

Community Redevelopment Agency (CRA)
Meeting Minutes July 9, 2024
(DRAFT)

7/9/2024 - Minutes

1. CALL TO ORDER & ROLL CALL

Members Present: Chair Robin Gibson, Keith Thompson, Mayor Jack Hilligoss, Carol Gillespie

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

Chair Robin Gibson called the meeting to order at approximately 2:00 p.m.

2. COMMENTS AND PETITIONS

3. Minutes - June 11, 2024

Commissioner Thompson made a motion to approve the minutes of June 11, 2024. Mayor Hilligoss seconded the motion.

by voice vote:

ALL "YES"

Motion approved 4-0.

4. Restaurant / Food-Related Incentive Program (Smokin' DJ's, 122 1st St N, Unit #4, Lake Wales, FL 33853)

[Begin Agenda Memo]

SYNOPSIS:

RECOMMENDATION It is recommended that the CRA Board consider the following action.

1. Authorize the Executive Director of the CRA to sign a development agreement that includes an additional six-month extension that ends on February 28, 2025.

BACKGROUND The now defunct Food-Related Incentive Program offered 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 could be used to offset the cost of eligible lease-hold improvements necessary to establish and operate a food service or restaurant business.

On August 9, 2022, the CRA Board initially approved Mr. and Mrs. Leeks, owners of Smokin' DJ's Burgers & Que request for \$50,000 from the Restaurant / Food Related Incentive Program. The site of their proposed restaurant is located in the CRA 1 district.

On July 11, 2023, Mr. and Mrs. Leeks received an additional approval from the CRA Board for a twelve-month extension, which will expire on August 31, 2024. The completed work since the approval of the extension includes plumbing, electrical work, installation of two exterior back doors, installation of interior doors, two new restrooms that are ADA compliant, and exterior stucco. Currently, they are working on the interior walls, kitchen hood, and roofing.

No funds have been withdrawn from the initial \$50,000 from which they were approved.

OTHER OPTIONS To not approve the six-month extension of the developer agreement for the Restaurant / FoodRelated Incentive Program Grant.

FISCAL IMPACT \$50,000

[End Agenda Memo]

Cheryl Baksh, CRA Specialist and Darrel Starling, CRA Consultant reviewed this item.

Chair Gibson said they put in their \$50,000 first. Ms. Baksh confirmed this. Mayor Hilligoss asked if they have spent the grant money yet? Ms. Baksh said nothing has been paid out yet.

Commissioner Thompson made a motion to approve the extension. Mayor Hilligoss seconded the motion.

by voice vote:

ALL "YES"

Motion approved 4-0.

5. Presentation - Real Estate Foundation

James Slaton, Executive Director, said that the next two items are related to this presentation. He is going to ask the board to table this while they look into some concerns raised.

Alexis Monroe and Prestine Akiboh from the Real Estate Foundation introduced themselves and gave a presentation on their organization and proposal.

The foundation is a non-profit organization with a mission to increase homeownership and financial stability. They offer a variety of services including housing counseling, credit repair, and realtor membership. The foundation has a partnership with several builders committed to constructing affordable housing.

The presentation included proposals for two housing models: a single-family home and a duplex. Both models aim to provide affordable housing options for low-income families. The foundation emphasized their ability to provide comprehensive support services, including credit counseling and job training, to their clients.

The foundation expressed interest in collaborating with the CRA to identify suitable properties for development and potentially secure additional funding sources. They highlighted the potential positive economic impact of their project, including increased homeownership rates, job creation, and property value appreciation.

6. The Donation Of Three Parcels To The Real Estate Foundation To Be Redeveloped For Affordable Housing

[Begin Agenda Memo]

SYNOPSIS: The purpose of this request is to consider the donation of three parcels owned by the CRA to the Real Estate Foundation.

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

1. The CRA Board authorize the donation of the CRA property at 1130 Dr. M. L. K. Jr Blvd, 315 Dorsett Ave, and 517 B Greenview Terrace to the Real Estate Foundation. Parcel number (s): 27-30-02-899000-008140, 27-30-02-899000-008100, and 27-29-35-880010- 000211

2. Authorize the Executive Director of the CRA to enter into a developer's agreement and said agreement shall include, at a minimum, a reverter clause and project timeline.

BACKGROUND The Real Estate Foundation is 501(c) (3) non-profit housing agency, affordable housing developer, and network association established to create wealth and abundance for all. Established in 2022, the Real Estate Foundation has provided families in Hillsborough and Polk County with housing counseling, credit counseling, down payment assistance, and affordable housing. The Real Estate Foundation works with churches, community leaders, residents, community organizations, and private donors to ensure the quality of the homes built are second to none. The Foundation has a network of over 150 real-estate agents. Once a month, the organization brings together small business owners together to network and share real-estate ideas with the goal to help bring more affordable housing and generational wealth to low income communities. Please note, parcel ID 27-30-02-899000-008140 (1130 Dr. M.L.K. JR Blvd) is currently owned by the City of Lake Wales and will be added to the July 16, 2024 City Commission agenda so that ownership can be transferred to the CRA. Once the property has been transferred the CRA, with CRA Board approval, it will be donated to the Real Estate Foundation and an affordable single-family home will be built.

