



COMMUNITY REDEVELOPMENT AGENCY BOARD MEETING OF: March 20, 2025

CONSENT AGENDA

AGENDA ITEM 11.J

SUBJECT:

Approval of 500 Ocean Performance Audit for Year Ending December 31, 2024, for Compliance with the Direct Incentive Funding Agreement

SUMMARY:

The CRA entered into a Direct Incentive Funding Agreement (DIFA) with LeCesse Development Corp d/b/a Skye at Boynton Beach LLC on May 27, 2015, to provide financial assistance to the redevelopment project known as 500 Ocean in the form of Tax Increment Revenue reimbursement on their annually paid property taxes (see Attachment I).

The CRA's DIFA funding incentive was intended to provide the developer with additional funding to assist with the costs associated with carrying the commercial space created within the development. Under the agreement, the DIFA funding term specifies a total of ten (10) annual reimbursement payments over a period of ten consecutive years as follows: Years 1-4: 75%, Years 5-7: 50%, and Years 8-10: 25%.

In June 2021, an Estoppel Certificate was made to Avanti Residential - 500 Ocean TIC I LLC in connection with Avanti's acquisition of the property from Seller, LeCesse Development Corp d/b/a Skye at Boynton Beach, LLC (see Attachment II).

As required under the terms of the DIFA, on February 24, 2025, Avanti Residential-500 Ocean TIC I LLC submitted a Performance Audit and proof of property tax payment for the year ending December 31, 2024. Based on the City of Boynton Beach Building Department and CRA staff's review, the Performance Audit is in compliance with the terms of the DIFA (Attachments III).

The amount of Tax Increment Revenue generated from the 500 Ocean project and the amount reimbursed to the Developer will be \$402,118. The amount remaining with the CRA totals \$402,118 (see Attachment IV).

If approved by the Board, the CRA will be issuing DIFA payment number six (6) in the amount of \$402,118 for FY 2024-2025.

FISCAL IMPACT:

FY 2024 - 2025 Budget, Project Fund, Line Item 02-58400-443, \$402,118

CRA PLAN/PROJECT/PROGRAM:

2016 Boynton Beach Community Redevelopment Plan - Downtown District

CRA BOARD OPTIONS:

Approve the Performance Audit as submitted and authorize release of DIFA payment number six (6) in the amount of \$402,118 to Avanti Residential-500 Ocean TIC I LLC.

ATTACHMENTS:**Description**

- [Attachment I - Direct Incentive Funding Agreement](#)
- [Attachment II - Estoppel Certificate](#)
- [Attachment III - 500 Ocean System Audit 2024 and Taxes](#)
- [Attachment IV - 2024 Incentive Calculation](#)