



## Cover Memorandum/Staff Report

---

**File #:** 25-123 CRA

**Agenda Date:** 7/16/2025

**Item #:** 7J.

---

**TO:** CRA Board of Commissioners  
**FROM:** Christine Tibbs, Assistant Director  
**THROUGH:** Renée A. Jadusingh, Esq., CRA Executive Director  
**DATE:** July 16, 2025

### **COMMERCIAL LEASE AGREEMENT - 135 NW 5TH AVENUE, UNIT C5**

#### **Recommended Action:**

Approve the Commercial Lease Agreement for Upper Cutz Barbershop and Salon, Inc. located at 135 NW 5<sup>th</sup> Avenue, Unit C5, in a form acceptable to the CRA Legal Counsel, and authorize the CRA Executive Director to execute any and all related documents.

#### **Background:**

The West Settlers Building is comprised of two commercial bays on the first-floor (both owned by the CRA) and four privately-owned residential condominiums (one on the first-floor and three on the second-floor). The building maintenance is overseen by the West Settlers Condominium Owners' Association, which the CRA manages. Currently, Unit C5 is occupied by Upper Cutz Barbershop and Salon, Inc. (Upper Cutz).

#### **Upper Cutz History:**

Since 2017, Upper Cutz has been offering personal haircare and grooming services to a diverse clientele with a focus on the African-American community. Owners, LaShon Harris and Lisa McMiller, have also expanded their role within Delray Beach community by hosting Teen Talk and Cutz and Conversation sessions for open dialogue on mental health.

The CRA initially executed a commercial lease agreement with Upper Cutz on October 3, 2017, for an initial three-year term. On July 28, 2020, the CRA Board approved an amendment to the commercial lease agreement to extend the term of the lease for five (5) years, beginning on October 1, 2020, and terminating on September 30, 2025. The amendment did not provide for any options to renew. The current monthly rent is \$1,338.23, which is inclusive of the West Settlers Condominium Owners' Association fees.

At the April 30, 2025, CRA Board Meeting, the CRA Board approved the issuance of a Notice of Intent to Lease for the West Settlers commercial space as required by Fla. Stat. 163.380.

#### **Notice of Intent to Lease:**

The Notice of Intent to Lease for 135 NW 5<sup>th</sup> Avenue, Unit C5, was issued on May 5, 2025, with a Submission Due Date of Friday, June 20, 2025.

The Notice of Intent to Lease was posted on the CRA website along with information about the West Settlers commercial space and a link to the application. The Notice of Intent to Lease was also published in the Palm Beach Post, and posted on social media and flyers were distributed through the City.

Below is a summary of the Notice of Intent to Lease:

**Details about the commercial unit:**

- Approximately 875 square foot, first floor commercial unit
- Monthly rental rate (not including utilities, internet, phone, security):
  - \$21 per square foot, with a 6% increase annually
- Lease Term: 4 years with two (2) options to renew at 1-year terms
- Bathroom
- Janitorial closet
- Access to public parking
- 24/7 access to bay by successful tenant
- Eligibility to apply for CRA Funding Assistance Programs for interior renovations (not to include any structural changes/ demolition)

***No commercial kitchen buildout will be allowed.***

**Applicant criteria:**

- Business entity in operation for minimum of 2 years as of the date of submission of application
- Principals only
- Business entities can only submit one application

**Business type:**

The Notice of Intent to Lease the CRA-owned Property at 135 NW 5th Avenue is restricted to commercial retail businesses, personal service providers, and professional office users, with the uses focusing on the needs identified in the 2012 West Atlantic Needs Assessment, the Set Transformation Plan, and the CRA Community Redevelopment Plan, which should include, but is not limited to, the following types of businesses:

- retail/specialty shop
- professional offices such as CPA, medical, legal services, insurance
- financial services including banks, personal banking, financial planning advisors
- artist retail gallery/workspace as permitted within the Central Business District (CBD) zoning district, more particularly described in the City of Delray Beach's Land Development Regulations.

Pursuant to the goals of the CRA and the City of Delray Beach Land Development Regulations, the following businesses/uses will be considered automatically ineligible to apply:

- Restaurant/cafe
- Religious institutions or organizations
- Non-profit organizations
- Adult entertainment establishments
- Adult gaming centers
- Alcohol/tobacco retailers
- Firearms and weapons; fireworks retailers
- CBD Oil Establishments, Medical marijuana treatment centers or dispensing facility
- Any business which is a non-conforming use as determined by the City of Delray Beach

**Tenant Application Received:**

The only application received by the Submission Due Date was from the current tenant Upper Cutz. The CRA is focused on revitalizing the West Settlers area and encouraging business activity on the Historic 5th Avenue corridor. CRA staff recognizes the commitment that Upper Cutz has made to the Historic West Settlers Neighborhood, and its continued role within the CRA District and the City of Delray Beach, therefore, at this time, CRA staff is recommending the approval of a new Commercial Lease Agreement for Upper Cutz Barbershop and Salon, Inc.

**Board Action:**

At this time, CRA staff is requesting the CRA Board approve a Commercial Lease Agreement with Upper Cutz Barbershop and Salon, Inc. based on the Lease Terms and Amount stated below, and authorize the CRA Executive Director to sign the Commercial Lease Agreement in a form legally acceptable to the CRA Legal Counsel, and any and all related documents, as previously approved by the CRA Board:

Lease Term: 4 years with two (2) options to renew at 1-year terms

Lease Amount:

- \$21 per square foot (875 square feet)
- 6% increase annually
- Lease amount would be inclusive of the West Settlers Condominium Owners' Association fees (\$1745 per quarter)

Buildout Period: Open for Negotiation

Attachment(s): Exhibit A - Location Map; Exhibit B - Notice of Intent to Lease & Application; Exhibit C - Upper Cutz Tenant Application - 135 NW 5th Ave, Unit C5 (Full Application Available Upon Request); Exhibit D - Lease Agreement

**CRA Attorney Review:**

The CRA Legal Counsel has prepared and reviewed the Lease Agreement for legal sufficiency and form and determined it to be acceptable.

**Finance Review:**

N/A

**Funding Source/Financial Impact:**

N/A

**Overall need within the Community Redevelopment Area from Delray Beach CRA****Redevelopment Plan:**

Removal of Slum and Blight

Land Use

**Economic Development**

Affordable Housing

Downtown Housing

Infrastructure

Recreation and Cultural Facilities