



Memorandum

DATE: December 17, 2019

TO: Pompano Beach CRA Board

FROM: Nguyen Tran, CRA Director

THRU: Gregory P. Harrison, CRA Executive Director

RE: Contract for Sale and Purchase of 704 and 706-708 Dr. MLK Jr. Boulevard

CRA BOARD OF COMMISSIONERS

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Item:

Staff is seeking Approval from the CRA Board to purchase two properties identified by the Broward County Property Appraiser as 704 Dr. MLK Jr. Blvd. (folio 4842 35 21 0170) and 706-708 Dr. MLK Jr. Blvd. (folio 4842 35 21 0190) in the amount of \$650,000.00. The properties are located on the southwest corner of Dr. Martin Luther King Jr. Boulevard and NW 7th Avenue in Pompano Beach, Florida.

Background:

Over twenty (20) years ago, the Pompano Beach Community Redevelopment Agency (CRA) initiated the planning and development of a new downtown located within an approximately 180-acre area located east of I-95 and west of Dixie Highway in the Northwest CRA (NWCRA) district. To make this plan come to fruition, the CRA began acquiring property located within this geographic area to create an assemblage of properties that will eventually be sold to private developers. Additionally, zoning and land use regulations were passed to create the Downtown Pompano Overlay District (DPOD).

While the CRA has acquired some property within this area, not all property has been made available for purchase. However, Staff was contacted by the owner of these two properties who expressed an interest in selling the properties to the CRA (please see attached map). The properties are contiguous to existing CRA owned properties on the west and south and would create a nice assemblage in the future for a mixed-use development within our Downtown Pompano Beach Innovation District.

Acquiring these parcels, whose total appraised value is \$650,000, would further the CRA's goal of purchasing properties to create an assemblage within the DPOD to attract potential real estate developers as well as improving the existing condition to create new commercial/retail opportunities along the MLK Corridor.

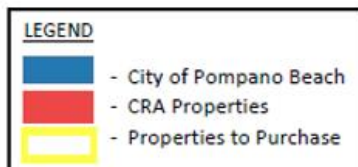
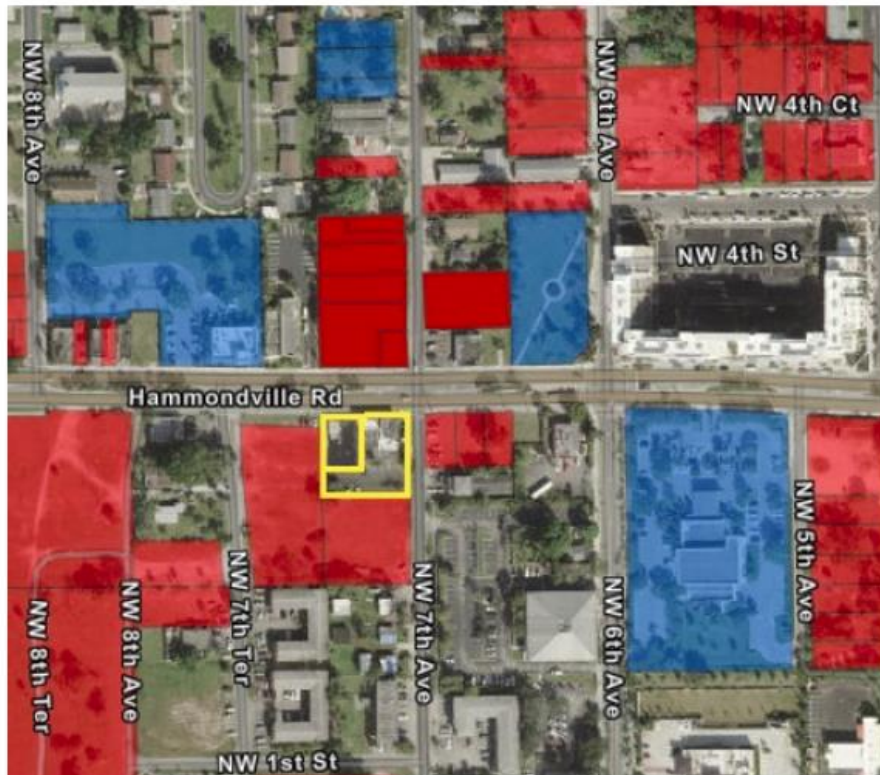
This item was presented before the Northwest CRA Advisory Committee at their last meeting of December 2, 2019 for consideration and a concern was raised regarding the purchase price of \$650,000. The consensus from the Committee was that the property was an important piece of property to complete the land assemblage on this Block; however, the Committee expressed concerns that the asking price (based upon the appraised value) was too high. CRA Staff explained that the property was never listed on the real estate market for sale and the recent purchase of this property was a private transaction between a tenant and previous owner, therefore, the properties were purchased well below market value at \$425,000. The appraisal price of \$650,000 is the fair market value for these properties and this value is consistent with the Broward County Property Appraiser's Assessed Value of \$617,180 for both parcels. The existing tenants will be placed on new leases with the CRA and will

Continue to operate as normal as redevelopment of this parcel may not occur for at least 3-5 years from now. At such time, efforts will be made to relocate the tenants if needed. The NW CRA Advisory Committee made a motion to recommend approval of the purchase but to renegotiate a lower purchase price.

Recommendation:

CRA Staff recommends approval of the Contract for Sale and Purchase as presented.

MAP OF PROPERTIES TO BE PURCHASED



Location: 702 & 704-706 MLK Blvd.



Assessed Value: \$617,180
Appraised Value: \$650,000

Purchase Price: \$650,000

3 Existing Tenants

702-Next Level Barber/Salon

704-City Church

706-Thug Ministries, Inc.

