

401 Clematis Street West Palm Beach, Florida 33401 (561) 822-2222 (TTY) 800-955-8771 www.wpb.org

Mayor Keith A. James Commission President Christina Lambert (District 5) Commissioner Cathleen Ward (District 1) Commissioner Shalonda Warren (District 2) Commissioner Christy Fox (District 3) Commissioner Joseph A. Peduzzi (District 4) CRA Executive Director Christopher Roog City Attorney Kimberly Rothenburg City Clerk Shaquita Edwards

City of West Palm Beach Community Redevelopment Agency Pass/ Fail Agenda Monday, June 23, 2025 3:30 PM

In accordance with the provisions of the Americans with Disabilities Act (ADA), persons in need of a special accommodation to participate in this proceeding shall, within three days prior to any proceeding, contact the City Clerk's Office, 401 Clematis Street, West Palm Beach, FL 33401, (561) 822-1210.

1. CALL TO ORDER- 3:36 P.M.

2. CIVILITY AND DECORUM

The City of West Palm Beach is committed to civility and decorum by its officials, employees and members of the public who attend this meeting. The City Code, Secs. 2-31(8), 2-31(18) and 2-31(22), provides in pertinent part:

- Officials shall be recognized by the Chair and shall not interrupt a speaker.
- Public comment shall be addressed to the City Commission as a whole and not to any individual on the dais or in the audience.
- Displays of anger, rudeness, ridicule, impatience, lack of respect and personal attacks are strictly prohibited.
- Unauthorized remarks from the audience, stamping of feet, whistles, yells and similar demonstrations shall not be permitted.
- Offenders may be removed from the meeting.
- Any person desiring to address the Commission <u>shall</u> file a written request with the city clerk prior to consideration of the matter by the Commission or prior to the public comment portion of a meeting. The person wishing to speak <u>shall</u> complete a comment card for each agenda item the person wishes to address, which <u>shall</u> include the person's full name, address, and the numbered agenda item. The person will not be recognized if the comment card is not completed.

3. COMMENTS FROM THE PUBLIC

Public comments are limited to three (3) minutes. Anyone wishing to address the Commission should complete a "Comments by the Public" card and present it to the City Clerk prior to the Public Comments. When you are called to speak, please go to the podium and state your name and address for the record prior to addressing Commission. The Commission will not discuss the matter nor respond to the comment this evening. Comments made will become part of the record and may be addressed at a later date.

4. COMMENTS BY THE MAYOR AND CITY COMMISSIONERS

5. ADDITIONS / DELETIONS / REORGANIZATION OF AGENDA

6. CONSENT CALENDAR- APPROVED.

All items listed under the consent calendar are considered routine and will be enacted by one motion. There will be no separate discussion of these items.

6.1. Minutes of the Community Redevelopment Agency Meeting of May 12, 2025.

Originating Department:

Mayor's Office

7. RESOLUTIONS- ITEMS 7.1 & 7.2 WERE APPROVED; ITEM 7.3 WAS REMOVED.

7.1. Resolution No. 25-27 approving a fourth amendment to the Incentive Agreement with Transit Village, LLC, granting a one (1) year time extension.

Originating Department:

Community Redevelopment Agency

Ordinance/Resolution:

RESOLUTION NO. 25-27: A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY APPROVING AMENDMENT NO. 4 TO THE INCENTIVE AGREEMENT WITH TRANSIT VILLAGE, LLC, GRANTING A TIME EXTENSION FOR COMMENCEMENT OF VERTICAL CONSTRUCTION; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

Staff Recommended Motion:

Approval of Resolution No. 25-27.

Background Information:

The West Palm Beach Community Redevelopment Agency (CRA) entered into an incentive agreement with Transit Village to support the redevelopment of the "wedge parcel" located at 150 Clearwater Drive,

West Palm Beach, in the Downtown City Center CRA District.

Transit Village, LLC, has an approved site plan and requested an extension of time for the Incentive Agreement with the CRA. Transit Village is requesting a time extension that will mirror the lease agreement with the City of West Palm Beach. The extension was requested by Transit Village, LLC, to allow for additional time to work with Palm Beach County (owner of the parcel) on the redevelopment project.

The Incentive Agreement has been extended in the past through CRA Resolution No. 20-39, Resolution No. 21-57, and Resolution No. 24-32. The Incentive Agreement is a tax increment finance incentive. Once the project is completed and generating tax revenue for the CRA, the Transit Village project will receive 95% of the tax increment revenue that is directly attributable to the construction of the project. The Transit Village project value was estimated, in 2018, to be \$342,000,000. The cumulative total of the incentive to the project by the CRA is \$25,000,000 after annual payments conclude.

