

Mass Market Tenants Proposed Sale Terms Summary

Summary:			
Buyer	DouBakehouse	Haus820	Neighbors
Purchase Price:	\$1,410,000	\$1,880,000	\$1,320,000
Deposit	\$10,000	\$25,000	\$10,000
Base Rent	(\$237,646)	(\$140,416)	(\$110,433)
Previous Capital investments	(\$172,298)	(\$174,025)	\$0
Future Capital Improvements	(\$500,000)	(\$665,000)	(\$300,000)
Total Value of Credits	\$909,944	\$979,441	\$410,433
CASH TO CRA	\$500,056	\$900,559	\$909,567

Revenue, Expense, Lease Terms

Summary:			
Buyer	DouBakehouse	Haus820	Neighbors
CRA Revenue/Expenses:	2016-2025	2017-2025	2016-2025
Base Rent/Reimbursables*	\$468,344	\$465,342	\$197,283
Property Management & Repairs**	(\$674,299)	(\$1,054,792)	(\$387,612)
	(\$205,955)	(\$589,450)	(\$190,328)
Lease Terms			
1st Term	11/2015 - 10/2020	5/2016 - 7/2018	10/2015 - 11/2020
Amendment - 2nd Term	10/2021 - 9/2026	8/2018 - 7/2023	10/2020 - 11/2025
Auto Renewal Tenant Option Only 3rd Term	10/2026 - 9/2031	8/2023 - 7/2028	
Auto Renewal Tenant Option Only 4th Term		8/2028 - 7/2033	
Acquisition/Development Costs			
Acquisition	\$828,150	\$538,000	\$508,850
Building/Site Improvements	\$1,932,696	\$3,008,271	\$433,713
	\$2,760,846	\$3,546,271	\$942,563

LAKELAND CRA

COMMUNITY REDEVELOPMENT AGENCY

Staff Memo

To: CRA Advisory Board
From: Valerie Ferrell Vaught, CRA Manager
Date: August 7, 2025
Re: **Mass Market Disposition Contracts**

I. Overview

Over the past decade, the Lakeland Community Redevelopment Agency (CRA) has made strategic and transformative investments within the nine-block Mass Market area, located in the Midtown CRA District. These efforts directly support several goals outlined in the Midtown Redevelopment Plan, including:

- Reducing the presence of blight through targeted infill and economic development
- Improving the physical and social infrastructure necessary for a thriving neighborhood environment
- Assembling property and correcting a historically faulty street layout
- Strengthening mixed-use activity centers
- Promoting continued investment, activation, and beautification of commercial properties and corridors

II. Anchor Tenants Advancing the Midtown Redevelopment Plan and Mass Market Catalyst Area

The CRA originally acquired the Mass Market campus with the intent of facilitating private development. When no viable interest materialized during the 2014–2015 period, the CRA pivoted to proactively redevelop the properties and recruit mission-aligned tenants.

By 2016–2017, three key businesses—Haus 820, Dou Bakehouse, and Neighbors of Lakeland—had launched successful ventures in the district. These early adopters not only contributed to the economic revitalization of the area but also validated the market potential of Midtown. Their long-term commitment has brought consistent activation, aesthetic improvements, and entrepreneurial momentum to what was once a largely underutilized corridor.

The recruitment and retention of these high-impact anchor tenants has been essential to the CRA's long-term strategy to catalyze investment in the Mass Market area. Each of these businesses exemplifies the goals of the Midtown Redevelopment Plan and has demonstrated sustained commitment to the area's growth, identity, and economic vitality.

All three businesses have not only thrived within the Mass Market area but have also significantly advanced the CRA's mission by:

- Driving consistent foot traffic and commercial activation

- Investing in the beautification and maintenance of CRA-owned properties
- Supporting local economic reinvestment and job activity
- Reinforcing the identity of Midtown as a cultural and economic hub

Each business now seeks to transition from tenant to owner. The CRA recommends disposition of their respective properties under negotiated terms that recognize prior rent paid, capital improvements made and planned future investments. This transition supports long-term sustainability, builds wealth for small business owners, and ensures continued alignment with the CRA's redevelopment objectives. This transition represents a major milestone in converting public investment into private ownership, promoting long-term stability, building local wealth, and ensuring alignment with the Midtown Redevelopment Plan.

