



INTRODUCTION



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BACKGROUND

SETTLEMENT OF DELRAY BEACH

The City of Delray Beach was created in 1927 by the merger of two existing municipalities, the Town of Delray and the Town of Delray Beach. The Town of Delray Beach was a seaside community that developed around the Orange Grove House of Refuge. The House of Refuge was established in 1876 near the location of the current public beach to assist shipwrecked sailors and serve as a resting place for the barefoot mailmen.

Development of the Town of Delray was prompted by the arrival of Henry Flagler's F.E.C. Railroad in 1896. In 1894 William Linton of Saginaw, Michigan purchased 160 acres of land in the area we know as Delray Beach. He returned a year later with a small group of settlers. At that time, Linton's property, along with approximately 800 acres of land adjacent to the railroad owned by the Model Land Company were subdivided as the Town of Linton. After Linton's mortgages were foreclosed in 1898 the town became known as Delray, after the city in Michigan from which many of the settlers had come.

HISTORY OF REDEVELOPMENT AREA #4

The Silver Terrace subdivision was platted in 1925 under Palm Beach County jurisdiction. No water or sewer facilities were installed at that time and only limited sewer service has been installed subsequently. Likewise, the roads in the subdivision have not been paved. The plat specified some lots at the interior and south end of the subdivision as residential only. The remaining lots, primarily adjacent to Germantown Road (SE 10th Street) and Dixie Highway, were not restricted as to the permitted uses. Through the years, the subdivision has been partially developed with a mixture of single family, multi-family, commercial, and industrial structures. A number of structures in the area are vacant and/or in poor repair. A reduction of the Silver Terrace plat is included as Figure 1 (page 4).

The Floranda (formerly Lambert) trailer park was platted and established in 1948, also in unincorporated Palm Beach County. The 93 trailer homes and five single family residences in the park have some paved roads. The trailers are served by City water and a private sanitary sewer system connecting to the City's system.

Two parcels in the redevelopment area (Miracle Mile Motors, 1981 and 15 Collins Avenue, 1978) voluntarily annexed into the City. The remainder of the Silver Terrace

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SILVER TERRACE

SECTION 21, T.W. 46 S. R. 43 E

DELRAY, FLORIDA

BROUGHTON WILKINSON OWNER & DEVELOPER

Scale: 1" = 60'

March 1925

H.C. Fugate Eng. Co.

