



Cover Memorandum/Staff Report

File #: 25-718

Agenda Date: 6/17/2025

Item #: 7.B.

TO: Mayor and Commissioners
FROM: Anthea Gianniotis, Development Services Director
THROUGH: Terrence Moore, ICMA-CM
DATE: June 17, 2025

RESOLUTION NO. 109-25: A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF DELRAY BEACH, FLORIDA, GRANTING AN IN-LIEU OF PARKING FEE REQUEST FOR THE PROJECT LOCATED AT 25-27 SE 3RD AVENUE, AS MORE PARTICULARLY DESCRIBED HEREIN; AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT CONSISTENT WITH THE APPROVAL HEREIN; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES. (QUASI-JUDICIAL HEARING)

Recommended Action:

Review and consider Resolution No. 109-25, an in-lieu of parking fee request in the amount of \$780,000 for 26 of the 65 required parking spaces associated with the development located at 25-27 SE 3rd Avenue, known as Delray Bungalows.

Background:

On November 14, 2022, the City received a Level 4 Site Plan Application (File No. 2023-018) for the adaptive reuse of an existing bank with a drive-thru, located at 25-27 SE 3rd Avenue, into a 10,811 square-foot two-story restaurant with outdoor dining replacing the existing drive-thru area. The property comprises three parcels, two of which containing the existing building, and one unaddressed parcel to the east across the rear alley containing a nine-space private parking lot. Additionally, the Site Plan application includes two waiver requests: (1) to reduce the off-street loading areas from the required two spaces to one, accessible via the rear alley; and (2) to reduce the size of the terminal landscape islands in the proposed parking lot.

Although the net square footage of the existing bank remains 7,780 square feet, the change of use from bank to restaurant, in addition to the creation of a new outdoor dining area in the existing vehicular drive-thru, increases the parking requirement to 65 spaces. The existing bank is vested for 29 parking spaces. The proposal includes eight off-street spaces on the unaddressed parcel, and two new on-street spaces along SE 3rd Avenue. This results in a total deficit of 26 parking spaces.

Pursuant to LDR Section 4.4.13(I)(3)(a)6., if the required parking is not or cannot be provided on-site or off-site, the applicant may request payment of an in-lieu of parking fee pursuant to LDR Section 4.6.9(G) for certain developments that advance City policy-driven goals.

On April 14, 2025, the applicant submitted a request for Parking In-lieu (File No. 2025-164) for 26 parking spaces.

The subject property is located within In-Lieu Area 1, where the established in-lieu fee amount is

\$30,000 per space. Therefore, the total in-lieu of parking fee is \$780,000.

The City Commission must determine if the request meets the standards and findings outlined below.

Applicable Findings: LDR Section 2.4.11(F)(5)

- (a) Public parking options, including on-street parking, public parking lots, and public parking garages are available within 1,320 feet measured along a pedestrian route to the building entrance. Parking with utilization rates higher than 80% in the 12 months preceding the request is not considered to be available. Historic properties, as defined in Section 4.6.9(G)(2)(b) are exempt from this finding.
- (b) The in-lieu of parking fee request supports at least one of the following City policy driven goals:
 - 1. Preservation of a historic structure by allowing its use, adaptive reuse, or expansion while maintaining the character of the property or historic district by avoiding excessive use of historic properties for parking; or
 - 2. Investment in the West Atlantic Neighborhood Sub-district consistent with the West Atlantic Master Plan; or
 - 3. Adaptive reuse or expansion of an existing building resulting in a building not more than a total of two stories in height.
- (c) The in-lieu of parking fee request does not facilitate development that will demolish the following types of structures with Central Business (CBD) District or Old School Square Historic Arts District (OSSHAD) zoning:
 - 1. An individually designated or contributing historic structure in a historic district;
 - 2. A non-contributing structure that is at least 35 years old in a historic district, unless the Historic Preservation Board makes a finding the building should not be reclassified to contributing; or
 - 3. Any structure that has been identified for potential designation through a resource survey

The proposed development qualifies as an adaptive reuse that does not exceed two stories in height, and the applicant's justification and parking analysis has been provided. The City Commission shall determine if the request substantively supports the policy goals of facilitating reinvestment in the downtown without compromising the availability of public parking resources or triggering adverse impacts on the surrounding urban context. Specifically:

- 1. If adequate parking exists in the area to accommodate the relief of 26 spaces.
- 2. If the in lieu request should be approved to facilitate the adaptive reuse of an existing 2-story building and the transformation of vehicular area into outdoor use area.

Pursuant to LDR Section 2.4.10(A)(1)(d), Level 4 Site Plan applications include requests that could otherwise be classified as a Level 2 or Level 3 Site Plan application but have concurrent request requiring final action by the City Commission such as the granting of an In-lieu of Parking Fee request. Therefore, the application was elevated from a Level 2 to a Level 4 due to the in-lieu request, and the Level 4 Site Plan will return to City Commission once the in-lieu request is approved and all technical comments have been addressed.

Advisory Board Review:

On May 27, 2025, the Parking Management Advisory Board (PMAB) meeting was cancelled, therefore no formal recommendation was issued.

City Attorney Review:

Approved as to form and legal sufficiency.

Funding Source/Financial Impact:

N/A

Timing of Request:

Approval of the In Lieu of Parking fee request is required prior to the review of the Level 4 Site Plan.