

The meeting of the Lake Wales City Commission was held on February 17, 2015 in the Commission Chambers at the Municipal Administration Building. The meeting was called to order by Mayor Fultz at 6:00 p.m. following the invocation and the Pledge of Allegiance.

INVOCATION

The invocation was given by Dr. Jim Moyer.

PLEDGE OF ALLEGIANCE

COMMISSIONERS PRESENT: Terrye Howell; Christopher Lutton, Eugene Fultz, Mayor; Betty Wojcik, Jonathan Thornhill

COMMISSIONERS ABSENT:

CITY REPRESENTATIVES PRESENT: Kenneth Fields, City Manager; Clara VanBlargan, City Clerk; Jennifer Nanek, Deputy City Clerk; Albert C. Galloway, Jr., City Attorney

[Full staff memos are incorporated into the minutes. Meetings are recorded, but not transcribed verbatim.]

MAYOR

ANNUAL REPORT

Agenda Item 5. Airport Authority Board Annual Report by Dale Marks, Airport Authority Board Member

Dale Marks, Airport Authority Member, reported that he has been on the board going on 8 years. He distributed photos to the Commission, one of which has a new sign which he explained is too small. He recommended purchase of a piece of property to build a much larger sign and a nice entrance. They are glad for the improvements now being made. There has been a dirt pile that has been in front of the gas station and now will soon be removed. There is a need for additional hangars as there are some people who will rent them. Utilities are a big thing and once in place, we will have an airport. He shared concerns that not much has changed at the Airport in his years on the Authority. There are other airports with skydiving, but do the jumps off-site. The purpose should be a general aviation airport, with the utilities expansion we can move towards that objective.

Commissioner Wojcik asked why the dirt pile was there. Teresa Allen, Assistant Public/Support Services Director explained that the pile of dirt has been there awhile but it was always intended for use with this improvement project. The pile will be gone when they work on the safety area.

Deputy Mayor Lutton asked about a possible second entrance to the Airport that may be in the master plan. Ms. Allen confirmed that the second entrance is in the master plan but it is a few years down the road. The priorities can be reorganized after the runway extension. After this is complete we can look at that possibility.

Commissioner Wojcik asked about moving things around to move up the second entrance on the list. Ms. Allen emphasized the need for the current roadway improvements and for the runway extension. Commissioner Lutton asked what else is in the plan. Ms. Allen said she would review that.

Deputy Mayor Lutton suggested that signage needed improving as it is hard to find the airport. Mr. Marks encouraged the Commission to buy a piece of property near the entrance, tear down the old building, and put in a decent sign.

Kenneth Fields, City Manager, emphasized the importance of completing the runway extension first and we can improve the appearance in a few areas.

Deputy Mayor Lutton asked what the benefits are to the City from having more hangars. Mr. Marks said that they are rented at \$300 to \$400 a month. Mr. Fields said they will bring in more income and increase activity at the airport.

Mr. Marks said our airport is the best kept secret in Polk County, with the Utilities expansion and new signage the Airport would be on its way.

COMMUNICATIONS AND PETITIONS

Jack Brandon, on behalf of the Library Board, introduced Tina Peak, Director of the Library, and Glenda Morgan, President of the Lake Wales Library Association-Friends of the Library. They are requesting a resolution to ask the Board of County Commissioners (BOCC) to restore the rollback of the Library Municipal Services Taxing Unit (MSTU) which was adopted in FY'2005-2006. At that time a millage rate of .25 was adopted to support the Polk County Library Cooperative which filters down to the city libraries including Lake Wales. In FY'2007-2008, the BOCC, in compliance with state mandated property tax rollbacks, reduced the Library MSTU to .2109 mills. This caused library services to be cut. We would like that millage rate to be restored to benefit all the public libraries in Polk County. Our library has grown and these extra funds will allow services at the library to be expanded. The amount would be approximately \$500,000 in additional revenues annually for libraries.

Deputy Mayor Lutton asked if the other cities have been asked to do the same as a concerted effort will be needed. Ms. Peak explained that there is a concerted effort; this will be brought to other city commissions soon. There is pressure being put on the BOCC regarding this issue. Deputy Mayor Lutton said this is not much of an increase and should be higher and asked if it could go higher than .25. Mr. Brandon said they would look into that. Ms. Peak shared that they are considering eliminating Library Impact Fees as the BOCC is not building libraries but Impact Fees can be used for library materials such as books and computers which is needed. Mr. Fields reported that there is a recommendation to reduce state funding for libraries and libraries are an important resource for those needing to file for unemployment and other services.

Mr. Fields said he will bring a resolution on this to the next meeting for a vote.

Rudy Engholm, 837 N Lake Shore Blvd., explained that he and his wife are new residents to Lake Wales and everyone has been very friendly. He stated that he has his airplane at the Bartow Airport as there is better infrastructure. With improvements to the hangars he will be glad to move it to Lake Wales. Currently the Airport is devoted to skydiving. Deputy Mayor Lutton asked what improvements he would like to see. Mr. Engholm suggested that availability and pricing among others are things that could be improved.

Kevin Respress, 31 Seminole Road, representing the Civic, Business and Ministry Coalition, thanked the City Commission for the recognition at the last meeting and thanked James Slaton, Public/Support Services Director for working with them. Mayor Fultz thanked Mr. Respress for his comments and for all the contributed volunteer hours for the city.

Sue Smith, 919 Carlton Avenue, said she agreed with a budget increase for the library and that a better educated society is important. She thanked the Mayor and Commission for the decisions concerning the street renaming and suggested a revision to the city ordinance that prevents the renaming of any street that has historical value either on national or local level.

David Smith, 111 Britton Street Babson Park, said they are investigating Burns Avenue and Buck Moore Road for possible street renaming, but they are county roads. Mr. Fields said they are maintained by the county but are in the city. He will check if the City can rename them.