The Transit Village project is designed as a transit-oriented development, allowing future residents the ability to live near transit services other than automobile modes. The Transit Village project, as it is currently designed, includes forty (40) workforce housing units for buyers whose household annual income does not exceed 140% of the Area Median Income (AMI). These units are, in addition to the workforce housing, required in the agreement with Palm Beach County. The Transit Village Incentive Agreement also includes a Community Benefit program with requirements for local hiring, living wage, and small business participation.

Resolution No. 25-27 grants Transit Village a one (1) year extension of the construction commencement date under the Incentive Agreement, or the Incentive Agreement will terminate, unless an additional one (1) year extension is granted by the CRA, at its sole discretion.

The Transit Village project is in the Downtown City Center CRA District.

Commission District 3: Commissioner Christy Fox.

Fiscal Note:

The project will not generate the incentive until it is completed and has a Certificate of Occupancy.

7.2. Resolution No. 25-30 authorizing a lease with purchase option with WBPVFF, LLC d/b/a Vegan Fine Foods for 719 N. Sapodilla Avenue for use as a restaurant, eatery or food market.

Originating Department:

Community Redevelopment Agency

Ordinance/Resolution:

RESOLUTION NO. 25-30: A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY APPROVING A LEASE WITH AN OPTION TO PURCHASE WITH WWFWPB, LLC, FOR THE PROPERTY LOCATED AT 719 NORTH SAPODILLA AVENUE, WEST PALM BEACH, FLORIDA; REQUIRING USE OF THE LEASED AS A RESTAURANT, EATERY AND/OR A RETAIL FOOD STORE OR MARKET; PROVIDING FOR AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

Staff Recommended Motion:

Approve Resolution No. 25-30.

Background Information:

The Community Redevelopment Agency (CRA) obtained the property located at 719 N. Sapodilla in September 2016 to continue its mission to improve heavily blighted areas.

Due to market trends and interest in the property, staff recommended to the Board that the disposition of the property was necessary to attract formal proposals to purchase the building and activate the location.

The Notice of Intent to Dispose was published on December 15, 2024. Proposals were due on January 15, 2025, and one (1) proposal was received from VFFWPB LLC, d/b/a Vegan Fine Foods.

On March 3, 2025, the CRA Board approved to proceed with the commencement of negotiations with Vegan Fine Foods. The CRA has now finalized the terms with the business for a Lease with Purchase Option.

This establishment is expected to positively impact the local community by reducing the harmful effects of a food desert in the area, creating jobs, demonstrating economic vitality for the neighborhood, and inviting tourism to the City.

Approval of Resolution No. 25-30 authorizes the execution of the Lease with Purchase Option Agreement.

CRA District: Downtown/Historic Northwest.

Commission District 3: Commissioner Christy Fox.

Fiscal Note:

"Annualized cost" is actually annual rent collected. "Total cost" will be total sales price at end of lease term.

7.3. Resolution No. 25-28 approving a \$1.5 million grant under Relocation and Development Assistance Incentive Program with Related Ross LLC for property improvements located at 213 S. Rosemary Avenue and approving the form of the grant agreement and any and all documents necessary to effectuate the grant.

Originating Department:

Community Redevelopment Agency

Ordinance/Resolution:

RESOLUTION NO. 25-28: A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY APPROVING A \$1.5 MILLION GRANT UNDER RELOCATION AND DEVELOPMENT ASSISTANCE INCENTIVE PROGRAM WITH RELATED ROSS LLC FOR PROPERTY IMPROVEMENTS LOCATED AT 213 S. ROSEMARY AVENUE; APPROVING THE FORM OF THE GRANT AGREEMENT AND ANY AND ALL DOCUMENTS NECESSARY TO EFFECTUATE THE GRANT; PROVIDING FOR AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

Staff Recommended Motion:

Approve Resolution No. 25-28.

Background Information:

The Hibiscus House Project (the "Project" or "Hibiscus House") is a restoration and redevelopment of two existing vacant historically designated buildings into a 250-seat indoor/outdoor Mediterranean restaurant destination in West Palm Beach serving as an elevated dining experience for residents, employees, and visitors. The Project is located at 213 S. Rosemary Avenue within the West Palm Beach CRA boundary. The development will feature two-story private dining and event rooms, covered outdoor patio for public dining, a unique Speakeasy bar, a courtyard and an outdoor bar, a retail store where customers can purchase specialty branded products, as well as lighting and lush landscaping throughout the parcel. There will also be an addition to the north house increasing the square footage of leasable area to the Project.

