Delray Beach Community Redevelopment Agency

Regular Board Meeting

Tuesday, April 9, 2019
10:00 a.m.
ITEM 8A.

PURCHASE & SALE AGREEMENT
BH3 MANAGEMENT, LLC

SW 600-800 BLOCKS OF W. ATLANTIC AVENUE
SW 600-800 Blocks of W. Atlantic Avenue
BH3 Management, LLC
Purchase & Sale Agreement

• **Project Description:**
  • Retail/Food & Beverage: 43,300 Square Feet
  • *Grocery*: 33,000 Square Feet
  • Office: 21,600 Square Feet
  • Public Open Space including Frog Alley: 40,000 Square Feet
  • Residential: 165 Rental Units (plus pool and amenities) (18 units Workforce Housing offsite; 12 units Workforce Housing onsite)

• Parking:
  • 2 Structured Parking Facilities and 1 Surface Lot
  • Number of Parking Spaces: Amount approved by the City of Delray Beach as part of site plan approval plus at least 206 public parking spaces.
SW 600-800 Blocks of W. Atlantic Avenue
BH3 Management, LLC
Purchase & Sale Agreement

**Dates**

<table>
<thead>
<tr>
<th></th>
<th>Date Duration</th>
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<tbody>
<tr>
<td>Inspection Period</td>
<td>90 days from Effective Date</td>
</tr>
<tr>
<td>Application Date</td>
<td>210 days from Effective Date</td>
</tr>
<tr>
<td>Approval Date</td>
<td>365 days from Application Date</td>
</tr>
<tr>
<td>Closing Date</td>
<td>30 days from Permit Date</td>
</tr>
<tr>
<td>Termination Date</td>
<td>720 days from Effective Date</td>
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</table>

**Earnest Money**

<p>| Earnest Money | $250,000 due when contract is signed |</p>
<table>
<thead>
<tr>
<th>Additional Agreements</th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Relocation Plan for Commercial Tenants</strong></td>
<td>Submitted to CRA Board 180 days from Effective Date.</td>
</tr>
<tr>
<td><strong>Public Benefits Agreement</strong></td>
<td>Executed within 210 days after Effective Date.</td>
</tr>
<tr>
<td><strong>Parking Maintenance Agreement (206 spaces)</strong></td>
<td>Executed within 30 calendar days after Approval Date.</td>
</tr>
<tr>
<td><strong>Restrictive Covenant</strong></td>
<td>At Closing</td>
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Workforce Housing*

18 units – 11 SW 6th Avenue & 21 SW 6th Avenue
- Available on July 1, 2019
- Penalty - $500.00 per day until compliance

12 units – Available onsite

*40 Year Workforce Housing Restrictive Covenant with the City of Delray Beach
<table>
<thead>
<tr>
<th>Relocation Plan for Existing Commercial Tenants at 700 W. Atlantic Avenue</th>
<th>Submitted to CRA Board 180 days from Effective Date.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Space at Completed Development</td>
<td>4 spaces available for City of Delray Beach businesses.</td>
</tr>
</tbody>
</table>
Skilled and unskilled construction jobs

Hire at least 30 from highlighted census tracts.

Subcontractors

Hire at least 6 from highlighted census tracts and/or from 33444, 33445, and 33483.

*Public Benefits Agreement – Must be executed within 210 days of Effective Date.
## Local Hiring During Construction

<table>
<thead>
<tr>
<th>Living Wages for Skilled &amp; Unskilled Construction Laborers &amp; health benefits</th>
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</thead>
<tbody>
<tr>
<td>• $13.64 – Unskilled Construction Laborers</td>
</tr>
<tr>
<td>• $18.70 - Skilled Construction Laborers</td>
</tr>
</tbody>
</table>

## Penalties for Non-Compliance with Local Hiring Requirement During Construction

Escrow money repaid to Purchaser if BH3 complies with Community Benefits. If BH3 does not comply with Community Benefits, CRA will keep.

## Job Monitoring for Public Benefits

CRA reimbursed up to $50,000 annually by BH3 for service.

## Job Fairs & Employment Advertising

At least 2 job fairs and coordinate with local organizations to promote.
Open Issues

• Subordinate Right to Repurchase to a construction loan

• Right to Repurchase
  o To be exercised for failure to commence installation of concrete foundation on a yet to be determined number of blocks.