PRESENTATIONS

Agenda Item 6. Historic Lake Wales Society Task Force Committee Report

(Begin Task Force Report)

Lake Wales Museum Task Force Executive Summary

In September 2014, Lake Wales City Manager Ken Fields recognized the current overall situation of the Lake Wales Museum and Historic Society was not sustainable, and reached out to the community for assistance. A task force was authorized and commissioned by the Historical Society of Lake Wales (HSLW) as part of an agreement signed by Ms. Mimi Hardman on September 3, 2015 to secure temporary funds from the city to continue operation of the Museum. The task force consisted of the following six citizen volunteers: John Atkinson, Jessica Bray, Mike Carter, Robert Connors, Tina Peak, and Rich Thompson.

The task force was formed to review the current operation of the HSLW and to make recommendations to promote and enhance the Lake Wales Museum as a continuing asset to the community. The task force met officially seven times between October 3, 2014 and January 16, 2015 at either the Lake Wales Museum or City Hall. Several informal fact-finding meeting with community members also took place during this time. Minutes of the formal meetings were kept by Jennifer Nanek, Assistant to the City Manager.

The attached report is the result of the task force's finding and recommendations, and was presented to the Lake Wales City Commission at the regular commission meeting on February 17, 2015. The city manager was briefed on the contents of the report by task force representatives on January 26, 2015, as were Ms. Hardman and HSLW Board Member Deming Cowles on January 23, 2015.

DEPOT MUSEUM TASK FORCE REPORT; 22 January 2015

HISTORY OF ISSUE

The Depot Museum was established immediately prior to the Bicentennial of the United States in 1976, through the efforts of Mrs. William Hardman and others. It was seen as a remarkable asset to the city, and served for many years as an adjunct educational facility for area schools and colleges, and as a tourist destination, enhancing the several other attractions which then functioned in the immediate area. In recent years, operations of the Depot Museum have deteriorated due to the lack of adequate funding and staffing, relying solely upon the efforts of volunteers.

GENERAL FINDINGS

The City of Lake Wales is the appropriate title owner of buildings and ancillary properties comprising the Museum. Whereas the City lacks the specific expertise to develop and maintain Museum exhibits and educational programs and maximize the potential of the facilities, it is appropriate that the City enter into an operational agreement with a not-for-profit entity to provide those functions. This is a parallel to the City's funding and reliance upon the Economic Development Council to encourage effective inducements to attract potential employers to the area.

Specifically, the Task Force has reached the following conclusions:

- The Museum holds numerous artifacts which are 'on loan' and remain the property of others;
- City staffing of the Museum was discontinued in the past due to budget constraints, and operations are conducted solely by volunteers;
- At the present the Depot Museum is not fulfilling its maximum potential, either as an educational facility or as an ancillary to economic development efforts currently underway;
- Public confidence in the ability of the Historic Society to maintain and operate the Museum is diminished.

- Maintenance of buildings and existing railroad equipment has been neglected due to lack of funds;
- Current exhibits are stale, and do not communicate the history of the area in a clear and concise fashion;
- The City of Lake Wales, as owner of the facilities and most assets, has a responsibility to ensure that these assets are maintained and are of maximum benefit to citizens and the goals of the City;
- The Museum offers significant potential to become a part of the city's overall efforts to generate additional economic activity through the attraction of visitors;
- Opportunity exists for achieving meaningful income through admission fees and utilization of museum space for both public and private special events;
- The Museum offers an affordable and direct means of reaching both children and adults with the beneficial story of our area's history, culture, and economy;
- Museum operations require a stable base of funding in order to be consistent and successful;
- Conduct of the operations requires energetic and 'hands-on' management rather than continued reliance on long-standing and commendable volunteer efforts.

RECOMMENDATIONS

- Conduct an Annual Meeting as called for in the By-Laws of the Lake Wales Historic Society, Inc.;
- Expand the present Historic Lake Wales Society, Inc. board of directors to better represent the interests of the community, and review and adhere to the requirements of the Articles of Incorporation and Bylaws;
- Develop a realistic operational budget (see attached sample);
- Achieve an initial one-year agreement between the City of Lake Wales and the Lake Wales Historic Society or successor organization providing for adequate municipal funding to allow the Museum to continue operating and underwrite the cost of retaining the consulting services of a qualified curator on an as-needed basis, and to retain a Museum Director with the following responsibilities:
 - Manage and coordinate the efforts of volunteers;
 - Complete an inventory of owned assets, and negotiate the donation of desired materials, and removal of unneeded items or items owned by others;
 - Re-vision and redesign the Museum so that it more clearly communicates the natural and human history and economic development story of our area;
 - Develop a program to employ the assets of the museum in fund-raising through special events and activities;
 - Liase with neighboring museums to develop joint programs, events, and exhibits to raise public visibility and increase attendance;
 - Develop partnerships with area colleges and universities to provide resources in areas of marketing, business operations, special projects and internships;
 - Propose specific long-term operational arrangements that ensure the continued efficient functioning of the Museum with maximum private funding;
 - Establish a Museum Foundation in order to attract long-term funding of operations, special exhibits, and improvements;
- Develop a multi-year plan to move the Museum toward independent operational sustainability;
- Provide the City of Lake Wales with quarterly written activity and detailed financial reports to include line-item budgeting and expenditures to allow tracking and assure accountability.
- Provide a year-end review of the progress achieved, so that further continuing funding levels may be considered.

Respectfully submitted, Depot Museum Task Force

(End Task Force Report)

Kenneth Fields, City Manager, reviewed the history of this issue. This began last fall when the Historic Lake Wales Society wanted to sell the city-owned train cars as they were struggling financially. The Historic Lake Wales Society was granted \$6,000 in exchange for organizing a task force to find ways to restructure the museum and develop long-term solutions for the Society's difficulties. The task force was named by the Historic Lake Wales Society with a City employee. He said that the museum is an important asset to the City and we needed to find a way to help it continue into the future. These are the issues the task force was asked to look into. Mr. Fields explained that it was important that we keep Ms. Hardman's legacy intact.