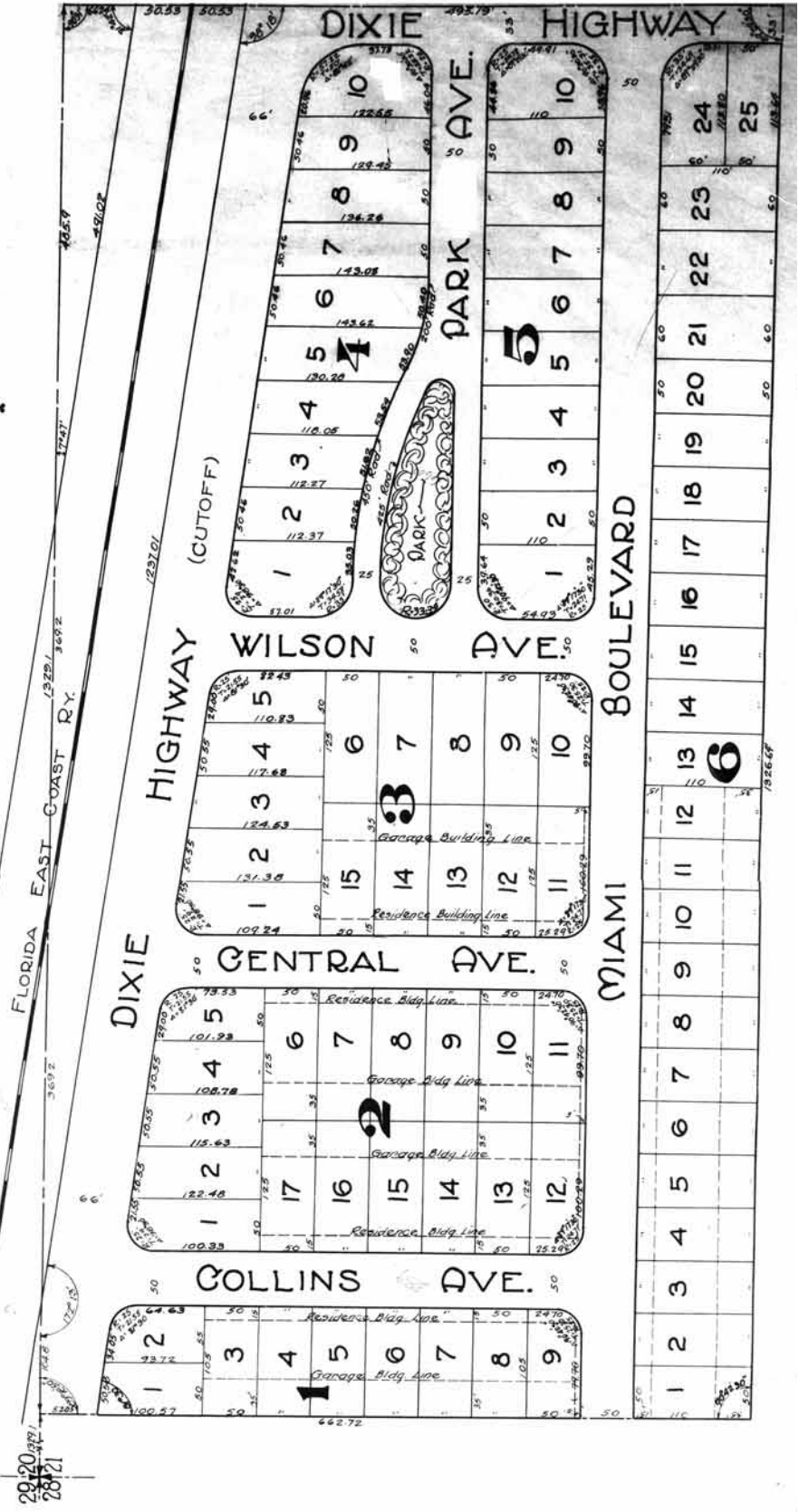


Figure 1 - Silver Terrace Subdivision Plat (Not to Scale)

subdivision and the adjacent trailer court were annexed into the City in 1988, as a part of the Enclave Annexations. With the Adoption of the Comprehensive Plan in 1989, the area was designated as Redevelopment Area #4 on the Future Land Use Map. The implications of that FLUM designation are discussed in the following section.

SILVER TERRACE REDEVELOPMENT PLAN

COMPREHENSIVE PLAN BACKGROUND

The City of Delray Beach is now approximately 87% built-out in terms of population. The City, therefore, has a limited area available for future growth of its population and tax base. The City now focuses greater attention on the revitalization and rehabilitation of declining or deteriorating areas as sources of growth.

In 1989, as part of the preparation of the Housing Element of the City of Delray Beach Comprehensive Plan, a citizen's committee evaluated neighborhoods throughout the City. The Committee categorized residential areas according to the prevailing condition of private property. The citizen's committee provided direction to the City as to the degree of governmental involvement required to assist each category of neighborhood.

The City designated several neighborhoods as "redevelopment areas." redevelopment areas are those neighborhoods that require direct public sector involvement and assistance in renewal due to either a state of decline or the absence of owner occupied housing. Recognizing the need for specific redevelopment strategies, the City of Delray Beach Comprehensive Plan designates certain areas as ones for which a neighborhood or "redevelopment plan" is to be written. The Silver Terrace subdivision and Floranda trailer park, known as Redevelopment Area #4, is the second of such neighborhoods to be studied.

