Legislation Details (With Text)

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File created:	1/16/2024			**In control:**	Community Redevelopment Agency
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Title:	UPDATE ON LEASES FOR THREE (3) FIRST FLOOR TENANT BAYS - 98 NW 5TH AVENUE				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	1. Agenda Cover Report, 2. Exhibit B - Tenant Application Form, 3. Exhibit CA. - Lease Agreement for 98 NW 5th Avenue Atlantic Current, 4. Exhibit CB. - Lease Agreement for 98 NW 5th Avenue Rabbit Hole, 5. Exhibit CC. - Lease Agreement for 98 NW 5th Avenue Touch of Posh Salon, 6. Exhibit D - CRA Community Redevelopment Plan Project				

Date	Ver.	Action By	Action	Result

TO: **CRA Board of Commissioners**
FROM: **Ashlyn Darden, Legal Advisor**
THROUGH: **Renée A. Jadusingh, Esq., Executive Director**
DATE: **January 23, 2024**

UPDATE ON LEASES FOR THREE (3) FIRST FLOOR TENANT BAYS - 98 NW 5TH AVENUE

Recommended Action:

None.

Background:

98 NW 5th Avenue is 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 Project #2.1 is to revitalize the NW & SW 5th Avenue corridor into a thriving district for neighborhood businesses and cultural activities with the strategic provision of diverse neighborhood shopping, services, and cultural facilities that will serve to enhance overall business activity and pedestrian activity in the area. The construction of affordable commercial, retail, and professional office space in the Northwest Neighborhood if The Set at 98 NW 5th Avenue is one way the Delray Beach CRA is by ensuring that this objective is realized.

On April 24, 2023, the CRA Board approved the Notice of Intent to Lease the five (5) first floor tenant bays at 98 NW 5th Ave ("Notice of Intent") and a Manual for Notice of Intent to Lease for Tenants at 98 NW 5th Avenue. Each bay is approximately 600 square feet, including one (1) bathroom and a janitorial closet and will be leased at an affordable rate of approximately $18-23 per square foot, depending on the bay.

After the Board meeting, on May 1, 2023, CRA staff issued the Notice of Intent for applicants to apply for the open bays, with a submission deadline of July 10, 2023. The applications were reviewed by the review committee which was made up of 1 City staff, 3 CRA staff and 1 community partners.

The CRA received fifteen (15) submissions by the application deadline. Subsequently, the review committee held 3 committee meetings where they reviewed all completed proposals per the guidelines contained in the Notice of Intent. The committee recommended three (3) of the fifteen (15) applicants proceed to negotiations for lease agreements.

At this time, CRA Staff is providing the CRA Board with an update on the potential new tenants. Staff intends to meet with the applicants who were not selected to review their applications with them and reissue a Notice of Intent to Lease the remaining two (2) bays in the coming months.

Touch of Posh Salon LLC:
Touch of Posh Salon was established in 2016 by Lucinda Charles and is currently located in downtown Delray Beach, in the Sante Fe Salon Suites. The salon offers various hair care and extension services such as lace wig installations, wash/treatments, and sew ins. By acquiring a new location, Ms. Charles hopes to expand her service menu and be able to accommodate large wedding parties.

Rabbit Hole Delray Beach LLC:
Rabbit Hole is a plant-based café and bistro with specialty sandwiches, smoothies, beverages and desserts. Rabbit Hole is currently operating a location in Pompano Beach, founded by Samuel and Dee Woods. Rabbit Hole would also provide bi-monthly art installations, private dining experiences, and poetry nights.

The Atlantic Current LLC:
The Atlantic Current was established in 2012 in Delray Beach by Dustin Wright and is now a well-established magazine and marketing agency located in Boca Raton. The magazine is a free print publication that celebrates the local coastal lifestyle. The Atlantic Current also offers marketing services specifically for small businesses which include photography, video production, graphic design, and social media management.
The Atlantic Current LLC is in a contractual relationship with the CRA to provide artistic services to assist with brand voice, art direction and visual arts in line with the Delray Beach Procurement code which provides an exception to the competitive solicitation process for art and talent / artistic services. See City of Delray Beach -- Purchasing Policies and Procedures Manual Sec. 4(B)(vii).

Overview of Lease Terms:
Lease Term: 4 years with 2 options to renew for 2 years
Lease Amount:
- -$23 per square foot for bay on SW 5th Avenue
- -$18 per square foot for remaining bays
- (6% increase annually)

Buildout Period: Open for Negotiation

Attachment(s): Exhibit A - Manual for Notice of Intent to Lease for Tenants at 98 NW 5th Avenue; Exhibit B - Tenant Application Form; Exhibit C - Proposed Lease Agreements; Exhibit D - Excerpt CRA Community Redevelopment Plan Project

CRA Attorney Review:

The CRA Legal Advisor will draft and review all lease documents for legal sufficiency and per the CRA Purchasing Policies and Procedures.

Funding Source/Financial Impact:

N/A

Overall need within the Community Redevelopment Area:

Removal of Slum and Blight
Downtown Housing

Land Use
Infrastructure
Economic Development
Recreation and Cultural Facilities
Affordable Housing