



20 N. Swinton Avenue
Delray Beach, FL 33444

Agenda Item # 10B1
February 23, 2017

~ CRA BOARD SUMMARY ~

DISCUSSION – ACTIVATION OF 606 & 700 WEST ATLANTIC AVENUE

At the January 26, 2017 CRA Board meeting, the CRA Board authorized staff to issue a new RFP for the SW 600 – 800 Blocks of West Atlantic Avenue. At the meeting the Board expressed their desire to ensure the current businesses at 700 West Atlantic Avenue are accommodated and kept sustainable. The Board consensus was supportive of staff activating the vacant commercial space on the properties with some support for small businesses being accommodated in The Set while awaiting the redevelopment project.

The building located at 700 W. Atlantic Avenue contains a multi-tenant commercial structure of approximately 6,320 sq. ft. with eight (8) 790 sq. ft. bays. Two (2) of the bays are currently occupied by the following tenants:

1. 702 W Atlantic Ave (Klein's Multi-Services), and
2. 704 W. Atlantic Ave (Blanc Fresh Cut Barber Shop)

When the property was purchased in 2013, the CRA entered into lease agreements with the four (4) tenants that existed at that time. The lease rates remained consistent with the lease rates of the previous owners at \$21.11 per sq. ft., which is \$1,390 per month and \$16,680 per year. The lease rates have not increased since the CRA has owned the property. The current tenants are leasing on a month-to-month basis. The CRA attorney has indicated that given the terms of the previous leases, the CRA is not required to enter into new leases with the existing tenants.

Currently, there are six (6) vacant bays. Bay 700 was previously occupied by Le Bon Gout take-out restaurant, Bay 706 by Ben & Carla's dine-in restaurant, and Bays 708 – 714 (total of four bays) by People's Market. If the vacant bays are leased, the leases should be limited to no more than two (2) years, to coincide with the RFP and development approval process.

Staff conducted an initial assessment of the property to determine the repairs and maintenance needs for the property, structure and individual bays. The maintenance needs include, but are not limited to: roof, windows, doors, lighting, air conditioners, electrical, bathrooms, concrete repairs, parking lot repairs, cleaning, and preparations to lease the vacant bays. The vacant bays would also have to comply with current building and fire code standards. In addition, it is recommended the exterior of the building be painted with consideration of murals on the east and west elevations. Depending on the approach, the anticipated cost for the maintenance and repairs can range from \$36,000 to \$60,000, and may be able to be accomplished within 60-90 days. A preliminary cost estimate is attached for a more detailed cost breakdown (Exhibit A). During the timeframe to conduct the maintenance and repairs, the thirty (30) day notice to lease the spaces can be published, and potential applicants processed accordingly. The allowable uses would be subject to the Central Business District (CBD) zoning regulations and consist of neighborhood-oriented uses including retail, restaurant and office.

In addition to the above, the building located at 606 W. Atlantic Avenue (formerly Shuler's Memorial Chapel) is approximately 5,811 sq. ft. (4,854 sq. ft. commercial space, 957 sq. ft. apartment). There is an opportunity to activate this space in addition to the available space located at 700 W. Atlantic Avenue. Staff is in the process of having the utilities reconnected. Except for minor landscape, paint, and cosmetic upgrades, no significant exterior maintenance concerns have been identified at this time, however staff will inspect and assess in more detail.

The West Atlantic Redevelopment Coalition:

At the February 13, 2017 WARC meeting, staff presented the following for WARC's consideration to activate the properties located at 606 and 700 W. Atlantic Ave:

1. Identify the most desirable uses, subject to what the CBD zoning district regulations allow;
2. 700 W. Atlantic Ave - Offer one or multiple bays for lease at \$20 per sq. ft. with a maximum two (2) year lease term (tenants would pay their own utilities).
3. 606 W. Atlantic Avenue - Explore options to activate the space with a single or multiple tenants with the lease rate to be determined (tenants would pay their own utilities).

It is noted, that Shuler's Memorial Chapel has expressed interest in reoccupying 606 W. Atlantic Avenue (see attached letter).

WARC supported implementation of the improvements to the referenced properties. WARC's Economic Development Committee, which includes CRA staff, local small business owners, property owners and community development organizations, will be discussing the activation model and desired uses and at an upcoming meeting to be included in the marketing and notice to lease the space.

At this time, staff is requesting direction to proceed with the repairs indicated in the attachment. A notice to lease the vacant bays located at 700 West Atlantic Avenue and space at 606 West Atlantic Avenue, will be considered at a future meeting.

Submitted By: Jeffrey A. Costello, Executive Director

Shuler's Memorial Chapel
5301 N. Australian Avenue
West Palm Beach, Florida 33407

February 13, 2017

Community Redevelopment Agency
20 N. Swinton Avenue
Delray Beach, Florida 33444

RE: Leasing of Space at 606 West Atlantic Avenue, Delray Beach, Florida

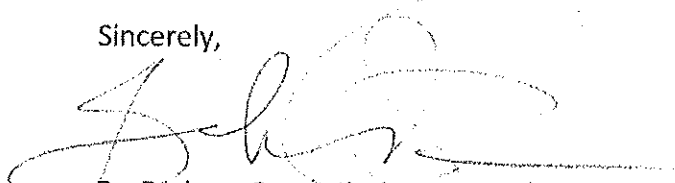
Dear Mr. Costello & Board:

My name is Dr. Barbara Carey-Shuler, former owner of the building and business Shuler's Memorial Chapel, Inc. at 606 West Atlantic Avenue, Delray Beach, Florida.

I write this letter to express an interest in activating a lease in that same space for my business.

Thank you for considering my request.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Carey-Shuler', with a long horizontal flourish extending to the right.

Dr. Barbara Carey-Shuler, Owner/CEO
Shuler's Memorial Chapel, Inc.