



MEMORANDUM

DATE: June 18, 2019

TO: Pompano Beach CRA Board

THRU: Gregory P. Harrison, Executive Director

FROM: Nguyen Tran, Director
Kimberly Vazquez, Project Manager

RE: 11 NE 1st Street Sale & Purchase Agreement

Background:

On October 1, 2014 the CRA approved by Resolution No. 2014-71 a twenty (20) year lease with Pompano Property Investments, LLC for property at 11 NE 1st Street in Old Town. The initial term of the lease is for five (5) years with three (3) five-year term renewal options. Contained within the lease is a first refusal and exclusive right to purchase the property for \$1.2 million within the first five (5) years of the lease and requires notification to the property owner prior to the end of the first term of the lease.

With the future reduction in Tax Increment Funds (TIF) in FY2021, and to continue to maintain control of leasing rates and tenant mix, staff is recommending exercising the first refusal and exclusive right provision of the lease and acquire the property for the \$1.2 million. Currently the CRA pays \$82,360.00 plus tax annually, which will increase 3% beginning October 1, 2019 if the lease option renewal is not exercised. Formerly a laundromat, the CRA bought out the lease and demolished the interior space all the way down to dirt floors in an effort to prepare the space for restaurant use. The property was subleased to AHG III, however, the subtenant withdrew their lease for personal reasons.

Recommendation:

Staff recommends exercising the right to purchase the property for the agreed amount of One Million Two Hundred Thousand (\$1,200,000) Dollars within the first term of the current lease.