Delray Beach Community Redevelopment Agency Board Meeting

Tuesday, June 11, 2019 1:30 p.m.
ITEM 8A.

AWARD OF REQUEST FOR PROPOSALS

DEVELOPMENT AND DISPOSITION OF CRA-OWNED PROPERTIES IN THE SW NEIGHBORHOOD FOR WORKFORCE HOUSING
OVERVIEW OF PROJECT

• 10 Single Family Homes
  • A Unit = 1 story, 3 Bedroom, 2 Bath, 1 car garage = 1,839 S.F.
  • B Unit = 2 story, 4 Bedroom, 2.5 Bath, 1 car garage = 2,333 S.F.

• All homes are to be built in a single phase = 270 days

• Awarded Non-profit partner is responsible to income qualify prospective owners & process sales
SELECTION COMMITTEE RECOMMENDATION

Delray Beach Community Land Trust, Inc.

Total Development Cost = $2,454,350.00 / $2,292,506.00
Offer Price Per Lot = $500
Construction Schedule = 270 Days
Cost per A Unit / Alt = $191,213.00 / $177,608.00
Cost per B Unit / Alt = $217,012.00 / $203,693.00
ITEM 8B.

GROUND LEASE AGREEMENT

HATCHER CONSTRUCTION & DEVELOPMENT INC.

20-26 NW 6TH AVENUE
HATCHER CONSTRUCTION & DEVELOPMENT, INC.
PROPOSED DEVELOPMENT CONCEPT

• 20 & 26 NW 6th Avenue (approximately 0.45 acres) in the NW 600 Block of West Atlantic Avenue

• 6,000 square foot building
  • 2,000 square feet - Hatcher’s business operations
  • 4,000 square feet - Rental space for a retail business or office space for a small business or non-profit organization

• Land lease for the properties and utilize CRA’s Land Value Investment Program
  • Purchase the land at the market value of the year the initial lease was signed

• Utilize CRA’s Development Infrastructure Assistance Program for funding the construction of the parking lot
  • Parking lot will be available for public parking after 5:00 p.m. on weekdays and on weekends
OVERVIEW OF TERMS

• Lease Rate:
  o Initial five-year lease - $1 per year.
  o Subsequent years (Years 6 - 40) - Base Rent adjusted based on a percentage of the appraised value of $650,000.00 on 1-18-19. (See Section 2.2 for details)
  o “Triple Net” lease.

• Lease Term – 40 years

• Reduce Rent Rate for Tenants:
  o No less than seven (7) years subsequent to Hatcher obtaining a Certificate of Occupancy
  o Minimum 25% of net s.f. offered a base rent of $30 or less per s.f. inclusive of any and all common area maintenance (CAM).

• Purchase Option - Purchase price of $200,000 - First 7 years of the Term.

• Site Analysis Period - 18 months to obtain all necessary permits for the development
ITEM 8C.

AWARD OF BID

121 SW 10TH AVENUE
DUPLEX RENOVATION

HATCHER CONSTRUCTION & DEVELOPMENT, INC.

CONTRACT AMOUNT = $119,757.23
PROJECT LOCATION & EXISTING CONDITIONS
OVERVIEW OF PROJECT

The renovation in each unit of the duplex includes the following:

• New Kitchen and Bathroom
• New Impact Windows and Doors
• Re-painted Exterior
• New Flooring & Finishes
• New Plumbing
• Upgraded Electrical
• Troubleshoot & Repair of HVAC systems and Ductwork Cleaning
• General Site Improvements
STAFF RECOMMENDATION

Bid Summary

- Three Bids were received
- Low bidder was deemed unresponsive due to several deficiencies in proposal
- Remaining two bidders were determined to be responsive

Project Award

Hatcher Construction & Development, Inc.

Waive Performance & Payment Bond Requirement

Pursuant to Section 255.01(1)(d) for projects less than $200,000
ITEM 8D.

FIRST AMENDMENT TO LEASE
182 NW 5TH AVENUE

THE MONOGRAM CLOSET
THE MONOGRAM CLOSET

182 NW 5TH AVE

[Map of the area with a red outline highlighting the property location]

[Photo of the property named The Monogram Closet with a sign in the front yard]
THE MONOGRAM CLOSET
OVERVIEW OF LEASE TERMS

• April 24, 2015 - CRA awarded a 4-year commercial lease agreement to The Monogram Closet at $16/SF (Gross) with $1 per s.f. escalator each year. Currently $19/SF

• Monogram Closet responsible for property taxes, insurance and minor maintenance

• June 30, 2019 - Term of the lease expires

• First Amendment to Commercial Lease Agreement - Extends the lease for 1 year at a rate of $20.00/SF (Gross) or $2,416.66 per month
ITEM 8E.

INTERLOCAL AGREEMENT

ECONOMIC DEVELOPMENT POSITIONS
ITEM 8F.

APPOINTMENT OF EXECUTIVE DIRECTOR