



Legislation Text

File #: 18-1106 CRA, Version: 1

TO: CRA Board of Commissioners
FROM: Alexina Jeannite, Community Engagement Director
THROUGH: Renée A. Jadusingh, Esq., Executive Director
DATE: July 14, 2022

UPDATE - CRA-OWNED PROPERTIES LOCATED AT 182 & 186 NW 5th AVENUE

Recommended Action:

Provide direction as it relates to the Commercial Property Leases of the CRA-owned properties located at 182 & 186 NW 5th Avenue (Properties).

Background:

In February 2021, the CRA issued a Call for Proposals to Lease Commercial Space, with the intent to lease CRA properties located at 182 & 186 NW 5th Avenue. The intent was to lease to qualified entities that would enhance business and pedestrian activity in the area. Permitted commercial uses ranged from retail shops, workspaces, to restaurants and cafés. Both Properties are located within the City of Delray Beach's West Settler's Historic District, and the CRA's Community Redevelopment Plan (Plan) identifies the NW/SW 5th Avenue corridor within the NW & SW 5th Avenue Beautification Project #2.1 (Project #2.1). The objective of this Project #2.1 was "to revitalize the corridor into a thriving district for neighborhood businesses and cultural activities." More specifically, the CRA's Project #2.1 calls for the encouragement of "minority business development" and "providing diverse neighborhood shopping, services, and cultural facilities for area residents and visitors."

There were several respondents to the Call for Proposals and finalists were invited to present their business ideas at the June 6, 2021 CRA Board meeting. The CRA Board voted and selected two businesses to occupy the cottages — Jerk and Lime at Nicole's House, LLC (Nicole's House) and Let's Talk Innovation, LLC (Let's Talk Café). Subsequently, the CRA Board approved the Commercial Lease Agreements for each property at the November 17, 2021 CRA Regular Board Meeting.

In addition, in November and in December of 2021, both businesses were awarded funding assistance through the CRA's Project Consultancy & Design Services Funding Program. Since that time, both grantees have acquired architectural firms and they have conducted several site visits with their respective firms to inform their design plans and generate the proposals needed for permit approval. To date, no permit applications have been submitted to the City.

The Commercial Lease Agreements require that the businesses pay a nominal Monthly Rent Amount during the Buildout Period, which is for a period of 10-months. However, over the months, there have been untimely payments. Furthermore, the 10-month Buildout Period is due to terminate in approximately 90 - 120 days. Per the Lease Agreements, when the Buildout Period expires, grantees are to begin paying the full Monthly Base Rent amount.

At this time, both grantees are requesting an extension due to delays with their contractors. Because neither grantee has yet to achieve the deliverables outlined in the Lease Agreement and in the Funding Agreement, this status update is provided to the board for feedback regarding next steps.

Attachment(s): Exhibit A - Extension Request Details for Nicole's House; Exhibit B - Extension Request Details for Let's Talk Café.

CRA Attorney Review:

N/A

Funding Source/Financial Impact:

Funding has been allocated from GL# 7313.

Overall need within the Community Redevelopment Area from Delray Beach CRA

Redevelopment Plan:

Removal of Slum And Blight

Land Use

Economic Development

Affordable Housing

Downtown Housing

Infrastructure

Recreation and Cultural Facilities