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April 15, 2025

**VIA ELECTRONIC DELIVERY**

Alexia Howald, Senior Planner  
Development Services Department // Planning & Zoning Division  
City of Delray Beach  
100 NW 1 Avenue  
Delray Beach, Florida 33444

**RE: DELRAY BUNGALOWS RESTAURANT | 25-27 SE 3 AVENUE**  
**Letter of Intent – In Lieu of Parking Fee Request**

Dear Ms. Howald,

Day Pitney, LLP serves as land use counsel to 25 SE 3RD Avenue, LLC (the “Applicant”), in connection with the adaptive reuse of the property located at 25-27 SE 3 Avenue, Delray Beach, FL 33483 (the “Property”).<sup>1</sup>

Located within the Central Core Sub-district of the Central Business District (“CBD”), just south of E Atlantic Avenue, the Property comprises approximately 9,043 square feet with a single frontage on SE 3<sup>rd</sup> Avenue. The Property is currently improved with an 8,379 square foot two (2) story office building with a bank teller drive-thru, constructed on or about 1966, which, until recently, served as SunTrust Bank. The Applicant is proposing to improve and re-activate the Property, through the renovation and adaptive reuse of the existing building as a restaurant with both indoor and outdoor dining (the “Project”), which will contribute to the balanced mix of uses within the sub-district and help the area continue to evolve into a traditional, self-sufficient downtown.

In connection with the Project, the Applicant submits this in-lieu of parking fee request pursuant to Section 2.4.11(F) of the Land Development Regulations (the “LDR”) of the City of Delray Beach (the “City”) to permit the payment of twenty-five (25) required parking spaces into the City's Parking In-Lieu Fund. In support thereof, please find a *Parking Occupancy Analysis* prepared by Kimley-Horn and Associates, Inc. and architectural drawings prepared by Archima, P.A., dated February 24, 2025, along with required supplemental application materials (the “Plans”).

**PROJECT OVERVIEW.** As stated above, the Applicant is proposing to improve and re-activate the Property, through the renovation and adaptive reuse of the existing vacant former office building as a

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<sup>1</sup> Property Controls Numbers: 12-43-46-16-01-093-0360 (25 SE 3 Avenue), and 12-43-46-16-01-093-0340 (27 SE 3 Avenue).

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restaurant with both indoor and outdoor dining, with the project providing a significant and thoughtful relationship between indoor/outdoor spaces. The approximately 8,379 square foot interior space will be renovated and adaptively reused to deliver a first-class dining experience. In addition, over 4,000 square feet of cement pavement comprising the location of the bank teller drive-thru will also be transformed from an area previously meant for cars into an outdoor dining oasis. When complete, the project will fill-in the gap between the recently renovated building to the north of the Property and the former *Delray Beach Market* to the south of the Property, creating a highly activated, uninterrupted, pedestrian experience from E Atlantic Avenue through to SE 1 Street.

**PARKING REQUIREMENTS.** The *gross* floor area of the proposed restaurant use, including all outdoor dining areas<sup>2</sup>, is 10,811 square feet, which requires a total of sixty-five (65) parking spaces.<sup>3</sup> Deducting from that number twenty-nine (29) parking spaces, based on the *net* floor area of the previously existing office/bank use – 7,780 square feet, the Project requires a total of thirty-six (36) parking spaces.

The Property, as currently improved, has no off-street parking. However, abutting the Property to the east is a surface parking lot owned by the Applicant.<sup>4</sup> As part of the Project, this parking lot will be updated and brought into compliance with the City's Land Development Regulations, resulting in a total of eight (8) compliant parking spaces. These spaces will serve to partially satisfy the required parking for the proposed new restaurant use. *See* Sheets 2-V-1 and 3-A1.

Two (2) new on-street parking spaces, one of which is an ADA compliant parking space, are also being created towards the entrance of the Project, along SE 3 Avenue, to complement the one (1) existing on-street parking space. As such, a total of eleven (11) on- and off-street parking spaces are available for use by the Project, ten (10) of which may be used to partially satisfy the required parking.

As discussed in detail below, the Applicant is requesting that the remaining twenty-six (26) parking spaces be satisfied through a payment into the City's Parking In-Lieu Fund pursuant to Section 2.4.11(F) of the City's LDRs. Based on the City's In-Lieu of Parking Fee Schedule, the in-lieu fee per parking space, as applicable to the Property, would be \$30,000.<sup>5</sup> Thus, if approved, a payment of \$780,000 would be required to be made to the City's Parking In-Lieu Fund, which the City may use for parking improvements or pedestrian and bicycle infrastructure.<sup>6</sup>

A Parking Table outlining the required and provided parking for the Project, as discussed above, may be found on Sheet 3-A1 of the provided architectural drawings.

**IN-LIEU OF PARKING.** On December 20, 2024, the City Commission enacted an ordinance amending the existing In-Lieu of Parking Program. This program offers an alternative to providing required on-site parking through a payment into the City's Parking In-Lieu Fund, subject to compliance with the requirements set forth in Section 2.4.11(F) of the City's LDRs. Additionally, the ordinance codified that the program is meant, in relevant part, as an incentive "to maintain the moderate scale of the downtown and encourage revitalization and adaptive reuse by providing an alternative method to satisfy off-street parking requirements." *See* Section 2.4.11(F)(1). The Project does just that by proposing to adaptively reuse the

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<sup>2</sup> "Outdoor use areas" are subject to parking requirements per LDR Section 4.4.13(C)(4)(g).

