



Cover Memorandum/Staff Report

File #: 26-0015 CRA

Agenda Date: 1/27/2026

Item #: 8B.

TO: CRA Board of Commissioners
FROM: Christine Tibbs, Assistant Director
THROUGH: Renée A. Jadusingh, Executive Director
DATE: January 27, 2026

DISCUSSION REGARDING DUE DILIGENCE STUDIES FOR THE PROPERTIES LOCATED AT 330, 350, & 358 NE 4th STREET, AND AT 2400 & 2410 NORTH FEDERAL HIGHWAY

Recommended Action:

Discuss due diligence studies for the properties located at 330, 350 & 358 NE 4th Street, and at 2400 & 2410 North Federal Highway.

Background:

The properties are located at 330, 350, and 358 NE 4th Street (Artist Alley Properties) within CRA Sub-Area #2 and 2400 & 2410 North Federal Highway (Federal Highway Properties) within the CRA Sub-Area #5.

Artist Alley Properties:

These properties are generally bounded by the Florida East Coast (F.E.C.) Railway to the east, Artist Alley to the west, NE 4th Street to the north, and the CRA-owned Arts Warehouse (located at 313 NE 3rd Street) to the south. The buildings on the properties currently consist of four single-story commercial and warehouse buildings that total approximately 32,636 SF, with the land totaling approximately 1.91 acres (83,200 SF). The Artist Alley Properties are zoned Central Business District, are currently vacant, and are all owned by SW Delray Artist Alley, LLC.

In August 2014, the Artist Alley Properties were foreclosed upon and were set to be sold at public auction in November 2014, which was later rescheduled to February 2015. In an attempt to acquire the properties to execute the CRA's Community Redevelopment Plan retail strategy to redevelop NE 3rd Street and Artist Alley in order to provide better access and character to the area, the CRA obtained an appraisal. Ultimately, the CRA was not able to purchase the Artist Alley Properties at the time of public auction, nor at the time when the properties were later sold the current owner.

In May 2024, the current owner's representative contacted CRA Staff and stated that the Artist Alley Properties were available and listed for sale. Subsequently, CRA Staff requested two appraisals in 2024, and the current owner's representative provided a third appraisal in 2025. Below is a summary of the appraisals:

PREPARED FOR CRA		
Report Date	Appraiser	Market Value
7/25/2024	Anderson Carr	\$19,250,000
10/3/2024	Callaway and Price, Inc.	\$19,200,000

PREPARED FOR SELLER		
Report Date	Appraiser	Market Value
3/24/2025	Aucamp, Dellenback & Whitney	\$20,200,000

Federal Highway Properties:

These properties are generally bounded by North Federal Highway (US1) to the east, Old Dixie Highway to the west, and private properties to the north and south. The buildings on the properties currently consist of two single-story commercial buildings with surface parking lots each with the land totaling approximately 3.04 acres (132,700 SF); the properties are zoned General Commercial and have future land use designation of General Commercial. The Federal Highway Properties are currently owned by Federal 2400, LLC, and 2410 N Federal, LLC.

At the March 25, 2025, CRA Board meeting, the Artist Alley Properties were introduced during CRA Board comments. At that time, there was a consensus amongst the CRA Board to add the topic of the potential acquisition of the Artist Alley Properties for the development of affordable/workforce housing to the April 30, 2025, CRA Board meeting agenda.

At the April 30, 2025, CRA Board meeting, the Artist Alley Properties were on the CRA Board agenda for discussion as a potential acquisition for the future development of affordable/workforce housing. During the discussion, the Federal Highway Properties were introduced for the CRA Board to also consider as a potential acquisition for the development of affordable/workforce housing. Following the discussion, the CRA Board directed CRA Staff to research the City of Delray Beach's Land Development Regulations and potential development capacity of each of the Properties as it related to affordable/workforce housing.

After the April 30, 2025, CRA Board meeting, CRA Staff reached out to Peacock Architects, a consulting firm in the CRA professional consulting services pool, to discuss a potential work assignment to assist the CRA in assessing the feasibility of the potential development of both the Artist Alley Properties and the Federal Highway Properties for affordable/workforce housing.

At the May 29, 2025, CRA Board meeting agenda included two (2) items related to approving work assignments with Peacock Architects to conduct two (2) due diligence studies for the Artist Alley Properties and the Federal Highway Properties. After the start of the meeting, during the approval of the agenda, the CRA Board discussed revising the agenda to remove those two items - raising other CRA obligations and CRA funding constraints as concerns. Ultimately, the May 29, 2025, CRA Board meeting agenda was revised to remove the two (2) items related to the Artist Alley Properties and Federal Highway from the agenda from consideration.

At the September 30, 2025, CRA Board meeting, during the approval of the CRA budget for Fiscal Year 2025-2026, the CRA Board directed CRA Staff to look into whether or not certain properties were available for potential acquisition for the potential development of affordable/workforce housing.

At the November 30, 2025, CRA Board meeting, CRA Staff provided an update on several properties that had been previously discussed by the CRA Board and the two (2) properties that remained available for potential acquisition were the Artist Alley Properties and Federal Highway Properties. The CRA Board expressed its desire to discuss potentially researching the Artist Alley Properties and Federal Highway Properties and the development potential of each site for affordable/workforce housing.

Subsequent to the November 30, 2025, CRA Board meeting, CRA Staff, based on the CRA Board's direction, reached out to Peacock Architects again and it was confirmed that the previously submitted work assignment proposals for the Artist Alley Properties and the Federal Highway Properties would be honored.

The work assignments would include the development of two due diligence packages - one for the Artist Alley Properties and one for the Federal Highway Properties. Each would comprise of a summary of the research into the City of Delray Beach's codes, ordinances, Land Development Regulations, and the feasibility of the development of the properties. The research will specifically focus on the development of housing, in conjunction with understanding the bonus units allowed per the Live Local Act. More specifically, there would also be a detailed analysis of the properties including location, size, environmental considerations, legal and/or zoning constraints. Additionally, a general overall site plan and massing study depicting the required property information, setbacks, and basic building footprint to better understand and visualize the development potential of the properties and their constraints would also be included as part of the due diligence packages.

At this time, CRA staff is requesting the CRA Board discuss whether or not the CRA Board is interested in conducting due diligence studies for the properties located at 330, 350, & 358 NW 4th Street, and 2400 & 2410 North Federal Highway in order to understand the potential development opportunity and constraints of the properties.

Attachment(s): Exhibit A - Property Location Maps & Photos; Exhibit B - Callaway and Price Appraisal - Artist Alley Properties; Exhibit C - Anderson Carr Appraisal - Artist Alley Properties; Exhibit D - Aucamp, Dellenback & Whitney Appraisal - Artist Alley Properties; Exhibit E - Peacock Architects Work Assignment Proposals

CRA Attorney Review:

N/A

Funding Source/Financial Impact:

N/A

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