• Restrictive Covenant
  o Amount to be paid to the CRA
  o Percent of legal interest upon transfer or conveyance
ITEM 8B.
MODIFICATION TO SITE DEVELOPMENT ASSISTANCE PROGRAM
Modification to Site Development Assistance Program
Summary of Proposed Revisions

• 2 Funding Tiers
  • Tier 1 – CRA Sub-Areas #3, #4, #7 & #8
    • First $10,000 of eligible costs funded at 100%; additional eligible costs covered at 75% rate, up to $75,000 max. award
  • Tier 2 – CRA Sub-Areas #1, #2, #5, & #6
    • Eligible costs funded at 40% rate, up to $50,000 max. award

• Updated Funding Disbursement Procedures
  • Monthly payments allowed while project is underway
  • Payments may be made to approved applicant by reimbursement OR directly to vendor – for completed, pre-approved improvements only
ITEM 8C.

SECOND AMENDMENT TO INTERLOCAL AGREEMENT FOR TRANSPORTATION SERVICES

FUNDING AMOUNT: $80,000

TIME EXTENSION: Up to June 30, 2019
ITEM 8D.

EXECUTIVE DIRECTOR’S ANNUAL REVIEW
ITEM #

CRA BOARD ACTION ITEM

THE SET AND
OSCEOLA PARK
CONSULTANCY &
DESIGN PLANS PROGRAM
CRA Board supported the development of new tools at February 12, 2019 meeting to:

- Encourage accelerated commercial investment in The Set and Osceola Park areas of the CRA District
- Activate vacant or underutilized commercial properties to build vibrancy while eliminating ‘slum & blight’
- Assist businesses with location decisions
- Assist businesses/property owners with plans required for City approvals and/or permitting
HOW IT FITS IN TO THE OVERALL PROCESS . . .

Site Selection
- OED
- Costar Reports

Lease Feasibility
- Costs, Terms, Build-Out Allowance, Rent Deferrals during Build-Out

Use & Zoning Determination

Lease Signed

Pre-Development Planning

Site Plan Approvals & Permitting
- Site Plan Modifications and Approvals
- Building Permits

Build-Out Construction
- Building + Fire Inspections
- TCO or CO

Business Tax Receipt

Move-In

CRA Site Development Assistance
NEW TOOL PRIORITY AREAS

Historic 5th Avenue

West Atlantic Avenue

SW Industrial Area
NEW TOOL PRIORITY AREAS

Osceola Commercial

Osceola Industrial

South Federal Highway (South of 4th Street)
• Term: 3 years
• Eligible Applicants: Pre-Tenant, Tenant, Owner-Occupant, Landlord
• Property Types: Existing Commercial, Retail, Industrial, Flex, Mixed-Use (commercial > 50% of gross square footage)
• Professional Services Offered: Architect, Landscape Architect, Engineer, Design Professional
<table>
<thead>
<tr>
<th>PROBLEM STATEMENT</th>
<th>DELIVERABLES</th>
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<tbody>
<tr>
<td>Consultancy Deliverables: What will it take to make it happen here? What will it cost? How do I get there (City approvals and permitting processes)? How long will it take?</td>
<td>Consultancy Deliverables: Preliminary Space Plan, Conceptual Design Plan, Construction Drawing Set (stamped), Permit Drawings</td>
</tr>
<tr>
<td>Plan Development Deliverables: Preliminary Space Plan, Conceptual Design Plan, Construction Drawing Set (stamped), Permit Drawings</td>
<td>Limitations of Use: None with evaluation after 1st year (proof of concept)</td>
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</table>
Step 1: Complete Inquiry Form (Applicant)
Applicant Contact Information, Property Location and General Scope of Work, Tenant Description(s)
Step 2: Property Verification (OED)
Step 3: Discussion of Program and Next Steps (Applicant/OED)
Step 4: OED Publishes Work Assignment
Step 5: OED Schedules Meeting for Applicant with CRA Consultant and/or Design Team
Step 6: CRA Consultant/Design Team Issues Notes for Next Steps

Step 7: Upon completion of deliverables, CRA Consultant/Design Team Issues Invoice to OED

Step 8: OED Reviews Invoice and Submits Check Request to CRA

Step 9: CRA Issues Check to CRA Consultant/Design Team
1. Determine prequalification procedure for professional services and recruit firms to participate
2. Launch New Tools and Conduct Community Outreach Program
3. Add Tools to new Delray Beach Business Navigator Program
4. Recruit Projects – Properties to the Program
Approve the establishment of The Set and Osceola Park Consultancy and Design Plan Program for a period of 3 years