COMMUNITY REDEVELOPMENT AGENCY BOARD MEETING OF: January 14, 2025

OLD BUSINESS

AGENDA ITEM 14.B

SUBJECT:
Continued Discussion and Consideration of MLK Jr. Boulevard Corridor Mixed Use Project Update (d/b/a Heart of Boynton Shops)

SUMMARY:
The MLK Jr. Boulevard Corridor Commercial Redevelopment and Affordable Multi-Family Rental Apartment Project will provide 124 affordable multi-family rental units, as well as, 8,250 square feet of leasable commercial space (Attachments I-III).

Heart of Boynton Shops - Commercial Update:
At the September 10, 2024 meeting, the Board received a project update from Centennial Management Corporation (CMC). A CMC representative shared that the commercial construction would begin in October (see Attachment IV). CMC had previously provided the commercial tenants an email on July 12, 2024, that they anticipated construction to begin early August 2024 (see Attachment V).

Staff met with CMC on Tuesday, October 15, 2024, to discuss the current status and concern for delays of the commercial spaces (see Attachment VI). Six of the eight commercial spaces are building permit ready, but have not received a construction contract with the final cost estimate from CMC. Two of the units were permit approved in February 2024 with the remaining four receiving permit approval by June 2024. Additionally, Staff was advised that previous cost estimates were not based on the final building permit plans and would need to be priced by the respective subcontractors. Staff shared a list of possible subcontractors to assist CMC in pricing the tenant buildouts (see Attachment VII).

On October 25, 2024, CMC received a request from the restaurant tenant in Unit 104 to be released of the lease due to the delays. The tenant sent another email on November 4, 2024, and November 12, 2024, requesting a response from CMC (see Attachment VIII).

On October 28, 2024, November 4, 2024, and November 8, 2024, staff requested an update from CMC for the status of Heart of Boynton Shops regarding construction contracts and construction commencement (see Attachment IX). On November 12, 2024, staff met with representatives from CMC and the attached meeting notes were taken (see Attachment X). CMC committed to providing final cost estimates for units 102, 105, 107 and 108 by November 19, 2024.

At the November 21, 2024 meeting, the Board pressed CMC for more progress on the commercial build-out. Since the November 21st meeting, the following occurred:

- November 23, 2024: Received a termination letter from the tenant in Unit 107 (see Attachment XI)
- November 25, 2024: Two coordination calls with CMC, CRA staff and Board Member Hay
- November 26, 2024: Final cost estimates and construction contracts were provided to Unit 105, 107 and 108
- December 2, 2024: Received an email update from CMC for all of the units stating that construction would begin within 2 weeks of signed contracts (see Attachment XII)
- December 9, 2024: Received confirmation from CMC that each tenant has the right to select any qualified GC to do the build-out and that CMC would contribute their development funding towards the construction of each unit (see Attachment XIII)

Since the December 10, 2024 Board meeting, staff has attempted to make continued progress:

- December 12, 2024: CRA staff sent an email outlining the items needing CMC action (see Attachment XIV)
- December 17, 2024: Received the signed lease for the tenant in Unit 106 and CRA staff sent a follow up email to CMC requesting the outstanding items in the December 12th email (see Attachment XV)
- December 20, 2024: CRA staff emailed CMC a form which will allow the tenants at the Heart of Boynton Shops the ability to chose one of the following 1) CMC will complete the entire build-out; 2) CMC will provide the underground/stub-out only (see Attachment XVI)
- December 30, 2024: CRA staff followed up with CMC on the previous emails with no response (see Attachment XVII)
- January 2, 2025: CRA staff followed up with CMC with no response (see Attachment XVIII)
- January 7, 2025: CRA staff received CMC's comments on the form needed to allow tenants the ability to chose their contract and staff responded to their comments. Staff also provided an update on the additional outstanding items needed from CMC (see Attachment XXIX)

FISCAL IMPACT:
Fiscal Year 2021-2022 Budget; Project Fund Line Item 02-58200-406 - Local Government Match Contribution $625,750 and Commercial/Retail Component $2,025,815 (commercial component); TIRFA $1,630,280 and $433,008.45 Second Development Agreement for the Residential Component.

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

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

ATTACHMENTS:

	Description
•	Attachment I - MLK Jr Blvd Project Site Plan - North

- Attachment II - MLK Jr Blvd Project Site Plan - South
- Attachment III - MLK Jr. Blvd. Mixed Use Development Project Renderings
- Attachment IV - September 2024 Board Meeting Minutes
- Attachment V - August Construction Commencement Email
- Attachment VI - Heart of Boynton Shops Status
- Attachment VII - List of Subcontractors
- Attachment VIII - Unit 104 Cancellation of Lease
- Attachment IX - Requests for Updates
- Attachment X - November 12, 2024 Meeting Notes
- Attachment XI - Unit 107 Lease Termination
- Attachment XII - December 2, 2024 Update from CMC
- Attachment XIII - December 9, 2024 Email from CMC
- Attachment XIV - December 12, 2024 Email to CMC
- Attachment XV - December 17, 2024 Email to CMC
- Attachment XVI - December 20, 2024 Email to CMC
- Attachment XVII - December 30, 2024 Email to CMC
- Attachment XVIII - January 2, 2025 Email to CMC
- Attachment XXIX - January 7, 2025 Email to CMC