



Legislation Details (With Text)

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On agenda: 2/23/2021 **Final action:**
Title: LETTERS OF INTENT TO PURCHASE CRA-OWNED PROPERTIES - 362 NE 3RD AVENUE AND 313 NE 3RD STREET

Sponsors:

Indexes:

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Attachments: 1. Agenda Cover Report, 2. Exhibit A - Location Map, 3. Exhibit B – The Knight Group, LLC Letter of Intent, 4. Exhibit C - Bees Wedding Venue, LLC Letter of Intent, 5. Exhibit D - 362 NE 3rd Ave Parking Lot Appraisal, 6. Exhibit E - Vision Plan

Date	Ver.	Action By	Action	Result
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TO: CRA Board of Commissioners
FROM: Ivan Cabrera, AICP, Redevelopment Manager
THROUGH: Renée A. Jadusingh, Esq., Executive Director
DATE: February 23, 2021

LETTERS OF INTENT TO PURCHASE CRA-OWNED PROPERTIES - 362 NE 3rd AVENUE AND 313 NE 3rd STREET

Recommended Action:

Discussion on the two (2) Letters of Intent to Purchase CRA-owned properties located at 362 NE 3rd Avenue and 313 NE 3rd Street.

Background:

At the November 12, 2020, CRA staff presented a discussion item related to an unsolicited Letter of Intent from The Knight Group, LLC, (“Knight”) to purchase a CRA-owned parking lot located at 362 NE 3rd Avenue (“Parking Lot”). During the discussion, the CRA Board requested that staff obtain an appraisal for the Parking Lot and to review any relevant cultural document files that pertain to the area in which the Parking Lot is located. Additionally, the CRA Board requested to have a workshop about the entire area in early 2021.

Subsequent to the November 12, 2020, CRA Board meeting, on January 4, 2021, the CRA received another unsolicited Letter of Intent from Bees Wedding Venue LLC, (“Bees”) to purchase the CRA-owned Arts Warehouse located at 313 NE 3rd Street (“Arts Warehouse”) along with the Parking Lot to be utilized as a wedding venue and parking lot to service the wedding venue.

Appraisal

Parrish & Edwards, Inc., performed a property appraisal for the Parking Lot in early December 2020. The “As Is” market value of the fee simple estate of the property located at 362 NE 3rd Avenue, as of December 3, 2020, is \$1,810,000. The full appraisal is attached as Exhibit D for reference.

Cultural Documents and Plan Review

Both properties are mentioned within the CRA's Redevelopment Plan as part of the Pineapple Grove Neighborhood Plan. The CRA's role is described as supporting "arts-related uses and features that help establish and maintain the area's identity as an arts district, with the main objectives being the "continuation of the physical and economic revitalization of the Pineapple Grove neighborhood, completion of street beautification, entry features, public parking, and pedestrian linkages within the Pineapple Grove neighborhood, and the establishment of the area's special identity as an arts-related district.

Additionally, CRA staff has located the relevant "Vision Plan" (Title - Cultural Delray Beach: creative authentic intimate) that relates to the area. While this Vision Plan did not specifically mention a development plan for the properties in the area, it does discuss development with the arts in mind. The Vision Plan is attached as Exhibit E for reference.

Other Developments in the NE 3rd Street/ NE 3rd Avenue Area

- 324 and 325 NE 3rd Avenue
In December 2019, the CRA Board approved an Infrastructure Improvement Grant for upgrades and improvements to the watermain necessary for development projects occurring at 324 and 325 NE 3rd Avenue and for the general area.
- 214 NE 4th Street
The proposed private development is a mixed-use development project.
- Infrastructure and Roadway Improvement on NE 3rd Avenue and NE 3rd Street Area
The City is managing an infrastructure improvement project that the CRA has invested in and that the City and CRA have been working on for several years. The project entails streetscape improvements that will provide safe, well-lit pedestrian connections to the public parking areas and to area businesses, and water, sewer and stormwater management upgrades. These improvements were identified in the CRA Redevelopment Plan and The Pineapple Gove Neighborhood Plan.

In 2020, the City and CRA improved the alley east of NE 3rd Avenue (known as "Artist Alley").

It is important to note that should the CRA Board want to sell any of the Properties, under Florida Statutes Section 163.380(3)(a), the CRA would need to publicly notify its intent to dispose of the Properties and such notice would need to be posted for a 30-day period prior to proceeding with any purchase and sale agreement.

At this time, CRA staff is requesting the CRA Board to discuss this item and provide direction.

Attachment(s): Exhibit A - Location Map; Exhibit B - The Knight Group, LLC Letter of Intent; Exhibit C - Bees Wedding Venue LLC Letter of Intent; Exhibit D - 362 NE 3rd Ave Parking Lot Appraisal; Exhibit E - Vision Plan