COMMUNITY REDEVELOPMENT AGENCY BOARD MEETING OF: December 9, 2025

OLD BUSINESS

AGENDA ITEM 14.D

SUBJECT:
Discussion and Consideration of Additional Funding for the Tax Increment Revenue Funding (TIRFA) for the Ocean One Project Located at 114-222 N. Federal Highway

SUMMARY:
The CRA entered into a Purchase and Development Agreement (PDA) and Tax Increment Revenue Funding Agreement (TIRFA) with Ocean One Boynton, LLC on January 16, 2018, for the BBCRA owned property located at 222 N. Federal Highway for the amount of $1,000 (see Attachments I - III). The closing and transfer of property ownership to the Developer occurred on February 24, 2018.

The Ocean One Mixed-use Project site plan was approved by the City of Boynton Beach City Commission on April 17, 2017. Phase I of the project included 231 multi-family residential rental units, a parking structure and 8,600 (+/-) square feet of commercial space. The TIRFA with Ocean One Boynton, LLC, expired on January 16, 2021, which termination was acknowledged by the CRA Board at their February 9, 2021 meeting.

Under the terms of the Purchase and Development Agreement, Section 18.2 required the Developer to commence construction of the public plaza on the CRA's parcel (.47 ac) within 12 months of the expiration of the Commencement of Construction period which equated to January 16, 2021.

The property was subsequently sold to BB1 Development LLC (aka Hyperion Group, LLC) (“BB1”) in December 2021.

On April 18, 2023, City Commission approved a Major Master Plan Modification, Major Site Plan Modification, and six Community Design Appeal requests for Ocean One project (“the Project”). The Project, as proposed, is a mixed-use development including 371 residential units as well as approximately 25,000 SF of retail/commercial space (see Attachment IV).

On September 12, 2023, the CRA board approved the first amendment to the Purchase and Development Agreement (see Attachment V), amending Section 18.2 to require BB1 to:

- Submit its application for building permit for the Project within one year from the date of effective date of the Amendment (September 12, 2024); and
- Commence construction of the Project within six months of the issuance of the building

permit.

On January 10, 2024, CRA Staff received an email from BB1 including an application for TIF. The application materials submitted included a cover letter summarizing the project and request for TIF, an Economic and Fiscal Impacts and Financial Gap Analysis, a term sheet, and a draft agreement (see Attachments VI - VII).

On March 28, 2024, CRA staff received an Evaluation of the TIRFA request for the project from Abramson & Associates, Inc., who was hired by the CRA as a third-party financial consultant to assist in reviewing the TIRFA request (see Attachment VIII). The evaluation focused on the Project's need for TIF funding and the financial impact to the CRA of awarding the requested TIF as proposed. The evaluation also includes general comments evaluating the public benefits proposed by BB1.

Based upon his evaluation, Mr. Abramson confirmed that the BB1's assumptions are generally in the range of reasonableness, and that, in the current development market, there is a financial feasibility gap requiring the requested TIF subsidy for the Project. Notwithstanding that conclusion, he noted that relatively small variations in assumptions and/or improvements in the development market over the two-year timeframe could significantly reduce, or even, eliminate the subsidy requirement.

At the May 14, 2024 meeting, the CRA Board approved the TIRFA with the following terms (see Attachment IX):

- 95% of the Project TIF over the course of 12 years up to a maximum of $9,000,000.00.
- 90 public parking spaces located on the second floor of the parking garage restricted for use by the public in perpetuity, of which 31 spaces are above what code requires;
- 20 on street parking spaces, 10 of which are contingent upon FDOT approval, restricted for use by the public in perpetuity;
- 20% of parking revenue will be shared in perpetuity with the CRA;
- To commence construction by September 30, 2025, with one 6-month extension by the Board to not be unreasonably withheld;
- Agreement shall terminate within five (5) years of the Effective Date if the Developer has not completed construction of the Project;
- Parking easement (or 99-year lease agreement) to ensure that the Parking Improvements be reserved for public use in perpetuity;
- To construct the Project in accordance with several green building standards; and
- To incorporate various tools to promote local hiring and the use of Locally Owned Small Businesses for construction of the Project.

On May 23, 2025, the CRA received a letter from BB1 with the following request (see Attachments X-XI):

- Revise the original TIF award of $9 million and increasing it to $16 million
- Clarify and align the dates in the TIRFA to June 6, 2026
- Revise the 12 year term to be increased to 15 years to accommodate the additional funding

On July 8, 2025, the CRA board directed staff to evaluate the additional TIF request. On December 1, 2025, staff received additional TIF request evaluation from Mr. Abramson (see Attachment XII).

An overview of their permit application history is provided as Attachment XIII.

Staff is seeking Board direction on how to proceed.

FISCAL IMPACT:
To be determined by the CRA Board.

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

CRA BOARD OPTIONS:
To be determined based on Board discussion.

ATTACHMENTS:

Description

- Attachment I - Purchase and Development Agreement
- Attachment II - TIRFA Ocean One Boynton
- Attachment III - Amendment 1 TIRFA Ocean One Boynton
- Attachment IV - 2023 Site Plan
- Attachment V - First Amendment to Purchase and Development Agreement Ocean One Hyperion
- Attachment VI - January 10, 2024 TIF Request
- Attachment VII - Fishkind Analysis
- Attachment VIII - Evaluation of TIRFA Request
- Attachment IX - June 2024 Fully Executed TIRFA
- Attachment X - May 23, 2025 Request for Additional Funding
- Attachment XI - June 10, 2025 Board Presentation
- Attachment XII - Reevaluation of TIRFA request
- Attachment XIII - Permit Application Overview