



Cover Memorandum/Staff Report

File #: 18-1104 CRA

Agenda Date: 7/14/2022

Item #: 8B.

TO: CRA Board of Commissioners
FROM: Kim N. Phan, Esq., Legal Advisor
THROUGH: Renée A. Jadusingh, Executive Director
DATE: July 14, 2022

REDEVELOPMENT ON SW 5TH AVENUE - RESOLUTION NO. 2022-05 - AGREEMENT FOR PURCHASE & SALE - 115 SW 5TH AVENUE - \$80,000 & ENVIRONMENTAL SITE ASSESSMENT - 105 SW 5TH AVENUE

Recommended Action:

Staff recommends to the CRA Board the following:

- 1) Approve Resolution No. 2022-05;
- 2) Approve the Purchase and Sale Agreement with the purchase price of \$80,000, in substantially the attached form, and subject to the Sellers' execution of the Purchase and Sale Agreement;
- 3) Authorize Staff to proceed with the purchase of 115 SW 5th Avenue pursuant to the Purchase and Sale Agreement, subject to the Sellers' execution of the Purchase and Sale Agreement;
- 4) Authorize Staff to proceed with recommendations from Universal Engineering Sciences related to 115 SW 5th Avenue, subject to the Sellers' execution of the Purchase and Sale Agreement;
- 5) Also, given the proximity of the CRA Owned property at 105 SW 5th Avenue to the Subject Property, authorize Staff to retain Universal Engineering Sciences to perform an environmental site assessment of this property; and
- 6) Authorize the CRA's Chair, Executive Director and legal counsel to execute any and all related document.

Background:

The Subject Property is located within the Southwest Neighborhood at 115 SW 5th Avenue, Delray Beach, Florida, (CRA Sub- Area #8). The Subject Property is a vacant lot that is approximately 5,130 sq. ft. and is zoned Central Business District. The CRA owns the adjacent parcel north of this lot at 105 SW 5th Avenue.

The Subject Property is currently owned by seven individuals (“Sellers”), as follows:

1. Geary Reginald Wilson, an individual, as to an undivided 25% interest,
2. Andre Rochelle Odom, an individual, as to an undivided 25% interest,
3. Alfreida Janelle Williams Thompson, an individual, as to an undivided 25% interest,
4. Rosemary A. Wilson, an individual, as to an undivided 12.5% interest,
5. Deidre Wilson Hodge, an individual, as to an undivided 4.17% interest,
6. Ramon Trice, an individual, as to an undivided 4.17% interest and
7. Starski Fields, an individual, as to an undivided 4.16% interest

The Subject Property was appraised by Calloway & Price, Inc. and returned a, September 7, 2021, market value of \$82,000.

The location of the property provides an opportunity to continue revitalization and stabilization efforts through infill development of affordable single-family housing, as indicated in the objectives of the CRA Plan and Southwest Area Neighborhood Redevelopment Plan.

On February 22, 2022, the CRA Board approved the purchase of the Subject Property for the amount of \$82,000.

Per the executed Purchase and Sale Agreement (“Agreement”), the initial Inspection Period ended on April 11, 2022. At the start of the Inspection Period, CRA staff ordered a Phase I Environmental Site Assessment (“Phase I ESA”) from Universal Engineering Sciences. On March 22, 2022, CRA staff received a Phase I ESA Report, dated March 18, 2022, (a copy of the full Phase I ESA Report is available upon request) with the following recommendation:

“This assessment has revealed evidence of two offsite recognized environmental conditions connected with the subject property. Further assessment appears warranted at this time.”

“Two (2) off-site facilities, Kent’s Cleaners and Star Cleaners, were identified as *recognized environmental conditions* due to limited available records and no regulatory oversight during their time of operation. The subject property is located within Wellfield Protection Zone 3, which UES considers a *business environmental risk*. According to the information provided by the owner’s interview, a septic tank was on the property that was closed by the City of Delray Beach. As no documentation could be found on the tank’s closure, it constitutes a *business environmental risk*.”

Accordingly, CRA staff ordered a Phase II Environmental Site Assessment (“Phase II ESA”) from Universal Engineering Sciences. Per the Agreement, the Inspection Period was extended for an additional sixty (60) days to allow for the additional testing and assessment required of a Phase II ESA; the Inspection Period ended on June 10, 2022.

On May 25, 2022, CRA staff received the Phase II ESA Report, dated May 23, 2022, (a copy of the full Phase II ESA Report is available upon request) with the following recommendation:

“Based on the results of the analytical data obtained from the Limited Phase II ESA, concentrations of Dieldren, Benzo[b]fluoranthene and Dibenz(a,h)anthracene exceeded the applicable soil target cleanup levels and groundwater cleanup target levels as established in Chapter 62-777, F.A.C. As such, further assessment is warranted at this time. UES recommends installing two temporary shallow monitoring wells on the property to test for the presence of pesticides and polyaromatic hydrocarbons in the groundwater.”

This matter was on the June 8, 2022 CRA Board meeting agenda for Board consideration. However, there was not a required Board quorum present at the time to vote on this item. Therefore, this item was moved to the July 14, 2022 CRA Board meeting agenda. As a result, due to the expiration of the June 10, 2022 Inspection Period pursuant to the February 22, 2022 Purchase and Sale Agreement, the Purchase and Sale Agreement was terminated. Since that time, the purchase price was renegotiated and reduced to \$80,000.00, to which the Sellers have agreed to. The inspection period has also been reduced to fifteen (15) days instead of forty-five (45) days since the inspection was previously performed.

At this time, Staff recommends to the CRA Board the following:

- 1) Approve Resolution No. 2022-05;
- 2) Approve the Purchase and Sale Agreement with the purchase price of \$80,000.00, in substantially the attached form and subject to the Sellers' execution of the Purchase and Sale Agreement;
- 3) Authorize Staff to proceed with the purchase of 115 SW 5th Avenue pursuant to the Purchase and Sale Agreement, subject to the Sellers' execution of the Purchase and Sale Agreement;
- 4) Authorize Staff to proceed with recommendations from Universal Engineering Sciences related to 115 SW 5th Avenue, subject to the Sellers' execution of the Purchase and Sale Agreement;
- 5) Also, given the proximity of the CRA Owned property at 105 SW 5th Avenue to the Subject Property, authorize Staff to retain Universal Engineering Sciences to perform an environmental site assessment of this property; and
- 6) Authorize the CRA's Chair, Executive Director and legal counsel to execute any and all related documents.

Attachments: Exhibit A - Resolution 2022-02; Exhibit B - Purchase and Sale Agreement; Exhibit C- Location Map

CRA Attorney Review:

The CRA Attorney has reviewed attached Resolution No. 2022-05 and Purchase and Sale Agreement as to form and determined it to be acceptable.

Funding Source/Financial Impact:

Funding has been allocated from GL# 5610.

Overall need within the Community Redevelopment Area:

Removal of Slum And Blight

Land Use

Economic Development

Affordable Housing

Downtown Housing

Infrastructure

Recreation and Cultural Facilities