Robert Connors, 3311 Harbour Beach Drive, reviewed the importance of the Depot Museum to our community and how it can be improved. He commended Mimi Hardman on the development of the Museum and her ongoing dedication to its continuation. He reviewed the origin and purpose of the task force which is to give the Historic Lake Wales Society their advice which included identifying the issues and proposing solutions. The Task Force included several long time community leaders and they consulted with various past Historic Society Board members and other civic leaders including a useful meeting with Myrtice Young, Director at the Polk County History Center which has recently been revitalized as well. The Depot Museum has a wealth of untapped potential with various ways to improve and develop revenue sources. The City should be a partner in this effort similar to the joint partnership with the Chamber to support the Economic Development Council. Mr. Connors introduced Jessica Bray to review some of the conclusions of the Task Force.

Jessica Bray, 33 N Lake Shore Blvd., emphasized the need for a stable base of funding and sustainable revenue streams. She recommended clearing out the freight room for use by the community as rental space and to revitalize some of the exhibits. The exhibits should communicate the history of the area and tell the story of Lake Wales. Many valuable items are stored in a poor manner. The museum needs professional guidance and oversight. Past board members have been frustrated in trying to make changes. Ms. Bray recommended the Historic Lake Wales Society hold an Annual Meeting, as required by their bylaws, which has not been done in recent years at which a new expanded board should be elected. Ms. Bray shared pictures of the current status of the museum. Ms. Bray introduced Rich Thompson to review the recommendations.

Rich Thompson, 8 Easy Street, reviewed the top five recommendations from the task force. These include an annual meeting, election of a new expanded board for better representation, and the available resources from the community. The membership should have input regarding who is on the board. The mission of the Historic Lake Wales Society is to maintain the history and culture of Lake Wales. The new board should develop a realistic budget, which they do not have now. This would help track the funds and see where they go. With this new budget the City might help them with some of their expenses. The City should enter a 1-year agreement with the Historic Lake Wales Society to hire an administrator/director to help reorganize the museum and get curatorial help on an as needed basis. Some suggested recommendations for a director are included in the report. They tried not to micro-manage too much as some things would be the responsibility of the new board of directors and a new administrator. The Historic Lake Wales Society cannot function without City help. They cannot recommend city funding without proper oversight.

Commissioner Wojcik pointed out three additional recommendations on the report. Deputy Mayor Lutton read those last ones which include a requirement for quarterly reports from the Historic Lake Wales Society and a year-end review. Mr. Thompson emphasized that the Historic Lake Wales Society needed to be accountable for City funds that are used. Mr. Thompson reiterated that their goal is to preserve the legacy of Mimi Hardman and to ensure the museum can continue into the future.

Mayor Fultz thanked the Task Force for their report and invited public comment.

OPENED PUBLIC COMMENT

Mimi Hardman, 300 S. Lake Shore Blvd., said that there is no one immediately available to replace her and a curator costs a lot of money. She has a volunteer that has been helping her lately. Ms. Hardman said she is qualified to teach and goes into the schools to teach history. We cannot find someone to do this for free.

She said she appreciated the help of the Task Force and has worked with them previously. She has tried her best on few resources and sacrificed a lot of personal time. Most people cannot contribute the amount of personal time that she has. She reviewed how she got the museum buildings and how the community has contributed to its upkeep. They are changing exhibits right now and there is only one to help.

Sherry Cross, 6450 Fairmont Road, explained that she started in December and has been working on changing the exhibits. She has been working on getting materials donated from Home Depot to build additional shelving for the museum for improved storage and reorganizing the files and materials. She emphasized that Mimi Hardman needed help and deserves respect. She is doing the best she can and Mimi Hardman does all this free.

Mayor Fultz said Mimi Hardman does deserve respect. He said during the February 3 meeting he assumed that there was communication between her, the Task Force and the Commission, he did not ask that question and so he apologized for the way the closing was handled. He said if anyone is to blame it is him, he is responsible.

Robert Connors said he discussed that matter of closing the Depot with Mimi Hardman beforehand, both in person and on the phone so she was aware of the possibility. He has supported Mimi and her projects for years, she dreams big and doesn't quit. She is defensive about any reduction in her authority. Some of these suggestions made by the Task Force were attempted a few years ago by the Board with no success. Those directors then quit. He shared a comparison from the Lake Wales News about the family deciding to take the keys from grandma except this has to done in public. No one wanted this done on television. He said that the photographer was there at the museum first and Mimi Hardman made the choice to stay. We still need to appreciate all he has done for Lake Wales.

Nicholas Smith, 1001 Tower Blvd., said that this was an illegal vote of an item not on the agenda. This was an illegal eviction without due process, illegal seizure of private property, illegal use of police force in an illegal eviction, conspiracy to defraud, and theft of private property. The City will be hearing from their attorneys.

Sue Smith, 919 Carlton Ave., said they expected this item to be on the agenda last time, as they had copies of the Task Force report. She encouraged the Lake Wales News to print the report in its entirety. She objected to the fact that the issue was brought up after Mimi left and was not on the agenda. This does not speak well of the City leadership and is a terrible reflection of our community. The museum is an important connection to our citizens. She said that the commission owes Mimi Hardman an apology.

CLOSED FOR PUBLIC COMMENT

Mayor Fultz emphasized that the Depot Museum is closed only temporarily. He said that he does apologize to Mimi for how things were handled. When the press was there that morning, she made the decision on how to conduct herself.

Mr. Fields asked for direction based on the Task Force recommendations. The Task Force essentially reported to the Historic Lake Wales Society. There is a concern about the status of the inventory and it is important to ensure that everything is safe. The City and the Historic Society needed to be accountable for those items and for money that is spent. He said he is agreeable with going forward with the recommendations if the Board is reconstituted and certain standards put in place.

