

Community Redevelopment Agency (CRA)
Meeting Minutes September 10, 2024
(DRAFT)

9/10/2024 - Minutes

1. CALL TO ORDER & ROLL CALL

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

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

Robin Gibson, Chair, called the meeting to order at approximately 2:00 p.m. A quorum was present.

2. COMMENTS AND PETITIONS

Dorothy Scott Wilson, resident, encouraged transparency and oversight in the CRA.

Catherine Price, resident, spoke on the donation of \$40,000 for down payment assistance. She urged caution about who we give away money to. She asked to see the contract first. Chair Gibson said these projects help grow the tax increment. This money will come back.

3. Minutes - August 28, 2024

Mayor Hilligoss made a motion to approve the minutes of August 28, 2024. Commissioner Thompson seconded the motion.

by voice vote:

ALL "YES"

Motion passed 5-0.

4. Park Avenue/Market Plaza Streetscape Change Order

[Begin Agenda Memo]

SYNOPSIS: Staff is requesting CRA Board approval of Change Order #16 with Gomez Construction

RECOMMENDATION It is recommended that the CRA Board take the following actions:

1. Approve Change Order #16 with Gomez Construction.
2. Authorize Executive Director of CRA to execute agreement on behalf of the CRA.
3. Authorize expenditure of \$138,008.09.

BACKGROUND Change Order #16 includes installation of StormTech chambers to address drainage concerns and relay of pavers with sand/cement base from the crosswalk at the Post Office to Wetmore Street. In accordance with the Lake Wales Connected Plan, the CRA designed a full streetscape treatment to Park Avenue from Scenic Highway to Wetmore Street. It is the Community Redevelopment Agency's

ultimate goal to encourage redevelopment and activation of the City's Historic Downtown District. By leading the way with this significant public infrastructure investment coupled with utilizing proven streetscape techniques, staff believes that these goals will be realized.

OTHER OPTIONS Do not approve Change Order #16 with Gomez Construction.

FISCAL IMPACT The total fiscal impact for this change order is \$138,008.89.

[End Agenda Memo]

Deena Drumgo, Assistant City Manager, reviewed this item.

Chair Gibson asked if something wasn't done properly or is this is something over and above what was done. Ms. Drumgo said this is doing something that is over and above what was called for in the specifications.

James Slaton, Executive Director, explained that

the contractor followed the original design but that additional measures were needed to address the shifting bricks and drainage issues. Deena Drumgo outlined the proposed changes, including altering the paver pattern and using a different sand and cement combination.

Commissioner Gillespie questioned the need for the proposed changes, asking if they were different? Ms. Drumgo explained that the changes were necessary to address flooding issues caused by a recent heavy downpour.

Commissioner Gillespie asked if the pavers were installed correctly and if the shifting could have been anticipated. Ms. Drumgo confirmed that the pavers were installed correctly but that they started shifting.

Mr. Slaton attributed the issue to the base used for the bricks, which did not work as intended. He presented the option of either living with the issue or going back and correcting it.

Chair Gibson expressed his concerns about the potential for design flaws in the project, drawing on his experience with construction litigation. While he acknowledged the innovative design and the quality of work done by Gomez Construction, he hesitated to approve the change order due to the possibility of additional costs.

Mr. Slaton explained that the rain gardens were designed to handle runoff but had not been effective. He highlighted the need for storm chambers to address drainage issues and discussed the city's plans for future projects, including the use of a more proactive approach with pre-construction reviews and a construction manager at risk model.

Chair Gibson recognized the innovative design and the potential benefits but reiterated his concerns about the possibility of design flaws and the potential for additional costs. He said he would vote for the change order, acknowledging the collaborative effort and the potential long-term benefits.

Ken Guyette, Principal Associate from Colliers Project Leaders, explained that his team serves as project managers for the city, overseeing construction projects. They aim to be proactive in identifying and addressing potential issues through pre-construction reviews and the use of a construction manager at risk model.

Commissioner Thompson inquired whether the recommended process would have prevented the issue. Mr. Guyette confirmed that it would have.

Commissioner Thompson then asked about the engineering firm, Chastain Skillman, and requested their input. Mr. Slaton introduced Doug Forni from Chastain Skillman.

Mr. Forni explained that there were two main issues: drainage and paver shifting. He provided background on the original drainage system and the challenges they faced in meeting FDOT requirements. He described the alternative solution they implemented, using vaults to collect stormwater and allow for infiltration.

Regarding the pavers, Mr. Forni explained that the traditional sand base was not effective in preventing shifting. He described the changes made, including using a herringbone pattern and polymeric sand, to address this issue.

Chair Gibson praised the innovative solutions implemented for drainage but expressed concerns about the potential for design flaws and the associated costs. He ultimately decided to vote for the change order, acknowledging the collaborative effort and the potential long-term benefits.

Commissioner Gillespie questioned why the need for reinforcements in other areas was not anticipated after the Stormtech drains were installed at Market Plaza. Mr. Forni explained that the circumstances were different for Market Plaza, as they had to meet specific retention requirements set by the Southwest Florida Water Management District. On Park Avenue, the focus was on infiltrating runoff into the groundwater, but sediment buildup in the inlets hindered this process.

Regarding the pavers, Mr. Forni explained that the shifting was due to traffic and the traditional sand base used. He described the changes made to the paver pattern and the use of polymeric sand to prevent future shifting. He acknowledged that they had encountered similar issues at intersections but not on straight lines.

Mr. Slaton emphasized that the city was tracking all changes to the project and would be incorporating lessons learned into future designs. He also mentioned that the city had anticipated some of these issues and had secured additional funds through grants.

