistance. The private sector is coming in to take over from non-profit efforts. Mr. Starling said we are working with investors to develop a multi-tenant building on Lincoln Avenue. This will have residences and commercial space. Mr. Starling shared plans to mentor and train entrepreneurs to hopefully open businesses on Lincoln Avenue.

Mark Bennett, Development Services Director, reviewed the plans for the redevelopment of Grove Manor. He reported on plans to apply for a grant for a zoning study in the Northwest neighborhood. Our Code Compliance department is working on bringing properties into compliance. He shared some positive examples to enhance certain properties in disrepair.

Chair Gibson said Lake Wales Heritage planted several magnolias on Lake Shore. Things are really moving. Mr. Slaton said that our horticulturist is working with Lake Wales Heritage on the tree plantings. Chair Gibson said its good work.

5. Restaurant / Food-Related Incentive Program (Cherry's Café, 340 Lincoln Ave, Lake Wales, FL 33853)

[Begin Agenda memo]

SYNOPSIS: The purpose of this request is to consider awarding Mr. Winston D. Cherry, owner of Cherry's Café, 340 Lincoln Avenue W, \$50,000 from the Food Incentive Program.

RECOMMENDATION Staff recommends the approval of the Food Incentive Matching Grant for Cherry's Cafe.

BACKGROUND The Food-Related Incentive Program offers up to \$50,000 in dollar-for-dollar matching funds to assist in establishing food-related businesses in the Northwest Redevelopment Area and Downtown Main Street District. Matching funds are a grant that can be used to offset the cost of eligible lease-hold improvements necessary to establish and operate a food service or restaurant business.

Winston E. Cherry Sr., Owner of Cherry's Café, 340 Lincoln Ave W. Lake Wales, FL 33853 is seeking a \$50,000 Matching Grant to renovate the space on Lincoln Avenue and make the extensive improvements required to open a new restaurant and redevelop the property according to the incentive guidelines and

requirements. Mr. Cherry is making all the eligible improvements and meeting all the requirements.

The Food-Related Services Incentive Program is for leasehold improvements to an existing property in order to make it functional for a food-service business. Funds may not be used for normal maintenance or repair. Specific improvements for which grant funds may be used include, but are not limited to:

- Electrical/ Plumbing upgrades
- Installation of attached fixtures
- Grease traps
- Utility connections
- Venting systems
- Sprinkler systems
- Solid Waste and recycling management
- Mechanical, Electrical and Plumbing engineering services (not to exceed 20% of the grant total)
- Monitoring man-hole system installation

Improvements must be consistent with the City of Lake Wales Land Development Regulations and Engineering Standards.

As a condition of approval, Winston E. Cherry Sr. agrees that improvements made using these funds will stay in place a minimum of five (5) years. If improvements are replaced within five (5) years of construction completion, the grant recipient must pay a pro rata portion of the grant proceeds invested in the project for the number of months remaining.

Applicant is responsible for obtaining or having obtained all required local and state approvals and permitting for work undertaken. Once a maximum grant for any property has been awarded, businesses occupying that property, or the building owner cannot reapply for another grant for the same location for a five (5) year period.

Winston E. Cherry Sr. agrees to allow the LW CRA to photograph the project for use in future publications. Cherry's Café's financial forecast anticipates the first year sales of approximately \$115,200 with a net operating profit of 35% (\$40,320). The opening of this restaurant will boost economic development within the Northwest Community, which in effect supports our return on investment.

OTHER OPTIONS Not to approve the Restaurant/ Food-Related Incentive Program Grant.

FISCAL IMPACT The Food-Related Incentive Program offers up to but not limited to \$50,000 in dollar-for-dollar matching funds.

[End Agenda Memo]

Cheryl Baksh, CRA Specialist, reviewed this item. Darrell Starling, CRA Project Manager, reviewed the food incentive program.

Mayor Fultz said this was a good presentation. Chair Gibson said this was a good business plan.

Commissioner Howell made a motion to approve the grant. Mayor Fultz seconded the motion.

