

Lakeland OKs plan to build 306 downtown apartments and townhomes in new multifamily neighborhood

By Christopher Guinn
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LAKELAND — After 12 years and two failed attempts to redevelop a large parcel on the northeast corner of the downtown district, the Lakeland City Commission approved a contract Monday for a company to build 306 apartments and townhomes on the land.

Framework Group, a Tampa-based developer of large, urban "in-fill" residential rentals, is expected to spend about \$58 million building the new multifamily neighborhood.

The city is selling the land, which was acquired through a straw purchaser and through eminent-domain proceedings starting in 2004 for about \$8.5 million, for \$3.7 million. It was last appraised by the city in 2014 at \$1.7 million.

The city also has agreed to spend up to \$1.8 million in additional incentives by waiving or paying building and inspection fees, relocating utilities and screening a nearby electric substation.

Lakeland Electric also will spend an estimated \$600,000 putting electric lines underground.

Framework has not revealed designs, which must be approved at a later date by the City Commission.

The plan had been revealed to the public the Friday before the commission was to vote on it two weeks ago, but residents' concerns, including from members of the influential Lakeland Economic Development Council, convinced commissioners to hold off until the next meeting.

Residents emailed their comments, criticism and a rare "attaboy."

"At this point, I think the city of Lakeland Commission should take an entirely different direction," wrote Maria Mahoney, a commercial Realtor. "Admit this was not a good decision and the city is willing to correct the situation and either sell the property to the highest bidder with no incentives provided that all debt is erased, or not sell the property at all."

Others were frustrated the site plan did not include any space for commercial uses.

"Let's not make the gateway into downtown Lakeland look like another run of the mill, three story plywood apartment complex like the ones you find all over Orlando," David and Amanda McClure-Sluga wrote. The couple said they supported a plan outlined by the LEDC for a "high-density, mixed-use residential development."

Steve Scruggs, the LEDC president, published a blog saying that the 100-percent residential site plan wasn't right for downtown's long-term economic strength.

Matt Clark, whose Broadway Real Estate had bid on developing the property in 2014 and 2016, said he was happy with the outcome. Broadway owns a large amount of commercial property downtown and is a residential landlord with the Lake Mirror Tower and NoBay Village.

"That site has plenty of challenges and concerns for any developer," Clark wrote. "Yet, we have a very qualified group out of Tampa willing to invest \$60 million in our downtown. I think we would be hard pressed as a community to come up with any reason to not say yes and take this great deal you have on the table."

During the two-week delay, the deal was slightly changed. Before, the developer would have had to pay \$12,000 per additional unit; now there is no penalty for increasing the density of the development. Also, a three-year time limit on completion was added if Framework is to receive agreed-to property-tax refunds.

In brief comments, commissioners defended the vote.

"I'm excited for it," Commissioner Edie Yates said. "This is going to be a huge step forward."

Commissioner Jim Malless said he has long advocated for the city redeveloping the fiscal drain and returning it to the tax rolls.

"At some point, this property is going to pay us back what we spent in the form of taxes," Malless said.

Hoping for the city to make money up front on the deal was too optimistic, Malless added.

"When we purchased these properties at \$8 million ... it became impossible for this to be a positive money-making deal on the sale of the land," he said, adding a real estate proverb. "You make money when you buy real estate, not when you sell it."

He said he also had no problem with the lack of commercial space in the neighborhood, which is surrounded on three sides by the railroad tracks and the in-town bypass.

Instead, the development of the property will likely spur commercial activity along Massachusetts Avenue.

Mayor Howard Wiggs voted for the project in order to project unity, but voiced his dissatisfaction with the project. Wiggs had pushed to delay the vote two weeks ago at the behest of the Lakeland Economic Development Council, to whom he has been strongly allied in his time as mayor.

"I don't see the urgency of moving forward with this," Wiggs said, saying he thinks a consultant on homelessness hired by the city will pay dividends in cleaning up the north side of downtown.

"I think the next one will be better than this one because of all the things improving in the area," he said.

He also urged Framework to work closely with the LEDC and to pay attention to the work the private business-advocacy and recruitment organization was doing in the area. It plans to build a business incubator just south of the planned development.

"I hope you will work with them," he told Framework's leaders. "There will be a synergy in working together."

"I think the LEDC has provided tremendous leadership and will continue to do so," Wiggs added.

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