



Cover Memorandum/Staff Report

File #: 18-0895 CRA

Agenda Date: 8/31/2021

Item #: 8M.

TO: CRA Board of Commissioners
FROM: Ivan Cabrera, AICP, Redevelopment Manager
THROUGH: Renée A. Jadusingh, Esq., Executive Director
DATE: August 31, 2021

RATIFY SECOND AMENDMENT TO THE GROUND LEASE AGREEMENT WITH HATCHER CONSTRUCTION & DEVELOPMENT, INC.

Recommended Action:

Ratify the Second Amendment to the Ground Lease Agreement with Hatcher Construction & Development, Inc. to extend the Site Plan Analysis period from July 18, 2021, to September 16, 2021

Background:

On June 11, 2019, the CRA Board approved a Ground Lease with Hatcher Construction & Development, Inc. (Hatcher) to construct a two-story 6,000 SF office building on two (2) adjacent, vacant CRA-owned parcels located at 20 and 26 NW 6th Avenue (Properties). The Ground Lease was executed on July 18, 2019.

At the November 19, 2019, and December 10, 2019, CRA Board meetings, Hatcher presented preliminary construction elevations and a proposed site-plan for the development of the Properties. At both meetings, the CRA Board provided comments and feedback.

In February 2020, Hatcher submitted a Conditional Use and Class V Site Plan applications to the City of Delray Beach (City) for the development of the Properties. The development proposal consists of the following: construction of two separate 2-story, 3,556 SF commercial buildings for a total of 7,112 SF of office/retail/commercial space. The first floor of each building will have the flexibility to accommodate office/retail/commercial with office space on the second floor of each building.

At the November 12, 2020, CRA Board meeting, the Board approved the First Amendment to the Ground Lease Agreement, which included the extension of the Expiration of the Site Plan Analysis period from January 18, 2021, to July 18, 2021, and Hatcher agreed to assume the CRA's obligations under the CRA's Landscape Maintenance Agreement with the City.

As the applications are currently going through the City permitting review process, Hatcher's Legal Representative, Simon & Schmidt, submitted a letter on June 3, 2021, requesting an additional sixty (60) day extension to the termination date for the Site Plan Analysis period (the period during which all permits, approvals, licenses must be obtained) from July 18, 2021, to September 16, 2021, due to City review timeframes.

The Second Amendment to the Ground Lease includes the expiration of the Site Plan Analysis period to be extended for an additional sixty (60) day period from July 18, 2021, to September 16, 2021.

At this time, CRA Staff requests the ratification of the Second Amendment to the Ground Lease with Hatcher.

Attachment(s): Exhibit A - Letter from Hatcher's Legal Representative, Simon & Schmidt, to CRA requesting the additional extension of the Site Plan Analysis period; Exhibit B - Second Amendment to the Ground Lease

CRA Attorney Review:

The CRA Attorney prepared the Second Amendment, has reviewed it as to form, and determined it to be acceptable.

Finance Review:

N/A

Funding Source/Financial Impact:

N/A