By voice vote:

ALL "AYE"

Motion passed 5-0.

Winston Cherry spoke on his project and thanked the board. Sandra Owens Butler, resident, said she was glad to see all the wonderful things happening in Lake Wales.

Mayor Fultz said Mr. Cherry has is a great advocate for the northwest neighborhood.

6. Private Sector Housing Activity In The Northwest Neighborhood

[Begin Agenda Memo]

SYNOPSIS: The purpose of this memorandum is to give an overview of all of the private sector housing development in the Northwest neighborhood.

RECOMMENDATION For information purposes only.

BACKGROUND

The private sector is starting to construct more housing in the Northwest neighborhood. The increase of housing activity is due to the public sector's efforts to address the area's affordable housing needs.

Below is a list of private sector affordable housing and housing rehabilitation projects in the Northwest neighborhood. Affordable Housing

Under Construction – Four (4) Homes

- Florida Development Corporation: 136 B Street (Single Family Home)
- Habitat for Humanity of East Polk County: 305 Street N (Single Family Home)
- Ameera Investments LLC,: 311 Dorsett Ave (Single Family Home)
- Ring Construction: 425 D Street (Single Family Home)

Pre-Development Stage – Three (3) Homes

- Ring Construction: 601 Dr. J.A. Wiltshire Blvd (Single Family Home)
- Ring Construction: 623 Booker Ave (Single Family Home)
- Ameera Investments, LLC/Charif Homes, LLC: 348 F Street (Single Family Home)

Planned – Twelve (10) Homes, Two (2) Duplexes

- Ring Construction: 323 Pearl St (Single Family Home)
- Savo Realty Group LLC,: 0 Jewel St (Four Single Family Homes)
- Savo Realty Group LLC,: 0 Pearl St (Two Single Family Homes)

- Savo Realty Group LLC,: 517 Lincoln Ave (Single Family Home)
- Ameera Investments, LLC/Charif Homes, LLC: 0 Lincoln Ave (Single Family Home)
- Habitat for Humanity of East Polk County: 209 Sessoms Ave (Single Family Home)
- Florida Development Corporation: 211 Sessoms Ave (Multi-Family Duplex)
- Florida Development Corporation: 0 B St (Multi-Family Duplex) Housing Rehabilitation Completed
- TNZ Construction, LLC: 303 N Wetmore St

FISCAL IMPACT None

[End Agenda Memo]

James Slaton, Executive Director, and Darrell Starling, CRA Project Manager, reviewed this item.

Mayor Fultz commended the hard work involved in this. We are doing more than other cities. Mr. Slaton agreed.

Commissioner Howell said she is glad for all the progress being made. We have to address all of Lake Wales. Lets keep going.

Mayor Fultz said that area was a perfect area to try and improve affordable housing.

Chair Gibson said that Grove Manor is key and we are pushing this. Mr. Slaton said a letter of support has been sent to Smith and Henzy and we are tracking that project.

7. The Donation Of Two Parcels To Keystone Challenge Fund To Be Redeveloped For Affordable Housing.

[Begin Agenda Memo]

SYNOPSIS:

The purpose of this request is to consider the donation of two CRA parcels to Keystone Challenge Fund located on A Street. Parcel: 272935879000001020.

RECOMMENDATION It is recommended the CRA Board consider the following action(s)

1. The CRA Board ratify the real property donation agreement.
2. Authorize the Executive Director of the CRA to enter into a vacant land contract with Keystone Challenge Fund.
3. Authorize the Executive Director of the CRA to enter into a developers agreement with Keystone Challenge Fund which includes a 5 year prohibit from selling and at a minimum include a reverter clause and project timeline.

BACKGROUND The CRA purchased a lot from on A Street for \$30,000 with the goal to donate the parcels to Keystone Challenge Fund to build two affordable housing units. Along with the donation of the two lots to Keystone, the CRA will provide a total of \$30,000 for down payment assistance. These funds are coming from the Community Re-investment grant awarded to the CRA from Centerstate Bank.

