





MEMORANDUM

TO: Honorable Chair and Members, CRA Board of Commissioners
City of Riviera Beach, FL

FROM:  Tony Brown, CRA Executive Director

COPY:  J. Michael Haygood, CRA Attorney

DATE: June 8, 2016

SUBJECT: Request for Approval of a Resolution to sell five partial lots owned by the Riviera Beach CRA to Viking Developers, (Gerald Properties. Courtney Elizabeth Properties, LLC.) for purposes of creating contiguous development sites and future redevelopment within the CRA District.

REQUEST FOR BOARD ACTION:

The Agency is requesting Board approval to sell five partial lots, along Old 13th Street and 13th Street owned by the Riviera Beach CRA to Viking Developers. These are remnant surplus parcels owned by the CRA. The Board's approval of the sale will further the Marina District/ CRA Plan.

On March 9, 2016 the Riviera Beach CRA Board of Commissioners approved Resolution No. 2016-09, attached hereto as Exhibit B approving the Agency to enter into an Exchange Agreement with Viking Developers for various designated properties. The Real Estate Exchange Agreement includes a proposal by Viking to acquire CRA property along 13th Street to create contiguous development sites for future redevelopment. The properties are included in the Exchange Agreement at values that meet or exceed appraised value, providing the CRA with beneficial advantages.

The Real Estate Exchange Agreement proposes to sell Viking the properties, attached as Exhibit A, consistent with the Agency's Real Estate and Acquisition & Disposition Policy, in exchange for a 36-month Abatement Period for the Temporary Parking it desires to lease. The proposed rent credit for this sale totals \$426,570.00, and exceed the appraised value by \$282,570.

In accordance with the approved agreement with Viking, approval of this Resolution to sell Viking Developers property shown in Exhibit A, will hereby provide a Rent Abatement for Properties shown in the Property Exchange Agreement, which, includes additional elements to meet the total 36-month Abatement Period.

Furthermore, August 5, 2014 the Riviera Beach CRA Board of Commissioners approved Resolution No. 2014-40, attached as "Back-Up", approving the original property

exchange between the Agency and Viking Developers. The exchange agreement provides the Agency with ownership of the future development site for the construction of the Palm Beach Public Market.

CONSISTENCY WITH CRA POLICY & STATE STATUTES:

The Agency has determined that the comprehensive exchange agreement is consistent with the CRA Plan and the approved Marina District Master Plan. The adopted Community Redevelopment Plan authorizes the acquisition and disposition of property within the Community Redevelopment Area pursuant to Chapter 163, Part III, Florida Statutes (CRA Act). On January 6, 2014, and February 10, 2016, the CRA published a Notice of Intention to Dispose of Real Property, and provided an invitation for proposals for acquisition of vacant and remnant properties mostly within the 13th Street corridor. The Agency does not require ownership of these properties to implement the approved Redevelopment Plan, and thus recommends that they be sold in accordance with the proposed real estate exchange agreement. Several of the properties along 13th street were remnants from the construction project to build a new 13th street completed by the Port of Palm Beach. Viking can utilize the Agency's scattered 13th street sites as they own the surrounding properties and consolidation enhances the future redevelopment potential of the 13th street corridor.

ABOUT THE SUBJECT PROPERTY:

The Agency received two proposals for five of the properties that were noticed in the Palm Beach Post from Viking Developers. Offers were submitted from Viking & NPC. The map below highlights the 5 properties that have been requested for purchase by Viking Developers in the approved exchange agreement. The sale of the properties is not a condition to close. The Agency would lose value and thus the abatement period (free rent) would be shortened. The subject properties are labeled as property "1,4,5,6" (Property 1 is two small lots) in the Exchange Agreement. Viking Developers desires to utilize the Agency's scattered 13th street lots as they own the surrounding properties and consolidation enhances the future redevelopment and future potential tax revenue for the properties.



The Agency had the state certified appraisal firm Anderson & Carr appraise the properties to determine the property market value in accordance with policies and procedures.

The table highlights the proposed subject properties, appraised value, and purchase offers received:

Parcel	Approx. Land Area SF	Appraised Value	Viking Offer	North Palm Capital
1	1000	\$10,000	\$30,000	\$8,846
4	900	\$9,000	\$27,000	\$6,624
5 & 6	12,319	\$125,000	\$369,570	\$90,668
Total		\$144,000	\$426,570	\$106,138

The value per square foot offered by Viking is \$30.00.
 The value per square foot offered by North Palm Capital is approximately \$7.36.
 The proposed value offered by Viking is substantially higher than the value offered by North Palm Capital and the appraised value. Staff recommends proceeding with the sale to Viking Developers LLC, as this will realize the highest value for the sale of the property and provide needed surface parking within the Marina District.

FISCAL IMPACT & BUDGET

Sale of the properties will reduce the Agency’s annual property maintenance expenses by approximately \$2,600.00 per year, provide the Agency with an abatement equal to 65% of the rent (23 months) of the total amount agreed to in the Viking Exchange Agreement approved by the Board (the remaining elements of the agreement will meet the 36 months total); as well as, mitigating the 150 parking spot deficit the Agency currently faces.