Policy C-2.7 of the Future Land Use Element (see Appendix "A") of the City's adopted Comprehensive Plan provides direction for Redevelopment Area #4. Redevelopment Area #4 was originally envisioned to focus on providing viable commercial uses of the "destination" type, or residential development of medium to high density.

For the past several years, the City has been proceeding with the Silver Terrace redevelopment effort. City staff and outside consultants prepared several reports documenting existing physical, social, and economic characteristics of the redevelopment area.

The consultant prepared a market and feasibility analysis for the redevelopment area to help the City make a sound economic judgment on potential land uses. That analysis concluded that there was some development potential for either a rental

apartment development or commercial development. The current market would most likely not support a highly specialized commercial use of the "destination" type.

In addition to the above activities numerous meetings, workshops, and hearings were held with the Planning and Zoning Board, the City Commission, and property owners regarding the redevelopment effort. The participants reached the following conclusions:

- That from a land use and market perspective, it is appropriate that the redevelopment area contain a multi-family development with a small neighborhood commercial component. A recommended ratio of residential to non-residential uses was 85% to 15%;
- That the properties located within the Silver Terrace subdivision should be aggregated and developed as a unified development;
- That high densities may be allowed (up to 25 units per acre) to make the project financially feasible;
- That the infrastructure improvements programmed for the Silver Terrace area should coincide with the adoption of a redevelopment plan;
- That the City may contribute programmed infrastructure funds as incentives for the redevelopment;
- That conventional zoning on the subject property would not be appropriate given the increased density and mixed use. Thus, upon completion of the redevelopment plan, the property should be rezoned to SAD (Special Activities District); and
- That the Silver Terrace subdivision and Floranda trailer park be annexed into the existing CRA boundaries or that a "pocket CRA" be created to help facilitate the redevelopment.

With Comprehensive Plan Amendment 94-2, which the City Commission adopted on December 6, 1994, the Commission amended the description of Redevelopment Area #4 to incorporate the above mentioned conclusions. The current language is found in Appendix A.

FINDING OF NECESSITY

CRA legislation requires the preparation of a "Finding of Necessity" (FON) that establishes the existence of slum and blighting conditions for property to be included within a CRA. The Finding of Necessity is a critical step in designating a CRA, as it is often the subject of a challenge in eminent domain proceedings.

In order to complete the FON, staff conducted a detailed inventory of the Silver Terrace subdivision, the Floranda trailer park, and the surrounding properties to document the existence of blighting conditions. Based upon the age and condition of a number of the structures, the lack of adequate infrastructure, and the presence of many vacant or underdeveloped lots, sufficient basis exists to include the area in a CRA.

Subsequent to the completion of the FON, City staff had several meetings with CRA staff and counsel to discuss the process of including the area in the existing CRA. During those discussions, there were a number of questions raised as to the feasibility of the proposed redevelopment, given the costs and time involved in assembling the property. Staff determined that, prior to including the area in the CRA, they should contact developers to assess the level of interest in the plan.

REQUEST FOR LETTERS OF INTEREST

In May 1995, the City released a Request for Letters of Interest (RFI) with a submission deadline of June 30, 1995. The request was published in the *Palm Beach Post*, the *Sun-Sentinel*, and the *Florida Construction Bulletin*. The request was also mailed to a number of area developers of multiple family residential projects. Staff received several developer responses by the deadline. Staff contacted the interested developers and conducted interviews with those individuals to gain more insight into the possibility of a developer initiated redevelopment of the area.

Although the Delray Mall redevelopment proposal has spurred some interest in the area, none of the developers that responded to the RFI were willing to aggregate the property for redevelopment of the Silver Terrace area. The City would be required to aggregate the property to entice a developer into the area.

The preliminary development proposals received indicated that the most likely development of the area would consist of multi-family rentals in 2-3 story structures, either townhouse or garden apartments. The density of the development would be up to 25 units per acre and rents would range from \$500-\$700 a month.