III. 830 N Massachusetts Ave – Bakehouse LLC (DouBakehouse)

Dou Bakehouse is an artisan bakery specializing in European-style confections, including cookies, French macarons, chocolates, and entremets. Launched in 2017, Dou Bakehouse has grown from a local storefront into a high-capacity production hub. Located at 830 N. Massachusetts Avenue, the 5,000-square-foot facility houses a team of over 20 employees producing thousands of high-end baked goods weekly for major clients across Central Florida, including theme parks, resorts, and cruise lines. Dou Bakehouse is a shining example of entrepreneurial growth and regional economic impact made possible through CRA investment in Midtown.

Properties Under Consideration	Description	Appraisal (2012)	Current Appraisal
830 N Massachusetts Ave 902 N Kentucky Ave	10,185 sq ft building	\$828,150	\$1,410,000
	40 parking spaces		

IV. 310 Plum St – Neighbors of Lakeland LLC (Market Lofts)

In 2016, Neighbors of Lakeland transformed a former Salvation Army transitional housing complex into Market Lofts, a thoughtfully renovated 12-unit apartment community. This adaptive reuse project helped define Mass Market area's evolving identity as a vibrant, inclusive, and walkable neighborhood. Through creative placemaking, reinvestment, and authentic community engagement, Neighbors has created a space where residents and visitors alike feel connected—truly embodying the spirit of “neighbors as family and friends always welcome.” Their contributions continue to activate the corridor and reinforce the Mass Market area's unique sense of place.

Properties Under Consideration	Description	Appraisal (2012)	Current Appraisal
310 Plum St	12-unit apartment building	\$508,850	\$1,320,000
	28 parking spaces		

V. 820 N Massachusetts Ave – Haus Management LLC (Haus820)

Located in a repurposed 1924 A&P grocery store, Haus 820 is a premier event venue and one of the first adaptive reuse projects in the Mass Market district. Since opening in 2017, it has become a regional destination for weddings, corporate functions, and community gatherings. Haus 820's success has shifted public perception of Midtown, drawing thousands of visitors annually and sparking additional private investment in the surrounding area. Known for its striking architecture and versatile space, the business partners with both private and corporate clients to produce custom events—amplifying its cultural and economic impact, and proudly standing by its motto: #ourhausyourhome.

Properties Under Consideration	Description	Appraisal (2012)	Current Appraisal
820 N Massachusetts Ave 830 N Kentucky Ave	16,586 sq ft building	\$538,000	\$1,880,000
	80 parking spaces		

VI. Terms and Conditions

In accordance with statutory requirements, the Lakeland CRA published a notice of disposition inviting any other proposals of the subject CRA properties, to which the current tenants above were the only respondents. No other offers or inquiries were received during this period. The following terms and conditions are proposed to guide the execution of the property transfers:

Consideration for Prior Investments: The CRA is willing to offer credits toward the purchase price in recognition of rent previously paid by the tenant, now the buyer, over the duration of their lease agreement to the CRA and documented capital improvements made to the real estate by the buyer.

Investment-Based Price Reductions: the CRA may offer a reduction in the purchase price if the buyer commits to making further capital improvements. Such investments may be secured by either a first or subordinate mortgage lien, forgivable over a 5- to 10-year period, depending on the scale and nature of the improvements.

CRA Repurchase Option: The CRA will retain a first right of refusal on the property. If the buyer receives a bona fide third-party purchase offer, the CRA shall have the right to match the offer and repurchase the property for a period of 10 years after closing.

Shared Use Easements: Solid waste, parking, and driveway easements will be recorded prior to closing to ensure ongoing shared use and site functionality. The buyers of the property will be responsible for routine maintenance of the shared areas. The beneficiary of the easement will be responsible for repairing any damages arising from their use.

Costs & Expenses: As is customary, the CRA, as seller, will pay documentary stamp taxes on the deed, the title insurance premium, and the costs of the title searches and closing fees.

Due Diligence Period: Buyers will be granted 90 days to complete due diligence activities, including: property inspections, survey and title review, finalization of financing approvals

Closing Timeline: Following the due diligence period, the buyer will have 60 days to complete the closing.

A 30-day extension may be granted for either due diligence or closing upon request, provided such extension does not unreasonably delay the overall progress of contract obligations.

VII. Board Consideration

At the Advisory Board's discretion, staff requests authorization to finalize the contracts to dispose of CRA-owned properties described and present contracts for approval to the City Commission, acting as the Lakeland Community Redevelopment Agency at their August regular meeting, in accordance with the above-described terms and conditions and authorize the appropriate CRA officials to execute all documents necessary to finalize the transaction.

Attachments: Property Descriptions