Commissioner Gillespie expressed her disappointment with the engineering firm, questioning why they allowed the pavers to shift. She believed that they should have anticipated this issue given the nature of traffic on the streets. She also raised concerns about who would ultimately bear the cost of the repairs.

Commissioner Williams agreed with Gillespie's concerns and questioned if the cost would fall solely on the city.

Mr. Slaton clarified that the contractor had fulfilled their obligations according to the specifications provided by the engineering firm. He emphasized the need to address the issue with Chastain Skillman after the meeting.

Commissioner Williams expressed his desire to avoid delaying the project. Mr. Slaton agreed and suggested proceeding with the repairs while addressing the engineering firm's responsibility at a later time.

Commissioner Thompson made a motion to approve the change order. Commissioner Williams seconded the motion.

by roll call vote:

Commissioner Thompson "YES"

Commissioner Williams "YES"

Commissioner Gillespie "YES"

Mayor Hilligoss "YES"

Chair Gibson "YES"

Motion approved 5-0.

5. The Donation Of CRA Property And Future Issuance Of Down Payment Assistance.

[Begin Agenda Memo]

SYNOPSIS: The purpose of this request is to donate 315 Dorsett Ave to the Real Estate Foundation (TREF) to be redeveloped for affordable housing and provide \$40,000 in down payment assistance.

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

1. The CRA Board authorizes the donation of 315 Dorsett Ave (parcel ID: 27-30-02-899000- 008100) to TREF for the development of an affordable home.
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.
3. The CRA Board authorizes \$40,000 in down payment assistance that will go directly to the homeowner.

BACKGROUND The Real Estate Foundation is 501(c)(3) non-profit housing agency, affordable housing Developer and network association designed to create wealth and abundance for all.

Established in 2022, the Real Estate Foundation has provided families with housing counseling, credit counseling, down payment assistance, and affordable housing to families in Hillsborough and Polk County. The organization collaborates with churches, community leaders, residents, community organizations, and private donors to ensure the construction of high-quality homes. With a network of over 150 real estate agents, the foundation brings together small business owners once a month to facilitate networking and the exchange of real estate ideas. Their ultimate goal is to contribute to the creation of more affordable housing and generate wealth in low-income communities.

At the CRA Board's request, TREF has coordinated with Keystone Challenge Fund to reconstruct their business plan. The CRA will not provide subsidy for construction, instead \$40,000 in down payment assistance will be provided to a first-time home buyer with an area medium income of 120% or less.

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 \$40,000.

OTHER OPTIONS Not accept CRA staff recommendation.

[End Agenda Memo]

James Slaton, Executive Director, reviewed this item.

Mayor Hilligoss proposed donating property to the Real Estate Foundation to build an affordable house and provide down payment assistance. He praised the track record of Jeff Bagwell and his company in building similar houses and highlighted the success of the legacy fund in the Northwest area.

Commissioner Gillespie expressed her approval of the changes made to the proposal, including the reduction in the number of parcels and the allocation of funds to the homeowner instead of the builder. She inquired about the listed action items and the city's prior relationship with the Real Estate Foundation and whether it was established before or after the Lake Wales Connected Plan.

Mr. Slaton clarified that the action item was recommended by Dover Kohl and Partners as part of the Lake Wales Connected Plan and that the Real Estate Foundation would be fulfilling the action item of providing first-time homebuyer counseling and education.

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

by voice vote:

ALL "YES"

Motion approved 5-0.

6. EXECUTIVE DIRECTOR'S REPORT

James Slaton, Executive Director, reported that the Whadda Wings restaurant will not be moving forward. So the CRA will be getting that property back. That will go out for RFP to find someone else. Chair Gibson says this proves the value of requiring the money up front.

7. BOARD MEMBER COMMENTS

Commissioner Gillespie said she was asked why we couldn't get a local company to do the work of the Real Estate Foundation and she has been told that there are no companies locally who do this kind of work. We have cut back the scope project to give the Real Estate Foundation a chance to show us that they can do a good job. Hopefully there will be a choice in the future.

Commissioner Thompson said there is a misunderstanding between for-profit and non-profit entities regarding the intended purpose of the Real Estate Foundation. He clarified that the goal is to assist first-time homebuyers, not to profit from flipping houses. He supported the idea of a local non-profit organization focusing on this goal and appreciated the Foundation's efforts and their expertise in this area.

Regarding the Lake Wales Charter School and the 1919 Building, Commissioner Thompson asked to revisit the request made by at the last CRA meeting. He suggested either reducing the payment or forgiving the debt on the property, believing that the charter school could use the resources more effectively than the CRA.

Commissioner Thompson also emphasized the importance of partnership and transparency. He appreciated the honesty and transparency shown by the engineers in admitting potential issues with their projects. He believed that accusations and mistrust were unhelpful and unnecessary and that working together and being open to learning from mistakes was crucial.

Mayor Hilligoss encouraged local individuals with expertise in the field to establish a non-profit organization dedicated to assisting first-time homebuyers, believing it would be a valuable addition to the community. Mayor Hilligoss also said that change orders are a common occurrence in large-scale projects, emphasizing that this is a normal part of the process and that the current working relationship with the engineers has been positive. He expects to see more change orders in future with these projects.

Chair Robin Gibson apologized to Catherine Price for engaging in an argument earlier in the meeting. He acknowledged that he should have expressed his opinion at a more appropriate time. He expressed his regret for the incident and apologized to Price for his actions.

8. ADJOURN

The meeting was adjourned at 2:52 p.m.

Chair/Vice-Chair

ATTEST:

City Clerk/Deputy City Clerk