The City/CRA would be the lead agency in aggregating the property for any redevelopment. The highest price for the property would be generated by inclusion of the trailer park, which is unlikely due to statutory requirements regarding the elimination of trailer parks. Based on the rents supported by the area, the price paid by a developer for the property would be from a maximum of \$600,000-\$800,000 for Silver Terrace alone to approximately \$1,000,000 for Silver Terrace and Floranda trailer park.

Aggregation of the properties would most certainly cost more than those figures. Based on assessed valuation, plus allowances for fair market value, costs for surveys,

appraisals, legal costs, etc., aggregation would cost approximately \$1.8 million for Silver Terrace alone and \$3.9 million including the trailer court. As previously noted, aggregation of the trailer park with Silver Terrace would be difficult and expensive due to statutory requirements.

Because of the expenses associated with the aggregation of the property for redevelopment of the area, staff investigated the possibility of a more cost effective approach to the revitalization of the area. The outcome of those efforts was the beginnings of an alternative redevelopment scenario. The following section describes the alternative scenario, which consists of the development of a redevelopment plan for the area that expands on the currently programmed infrastructure improvements.

ALTERNATIVE REDEVELOPMENT SCENARIO

The Planning and Zoning Department developed a preliminary outline of what could be a redevelopment plan for the stabilization of the area. The alternative redevelopment scenario consists of a number of improvements, beyond installation of the programmed infrastructure, to the Silver Terrace subdivision. The proposed improvements to the area could include:

- Identification and application of appropriate Future Land Use and zoning designations for parcels in the area;
- Realignment and/or elimination of some streets in the area to create a traffic pattern more conducive to a stable neighborhood;
- Concentration of non-conforming commercial uses to the north end of the subdivision;
- Demolition of other non-conforming commercial structures;
- Creation of a pocket park in the subdivision;
- Addition of sidewalks in the neighborhood;
- Creation of a neighborhood association;
- Addition of street trees;
- Creation of a landscape buffer adjacent to Dixie Highway;
- Development of design guidelines for the neighborhood;
- City participation in acquisition of parcels for development of owner-occupied, affordable, single-family housing units

A more cost effective approach to redevelopment of the area may be to generate a redevelopment plan to help stabilize the area, improve its appearance, and eliminate non-conforming uses and structures. A neighborhood stabilization strategy, including some or all of the approaches outlined above, could be implemented over a period of several years, using a number of funding sources. Possible funding sources could include SHIP (State Housing Initiative Partnership) funding, CDBG (Community Development Block Grant) funding, water and sewer repair and replacement budgets, and the possible establishment of a special assessment district.

A final alternative would be a status-quo approach. As the City has plans, permits, and funding for infrastructure improvements (water, sewer, paving, and, drainage), the improvements could be installed immediately. The existing non-conforming structures and uses would remain in their current status. Redevelopment of the area would then occur on a parcel-by-parcel basis as dictated by market forces.

CITY COMMISSION DIRECTION

At its workshop meeting of September 11, 1995, the City Commission reviewed the developer proposals and the alternative redevelopment scenario. The Commission expressed disappointment that large scale redevelopment of the area would not be financially feasible, but that the alternative redevelopment scenario would be the most appropriate action for the City to take. The Commission then directed staff to proceed with preparation of a redevelopment plan for the area.

NEIGHBORHOOD MEETINGS

Following the City Commission direction to prepare a redevelopment plan, staff conducted a series of neighborhood meetings to ascertain the priorities of residents and property owners in the redevelopment area. The first meeting was held on October 5, 1995. At that time the property owners who attended the meeting expressed a consensus that installation of infrastructure was preferable to waiting for a developer to aggregate the property. The property owners were generally supportive of the idea of neighborhood stabilization through development of a neighborhood oriented redevelopment plan, rather than large scale redevelopment of the area. They also concurred with the revised street layout proposed by staff as a part of the redevelopment plan.

A number of additional meetings were held with residents and property owners to keep them apprised of the progress of the redevelopment plan and to obtain continued input. At the meetings, the area residents identified their concerns and priorities for the neighborhood. Staff incorporated many of those ideas into the redevelopment plan.