Deputy Mayor Lutton agreed with the Task Force recommendations and they will need financial help to get a director to reopen. He suggested letting the Historic Society decide what to do next and give a report in 30 days on the progress made and an action plan. Commissioner Wojcik said we should accept the report and leave it to the Society to implement at least the first few steps of the recommendations. Deputy Mayor Lutton emphasized the need for an ongoing dialogue.

Mayor Fultz asked the Task Force to work with the Historic Society Board to get these things done.

Agenda Item 7. Grand Hotel Status Report

Rusty Ingley, Friends of the Hotel Group on behalf of the Dixie Walesbilt, LLC, reported on the status of the Grand Hotel. He said the reason he and Reid Hardman got involved with the hotel was to honor the past, reimagine the future, give our generation a voice, and to inspire future community leaders. In May 2014, they decided to turn the weekly uninspiring bad news of the hotel's terrible condition and how it needed to be demolished into inspiring good news. Mr. Ingley showed a PowerPoint presentation that included pictures and the history of the recently restored hotels in Tampa: 1926 Floridian Hotel, 1905 Tampa Le Meridien Hotel restored by a public/private partnership, and the 1891 Oxford exchange. He said they not only visited these sites but also met with people managing these sites: Robert Bendus, Director of Historic Preservation with the Florida Department of State; Richard Hilburn, Senior Preservation Architect with the Florida Department of State; and Mark Jackson, Polk County Tourism/Sports Marketing Director. Mr. Ingley said a national hotel management consultant is working with them and they have ongoing communications with a construction management consultant, numerous engineers, City's grant consultant Andy Easton, and architect Scott Crews. They are now doing due diligence for a venture capital group in California; have ongoing construction pro-forma discussions with the developer of the Premium Outlets Hotel in Orlando; working with NorthMarq Capital in Orlando going over construct pro-forma data, etc.; and engaged to do work with Scott Crews Architecture who has been on the site very regularly and done a ground up drawing of the site because there were no plans to move forward with.

Reid Hardman, Friends of the Hotel Group, said the opportunity for restoring the hotel really began last year. The data on recent hotel demand in development is extremely positive. The recession is over and with a reconstituted development team they found that there is a sufficient demand for hotel rooms in downtown Lake Wales, the building can be efficiently renovated and brought back to temporary codes, a redeveloped hotel can be profitable, and the building is structurally sound. The architect's as-built survey is complete and they have had major breakthroughs in overcoming code issues. The internal feasibility study concludes an intense eight month period of intense due diligence by the development team. They looked hard at other potential uses besides it being a hotel such as a nursing home, apartments, traditional condominiums, and an assisted living but discarded them all. The Walesbilt hotel plan is fully coming together and showing demonstrable progress and promise.

Mr. Hardman said they frequently get complaints of why the sudden interest in the historic restoration in the future of the downtown after all the failure in "would be developers" and investors. Some complaints come from those that haven't even been in the hotel but insist in having the money now to do this. The Walesbilt has always been a focal point for Lake Wales and renovating the historic structure, honoring its historical significance, and filling it with vibrant activity is the economic key to downtown. Upon renovation, the Walesbilt becomes the center of vitality offering a restaurant for dining, shopping, and relaxation. A historic boutique hotel with high-end finishes makes the Walesbilt a regional attraction, a destination property, and puts downtown on the map with a continual flow of tourists that are predisposed to spend on local economy.

Mr. Hardman said the hotel model is their preferred business plan. Everything is geared to hotels. According to early data from their national boutique hotel consultant, the economic impact of a finished hotel would bring every year to the downtown \$4.2 million of new cash, 55 new employees, and 16,000 new visitors. No other business model or redevelopment has come close those numbers.

Mr. Hardman said he is pleased to announce that the Walesbilt Hotel feasibility study commenced last summer is now complete. Permits for minor exterior façade repairs and for the electrical work necessary for the swing stage have been pulled and the basement lighting was recently approved by the City. All exterior work was detailed in a 4-page drawing set prepared for the City by the architect and engineer, and all permitted activity are being conducted under a contractor's license in the State of Florida. As committed to last fall, the exterior renovations are underway. The initial phase of exterior work included excavation and the regarding of the Walesbilt outdoor west plaza at the ground floor. Financing is in place to paint the tower and to re-stucco the lobby level. The most difficult part was the chimney because it required multiple setups and it sticks outside the building, so they started there. The west side will take about eight weeks to

complete: prep, primer, and finish. Additional phases may take six to eight weeks. This is the first exterior progress in over 30 years.

Mr. Hardman described the interior and exterior layout of the hotel plan drawings shown in the PowerPoint, which envisioned eight floors totaling about 92 rooms. No original hotel plans survived so they had to be recreated from scratch by the architect and no new designs for any floor could be developed without an as-built drawing because none exists. The plans included some liberty concepts adapted to accommodate the design features and meeting some temporary fire codes. He said these are conceptual versions of what the hotel might look like. The building is large enough to accommodate a 90 plus room full-service boutique hotel. Other potential amenities included a fine dining restaurant, covered area rooftop dining experience, a coffee shop, a microbrewery shared work space, meeting rooms, conference center, retail shop, arcade, spa, and workout facilities.

Mr. Hardman described the activities planned over the next six months, which included continued tower painting and lobby level re-stuccoing that is funded through 2015. He said that a preliminary report is due back from the hotel consultants in about 45 days regarding the hotel operations and specific data on the food and beverage side. The Friends of the Hotel Group are working on tightening the construction budget to get contract estimates. The construction pro-forma should be completed before getting into the hard discussions of financing. Mr. Hardman said about two weeks ago an unsolicited investor offered to finance the entire project with a commitment up to \$10 million. While they are confident that the redevelopment cost would be less than that, they are very encouraged that according to their consultant the projected hotel cash flow would support debt service in excess of \$10 million. They are evaluating the offer while continuing the construction due diligence and they are very encouraged by this and all the many finance discussions they had, which is the most serious part of the process.

