Delray rejects proposed developments for West Atlantic Avenue

By Maria Herrera, Sun Sentinel

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It’s back to the drawing board for a cluster of properties along West Atlantic Avenue slated for redevelopment.

The Delray Beach Community Redevelopment Agency board voted Thursday to reject two proposals it received earlier this month for a 5.5-acre cluster of CRA-owned land on West Atlantic Avenue between Northwest Sixth and Ninth avenues.

"[The board] contemplated several courses of actions and they decided to reject both proposals and directed us to wait for as along as six months before reissuing [a new request for developers looking to build]," said Vin Nolan, the city's and CRA's economic development director. "We thought we would have a stronger response than this."

Nolan said the agency had hoped that news of an approved deal between the CRA and a developer to build a hotel just a few blocks west would inspire more developers to submit proposals.

The city picked Prime Investors and Developers Inc. in 2010 to develop 2 acres of CRA-owned property on West Atlantic Avenue between Ninth and 10th avenues into a four-story hotel.

The idea for a mid-priced hotel came out of several planning sessions in 2010 with consultants H. Blount Hunter and James Williams, who said the area would be well served by projects such as a mid-priced hotel, restaurants, office space and retail space.

When the CRA put a call for developer proposals in March, it spelled out its wishes for the property, saying that apartments or homes aren't at the top of the wish list, but it would still consider such a proposal if it included residential units and other development and "other uses that generate a significant number of permanent, livable wage jobs."

One of the proposals the CRA received was for a mixed-use project that featured 121 rental apartments, 15,000 square feet of office space and 15,000 square feet of retail space.

"It might have worked in some measure," Nolan said. "But ... some of their financing was incomplete and sketchy."
The other proposal called for building a nursing home, pharmacy and medical offices on the 5.5 acres between Northwest/Southwest Sixth and Ninth avenues. The developer promised that the project would have created 390 jobs.

"The master plan that we operate under does not have that as a desired use," Nolan said.

Nolan said that in six months, when the hotel is in construction and the Gateway Feature — a $1.2 million, wow-factor feature that would welcome visitors as they arrive in the city — there might be more interest in the area.

Reggie Cox, chairman of the West Atlantic Redevelopment Coalition, said the CRA should be more direct in saying exactly what it wants when asking developers to submit proposals.

Cox said the coalition, a nonprofit that advises the CRA, recently did a survey in January polling residents of the Northwest and Southwest Neighborhoods about what type of businesses they wanted to see.

"The three most-needed businesses for West Atlantic Avenue, out of 90 responses, were a grocery store, a bank, a theater and a restaurant," Cox said. "The community should be involved in drafting [the call for proposals.] That way whatever project is picked already has support up front."

Frank Schnidman, director of the Center for Urban Redevelopment Education at Florida Atlantic University, said the CRA did the right thing by rejecting the proposals.

"From a business perspective and for the protection of the taxpayers, it's a really good decision," he said. "What happened is they got responses from entities that don't have a track record. By pulling them, they're saying they're really looking for quality projects."

Schnidman said most redevelopment agencies are hungry for projects that can drive blight and crime out of their areas, but often approve them too soon without considering the long-term effects on the community.

"They will take the best of the worst and cross their fingers and pray it works," he said. "Delray is not going to take that chance."