



Legislation Text

File #: 18-0043 CRA, Version: 1

TO: CRA Board of Commissioners
FROM: Elizabeth Burrows, Economic Development Manager
THROUGH: Jeff Costello, CRA Executive Director
DATE: July 12, 2018

SITE DEVELOPMENT ASSISTANCE PROGRAM FUNDING ASSISTANCE APPLICATION -
ILLUSTRATED PROPERTIES REALTY (700 E. ATLANTIC AVENUE)

Recommended Action:

Approve the Site Development Assistance Program Grant Agreement with Illustrated Properties, LLC for the proposed interior improvement project located at 700 E. Atlantic Avenue, for an amount not to exceed \$37,122.00.

Background:

Founded in 1975, Illustrated Properties has operated as a top-performing luxury real estate brokerage firm in the area for many years. The company leases a 1,600 SF space at 700 E. Atlantic Avenue, in Sub-Area #2 of the CRA District, where its staff and agents help clients with residential and commercial real estate transactions. Recently, Illustrated Properties merged with the Keyes Company, making the combined firm the number 1 brokerage firm in the State of Florida. With the merger in effect, the Keyes Company is taking over many of the Illustrated Properties branches, but in select markets such as Delray Beach, the Illustrated Properties brand will be utilized to more effectively reach their target market.

As a result of the merger, local Keyes agents will be moved to the Illustrated Properties branch, nearly tripling the team from 36 associates to 90. To accommodate the larger team at the Atlantic Avenue space, Illustrated Properties will renovate and reconfigure the office to create more open and modern workspace and reception areas. Some of the interior walls will be demolished and new glass walls will be installed to provide a more accessible feel. Additional improvements include updates to the electrical, plumbing and HVAC systems; upgraded floors and walls; and new built-in cabinetry. Overall, the project calls for a total capital investment of approximately \$200,000.

Illustrated Properties, LLC has applied for the Site Development Assistance Program, which offers a partial reimbursement for the cost of qualified interior and exterior improvements to commercial structures within the CRA District. The project location is in Sub-Area #2 of the CRA District, where the standard reimbursement rate of 40% of total eligible expenses is available, up to the maximum funding level of \$50,000. Based on the provided cost estimates, eligible expenses total \$92,805.00, yielding a maximum possible reimbursement of \$37,122.00. If approved, the funding will be paid by reimbursement in up to three (3) installments. The final disbursement may not be released until the project is completed and has received final inspections and a Certificate of Occupancy, as required by the City. All reimbursement payments are pursuant to the verification of improvements, final eligible expenses and proof of payment. An agreement outlining the terms and conditions of the funding award has been prepared in accordance with program guidelines.

A Site Development Assistance award for Illustrated Properties, LLC will help further the CRA's mission by supporting the growth of a downtown office user by assisting with the cost of an interior improvement project

that will allow the business to accommodate more employees and clients. The project will increase the number of quality jobs in the downtown area, increase pedestrian and business activity within the CRA District, and enhance the value of the non-residential tax base within Delray Beach.

Attachments: Exhibit A - Location Map; Exhibit B - Funding Assistance Detail Sheet; Exhibit C - Application Form; Exhibit D -Business Plan; Exhibit E - Financial Projections; Exhibit F - Project Narrative; Exhibit G - Cost Estimate; Exhibit H - Floor Plan; Exhibit I - Photos of Existing Conditions; Exhibit J - Grant Agreement

CRA Attorney Review:

The CRA Attorney reviewed the Grant Agreement for legal sufficiency and form and determined it to be acceptable.

Finance Review:

Reviewed by Lori Hayward, CRA Finance & Operation Director.

Funding Source/Financial Impact:

\$37,122.00 allocated from General Ledger #7306 - Grant Programs - Site Assistance Grant

Timing of Request:

N/A