



20 N. Swinton Avenue
Delray Beach, FL 33444

Agenda Item # 10A
December 8, 2016

~ **CRA BOARD SUMMARY** ~
EQUITY DELRAY, LLC (UPTOWN ATLANTIC) -
REQUEST FOR EXTENSION OF THE CLOSING DATE

Background: At its meeting of May 22, 2014, the CRA Board approved the Purchase and Sale Agreement between the CRA and Equity Delray, LLC to redevelop the CRA-owned properties located on the south side of West Atlantic Avenue, between SW 6th Avenue and SW 9th Avenue. There have been five amendments to the agreement since its original approval: one to extend the time frame for board approval of the tenant relocation agreements; one to include a change to the purchase price associated with the addition of two lots, and modifications to the development proposal; one to extend the Approval Date (time period to obtain all governmental approvals – from October 2, 2015 to February 2, 2016.); one to extend the Approval Date from February 2, 2016 to May 27, 2016, and the Termination Date from June 2, 2016 to September 2, 2016; and, the most recent, to extend the Termination Date from September 2, 2016 to December 1, 2016. At its meeting of July 14, 2016, the CRA Board approved the Fifth Amendment to the Agreement for Purchase and Sale with Equity Delray, LLC to modify Section 1.17 to extend the Termination Date to December 1, 2016.

Extension Request: On December 1st, the CRA received the attached letter from Equity Delray, LLC requesting an extension of the Closing Date for a period of 120 days commencing upon the execution of an Amendment to the Purchase and Sale Agreement. Their letter is self-explanatory, but essentially expresses their desire to bring the project as originally designed to completion.

Pursuant to Section 10 of the Purchase and Sale Agreement, in the event closing does not occur no later than the Termination Date, the SELLER shall have the right to terminate the Agreement.

Alternative Actions:

1. Continue with direction.
2. Direct the CRA Attorney to prepare an Amendment to the Purchase and Sale Agreement between the CRA and Equity Delray, LLC to a specified date and authorize the CRA Board Chair to execute the Amendment.
3. Terminate the purchase and sale agreement between the CRA and Equity Delray, LLC in accordance with Paragraph 10, TERMINATION, in the original purchase and sale agreement dated June 12, 2014.

Recommended Action:

Board's discretion.

Submitted By: Jeffrey A. Costello, Executive Director

Attachment: Letter from Equity Delray, LLC to the CRA Board of Commissioners dated December 1, 2016



EQUITY DELRAY LLC
5100 PGA BLVD., SUITE 301,
PALM BEACH GARDENS, FL 33418
TELEPHONE: +1 (561) 328 6676

1st December 2016

To: The Chairman and Members of the CRA Board.

Reginald Cox, Chairman & Members of the Board
Delray Beach Community Redevelopment Agency
20 North Swinton Avenue
Delray Beach, FL 33444

This letter is to request an extension of the closing date for a period of 120 days commencing upon the execution of an Amendment to the Purchase and Sale Agreement. We do not wish to reiterate the causes of events which have made such a request necessary, however it should suffice to say that Equity Delray, LLC believes facts and events justify such an extension.

Equity has expended more than \$3.6 million on the project to date and during the period of the 120-day extension it will spend approximately \$4 million more up to and including the actual closing itself. We believe that type of expenditure shows our commitment to the project and demonstrates our ability to proceed in the most practical and realistic way possible.

During the early days of that 120-day period, the construction contract with a licensed and bondable general contractor, with whom we are finalizing negotiations, will be signed and arrangements will be made that the Performance Bond which includes the CRA, can be provided under that contract.

We would not be proceeding with this development and the financial commitment we are making unless that we were confident that our own resources and our existing banking and private equity connections were sufficient to complete the construction of this project.

Details regarding the final issuance of City permits can be provided to the CRA and we have already received a letter from the City to establish the fact that simultaneously with the closing (or within hours of the closing), permits can be assured to be issued.

We once again request the extension of time described above and re-affirm our commitment to

work in tandem with the CRA to achieve the goal of completion of construction on the property within the earliest possible time limits.

Yours sincerely,



John Flynn
Equity Delray LLC

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