Mr. Hardman said the past is the past, the work done is legitimate, and the intense focus is necessary on every aspect of the restoration, design, function, and business activities, which is what we yield small economic deficiencies that add up and it's the only way this project is viable. The years of painstaking and meticulous research on the building's design are going to yield huge savings. This is a grind at construction and they don't have a blank slate in which to work and are planning way beyond what might be required for new construction is consensual. He said now is the time to dream and execute.

In conclusion, Mr. Hardman read the final PowerPoint slide that said, "A place can fall victim to amnesia. It could lose the memory of what it was and thereby lose touch with what it is and what it wants to be. That loss of community memory happens most dramatically in the destruction of familiar landmarks, which are tangible manifestations of who we were, what we believe, and what shapes us."

The Mayor thanked the Mr. Ingley and Mr. Hardman for the report on the hotel, and said they were setting another milestone and for themselves, and as they continue to reach those milestones he sees progress being made.

Deputy Mayor Lutton said there would not be enough parking spaces for the hotel because there is not enough parking in the downtown. He said that would be a very good discussion to have with the City Manager and the planning department to figure out exactly how much parking is needed. A 90-room hotel means 90 cars, but according to City Code that might mean 180 parking spots. If you don't have a master plan you fail. We need to start looking at that whole downtown area to see what can be done to get adequate parking and perhaps bending some of the existing rules because night visitors might not arrive until 2:00 p.m. The City is not so stringent to go by really super strict rules, so reasonable accommodations could be made. He said Mr. Otte, a former City Manager, conducted a study downtown for a parking garage for the building behind the hotel. Commissioner Wojcik said the study also included redevelopment of that whole block. That is a lot of bucks that the City doesn't have right now, but if we don't start exploring this type of ideas we are going to be behind the power curb and they will say the City did not help them make this project successful.

Mr. Fields said the City's CDBG consultant Andy Easton looks for grants for this type project. Because of the issue raised they will contact him to start exploring what grant opportunities might be available for public parking, etc. It's a long process. Deputy Mayor Lutton said because the hotel is in the CRA district, that the City Commission needed to start looking at the next two blocks out and see what we can do to help make the Streetscape appearance look better on City owned property and privately owned property. The original concept of the CRA is to provide façade grants to business owners to rejuvenate their storefronts, the overall image of the City, and to help downtown businesses, which is what the Commission is here for and not to do the day-to-day operations. The Commission is to look at the long-term future for the City. He said he is really excited that there are three people, two of which are born and raised in Lake Wales, that are willing to stand up for something they believe in and try to make it successful, which take grassroots and bootstrap kind of work.

Commissioner Wojcik said the study being referred to was done by Martin Vargus a few years ago and funded through a \$25,000 donation for that purpose. When the City advertised the RFP, it was responded to by those that wanted to potentially do something with the hotel. It was put on disk the physical improvements that were part of that plan, which was the first part of a huge plan. But that part of it also showed some recommendations for improvements to the blocks surrounding the hotel, the idea of the parking structure, and what could be done with the block that goes around the hotel where the Post Office is located, etc. to expand the downtown on the other side of First Avenue. The City should have copies of that study and the CD. It would be good if the City Commission could get a copy of that. Deputy Mayor suggested just showing it again to the Commission.

Deputy Mayor Lutton said there was a proposal long ago to close down a section of Stuart Avenue at a vacant lot next to the Presbyterian Church to do something different with the parking layout there to add a lot of parking spots. To do something like would improve the Streetscape along the three blocks of the historic downtown to make it a stopping point vision. Unfortunately, Central Avenue is not a great focus point. The Polk State College there was nicely redone but we need to use some more of that store frontage money or some other funds. We need to come up with creative ideas to make that entire strip look cohesive and inviting. We cannot be in such a rush for the hotel to open because it takes time. He said these guys are not doing this full-time; they work a real job during the day as well. Their efforts so far on this project are good. The City Commission was hard-pressed to shut down Ray Brown about a year ago and now the Commission seems to be feeling much more positive about it, which makes him happy.

Commissioner Wojcik said there are a number of communities that do have façade improvement programs either directly through the City or through their redevelopment organizations. That might be something we can take a look at and getting copies of those, and perhaps talking with the Economic Development Council and the Chamber about helping put that together. Deputy Mayor Lutton said he does not think it will be that difficult because we already have a Historic District Board who is the people to oversee the ideas. We can't fund grants until we can actually get money back in the CRA. Commissioner Wojcik said there are some programs that provide 100% matching funds, tax incentives, etc.

Mayor Fultz said some things being discussed now can probably be discussed with the Main Street group because in a recent discussion with them, they expressed a big desire to do something to revamp the storefronts or anything else that could be more attractive to bring businesses to the downtown.

Commissioner Thornhill said he was very impressed with the Group. He first thought it was funny to use the building as hotel again, but he was shocked to learn how much hotel room rates are now. He is happy with a positive nature and hopes we can go forward with it. There are issues, but we need to give it a little more time. If not, what are we saying to the people that built it in the first place? This is not to say give them all the time in the world, but this is a step in the right direction.

Commissioner Wojcik encouraged the Group to continue coming back to the Commission to keep them in the positive mode. She asked Mr. Hardman if they looked at what is being done at LegoLand and if it would affect them. Mr. Hardman said yes, that the off-season rates start at \$335.00 a night and the summer rate

over a year ago was over \$400, which is a very positive effect on them. Mayor Fultz said that any full-service restaurant that comes into town at a reasonable rate, they will get the business.

Deputy Mayor Lutton said this is not the end-all for Main Street and doing facelifts on main street is not going to work by itself. Main Street needs to come up with the right combination of businesses there to attract people to stay more than 10 minutes. Commissioner Wojcik said they may not be resident customers but they are temporary resident customers that will provide the market to support businesses and potential businesses will see that, and we will see the thriving downtown that we want to promote.

