



Legislation Text

File #: 18-0027 CRA, **Version:** 1

TO: CRA Board of Commissioners
FROM: Kristyn Cox, West Atlantic Redevelopment Director
THROUGH: Jeff Costello, CRA Executive Director
DATE: June 11, 2018

RESOLUTION NO. 2018-11 - AGREEMENT FOR PURCHASE & SALE - 98 NW 5TH AVE, LLC - 98 NW 5TH AVENUE

Recommended Action:

Approval of Resolution No. 2018-11 for the Agreement for Purchase and Sale with 98 NW 5th Ave, LLC, with a purchase price in the amount of \$1,400,000.

Background:

The subject property at 98 NW 5th Avenue is located at the southwest corner of NW 5th Avenue and NW 1st Street, within the West Settlers Historic District of The Set (CRA Sub-Area #3) and zoned CBD (Central Business District). The 6,812 sq. ft. lot is improved with a 7,076 sq. ft. mixed-use commercial building (built in 1972) with four (4) two-bedroom, one-bath apartment units on the second floor and 750 sq. ft. of commercial space, ground level garage parking and a two-bedroom, one-bath apartment on the first floor. The property is owned by investors as 98 NW 5th Avenue, LLC. The property has been identified as a potential acquisition in the Community Redevelopment Plan (Project #2.1, Map C, Property "C") as it relates to the NW/SW 5th Avenue Beautification. Immediately south of the subject property is the recently completed Delray Beach Housing Authority Headquarters containing ground floor office space and public meeting space, as well as three (3) two-bedroom, two bath income eligible apartments on the second floor.

Ongoing conversations with the Seller in 2017 regarding the CRA's evolving economic development initiative - Focus on 5th - led to negotiations for the CRA's acquisition of subject property; however, those conversations fell short of coming to an agreement. The owner recently reached out to the CRA to determine its interest in the property. Staff obtained two appraisals on the property with reported market values of \$1,370,000 and \$1,425,000, or a rounded average of \$1,400,000. The CRA's attorneys have drafted the attached Resolution No. 2018-11 for the Agreement for Purchase & Sale with a purchase price of \$1,400,000 and a 45-day inspection period for the Board's consideration.

With the CRA's acquisition of the property, the intent is to retain the apartments to provide affordable housing, renovation of the existing commercial space, and potentially conversion of a portion of the garage space to affordable leasable small business space, including start-ups, consistent with the CRA's economic development initiatives to activate Historic 5th Avenue. The purchase of this property offers an opportunity for the CRA to acquire another commercial parcel on NW 5th Avenue, providing additional opportunities for future affordable housing and small business development along this long-standing business corridor located within The Set's West Settlers Historic District. The acquisition is consistent with the goals and objectives outlined in the Community Redevelopment Plan as it pertains to land assembly and redevelopment within this portion of The Set (Sub-Area #3).

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Attachments: Aerial Property Map; CRA Plan Project #2.1 - Map C; Res. No. 2018-11; Purchase & Sale Agreement - 98 NW 5th Avenue - Partially executed

CRA Attorney Review:

The CRA Attorney has prepared the Resolution and reviewed the Purchase and Sale Agreement for legal sufficiency and form and determined it to be acceptable.

Finance Review:

N/A

Funding Source/Financial Impact:

\$1,400,000 allocated from General Ledger #5115 - West Atlantic Redevelopment - Land Acquisition.

Timing of Request:

N/A