COMMUNITY REDEVELOPMENT AGENCY BOARD MEETING OF: March 20, 2025

OLD BUSINESS

AGENDA ITEM 14.B

SUBJECT:
Discussion and Consideration of Lease Amendment between Boynton Beach CRA and Cafe Barista, Inc. d/b/a Hurricane Alley

SUMMARY:
The CRA purchased the properties located at 511, 515 & 529 East Ocean Avenue (see Attachment I) on December 16, 2021. At the time of the closing Café Barista, Inc. (d/b/a Hurricane Alley) was a tenant with an active lease which was assigned to the CRA (see Attachment II).

Hurricane Alley also has an agreement with BB QOZ, LLC's (a/k/a Affiliated Development, LLC) as part of the mixed-use redevelopment project known as The Pierce (see Attachment III). Hurricane Alley's new location includes 3,000+/- square foot of restaurant space with 1,500+/- square foot mezzanine space within The Pierce project.

The CRA Board and BB QOZ, LLC have approved all of Hurricane Alley's request for extensions to the lease awaiting the commencement of construction of the project. The new location for Hurricane Alley (The Pierce) was on hold due to pending litigation which affected the project's overall timeline. The litigation has been resolved and the project is currently in the permitting process.

The most recent lease extension expired on March 1, 2025 (see Attachment IV). Kim Kelly, owner of Hurricane Alley, has requested a one-year lease extension to March 1, 2026, under the same terms and conditions of the current lease. BB QOZ, LLC was provided with the request for an extension and has approved the request (see Attachment V).

Due to the condition of the building and costs associated with ongoing maintenance, the CRA Board may elect to increase the rent. As a standard practice, a typical annual commercial rent increase would be between 3-5%.

The monthly base rent $6,477.19 and potential increases would calculate as follows:
3% = $6,781.51 per month ($194.32 increase)
4% = $6,736.28 per month ($259.09 increase)
5% = $6,801.05 per month ($323.86 increase)

Attached is a draft lease extension based on Hurricane Alley's request and the increase of the

sales tax (see Attachment VI). Any additional extensions shall be subject to CRA Board approval. This will allow Hurricane Alley to remain operating until the land is transferred to BB QOZ, LLC for the development of The Pierce at which time Hurricane Alley's lease will be assigned BB QOZ, LLC.

FISCAL IMPACT:
To be determined by the Board.

CRA PLAN/PROJECT/PROGRAM:
2016 Boynton Beach CRA Redevelopment Plan

CRA BOARD OPTIONS:
To be determined by the CRA Board.

ATTACHMENTS:

Description

- Attachment I - Location Map
- Attachment II - Assignment and Assumption of Leases
- Attachment III - Hurricane Alley Lease Agreement with BB QOZ, LLC (a/k/a Affiliated Development, LLC)
- Attachment IV - 2024 Lease Amendment
- Attachment V - 2025 Hurricane Alley's Request for Lease Extension & BBQOZ's approval
- Attachment - Lease Amendment 2025