<sup>3</sup> *See* LDR Table 4.4.13(L) – Six (6) spaces per 1,000 SF of *gross* floor area.

<sup>4</sup> The parcel has no address; however, is identified by Parcel Control Number 12-43-46-16-01-093-0072.

<sup>5</sup> The City's In-Lieu of Parking Fee Schedule was adopted by the City Commission on December 20, 2024. *See* Resolution No. 80-24.

<sup>6</sup> *See* LDR Section 2.4.11(F).

existing two (2) story office building, with a bank teller drive-thru, as a restaurant with both indoor and outdoor dining.

**COMPLIANCE WITH CRITERIA SET FORTH IN SECTION 2.4.11(F)(5) OF THE CITY'S LDRS.** Section 2.4.11(F)(5) of the City's LDRs requires that the City Commission make the following findings prior to approving an in-lieu of parking fee request:

1. **Public Parking Options.** 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 percent in the 12 months preceding the request is not considered to be available. *See* Section 2.4.11(F)(5)(a).

**Analysis – Public Parking Options (1,320 Ft.)**: The *Parking Occupancy Analysis* noted the following public parking lots and public parking garages within 1,320 feet of the Property when measured along a pedestrian route to the building entrance.<sup>7</sup> The *Parking Occupancy Analysis* also noted an “abundance” of available on-street parking.

- Old School Square Parking Garage
- Robert Federspiel Parking Garage
- 4<sup>th</sup> & 5<sup>th</sup> Delray Parking Garage
- Railroad Parking Lot
- Village Parking Lot
- Parking Lot A

There are 933 parking spaces within the above public parking lots and public parking garages and 475 on-street parking spaces, for a total of 1,408 parking spaces within 1,320 feet of the Property.

**Analysis – Utilization Rates (80%)**: As noted within the *Parking Occupancy Analysis*, utilization rates were studied based on parking data provided by the City. Parking occupancy counts were utilized where parking data was unavailable, with parking observations occurring on a Thursday and Saturday in January to coincide “with peak parking demand for uses near the site.”

Based on the *Parking Occupancy Analysis* the above-mentioned public parking lots and public parking garages only had a utilization rate of 41.2%, with the Robert Federspiel Parking Garage and Old School Square Parking Garage having utilization rates of only 22.1% and 22%, respectively, well below the 80% threshold. It's also important to note that the *Parking Occupancy Analysis* explicitly states that “since the on-street parking and some of the parking garages and surface lots were observed during a peak period, the average occupancy of parking of the areas is likely **lower** than reported here.” (emphasis added).

Based on the above, the *Parking Occupancy Analysis* notes the availability of 549 parking spaces within the above-mentioned public parking lots and public parking garages, which could easily accommodate the twenty-six (26) parking spaces being requested to be paid into the City's Parking In-Lieu Fund.

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<sup>7</sup> Through information and belief there is also public parking available within the garage of the former *Delray Beach Market*, which abuts the Property to the south of the Property, pursuant to their development approvals.

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2. Support of City Policy Driven Goals. The in-lieu of parking fee request supports at least one of the following City policy-driven goals:
- A. 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;
  - B. Investment in the West Atlantic Neighborhood Sub-district consistent with the West Atlantic Master Plan; or
  - C. Adaptive reuse or expansion of an existing building resulting in a building not more than a total of two stories in height.

*See Section 2.4.11(F)(5)(b).*

**Analysis:** The Project, and in-lieu of parking fee request, supports the City policy-driven goal of adaptive reuse of an existing building not more than two (2) stories in height. As stated throughout, the Project proposes to adaptively reuse an existing two (2) story office building, with a bank teller drive-thru, as a restaurant with both indoor and outdoor dining.

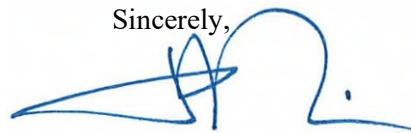
3. Demolition of Certain Structures. The in-lieu of parking fee request does not facilitate development that will demolish the following types of structures with Central Business (CBD) District or Old School Square Historic Arts District (OSSHAD) zoning:
- A. An individually designated or contributing historic structure in a historic district;
  - B. 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
  - C. Any structure that has been identified for potential designation through a resource survey.

*See Section 2.4.11(F)(5)(c).*

**Analysis:** The Project does not propose the demolition of the types of structures described above.

**CONCLUSION.** Thank you for your timely review and consideration. As discussed throughout, the in-lieu of parking fee request for twenty-six (26) parking spaces is appropriate in the context of the Project, and fully complies with the requirements set forth in Section 2.4.11(F) of the City's LDRs. We look forward to the opportunity to present the application to the Downtown Development Authority, Parking Management Advisory Board, and City Commission.

Sincerely,



Joseph A Ruiz

Cc Susana Rodrigues, Planner  
Steven J. Wernick, Esq. AICP, Day Pitney LLP