

January 17, 2020

Ms. Renee Jadusingh
Executive Director
Delray Beach Community Redevelopment Agency
20 N. Swinton Avenue
Delray Beach, Florida 33444

RE: Second Amendment to the Purchase and Sale Agreement

Dear Ms. Jadusingh:

As you know, the law firm of Saul Ewing Arnstein & Lehr represents BH3 Management, LLC.

Since executing the Second Amendment to the Purchase and Sale Agreement (“PSA”) on November 19, 2019, our team has been hard at work behind the scenes to continue to move the project forward. In addition to the revised site plans that we have been working on with our prospective grocers, we have: (1) submitted the necessary applications and received approval to change the land use and zoning for the CRA and other privately owned properties to allow for the Project to be developed; (2) we have come to terms with the remaining private property owner on the 700 block; (3) we are very close on coming to terms with the remaining private property owner on the 800 block and have received two executed agreements from the family and waiting on the others to be signed, and (4) eight of the sixteen units have been completed and are awaiting occupancy inspections to be scheduled. The balance of the units will be substantially progressed by February 1, as well as the at grade site improvements. The Delray Beach Housing Authority was retained last year and are actively marketing the properties and vetting potential tenants to meet the workforce housing criteria.

At the November 19, 2019 meeting of the CRA where the Second Amendment to the PSA which extended the Application Date to January 17, 2020, was approved; I explained that we would have a concept plan in place in January and that we would need a Third Amendment to the PSA because we could not meet the Application Date in January as our plan was still in flux. We have just finalized our plan and will be ready to submit our site plan application March 16, 2020. Below is a comparison of the plan submitted as part of the RFP and what we are proposing to submit to the City.

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Attn: Ms. Renee Jadusingh

	RFP Plan	2020 Plan	% Change
Residential Units (mix of townhomes, 1BR, 2BR, 3BR)	165	212	29%
Commercial Office (includes incubators, workforce training, etc...)	21,600 SF	50,174 SF	133%
Retail (include F&B)	43,300 SF	62,884 SF	45%
Parking Spaces	744	800 +/-	8%
Public Open/Green Space	40,000 SF	73,910 SF	85%
Grocery Space	33,000 SF	35,600 SF	8%
Above Grade Green Space	0 SF	19,000 SF	100%

As you can see, the Project has grown in many areas because we've been able to acquire additional properties in the 700 and 800 blocks which allow for an efficient design in order to tailor the site plan to fit the national grocer we've been linked to. Our designers have also been able to lessen the intensity of the project on the south by stepping back heights, providing landscape buffers and working with building materials to transition from our Project to the existing residential.

Our goal is to be able to meet individually with you to review the new site plan prior to executing the Third Amendment to the PSA. We think that once you see the revised plan you will be as excited as we are to bring this to the CRA. Both parties had a clear understanding that the PSA would be amended and that the Project would go through changes and be revised multiple times before being approved by the City. The proposed revisions further the goals of the CRA for the Project and will provide the anticipated spark to redevelop the West Atlantic sub-district.

Sincerely,



Neil M. Schiller
For the Firm

cc: Donald J. Doody, Esq. – Counsel for CRA