LAND VALUE INVESTMENT PROGRAM

PROGRAM GUIDELINES

PURPOSE

Public or private entities may lease Delray Beach Community Redevelopment Agency (CRA) owned land for up to 60 years at discounted rates during the first fifteen years. In exchange, the developer builds a multi-story building for mixed-use development, including affordable housing.

The CRA may provide a developer with a long-term land lease of unencumbered CRA-owned property for long-term use. A formal Public Private Partnership land lease agreement would need to be negotiated, subject to final approval by the CRA Board of Commissioners.

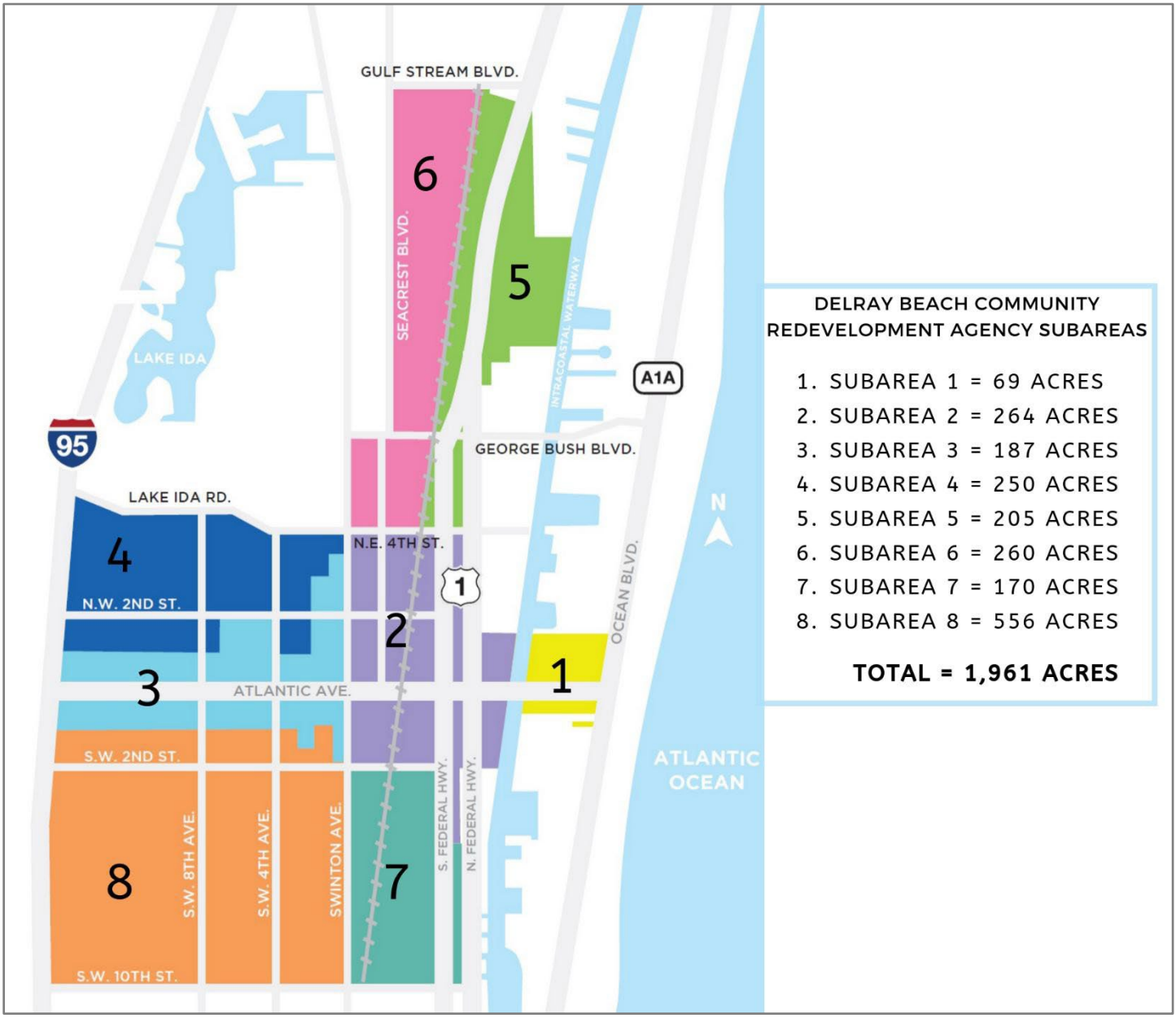
GENERAL PROVISIONS

- The land lease payments for the first five years would be $1.00/annum, triple net.
- The annual lease rate for the second five years of the lease would be 4.0% based on the CRA appraised value of the property on the date determined pursuant to the land lease agreement. During the second five years, the lease payments would be made monthly.
- The annual lease rate for the first year of the third five-year term of the lease would be 6.0% of the appraised value of the property, with lease payments to be made monthly. Land lease payments to the CRA would increase annually by 2.5% during the third five-year term.
- The land lease rate for the balance of the term of the agreement would be equal to 8.0% of the appraised value of the property. Land lease payments to the CRA would increase annually by 2.5%.
- The developer may have the option to purchase the land from the CRA at any time during the lease, subject to final approval by the CRA Board of Commissioners.

Lease Term	Annual Lease Rate	Payment Frequency	Annual Increase
Years 1-5	$1.00/ annum, triple net	Annually	n/a
Years 6-10	4% of the appraised value of the property on the date determined pursuant to the land lease agreement	Monthly	n/a
Years 11-15	6% of the appraised value of the property on the date determined pursuant to the land lease agreement	Monthly	2.5% annually
Years 16 and beyond	8% of the appraised value of the property on the date determined pursuant to the land lease agreement	Monthly	2.5% annually

Other requirements include:

- The Project Owner or Developer must have a minimum of 20% of project costs (equity) in the financing structure of the construction project.

Additional incentives are available for projects in the West Atlantic Redevelopment Area. The project design may require that a portion of the required parking is constructed by the CRA as public parking on CRA owned land within 300 feet of the project. However, parking constructed and owned by the CRA will be available to be shared with future uses within the redevelopment area, and will be available as public parking after 5PM on weekdays and on weekends. The CRA will commit to make the required number of spaces available to the project for a period of time not to exceed the CRA sunset date of September 16, 2044.

Delray Beach CRA Sub-Areas Map