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 the Real Estate Foundation)

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

FISCAL IMPACT The Cost to the CRA will be \$0.

OTHER OPTIONS Not accept CRA staff recommendation.

[End Agenda Memo]

Darrell Starling, CRA Consultant, reviewed this item.

James Slaton, Executive Director, asked to table this item.

Commissioner Thompson asked why we weren't using Keystone. Mr. Starling said Keystone wasn't interested in these properties. Mr. Slaton said that we could put these out in the market and take bids.

Commissioner Gillespie asked who gets the developer fee? Mr. Starling said it would be their, The Real Estate Foundation's, developer. That is standard. Alexis Monroe, The Real Estate Foundation, reviewed their process, introduced one of their builders and said that the 15% is their fee. Commissioner Thompson said they need to be a viable organization. They need that money to stay profitable. Mr. Starling said they are eligible for some grants for this.

38.16

7. The Donation Of Three Parcels To The Real Estate Foundation To Be Redeveloped For Affordable Housing

[Begin Agenda Memo]

SYNOPSIS: The purpose of this request is to consider the funding request of \$124,160 to the Real Estate Foundation for the development of three affordable homes.

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

1. The CRA Board authorize payment of \$124,160 to the Real Estate Foundation for the development of three affordable homes. The properties are 1130 Dr. M. L. K. Jr Blvd, 315 Dorsett Ave, and 517 B Greenview Terrace to the Real Estate Foundation. Parcel number (s): 27-30-02-899000-008140, 27-30-02-899000-008100, and 27-29-35-880010-000211.
2. Authorize the Executive Director of the CRA to enter into a developer's agreement and said agreement shall, include, at a minimum, a reverter clause and project timeline.

BACKGROUND As part of the CRA's Affordable Housing Initiative, on January 21, 2021, the CRA Board approved the donation of two CRA properties to Keystone Challenge Fund. The donation created a series of collaborations between Keystone and the CRA that resulted in six (6) affordable homes that were built, and two (2) homes rehabbed. This is an example of the same type of relationship the CRA plans to build with the Real Estate Foundation.

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 the Real Estate Foundation)
- 39 Provide down payment assistance and low-interest mortgages for infill housing

THE REAL ESTATE FOUNDATION OVERVIEW AND PLANS FOR REDEVELOPMENT The Real Estate Foundation is 501(c)(3) non-profit housing agency, affordable housing developer, and network association established to create wealth and abundance for all. Established in 2022, the Real Estate Foundation has provided families in Hillsborough and Polk County with housing counseling, credit counseling, down payment assistance, and affordable housing. The Real Estate Foundation works with churches, community leaders, residents, community organizations, and private donors to ensure the quality of the homes built are second to none. The Foundation has a network of over 150 real-estate agents. Once a month, the organization brings together small business owners together to network and share real-estate ideas with the goal to help bring more affordable housing and generational wealth to low income communities.

RETURN ON INVESTMENT

REVENUE VALUE

Jurisdiction Millage

Polk County 6.6852

City of Lake Wales 7.1214

Total 13.8066

Assessed Value \$365,000.00 (Duplex assumed) (Less \$50,000 Homestead \$195,000.00 (Single Family Home Exemption assumed)

Tax Increment Revenue \$5,039.40 (Duplex per year) + \$2,692.28 (Two Single Family Homes Per Year) =10,423.97

RETURN ON INVESTMENT

CRA Investment \$124,160

Tax Increment Revenue \$10,423.97

Total Return on Investment 11.9 Years (ROI)

FISCAL IMPACT The Cost to the CRA will be \$124,160.

OTHER OPTIONS Not accept CRA staff recommendation.

[End Agenda Memo]

Darrell Starling, CRA Consultant, reviewed this item.

James Slaton, Executive Director, asked to table this item.

8. EXECUTIVE DIRECTOR'S REPORT

James Slaton, Executive Director, said the Board has expressed concern about the businesses on Park Avenue negatively affected by the construction. There are 15 retail businesses that rely on walk in traffic. He suggested a \$5,000 grant to each of those at a cost of \$75,000. The CRA has the funds. Chair Gibson asked to confirm that it is \$5,000 per business on Park Avenue. Mr. Slaton confirmed this. This was discussed. There was consensus by the board to move forward. Mr. Slaton said he will bring back a formal action item.

Mr. Slaton said that we have received the audit for Year 1 of the BizLinc contract. That will be on the work session agenda tomorrow for discussion.

Executive Director James Slaton provided an update on the CRA expansion. He reported that the Deputy Mayor, himself, and outside council have been engaged in mediation with the county and what they owe. Slaton indicated the intention to move forward with the expansion unless the CRA board directed otherwise. He then deferred to Sara Irvine to discuss the next steps.

