



Cover Memorandum/Staff Report

File #: 24-120 CRA

Agenda Date: 10/29/2024

Item #: 7F.

TO: CRA Board of Commissioners
FROM: Christine Tibbs, Assistant Director
THROUGH: Renée A. Jadusingh, Executive Director
DATE: October 29, 2024

COMPLETION OF RESTAURANT BUILDOUT AT CRA OWNED PROPERTY LOCATED AT 182 NW 5TH AVENUE

Recommended Action:

Approve expenditure of funds to complete a restaurant buildout at CRA Owned property located at 182 NW 5th Avenue within CRA sub-area #3.

Background:

At the November 17, 2021, CRA Board Meeting, the CRA Board approved a Commercial Lease Agreement with Jerk and Lime at Nicole's House, LLC (Nicole's House) for the CRA-owned property located at 182 NW 5th Avenue - The Muse House within the West Settlers Historic District.

At the September 1, 2022, CRA Regular Board Meeting, the Board approved authorizing the Executive Director to consider and, if acceptable, to approve Site Development Assistance Funding Agreement and later ratify the Agreement at the next scheduled Board meeting. To avoid potential delays, the funding agreement application was processed for approval administratively and was later ratified at the January 24, 2023, CRA Board Meeting.

Work has commenced and is underway, however delays in obtaining the interior alteration permit have caused delays in the completion of construction. Additionally, extended lead times for commercial kitchen items have also affected the completion of construction.

As a result, Nicole's House requested an extension to the Buildout Period for the existing Commercial Lease Agreement. As stipulated in the Lease Agreement, when the Buildout Period expires, the tenant shall begin paying the full Monthly Base Rent amount. Additionally, Nicole's House requested an extension to the Site Development Assistance Funding Agreement to assist with the cost of the improvements including kitchen buildout, electrical, plumbing, ADA-compliance, and related permitting fees. Both the Buildout Period and the Funding Agreement were set to expire on January 31, 2024.

On January 23, 2024, the CRA Board approved the Sixth (6th) Amendment to the Commercial Lease Agreement with Jerk and Lime at Nicole's House, LLC to extend the Buildout Period to February 29, 2024. The CRA Board also approved the Second Amendment to the Site Development Assistance Funding Agreement and extended the termination date to February 29, 2024.

Since January 23, 2024, CRA Board meeting, CRA Staff has worked with the Nicole's House to support their efforts to complete the build out, however the build out is not yet complete.

The Muse House is located at the intersection of Historic NW 5th Avenue and NW 2nd Street. It is a historic cottage on the City of Delray Beach's Local Register for Historic Places. The building serves as a recognizable anchor at the north end of NW 5th Avenue.

In an effort to complete the buildout and preserve the historic structure, CRA Staff would like to finalize the buildout. Due to the fact that there is an existing lease on this property, CRA Staff is seeking approval to expend funds to complete the build out. Staff does not anticipate that the expenditure of funds will be over \$65,000 which is within the Executive Director's purchasing threshold. In the event that it is staff will bring this matter back to the CRA Board for further discussion and consideration.

Attachments: Exhibit A - Location Map; Exhibit B - Sixth Amendment to the Commercial Lease Agreement with Jerk and Lime at Nicole's House, LLC; Exhibit C - Second Amendment to Site Development Assistance Agreement

CRA Attorney Review:

N/A

Funding Source/Financial Impact:

Funding has been allocated from Redevelopment Sites - Maintenance GL #6303.

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