LAKE WALES CONNECTED PLAN ACTION STEPS

Action # Description

9 Provide down payment assistance and low-interest mortgages for infill housing in the Northwest Neighborhood

27 Identify properties owned by CRA or the City and explore joint ventures for new housing

38 Provide first-time homebuyer counseling and education (via Keystone Challenge Fund)

39 Provide down payment assistance and low-interest mortgages for infill housing

KEYSTONE CHALLENGE FUND OVERVIEW AND PLANS FOR REDEVELOPMENT Keystone Challenge Fund is a Community Housing Development Organization (CHDO) that serves to develop affordable housing specifically in low-income communities.

For over 30 years, Keystone has provided affordable housing to low and moderate-income homebuyers to connect families with homeownership. As a result, nearly 4,200 families have become homeowners throughout Polk County.

If the CRA approves the lot purchase, site development would commence as early as late Spring 2022, and take approximately 4-6 months from start to finish. When completed, two houses with an estimated value of \$180,000 each will be in place, and serving as a catalyst for further redevelopment along A Street.

REVENUE VALUE

Jurisdiction Millage

Polk BoCC 6.899

City of Lake Wales 6.7697

Total 13.6687

Assessed Value (Less Homestead Exemption) \$ 130,000.00 (per home)(assumed)

Tax Increment Revenue \$ 1,776.93 (per home)

RETURN ON INVESTMENT CRA Investment \$30,000 (Lot Purchase)

Tax Increment Revenue \$3,553.86/Year (2 homes)

Total Return on Investment (ROI) 8.44 Years

FISCAL IMPACT The Cost to the CRA will be \$30,000.

[End Agenda Memo]

Darrell Starling, CRA Project Manager, reviewed this item.

Mayor Fultz made a motion to approve this item. Commissioner Howell seconded the motion.

By voice vote:

ALL "AYE"

motion passed 5-0.

8. Operational Agreement – Central Florida Incubators, Inc.

[Begin Agenda Memo]

SYNOPSIS: The Community Redevelopment Agency (CRA) Board will consider approval of an Operational Agreement to assist in the creation of a business incubator in the City's historic downtown.

RECOMMENDATION Staff recommends CRA Board approval of the Operational Agreement.

BACKGROUND

In November 2021, the Lake Wales CRA adopted Resolution 2021-05, approving funding appropriations in the amount of \$900,000 over a three-year period to assist in the creation of a business incubator. The business incubator was to eventually occupy a newly constructed multi-story 20,000 SF "technology-innovation hub" facility that will combine co-working space, a large FDA licensed culinary kitchen, classrooms, conference rooms, and residential studios. The incubator will assist start-up companies and individual entrepreneurs to develop businesses by providing a range of services including office & workspace, management training, and venture capital.

The initial request from Central Florida Incubator, Inc. was for the CRA to designate CRA owned real property for the incubator facility and for the CRA to appropriate \$300,000 annually for a three-year period to cover operating costs and salaries for full-time staff during initial program stabilization. As prescribed in Resolution 2021-05, the land designation and funding commitment is contingent upon two factors – (1) the CRA receiving outside funding for construction of the building on the designated site and (2) entering into agreement with a partner entity to provide startup and ongoing management of the incubator operations.

Central Florida Incubator, Inc. will assist the CRA in obtaining funding for the building construction and will provide expertise in the program development. Ownership of the facility and responsibility of the operations was to be the responsibility of the CRA.

Central Florida Incubators has so far been unsuccessful in obtaining all of the necessary funding to construct a new facility, but would like to immediately launch and operate the incubator in an existing leased facility while capital construction funds are pursued. Approval of the proposed Operations Agreement will allow for the previously appropriated funds to be immediately available to cover the initial incubator operating costs.

OTHER OPTIONS Do not approve the Agreement.

FISCAL IMPACT If approved, the CRA will be committing future budget appropriations totaling \$900,000 (\$300,000 per year X 3 years).

[End Agenda Memo]

James Slaton, Executive Director, reviewed this item.

Chair Gibson said that his concern is that this money will be spent before a building is built. He is concerned that this meets our original requirements.

