

**COMMUNITY REDEVELOPMENT AGENCY (CRA)
OFFICIAL AGENDA
June 5, 2018 5:30 p.m.**

**Municipal Administration Building
Commission Chambers
201 W. Central Avenue
Lake Wales, FL 33853**

1. ROLL CALL
2. COMMUNICATIONS AND PETITIONS
Public participation is encouraged. If you are addressing the Commission, step to the podium and state your name and address for the record. Please limit your discussions to five (5) minutes.
3. Minutes Of April 17, 2018
The Minutes of [APRIL 17, 2018](#)
4. Rescission Of Action Regarding Sale Of Parcel 12 Lake Wales Park Of Commerce And Technology

On May 23rd the CRA Board authorized the repayment of One Hundred Seventeen Thousand Three Hundred Dollars (\$117,300.00) owed to the Community Redevelopment Agency by the owner, Joseph Miranda, upon the sale of the property over a ten year period with interest with collateral provided. This arrangement is not acceptable to the seller and will prevent the sale of the property. An alternative approach is recommended.

Documents:

[AGENDA MEMO FOR PARCEL 12 RESCISSION.PDF](#)
[LIEN AMOUNT BUILDING 12 LONGLEAF.PDF](#)

5. EXECUTIVE DIRECTOR'S REPORT

Minutes of the CRA meeting can be obtained from the City Clerk's Office. The minutes are recorded, but are not transcribed verbatim. Persons requiring a verbatim transcript may make arrangements with the City Clerk to duplicate the recording, or arrange to have a court reporter present at the meeting. The cost of duplication and/or court reporter will be the expense of the requesting party.

Persons who wish to appeal any decision made by the CRA Board with respect to any matter considered during this meeting will need a record of the proceedings, and for such purpose may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is based.

In accordance with Section 286.26, Florida Statutes, persons with disabilities needing special accommodations to participate in this meeting should contact the office of the City Clerk no later than 5:00 p.m. on the day prior to the meeting.

MEMORANDUM

DATE: June 5, 2018

TO: Chairman and Members of the Community Redevelopment Agency Board

VIA:

FROM: Kenneth Fields, Executive Director

RE: Rescission of Action Regarding Sale of Parcel 12 Lake Wales Park of Commerce and Technology

SYNOPSIS

On May 23rd the CRA Board authorized the repayment of One Hundred Seventeen Thousand Three Hundred Dollars (\$117,300.00) owed to the Community Redevelopment Agency by the owner, Joseph Miranda, upon the sale of the property over a ten year period with interest with collateral provided. This arrangement is not acceptable to the seller and will prevent the sale of the property. An alternative approach is recommended.

RECOMMENDATION

The seller of Parcel 12, Mr. Miranda, would prefer to make a single lump sum payment to extinguish the lien on the property and allow the sale to proceed with no future payments due to the CRA over an extended period. It is recommended that the CRA take a lesser amount than the total due in the same proportion as the loss that Mr. Miranda is taking on the sale of the property.

BACKGROUND

The sale of Parcel 12 will allow completion of the unfinished shell building that currently exists on the property and the relocation of the new owners business to the site. Completion of the building will significantly add to the City's tax base, providing additional General Fund revenue. This will also result in ten to twenty new jobs in Lake Wales and an onsite location for the owner of the other remaining large parcels in the Park of Commerce and Technology to market and develop the Park.

The sale price of the parcel represents a loss on the investment in the site to date. Mr. Miranda has represented that the sale price of One Million Four Hundred Thousand Dollars (\$1,400,000.00) represents a 43.1% loss on his investment of Two Million Four Hundred Fifty Nine Thousand Dollars (\$2,459,000.00). Applying this loss percentage to the amount due would reduce the payment to the CRA to Sixty Six Thousand Eight Hundred Dollars (\$66,800.00)

A review of Mr. Miranda's figures indicates that they include items above and beyond the actual construction costs of the site including, taxes, insurance, financing costs, etc. The remaining actual construction costs were compared to the amounts shown on the building permits for the structure and appear reasonable. Excluding the non-construction costs would reduce the investment amount to One Million Nine Hundred Fifty Nine Thousand Dollars (\$1,959,000.00) so that the loss on the sale would be 28.4%. If this loss percentage were applied to the amount due the CRA, it would result in a single payment of Eighty Four Thousand Dollars (\$84,000.00) being due. A comparison of the two approaches is attached.

As justification for this approach, Mr. Miranda has pointed out that at the initial development of what was then Longleaf Business Park, it was envisioned as a partnership between the City and himself, with both parties assuming some degree of risk and reward. An example of this partnership was the City providing him with land at a term viewed as inducement prices in return for him assuming the costs of building and selling or leasing structures to businesses the City helped attract.

An example of Mr. Miranda working cooperatively with the City is the case of Parcel 25 in Longleaf. In 2006 the City accepted a One Hundred Thousand Dollar (\$100,000.00) option from a potential purchaser of that property, but when the purchaser chose not to close on the deal, Mr. Miranda took over the option and provided the City with \$100,000.00 so that the initial deposit could be returned to the potential purchaser. However, Mr. Miranda never closed on the purchase either, and the property remained in the CRA's possession, but the funds were not returned to Mr. Miranda until 2017 in an effort to clear the liability from the City's accounts. In effect, an interest free loan to the CRA for that period.

OTHER OPTIONS

The CRA Board can choose not to revise the amount due to the CRA, in which case the sale of Parcel 12 and completion of the shell building may or may not occur.

FISCAL IMPACT

Sale of the parcel and completion of the building would result in a significant increase in tax revenue generated by the property.

ATTACHMENTS

Lien Amount Longleaf Building 12

	Claimed	Allowed
1. Plans, permits, fees, testing	\$125,000	\$125,000
2. Infrastructure	305,000	305,000
a. Dirt work		
b. Underground (drainage piping, basins, power conduit, dirt removal, compaction, irrigation)		
c. Asphalt, striping, sidewalks, ramps concrete (rear of building all concrete), signage, lighting		
3. Concrete	195,000	195,000
a. Footings, slab (33,500 sq. ft), compaction, reinforcing, testing		
4. Block work and reinforcing (12" block reinforced 2 # 6 rebar every third cell with 3 bond beams)	185,000	185,000
5. Roof package and roofing (Steel joist and corrugated, TPO roofing)	495,000	495,000
6. Covered truck docks (4). Framing, doors, concrete column and header work.	88,000	88,000
7. Storefront and entry work including glass work, doors and hardware entry (overhangs, etc)	165,000	165,000
8. Stucco and EIFS	120,000	120,000
9. Painting	35,000	35,000
10. Equipment rentals, debris removal, cleanup	25,000	25,000
11. Supervision	40,000	
12. Reroof (2014)	190,000	190,000
13. Repaint entire building	27,000	27,000
14. Insurance	76,000	
15. Maintenance	12,000	
16. Taxes	16,000	
17. Finance and Interest Costs (approximately 10 years)	360,000	
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Total	\$2,459,000	\$1,955,000

Sale Price	1,400,000	1,400,000
Percent Loss	43.07%	28.39%
Lien Amount	\$ 117,300	\$ 117,300
Net Lien Due	\$ 66,783	\$ 84,000