



# LAND VALUE INVESTMENT PROGRAM

## PROGRAM GUIDELINES

### **PURPOSE**

Public or private entities may lease CRA-owned land for up to 60 years at severely discounted rates during the first fifteen years. In exchange, the developer builds a multi-story building with retail on the ground floor and Class A office space and other uses on additional floors.

The CRA may provide a developer with a long-term land lease of unencumbered CRA-owned property for long-term use. A formal Public Private Partnership land lease agreement would be negotiated, subject to final approval by the CRA Board of Commissioners. The length of the initial land lease shall be up to 40 years, but the lease may be extended an additional 20 years at market rate.

### **GENERAL PROVISIONS**

- The land lease payments for the first five years would be \$1.00/annum, triple net.
- The annual lease rate for the second five years of the lease would be 4.0% of the appraised value of the property. Lease payments would be made monthly.
- The annual lease rate for the first year of the third five-year term of the lease would be 6.0% of the appraised value of the property, with lease payments to be made monthly. Land lease payments to the CRA would increase annually by 2.5% during the third five-year term.
- The land lease rate for the balance of the term of the agreement would be equal to 8.0% of the appraised value of the property. Land lease payments to the CRA would increase annually by 2.5%.
- The developer would have the option to purchase the land from the CRA at any time during the lease.

Other requirements include:

- A minimum of 50% of the project's net floor area must be dedicated to Class A office space.
- A minimum of 75% of the project's net floor area must be dedicated to non-residential space.
- The Project Owner or Developer must have a minimum of 20% of project costs (equity) in the financing structure of the construction project.

Additional incentive available for projects in the West Atlantic Redevelopment Area.

The project design may require that a portion of the required parking is constructed by the CRA as public parking on CRA owned land within 300 feet of the project. However, parking constructed and owned by the CRA will be available to be shared with future uses within the redevelopment area, and will be available as public parking after 5PM on weekdays and on weekends. The CRA will commit to make the required number of spaces available to the project in perpetuity.

## Delray Beach CRA Sub-areas Map

