



Legislation Details (With Text)

File #: 18-0130 CRA **Version:** 1 **Name:**
Type: CRA Discussion **Status:** Agenda Ready
File created: 9/5/2018 **In control:** Community Redevelopment Agency
On agenda: 9/11/2018 **Final action:** 12/31/2023
Title: DISCUSSION NORTHWEST 600 BLOCK - WEST ATLANTIC AVENUE EDRON, LLC PROPOSAL
Sponsors:
Indexes:
Code sections:
Attachments: 1. Agenda Cover Report, 2. Exhibit A - Location Map & Exhibit B - CRA Acquisition Map, 3. Exhibit C - Atlantic_Ave_Feasibility_Proposal_- 7-16-18, 4. Exhibit D - May 14 email

Date	Ver.	Action By	Action	Result
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TO: CRA Board of Commissioners
FROM: Jeff Costello, CRA Executive Director
DATE: September 11, 2018

DISCUSSION NORTHWEST 600 BLOCK - WEST ATLANTIC AVENUE EDRON, LLC PROPOSAL

Recommended Action:

Direction from the Board is requested at this time.

Background:

For many years the CRA has acquired/assembled property along the West Atlantic Avenue corridor of The Set to assist in the redevelopment of the area. Within the northwest 600 Block located on the north side of West Atlantic Avenue, between NW 6th and 7th Avenues, the CRA has acquired approximately 1.1 acres, with no frontage on West Atlantic Avenue (see attached map - Exhibit "A"). In general, the south half of the block is zoned CBD (Central Business District) and the north half is zoned R-1-A (Single Family Residential).

Mr. Max Eida owns several parcels totaling 0.99 acres in the northwest 600 block (see attached map - Exhibit "A"). The subject properties consist of seven (7) lots (four unplatted lots, Block 12, Town of Delray and Lots 18, 23 and 26, Block 12, Monroe Subdivision). Five (5) of the lots are zoned Central Business District (CBD) and two (2) are zoned R-1-A (Single Family Residential). The property is primarily vacant with a 1,662 square foot single family residential home constructed in 1997 located on Lot 18 (32 NW 6th Avenue). The property has approximately 152 feet of frontage along West Atlantic Avenue. Six of the lots are identified in the Community Redevelopment Plan for potential acquisition under Project #1.1 - West Atlantic Avenue Redevelopment Plan, Map A.5, Parcels B, C, D, F, G, and I (Exhibit B). The rest of the frontage (approximately 125 feet) is owned by Willie Maddy (Private Exchange Group, Inc.).

Staff has had numerous meetings over the years with the various property owners to discuss joint development proposals and Mr. Eida has made several attempts on his own and with representatives to negotiate joint ventures. None of these efforts had the desired outcome of creating a mechanism to accomplish a unified redevelopment plan.

It would be very difficult for this block to be redeveloped in a meaningful way under the existing pattern of ownership. If the property is not assembled or if a development partnership cannot be established among the owners, it is likely that the site will remain in its present condition for many years.

In recent years, Mr. Eida approached the CRA to acquire his properties, most recently in 2017 Mr. Eida's asking price was \$3,000,000, which was later reduced to \$2,500,000. The CRA obtained two (2) appraisals on the properties and both appraisals reported a market value of \$2,160,000 (\$50 per sq. ft.). Based on further discussions with the property owner and the Board, the CRA's attorney prepared a Purchase and Sale Agreement with Edron, LLC for the Board's consideration with a purchase price of \$2.35 million, which was 9% above the appraised value, with the CRA to absorb Seller's typical closing cost for the title update and commitment. On May 25, 2017, the Board considered the Purchase and Sale Agreement with Mr. Eida. After discussing the item, the Board voted to authorize an Agreement for Purchase and Sale with Edron, LLC with a purchase price of \$2.16 million and for the CRA to pay the title Insurance cost with the Seller paying the doc stamps and with a 45-day inspection period. Mr. Eida would not execute the Agreement.

Proposal:

Attached is an e-mail dated May 22, 2018 from Mr. Eida expressing interest in the redevelopment of the CRA-owned properties within the NW 600 Block of West Atlantic Avenue. A more formal proposal was submitted on July 28, 2018, which included a conceptual site plan and identified potential community benefits outlined in more detail such as a **35% discount on up to 20% of the office space (7,200 sq.ft.) rent for businesses that are locally owned for a period of four years. In addition, the proposer indicates the project will be bid out competitively and local firms will be encouraged to submit bids. All construction firms bidding the project will be required to obtain bids from local subcontractors and will be required to use some local firms if the price and quality are comparable.** The proposal is now before the Board for discussion.

Subsequent to the submittal of the plans, Mr. Eida again expressed interest in selling his property to the CRA. The two appraisals prepared in 2017 were updated - Anderson & Carr returned a market value of \$2.8 million and Callaway & Price appraisal returned a market value of \$2.375 million, with an average value of \$2.6 million. Provided below are options for the Board consideration.

Alternative Actions:

1. Direct staff to prepare a RFP for the properties.
2. Direct CRA staff and General Counsel to enter into negotiations and prepare a Purchase and Sale Agreement to acquire the Edron, LLC properties.
3. Direct CRA staff and CRA General Counsel to enter into negotiations and prepare a Purchase and Sale Agreement to convey the CRA-owned properties to Edron, LLC, which will require the publication of a thirty (30) day Notice as required by Florida Statutes Chapter 163.380(3)(a).
4. Take no action at this time

Attachments: Exhibits A (Location Map); Exhibit B (CRA Plan Project 1.1, Acquisition Map A.5); Exhibit C - Atlantic_Ave_Feasibility_Proposal_- 7-16-18; Exhibit D - 5-22-18 Eida E-mail

CRA Attorney Review:

N/A

Finance Review:

N/A

Funding Source/Financial Impact:

N/A

Timing of Request:

N/A