Mr. Fields said it just happened that both of these items occurred tonight. He mentioned a couple weeks ago at the AAUW meeting about the future of the downtown that the Depot Museum and the hotel are the anchors of downtown. If they both succeed, our downtown will succeed. Today's reports were designed to make sure that happens, to make sure the Historic Lake Wales Society stays a vibrant organization with a great museum, and that the hotel goes forward and provides us with a landmark and structure that will attract people to come to the downtown. Mr. Fields said to give a little perspective, when he first came to South Florida in 1994, the City Hollywood where he then worked put out a RFP for the development of a new hotel on a one-square block parcel that the city owned on the beach, which was casino property at the time that dated back to the 1920s. Four developers and 20 years later in 2014, they finally broke ground for construction of a hotel on that piece of property. Development and redevelopment can be a very long and difficult process, so he applauds these guys for doing their homework and as much people get frustrated by the lack of progress in some respects if you don't do the homework there is so many pitfalls and problems that could occur. It is better to do the project slow and steady and to rush it, something happen. Hollywood went through four developers and many bankruptcies, but finally broke ground after 20 years. He said his recommendation would be to ask for a six-month follow-up from the Group to see where we are going. The City will continue to work with them on anything they need, they have pulled all the proper permits, doing the project in accordance with law, and we will continue discussions on what public funding might be necessary down the road to start working to obtaining that to make the project successful.

Commissioner Howell said she was happy to see that both the Historic Lake Wales Society and their Task Force is doing their best to make things better because they are from Lake Wales, it's their effort, and it is their love. That effort and the effort with the hotel give our children something to be proud of and come back to after they grow up. It affects everyone that works on the Task Force and the hotel because they are here talking about it, so it also affects their family as well.

OPENED PUBLIC COMMENT

Kevin Respress, 41 Seminole Road and chairman of the Lake Wales Area Chamber of Commerce and Economic Development Council, said in a board meeting that morning it was a unanimous vote to put together something for this meeting, which he read as follows:

"On behalf of the Board of Directors of the Lake Wales Area Chamber of Commerce and Economic Development Council, we would like to make a formal statement regarding the Walesbilt Hotel project: As an organization that has partnered with the business community and the City of Lake Wales to lead the Economic Development efforts here in our City, we feel that the present condition of the hotel is a major impediment to the revitalization, marketing and attraction of businesses, especially in the historic downtown. In the last five years the condition and appearance of the hotel has deteriorated significantly without a published plan or proof of funding. We believe that staying on the present course for the planned renovation will not be sufficient to achieve the vision for a vibrant asset for the downtown. This is why we believe a practical approach to a development plan with achievable benchmarks and proof of development financing should be presented and verified. For a historic project of this size, and magnitude, and its impact on this city, we believe the developer should publicly submit immediate proof of financing sufficient to complete substantial improvement to the structure and submit a formal timeline of project benchmarks, architectural drawings, and performance assurances with required dates.

Failure to produce and verify the funding or meeting the timeline has and will be detrimental to the economic development of Lake Wales.”

Robert Connors said that having worked with developers and prior developers who took a run at the hotel he does know that a project like this is cut and dry. It's a very complicated thing with stops and starts, false leads, and dead ends. He commended the Commission for giving the Friends of the Hotel group the opportunity to move this project forward. It's not going to be easy and the financing in the market today comes with pitfalls. If they can show a pro-forma return on investment the project can and will go forward. The result of a restored hotel would be so phenomenal that we would no longer recognize the downtown in Lake Wales. If the project is completed it would be the inspiration for all sorts of other investment types. The timeline that crews were working on it drew attention. If they can pull this off it will be well worth the time invested.

Sue Smith, 919 Carlton Avenue, commented that she would love to see a beautiful hotel downtown and as much as these gentlemen have been working diligently in the past eight or ten months, Mr. Brown holds title to the property, which he obtained through fraud. Until the City finds a way to clear that up, no one would want to invest in the property. She urged the Commission to require strict financing, timeline, and steps just like it did with Ms. Hardman.

A citizen, name and address not clear, applauded the Group and Mr. Brown for their efforts. He said that it is evident that they do not have the funding and the only way to do that is to have full construction drawings because it is what investors will want to look in determining what the actual cost will be.

Deputy Mayor Lutton asked if any governments have a right to check out the financials of any company that is a privately owned company and that is not in partnership with a government agency. Mr. Fields said not without a written development agreement unless there was public money involved.

Albert Galloway Jr., City Attorney, said there are no title problems with the hotel, a clean title was conveyed to the Dixie Walesbilt, LLC, and as far as he knew there are not any problems that reared their heads subsequent to the conveyance. He doesn't know where the allegations are coming from but he does know that when the City transferred title it was clear.

Deputy Mayor Lutton said he felt as though we are at odds with the Chamber of Commerce because they are asking us to take an action that is not appropriate, which is to ask for personal information from this company.

Mr. Respress said for clarification they were not asking the Commission, but the development group to supply that document. They understand that the City cannot do that, but for a historic project of this magnitude they do believe the developer should publically submit immediate proof of financing, submit a formal timeline, formal drawings, and submit formal dates to be accountable and trustworthy to the community, City, and the businesses. Leaving the hotel the way it is would also do something to harm economic development in the downtown. Without funding how can anything happen?

Commissioner Wojcik said showing that they are doing something now and that the project has started, does shows something. She has a problem with the idea of demanding that they show pro-forma, etc. They are not borrowing money and if we are not giving them a grant, then it is very difficult. It's up to them if they want to do that. As long as we can see progress being made and the project is moving forward, it should answer some of the questions the Board might have regarding that. Mr. Respress said the Board talked about all that. He said in speaking for himself that five and half years, a few gallons of paint, and one permit, do not show enough advancement in that project. It's time to move that project in one way or another to create economic development in the City and bring businesses here. Commissioner Wojcik suggested to Mr. Respress that he or Kevin Kieft meet with the Group to see what is going on for assurance. Mr. Respress said Mr. Kieft was in the Board meeting that morning and was part of that statement. Deputy Mayor Lutton said as a government official he will not ask the Group to reveal their personal finances or

anyone else. Mr. Respress said the Commission does hold them accountable for code violations etc. and Commissioner Wojcik said they will in the future.

