



Cover Memorandum/Staff Report

File #: 25-074 CRA

Agenda Date: 4/30/2025

Item #: 9F.

TO: CRA Board of Commissioners
FROM: Renée A. Jadusingh, Esq., Executive Director
DATE: April 30, 2025

DISCUSSION - PROPERTIES LOCATED 330, 350, AND 358 NE 4TH STREET

Recommended Action:

Board discussion and direction.

Background:

The Subject Properties (Properties) located at 330, 352 and 358 NE 4th Street, Delray Beach, Florida (CRA Sub-Area #2). They are generally bounded by the Florida East Coast (F.E.C.) Railway to the east, Artist Alley to the west, NE 4th Street to the north, and the CRA-owned Arts Warehouse (located at 313 NE 3rd Street) to the south.

The Properties currently consist of four single-story commercial and warehouse buildings that total approximately 32,636 SF, with the land totaling approximately 1.91 acres (83,200 SF); the Properties are zoned Central Business District, are currently vacant, and are all owned by SW Delray Artist Alley, LLC ("Seller").

In August 2014, the Properties were foreclosed upon and were set to be sold at public auction in November 2014, which was later rescheduled to February 2015. In an attempt to acquire the Properties to execute the CRA's Community Redevelopment Plan retail strategy to redevelop NE 3rd Street and Artist Alley in order to provide better access and character to the area, the CRA obtained an appraisal of the Properties. Ultimately, the CRA was not able to purchase the Properties at the time of public auction, nor at the time when the Properties were later sold to the Seller.

In May 2024, the Seller's representative contacted CRA Staff and stated that the Properties were available and listed for sale. Subsequently, CRA Staff requested two appraisals in 2024, and the Seller's representative provided a third appraisal in 2025. Below is a summary of the appraisals:

PREPARED FOR CRA		
Report Date	Appraiser	Market Value
7/25/2024	Anderson Carr	\$19,250,000
10/3/2024	Callaway and Price, Inc.	\$19,200,000

PREPARED FOR SELLER		
Report Date	Appraiser	Market Value
3/24/2025	Aucamp, Dellenback & Whitney	\$20,200,000

All appraisals are included as Exhibits. The appraisal obtained by the Seller stating a market value of \$20,200,000, is the price the Seller is currently seeking.

At the March 25, 2025, CRA Board meeting, the CRA Board expressed its desire to potentially acquire the Properties for the development of affordable/workforce housing.

Under Section 163.387 of the Florida Statutes, the CRA is authorized to acquire “real property in the redevelopment area” and to expend CRA funds for the “development of affordable housing within the community redevelopment area.” The CRA Community Redevelopment Plan, Part Two, Section (C), p. 33, identifies Affordable Housing and Downtown Housing as two of the Overall Needs within the Community Redevelopment Area. Furthermore, Project 2.9 “Affordable/Workforce Housing Program” in the CRA Community Redevelopment Plan includes stabilizing and preserving neighborhoods through redevelopment and the elimination of blight, and creating housing opportunities for a mix of ages and income levels. Moreover, through the State’s Live Local Act, there is an opportunity for increased density when affordable housing is developed on commercially zoned properties.

The location of the Properties would require some additional research in conjunction with the City of Delray Beach Land Development Regulations and the provisions within the Live Local Act. The Properties comprise a site that is triangular shaped with access to the site is only from NE 4th Street (approximately 205 feet of frontage along the south side of NE 4th Street) and Artist Alley (approximately 515 feet of frontage along the east side Artist Alley.) Artist Alley is an active alleyway with delivery trucks and waste management vehicles using the alleyway on a daily basis. Additionally, the CRA Community Redevelopment Plan does identify parking as being an issue for the area surrounding NE 3rd Avenue between NE 3rd and NE 4th Streets (Page 26), especially as development continues in the area.

At this time, CRA Staff is requesting the CRA Board discuss and provide direction on how the CRA Board wishes to proceed.

Attachment(s): Exhibit A - Location Map and Photos; Exhibit B - Callaway and Price Appraisal; Exhibit C - Anderson Carr Appraisal; Exhibit D - Aucamp, Dellenback, & Whitney Appraisal

CRA Attorney Review:

N/A

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