Sara Irvine, Special Projects Administrator, provided an update on the CRA expansion process. She explained that the CRA Board adopted a resolution in February 2020 affirming the expansion area and outlining next steps. These steps include securing city commission approval of the amended plan and funding for the CRA, as well as notifying taxing authorities of the expansion. Irvine noted that the expansion area encompasses the area north of Highway 27 up to the mall. She also mentioned the need to consult with outside legal counsel to ensure the city's ordinance aligns with the adopted resolution and considers the county's perspective on the expansion.

Chair Gibson provided an update on the CRA expansion efforts. He explained that two meetings were held with the county board to discuss the expansion plan. However, these meetings did not reach an agreement. The county suggested mediation, which also proved unsuccessful.

Chair Gibson emphasized the CRA's strong legal position based on their pre-home rule grandfathering and the expertise of legal counsel. He concluded by recommending moving forward with the expansion plan,

highlighting the thorough process undertaken and the lack of progress with the county.

Mayor Hilligoss confirmed that the proposed expansion area is north including the mall area and to the west. Ms. Irvine confirmed this.

Commissioner Gillespie asked if there was urban blight in the area or existing condition that we are trying to remedy? Most of the area is undeveloped.

Ms. Irvine explained that the CRA did conduct a finding of necessity study, they hired Inspire Placemaking to conduct one. The finding of blight doesn't have to be everywhere in that whole area it just has to be in the expansion area be findings that there is a condition of slum or blight. We do have a finding a necessity that the CRA board did adopt. She said she would get Commissioner Gillespie a copy.

This was discussed. The board consented to move forward on this.

9. BOARD MEMBER COMMENTS

Chair Gibson said he had 5 key points to address. We need to capitalize on the \$22.9 million grant. This federal grant presents a unique opportunity for significant community development. The CRA is well-positioned due to its existing tax increment trust fund, maximizing the grant's impact. Careful planning and oversight are crucial to ensure responsible allocation of these funds.

Chair Gibson spoke on enhancing infill development. The focus should be on attracting developers to build within city limits, reducing urban sprawl. The CRA can become a developer by purchasing property, providing infrastructure, and waiving impact fees. Pre-approved architectural plans could further streamline the process for builders.

Chair Gibson said that Lake Alta Infill Development is a Test Case. The vacant "bowl" in Lake Alta represents an opportunity for infill development. Gibson proposes cleaning the area and replicating a portion of Bok Tower Gardens landscaping. He suggested a "pocket neighborhood" with high density and desirable architecture for residents. The increased tax revenue generated by this development would finance the upkeep of the "bowl".

Chair Gibson recommended securing Mr. McWhorter's Property for the Lake Alta Development to facilitate a pocket neighborhood project with higher density homes. This acquisition would prevent him from building the planned six standard houses. Gibson emphasizes the potential financial advantage for Mr. McWhorter in this partnership.

Chair Gibson said the 4th thing was discussion of the CRA Expansion which has been covered

Chair Gibson discussed promoting CRA and County Collaboration He recommended joint recognition (city and county) on CRA projects, reflecting shared funding. Highlighting the county's contribution through joint signage strengthens collaboration.

Chair Gibson said let's not blow this great opportunity we have with a \$22.9 million dollar grant in the middle of a Community Redevelopment Agency with the ability to create a CRA trust fund to redevelop our community.

The idea to buy Mr. McWhorter's property was discussed. Mayor Hilligoss said he is open to exploring this idea. We need to try and find a proof of concept of Lake Wales Envisioned.

James Slaton, Executive Director, said that Mr. McWhorter is moving forward with the construction with six houses. If we're going to move forward he needs to let him know so he doesn't move forward with building. He's got about \$565,000 into that lot right now. Mr. Slaton said he will investigate this and bring a real property agreement to the next meeting for approval.

Chair Gibson strongly advocated for purchasing the property. He highlighted the financial benefits, explaining that the CRA could recover their investment through sales or a development deal with Mr. McWhorter. Additionally, the increased tax revenue from the new houses would contribute to funding the "bowl" park project. He emphasized the CRA's competitive advantage due to their access to resources and lower borrowing rates. Finally, Chair Gibson stressed the importance of a timely decision to avoid disrupting Mr. McWhorter's construction plans.

The board consented to move forward on this.

Commissioner Gillespie said she recently visited the Airport and thanked Amanda Lomneck, Airport Manager, for the tour.

Commissioner Thompson commended the exceptional work of the CRA staff, especially their efforts in securing the significant 22.9 million dollar grant. He then emphasized his support for innovative approaches to infill development. Thompson recognized there may be criticism for these bold ideas, but stressed the importance of developing strategies to attract development within the city limits and setting a high standard for future infill projects. He also highlighted the need to transform the Lake Alta area into a true park.

Commissioner Thompson asked for an update on the hotel. Chair Gibson explained that we are moving toward our getting title to the hotel.

10. ADJOURN

The meeting was adjourned at 3:43 p.m.

Chair/Vice-Chair

ATTEST:

City Clerk/Deputy City Clerk