Mr. Fields said as he mentioned earlier his recommendation would be to come back with clearer status report, which he thinks is enough time to include where they are financially, not the details, but the status of that. He said he has been approached by investors that showed interest in that project, which is positive. He doesn't want the City to be in a position of a "stocking horse" for somebody else that might be interested in the project. If someone wants to buy into the project and would like someone to help mediate that, then that is something the City can do. He is happy to assist with that. There is a balancing act here. Commissioner Wojcik said she thinks Kevin Kieft can provide some professional advice that might be helpful to the project. Deputy Mayor Lutton said that from a developer's standpoint, the floor plan might change significantly when they get a financier involved. What they are doing is the first step forward, which takes time. Commissioner Wojcik said they are calling on the right people to help move the project forward and that is the first time seeing that.

CLOSED PUBLIC COMMENT

CONSENT AGENDA

Agenda Item 8. APPROVAL OF MINUTES: February 3, 2015, regular meeting

Agenda Item 9. Contract Award – Audio Visual Innovations, Inc.

[Begin Agenda Memo]

SYNOPSIS

Staff is requesting Commission approval to contract Audio Visual Innovations, Inc. for the installation of an audiovisual solution at the James P. Austin Community Center.

RECOMMENDATION

It is recommended that the City Commission take the following action(s):

1. Approve the contract with Audio Visual Innovations, Inc.
2. Authorize the City Manager to execute the necessary documents on behalf of the City.

BACKGROUND

Audiovisual solutions are amenities that are often desired by the public when seeking rental facilities for meeting space, banquets, etc. Currently, the James P. Austin Center has no audiovisual capabilities to meet the demand for these types of facility rental requests. City staff also uses the James P. Austin Center for City functions and would mutually benefit from the installation of an audiovisual solution.

The City Commission appropriated funds for the installation of an audiovisual solution at the James P. Austin Center in the FY 2014-15 adopted budget (pg. 12). The proposal of \$26,873 submitted by AVI, Inc. is \$3,127 under budgetary appropriations for this item (\$30,000 - \$26,873 = \$3,127).

AVI, Inc. will provide and install:

1. An 8500 Lumen projection system with a 108" by 192" fixed projection screen
2. HDMI, VGA, and audio connectivity
3. A rack-mounted audio processing system with mounted speakers and wireless microphones
4. As-built CAD diagrams
5. Onsite training

The proposal submitted by Audio Visual Innovations, Inc. is based on State of Florida contract #880-000-09-01. Purchases made from State of Florida contracts are exempted from the competitive bid requirement outlined in our Purchasing Ordinance, Sec. 2-418, which allows us to capitalize on the State's economy of scale and it reduces the timeline of acquisition.

OTHER OPTIONS

The City Commission may direct staff to solicit additional bids for this service.

FISCAL IMPACT

\$26,873 is \$3,127 less than budgetary appropriations for this item (\$30,000 - \$26,873 = \$3,127).

[End Agenda Memo]

Agenda Item 10. American Legion Post 71 Carnival Event - Request to close city lot for Carnival

[Begin Agenda Memo]

SYNOPSIS

The post – event approval of the Special Event Permit Application will allow the American Legion to host a Kid's Carnival during the Mardi Gras activities, allow for the temporary closing of the City lot located at the intersection of First Street and Tillman Avenue.

RECOMMENDATION

The American Legion Post 71 requested that the City Commission take the following action:

1. Approve the Special Event Permit application for the American Legion Post 71 to host a Kids' Carnival beginning Friday, February 13 from 6:00 p.m. -11:00 p.m. and ending Saturday, February 14, 2015 at 10:00 p.m.
2. Approve the temporary closing of the City lot located at the intersection of First Street and Tillman Avenue for the carnival to be set up beginning on Monday, February 9, 2015 through Saturday, February 14, 2015. The carnival will tear down on Sunday February 15, 2015.
3. Approve the waiver of the business tax of \$750.00 for the carnival as the American Legion is non-profit and the tax can be waived by the commission.

BACKGROUND

This event was announced at the February 3, 2015 City Commission meeting and consented to by the commission. This official approval is after the fact.

Ira Anderson, Commander for the American Legion Post 71 submitted a Special Event Permit Application to host the Florida Carnival and More Inc's Carnival during the Lake Wales Mardi Gras event. They are requesting the temporary closing of the City lot near SunTrust bank at the intersection of First Street and Tillman Avenue beginning on February 9, 2015 for the set up of the carnival and continuing until February 15, 2015 when the rides and games will be taken down and removed.

The carnival, if approved, will be from 6:00 p.m. to 11:00 p.m. on Friday, February 13 to Saturday, February 14, 2015 all day until 10:00 p.m.

The American Legion is also requesting a waiver from the City Commission for the business tax for the carnival (per Chapter 14, Sec. 14-114) for \$750.00 (per Chapter 19, Sec. 19-130). Chapter 14, Sec. 14-114 provides for an exception when the event is sponsored by a local nonprofit civic, professional, educational, or religious organization. The local business tax may be waived with prior approval of the city commission. City staff has reviewed the application and has found no issues with its approval as long as certain conditions are met as follows:

- The American Legion will be responsible in providing a dumpster and sanitary facilities at the site.
- The American Legion will be responsible in making sure that Florida Carnival and More Inc. has the required permit from the State of Florida Division of Hotels and Restaurants and an annual permit from the State of Florida Department of Agriculture Division of Consumer Services.
- A Certificate of Liability insurance is required naming the city as additionally insured.
- The American Legion is responsible in making sure that Florida Carnival and More Inc. cleans up the trash during and at the end of the day, and that the city lot is cleaned of all trash when the carnival is concluded. The Streets Division will place trash containers at this location, however, the City will not be providing clean up services.

