



Legislation Text

File #: 19-499, **Version:** 1

A RESOLUTION OF THE POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY (CRA), APPROVING AND AUTHORIZING THE PROPER OFFICIALS TO EXECUTE A CONTRACT FOR SALE & PURCHASE AGREEMENT BETWEEN THE CRA AND POMPANO PROPERTY INVESTMENTS, LLC RELATING TO THE PROPERTY LOCATED AT 11 NE 1ST STREET, POMPANO BEACH AND ALL DOCUMENTS NECESSARY TO EFFECTUATE THE AGREEMENT; PROVIDING AN EFFECTIVE DATE.

(Fiscal Impact: \$1,200,000.00)

(Staff Contact: Nguyen Tran/Kimberly Vazquez)

Summary Explanation/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 exercised. Formerly a laundromat, the CRA bought out the long-term lease and demolished the interior space all the way down to dirt floors in an effort to prepare the space for restaurant use. There was a sublease agreement on the property with AHG III; however, subtenant withdrew the lease for personal reasons.

Origin of request for this action: Staff

Fiscal impact and source of funding: Transfer of unencumbered funds of \$1.2 million from 150-7656-539.65-12 (19378) Innovation District Construction to Property Acquisition (General) 150-1910-539.65-09 Property Acquisition