Marshall Goodman, Central Florida Incubator, reported on some of the meetings held since he was last here. They have worked with Mainstreet on some events. Many in town are anxious to get started. The county commission was fine with the proposal but they give money to the CRAs for this. This new plan helps us to go ahead and get started. They may get money from the state once the budget is approved. They will focus on the Lakeland Airport and Lake Wales incubators with this if awarded. We need a match

to receive this money. The Lake Wales building will be at least \$4 million. The state money will be \$2 million. They are open on Stuart Ave and starting with culinary items. An FDA kitchen is expensive. There are many talented persons interested in the incubator. We can get started by June helping people. They are asking for the same amount as before. The model is changed for the better. We will have clients when the building opens. This is a great area for businesses to open as it is fast growing. He shared some examples of businesses that could move to our area. Partnerships are important to donors as well as clients.

Chair Robin Gibson said we something that clearly spells out our obligations. There are quality people involved with this project and on the board. We need an MOU to define what each party is obligated to.

Commissioner Howell said this is a great idea but is concerned about paying a large amount. She is concerned about for existing facility. Are other cities paying in? Mr. Goodman said no as they are focusing on Lake Wales. The Lakeland one is focusing on aviation. They are leasing a building at the airport there and raising money to build a facility. She asked about a location in the Northwest neighborhood. Mr. Goodman said they are looking at a spot on Park that is part of the Connected plan. He said Lakeland successfully focused on their downtown. Commissioner Howell asked what happens if this is not successful. Albert Galloway, City Attorney, said they won't continue to get funding. Chair Gibson said he liked the building as that was our security for our investment. The building will eventually return the investment to the CRA. He said we need to wait and see if we are getting the money from Tallahassee.

Mayor Fultz agreed that we need to wait to see if the funding is granted from Tallahassee. He said the incubator idea is a good idea and will help us grow. The MOU should help address these concerns and give us some guarantees.

Commissioner Williams said he is excited about this. This was a win-win. Let's see what the state does first.

Commissioner Hilligoss said he is excited about this and understands the need to accelerate this. he would like to know more about efforts to raise the money and how the money will be spent. He agrees with the Chair that some of these issues need to be addressed.

Chair Gibson said their are elements here to do this well but we need to exercise caution with the trust money. We must do things right. Mr. Goodman said they are excited about this opportunity and location. Rural areas don't often get funding for these types of projects. Chair Gibson shared a quote from the paper about growth in Central Florida. He likes the idea of the building and that some of the projects are agriculture.

Pete, Chair of the board, said they want to focus on the authenticity of Lake Wales and what Lake Wales can do well. He understands the need for an MOU and will work on this. They need help finalizing plans for a building such as where and size. Chair Gibson said staff can review this and offer recommendations to the board. Mr. Slaton said they can investigate this. Pete said they have raised a \$1million. They want it to be part of the City. Chair Gibson said that the CRA is a natural partner in this.

Commissioner Howell said she is glad they are coming here but wants to make sure.

Commissioner Williams asked about an incubator in the northwest area. Mr. Slaton said that is one of the action items. He said we need to decide about incubators if they need to build buildings. Something to consider. He asked about private funding raised and operating costs. Mr. Goodman said there is no profit in incubators. Catalyst's budget is \$1 million a year and make \$300,000 a year. They raised \$10 million in the bank. Most incubators are funded by Tallahassee but not here. This will be our incubator together.

Commissioner Howell made a motion to table this item. Commissioner Williams seconded the motion.

By voice vote

ALL "AYE"

motion passed 5-0.

Mr. Slaton said he will work on this and come back with some sort of agreement.

9. EXECUTIVE DIRECTOR'S REPORT

James Slaton, Executive Director, had no new report.

Jennifer Nanek, City Clerk, said at the next CRA meeting there will be a new board so a Chair and Vice Chair will be elected.

10. ADJOURN

Meeting was adjourned at 5:08 p.m.

Chair/Vice-Chair

ATTEST:

City Clerk/Deputy City Clerk