OTHER OPTIONS

Do not approve the carnival, the temporary closing of the city lot or the waiver of the business tax.

FISCAL IMPACT

This event was not budgeted in FY14/15 for in-kind services. The American Legion Post 71 will pay in-kind services that might be provided by the City at 100%.

[End Agenda Memo]

Agenda Item 11. Jewel of the Ridge Jazz Festival April 11, 2015

[Begin Agenda Memo]

SYNOPSIS

This Special Event Application is for the Jewel of the Ridge Jazz Festival hosted by the Lake Wales Arts Council and the PSC Arts Center on April 11, 2015 in Lake Wailes Park.

RECOMMENDATION

It is recommended that the City Commission take the following actions:

1. Approve the special event permit application for the Jewel of the Ridge Jazz Festival to take place on Saturday April 11, from 3pm -9pm with set up to begin at 8:00am
2. Approve alcohol sales within a designated area on the map.

BACKGROUND

The Lake Wales Arts Council in cooperation with the PSC Arts Center has applied for a special event permit to hold a jazz festival on April 11, 2015. The set-up will begin at 8:00am and the event will take place from 3:00pm – 9:00pm.

The sponsors request permission to establish a designated area to serve and consume alcohol.

The Lake Wales Arts Council and the PSC Arts Center will utilize services of off-duty officers from the Lake Wales Police Department during the entire event. This will be paid by the sponsors.

OTHER OPTIONS

Do not approve the special event application.

FISCAL IMPACT

As this was unbudgeted the sponsors will cover 100% of the costs for Police and Public Services for the event.

[End Agenda Memo]

Agenda Item 12. Preliminary Financial Statements for December 31, 2014

[Begin Agenda Memo]

SYNOPSIS

This is the preliminary financial statements report revenues received and expenditures made through the end of December 31, 2014.

The unaudited financial statements for the City of Lake Wales for the Period Ending December 31, 2014 are presented to the City Commission for review. At the end of December 31, 2014 the City was 25% into the fiscal year.

General Fund (001), page 2:

The General Fund appears to be materially on target with revenue and expenditure expectations.

Transportation Fund (102), page 7:

The Transportation Fund appears to be materially on target with revenue and expenditure expectations.

CRA Fund (105), page 12:

The CRA fund appears to be materially on target with revenue and expenditure expectations.

Library Fund (110), page 17:

The Library Fund appears to be materially on target with revenue and expenditure expectations.

Utility System Fund (403), page 27:

The Utility System Fund appears to be materially on target with revenue and expenditure expectations.

Airport Authority (404), page 29:

The Airport Authority appears to be materially on target with revenue and expenditure expectations.

[End Agenda Memo]

Deputy Mayor Lutton had a correction on the minutes concerning the City Manager evaluation. He said he wasn't interested in the other sections, just the three priorities to give him direction. This section needs to be reworded. Mr. Fields said that will be fixed and brought back.

Deputy Mayor Lutton asked if there is something to be done about the acoustics in the James P. Austin Community Center. James Slaton, Public/Support Services Director, said that is one of the areas that this

company specializes in. After the new equipment is installed they will review it and offer suggestions to improve it. Mr. Fields reported some new acoustic panels are being installed as well.

Commissioner Howell made a motion to approve the Consent Agenda excluding the minutes to be corrected as Deputy Mayor Lutton pointed out, Commissioner Wojcik seconded the motion.

By Voice Vote:

Commissioner Howell "YES"
Commissioner Wojcik "YES"
Commissioner Thornhill "YES"
Deputy Mayor Lutton "YES"
Mayor Fultz "YES"

The motion carried 5-0.

OLD BUSINESS

NEW BUSINESS

CITY CLERK

Agenda Item 13. Information - City of Lake Wales Canvassing Board

Clara VanBlargan, City Clerk, reviewed the requirements for the canvassing board. There will be a special meeting on Friday, February 20, 2015 at 4:30p.m. to approve the ballot. The meeting will be brief. It was determined that a quorum will be present for that meeting.

Agenda Item 14. Ethics Training for Elected Officials

Mayor Fultz reported on the requirement for ethics training for Elected Officials and the timeframe for meeting that requirement.

CITY MANAGER

Agenda Item 15. City Commission Tracking Report:

The City Manager had no report.

Agenda Item 16. City Commission Calendar

Agenda Item 17. Annual Reporting – Boards, Commissions, and Committees

CITY COMMISSION COMMENTS

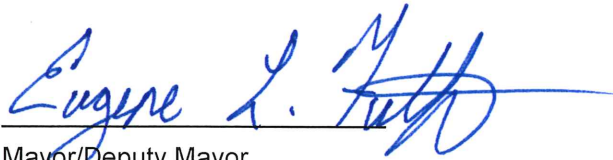
Commissioner Thornhill reminded everyone that the Commission is for the Depot Museum, some comments seem to indicate differently. The museum is important for downtown, and Ms. Hardman can still be a part of the museum. We are positive, and we want the museum to succeed. He emphasized that this closing is temporary.

MAYOR COMMENTS

Mayor Fultz thanked the Commission, staff, and the volunteers for giving of their time.

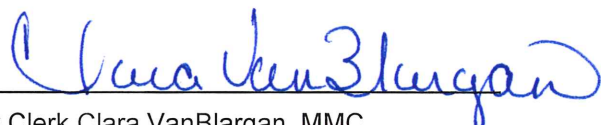
City Commission Meeting
February 17, 2015

The meeting was adjourned at 8:43p.m.



Mayor/Deputy Mayor

ATTEST:



City Clerk Clara VanBlargan, MMC