Related is partnering with the original creators of mandolin Aegean Bistro to Miami Ahmet Erkaya and Anastasia Koutsioukis, who are directly involved in the Project's operations. The existing mandolin in Miami is consistently rated one of the best dining destinations in the region. They have a very successful track record and restaurants going beyond their Miami flagship. In addition to the founders, the restaurant tour will be bringing their A-Team to West Palm Beach, whether increasing the qualified employment base in the CRA-targeted area. Related also has an extensive track record in delivering top restaurants to the City of West Palm Beach and around the country. Ken Himmel (CEO of Related and Himmel Hospitality Group) and Gopal Rajegowda (EVP of Related Ross) are leading the Project and have brought restaurants such as Restoration Hardware, Harry's, Adrianne's, El Camino, and Maman Bakery to City Place with plans to open other top restaurants soon, such as Milos, Eataly, Moxy's, Ela Curry Kitchen, and more.

Development of the Hibiscus House will complete the northern corridor of City Place, beautifying the area while adding variety of unique low-density product to a highly urban environment. Furthermore, the Hibiscus House Project is a catalyst to bridging Clematis Street with City Place via activated placemaking and upgraded Rosemary Avenue streetscape in collaboration with the CRA, which currently just serves as a pass through surrounded by obsolescent structures. The addition of a vibrant restaurant concept will continue to solidify downtown West Palm Beach as the go-to dining destination in southeast Florida, which will have a halo effect in spurring additional development and attract other businesses to the area.

A unique focal point of the Project will be the restoration and renovation of the Van Valkenburg House (North House), which is listed on the National Park Service's historical registry. It was built in 1918 and is one of the last remaining Craftsman bungalows with Victorian detailing within the City of West Palm Beach.

Related consistently develops its properties to the highest quality standard that exceeds municipal code requirements across many factors. Specific to this Project, Related will also have to meet historic code requirements, further increasing the amount of capital that Related needs to invest beyond our ordinary development program. For example, to provide sound structures to meet the load requirements of the proposed use the houses need to be lifted, shored, and jacked, and the floor systems must be removed and replaced. This would not be required if Related were permitted to develop ground up.

Exacerbating the development costs, the existing structures on the property were built around the 1920s, were not well maintained prior to Related's acquisition of the property, and are in unsuitable condition for standard the development. The construction team has already identified significant structural and other issues to date (i.e. rotted wood and material throughout; water damage to foundations; visible damage from weather and animal intrusion; vegetation root damage to the foundation; unstable existing structural components, such as deteriorated and cracked roof systems and flooring throughout). All of this will have to be

removed and replaced in addition to replacement of most of the existing exterior siding and wall systems to restore many elements of the existing property for historical and code compliance that would not be required in standard development. Related anticipates more problems will be discovered as we begin construction on the Project.

The magnitude of the total development budget of the Project is approximately \$13 million in direct hard costs and finishes fixtures and equipment, equipment and preopening expenses.

In summation, the property requires extensive rehabilitation with costs that cannot be immediately recovered by simple rent collection. Related must invest beyond normal tenant allowance build out to secure the tenant for this location and have them operate successfully, reducing the development feasibility of the Project. Thus, Related needs significant financial support outside traditional funding sources to make the Project financially viable and sustainable for the long term.

Related is asking for \$1.5 million in grant funding from the CRA, with 50% in 2025 and 50% in 2026.

This project meets Downtown Corridor Target Area: Goals 4 and 5 of the Downtown City Center CRA Strategic Plan.

CRA District: Downtown/City Center.

Located in Commission District 3: Commissioner Christy Fox.

Fiscal Note:

The Project will be funded between fiscal years 2025 and 2026.

8. ADJOURNMENT- 4:26 P.M.

NOTICE: IF ANY PERSON DECIDES TO APPEAL ANY DECISION OF THE CITY COMMISSION AT THIS MEETING, THAT PERSON WILL NEED A RECORD OF THE PROCEEDINGS AND FOR THAT PURPOSE MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED. THE CITY OF WEST PALM BEACH DOES NOT PREPARE OR PROVIDE SUCH A RECORD