RECOMMENDATION

The RBCRA is recommending Approval of a Resolution to sell five partial lots owned by the Riviera Beach CRA to Viking Developers, (Gerald Properties and Courtney Elizabeth Properties, LLC.) for purposes of providing critical additional surface parking for the Marina District and creating contiguous development sites and future redevelopment within the CRA District.



Exhibit A

13th Street Gateway proposed to be Conveyed to Viking:

BACK -UP

RESOLUTION NO. 2016-09

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY (THE AGENCY) AUTHORIZING THE EXECUTION OF A REAL ESTATE EXCHANGE AGREEMENT BY AND BETWEEN THE AGENCY AND GERALD PROPERTIES, LLC AND COURTNEY ELIZABETH PROPERTIES, LLC (COLLECTIVELY "VIKING PROPERTIES") FOR VARIOUS SPECIFICALLY DESIGNATED PROPERTIES; FINDING THAT THE SALES PRICE REPRESENTS FAIR VALUE; AGREEING TO APPLY FOR THE VACATION OF RIGHT-OF-WAY TO ALLOW FUTURE REDEVELOPMENT; AUTHORIZING THE EXECUTION OF THE DOCUMENTS ATTACHED THERETO IN ACCORANCE WITH THE TERMS THEREOF; DIRECTING AND AUTHORIZING THE CHAIRMAN AND EXECUTIVE DIRECTOR TO TAKE SUCH ACTIONS AS SHALL BE NECESSARY AND CONSISTENT TO CARRY OUT THE INTENT AND DESIRE OF THE AGENCY; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Agency is the owner of the properties identified in Exhibit "A" (the "Agency Property") attached to the Real Estate Exchange Agreement attached hereto as Attachment "1"; and

WHEREAS, Viking Properties is the owner of the properties identified in Exhibit "B" (the Viking Property) attached to the Real Estate Exchange Agreement attached hereto as Attachment "1"; and

WHEREAS, pursuant to the Property Acquisition and Disposition Program ("Policy") adopted by the Agency it was determined that said Agency Property should be sold; and

WHEREAS, pursuant to the Policy and Section 163.380, Florida Statutes, notice of disposition was advertised in a newspaper of general circulation soliciting proposal for the use of the property in conformity with the adopted community redevelopment plan; and

WHEREAS, pursuant to the Policy the Executive Director has negotiated the attached Real Estate Exchange Agreement; and

WHEREAS, this agreement replaces the Exchange Agreement approved by the Agency on August 13, 2014, by Resolution 2014-40; and

WHEREAS, the Agency finds that the exchange of the Agency Property with Viking Properties for the Viking Property for uses in accordance with the adopted Community Redevelopment Plan and the sales price is for fair value and in furtherance of the adopted Community Redevelopment Plan; and

WHEREAS, Gerald Properties, CE Properties and 1320 North Broadway LLC have agreed to provide temporary surface parking rights to the Agency on certain property of Gerald Properties and CE Properties; and

WHEREAS, Gerald Properties and CE Properties have agreed to the imposition of certain utility easements on certain properties of Gerald Properties and CE Properties; and

WHEREAS, Staff recommends that the Commissioners of the Agency approve the attached Real Estate Exchange Agreement with Viking Properties.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY THAT:

SECTION 1. The Commissioners of the Agency hereby approves the Exchange Agreement attached hereto Attachment "1" for the exchange of the Agency Property for the Viking Property.

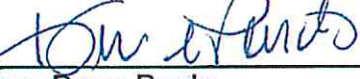
SECTION 2. The Chair and the Executive Director are hereby authorized and directed to execute and attest, respectively, that certain Real Estate Exchange Agreement by and between the Riviera Beach Community Redevelopment Agency and Gerald Properties, LLC and Courtney Elizabeth Properties, LLC substantially in the form of Attachment "1" attached hereto, subject to the approval of the form thereof, consistent herewith, by the CRA Attorney, and such actions as shall be necessary and consistent to carry out the intent and desire of the Agency.

SECTION 3. The Chair and the Executive Director are hereby authorized and directed to execute and attest, respectively, the related actions specified in the agreement including the modified Yachtsman lease, parking lot lease, application for right-of-way abandonment, and other all documents substantially in the form of Attachment "1" attached hereto, subject to the approval of the form thereof, consistent herewith, by the CRA Attorney, and such actions as shall be necessary and consistent to carry out the intent and desire of the Agency.

SECTION 4. This resolution shall be effective immediately upon its adoption.

PASSED AND ADOPTED this 9th day of March 2016.

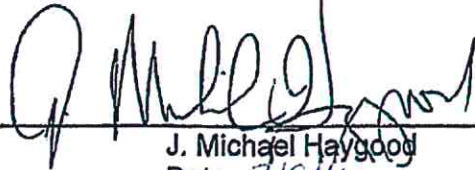
RIVIERA BEACH COMMUNITY
REDEVELOPMENT AGENCY

By: 
Name: Dawn Pardo
Title: Chairperson

ATTEST:


Executive Director

Approved as to form and legal sufficiency



J. Michael Haygood
Date 3/9/16

General Counsel to CRA

MOTION BY: B. Guyton

SECONDED BY: C. Thomas

D. PARDO	<u>NAV</u>
T. DAVIS	<u>AYE</u>
C. THOMAS	<u>AYE</u>
B. GUYTON	<u>AYE</u>
K. MILLER-ANDERSON	<u>AYE</u>