



Cover Memorandum/Staff Report

File #: 25-092 CRA

Agenda Date: 5/29/2025

Item #: 8B.

TO: CRA Board of Commissioners
FROM: Christine Tibbs, Assistant Director
THROUGH: Renée A. Jadusingh, Esq., Executive Director
DATE: May 29, 2025

NOTICE OF INTENT TO LEASE TWO (2) TENANT BAYS AT 102 NW 5th AVENUE - SUITE 108 AND 110

Recommended Action:

Provide direction on issuing the Notice of Intent to Lease for the two (2) tenant bays (Suite 108 and 110) at the CRA-owned property at 102 NW 5th Avenue.

Background:

At the March 25, 2025 CRA Board Meeting, the CRA Board expressed a desire to issue a Notice of Intent to Lease the two bays at 102 NW 5th Avenue, Suite 108 and 110 seeking an operator for a commercial shared kitchen.

At the April 30, 2025 CRA Board Meeting, there was discussion about revisiting intended use of the 102 NW 5th Avenue Suite 108 and 110.

CRA Staff is seeking input from the Board as to the intended use of the above referenced bays in order for CRA Staff to issue a Notice of Intent to Lease. Below is background information and information about the tenant selection process for reference.

Property History

The CRA purchased 102 NW 5th Avenue (Subject Property) in March 2024. The Subject Property is located along the historic NW & SW 5th Avenue corridor within the West Settlers Historic District. The Subject Property is a one-story commercial building with five (5) tenant bays and is zoned CBD - Central Business District. This area was once a vital commercial and institutional corridor comprised of black-owned businesses in The Set neighborhood.

The CRA's Community Redevelopment Plan (Plan) identifies the NW/SW 5th Avenue corridor within the NW & SW 5th Avenue Beautification Project #2.1 (Project #2.1). The objective of Project #2.1 is to revitalize the NW & SW 5th Avenue corridor into a thriving district for neighborhood businesses and cultural activities with the strategic provision of diverse neighborhood shopping, services, and cultural facilities that will serve to enhance overall business activity and pedestrian activity in the area. The development and maintenance of affordable commercial space in the Northwest Neighborhood is one way the Delray Beach CRA is by ensuring that this objective is realized.

At the February 25, 2025, CRA Board meeting, the CRA Board approved the issuance of an ITB for exterior improvements to the building that include: stucco repair, paint, updated signage, hurricane rated doors and windows.

At this time, two (2) of the tenant bays in the Subject Property are currently vacant - Suite 108 and 110. The two (2) tenant bays were previously used as one (1) food establishment that utilized a commercial kitchen set up.

CRA Staff is ready to initiate the process to lease both tenant bays to one (1) tenant pursuant to Florida Statutes 163.380.

102 NW 5th Avenue Suite 108 & 110

The two (2) tenant bays are connected will be leased to one (1) tenant at an affordable rental rate of approximately \$21 per square foot, a rate that was previously approved by the CRA Board for other CRA-owned commercial properties located on NW 5th Avenue.

Overview of Lease Terms:

Lease Term: 4 years with 2 options to renew for 2 years

Lease Amount:

- \$21 per square foot for remaining bays

(6% increase annually)

Buildout Period: Open for Negotiation

Notice of Intent to Lease

The CRA intends to lease the two tenant bays to one qualified individual or entity to operate a food establishment that utilizes a commercial kitchen setup with daytime, nighttime, and weekend operating hours as permitted within the Central Business District (CBD) zoning district, more particularly described in the City's Land Development Regulations. Non-profit organizations, religious institutions, adult entertainment establishments, adult gaming centers, alcohol/tobacco retailers, firearms/weapons and fireworks retailers, CBD retailers, medical marijuana dispensaries, and/or any other use that is not a food establishment that will utilize a commercial kitchen setup shall be excluded and will not be considered.

The tenant bays will be leased as-is and will require build-out by the tenant.

The Notice of Intent to Lease and Application will be accessible via the CRAs website and hard copies will be available upon request.

Tenant Selection Process

CRA staff will conduct preliminary reviews of all timely submitted applications for completeness and eligibility. A Selection Committee comprised of the CRA Executive Director as the Chairperson, three (3) CRA staff members, one (1) City staff member, and one (1) community partner member, will meet to review and score the complete and eligible applications. Presentations from applicants may be requested by the Selection Committee. A lease agreement for the successful applicant will be drafted by CRA staff, and the Executive Director, as previously authorized by the CRA Board, will execute the lease agreement.

Funding Assistance Access

The successful applicant who executes a lease agreement with the CRA can also request funding through the CRA's Business Funding Assistance Programs for project consultancy and design, signage, and/or to renovate the interior space to meet their business needs to operate as a food establishment that utilizes a commercial kitchen setup.

Attachment(s): Exhibit A - Location Map & Photos

CRA Attorney Review:

N/A

Finance Review:

N/A

Funding Source/Financial Impact:

N/A

Overall need within the Community Redevelopment Area:

Removal of Slum and Blight

Downtown Housing

Land Use

Infrastructure

Economic Development

Recreation and Cultural Facilities

Affordable Housing