

DAILY BUSINESS REVIEW

Redevelopment

Boynton's dream of busy downtown reconsidered

March 25, 2008

By: Polyana da Costa

Boynton Beach officials dreamed of a bustling downtown when major developments were touted during the property boom in the early part of the decade. Now, they're facing a rude awakening.

Only about 10 percent of the city's downtown area has been developed. And more than half of the 26 projects planned for the central business district are either on hold or have been canceled as developers grapple with a stormy credit market and real estate slump.

The city is working to adapt its plans to cope with the downturn, said Vivian Brooks, assistant director of Boynton Beach's Community Redevelopment Agency. The agency recently completed the final draft of a new downtown master plan that will be presented to city commissioners today.



Vivian Brooks

The two most prominent elements in the plan, which provides a framework for redevelopment in downtown Boynton through 2020, are a proposal to relocate City Hall and making the development of three blocks the city owns a top priority.

The plan was developed over the last several months after the real estate market tanked. The downturn didn't change the plan's goals, Brooks said, but it gave the agency an opportunity to take a step back, look at what had been accomplished, and set goals that reflect the current conditions.

Major developments on hold include MCZ/Centrum Development's 500 Ocean, also known as the Arches, a mixed-use project on five acres at the southwest corner of Ocean Avenue and Federal Highway. The property was to include 378 residential units and about 40,000 square feet of retail space.

The Ellipse, a mixed-use project that was to be anchored by a 586-unit condo tower, also was canceled when developer RAM Realty recently sold the site to Woolbright Development. Woolbright plans to give an existing retail center a facelift but will not build a larger project, Brooks said.

Boynton Beach, which has lagged behind other South Florida cities in developing an urban core, put much of its focus over the past couple years on mixed-use projects with strong residential components. Nearly 2,000 residential units have been completed or are under construction in downtown, an area of about 1,000 acres between the Intracoastal Waterway and I-95 north of Woolbright Road.

Another 1,500 housing units were planned, but developers pulled back. Plans for retail and office space tied to the residential projects also were scuttled.

Thirteen developers, hoping to hold on until the industry recovers, have asked the city to extend site plan approvals for downtown projects, said Mike Rumpf, Boynton's planning and zoning director. Until last year, site plan approvals could be extended for 12 months. Last year, the city stretched the limit to 18 months, but many developers want even more time.

"Some of the commissioners are not happy with that," Brooks said. "It's frustrating. There have been talks on whether there needs to be a limit on how many times a project can be extended."

Rumpf said the current policy sets no limit and he does not see a need to impose one.

"Not giving them an extension will not make them build," Brooks said. "They will simply not do the project."

Brooks said downtown should ideally have about 8,000 residential units to drive the demand for stores and restaurants officials envision for the area.

"But in this market, that is not realistic," she said. "So we need to focus in on other areas to be prepared for when the market turns."

The CRA has shifted much of its attention from encouraging residential development in the downtown area to advancing office development and public projects in partnership with private developers, Brooks said.

Downtown could absorb about 200,000-square-feet of office space, Brooks said. Developer Davis Camalier of Washington, D.C.-based Washington Investment Partners, owner of the Bank of America branch on Federal Highway and Ocean Avenue, has told CRA officials he is interested in developing two office towers on the Bank of America property.

"He has had various proposals but nothing is

written in stone," Brooks said.

Camalier did not return a call to his office seeking comment.

The city also is considering relocating City Hall.

Brooks said Camalier has asked officials to consider building a new government facility near his proposed office development where the CRA also owns a small piece of land. Locating City Hall next to the proposed office towers would drive the demand for space and give Camalier an incentive to build, she said.

Brooks said talks between the CRA and Camalier are in early stages and an economic analysis would have to be done.

Another possibility is to move City Hall to a site near the Boynton Beach Library and the Schoolhouse Children's Museum at Seacrest and Ocean Avenues in an effort to create a cultural and civic campus.

The city would sell the current City Hall site at Seacrest and Boynton Beach Boulevard to help pay for the new facility, according to Brooks.

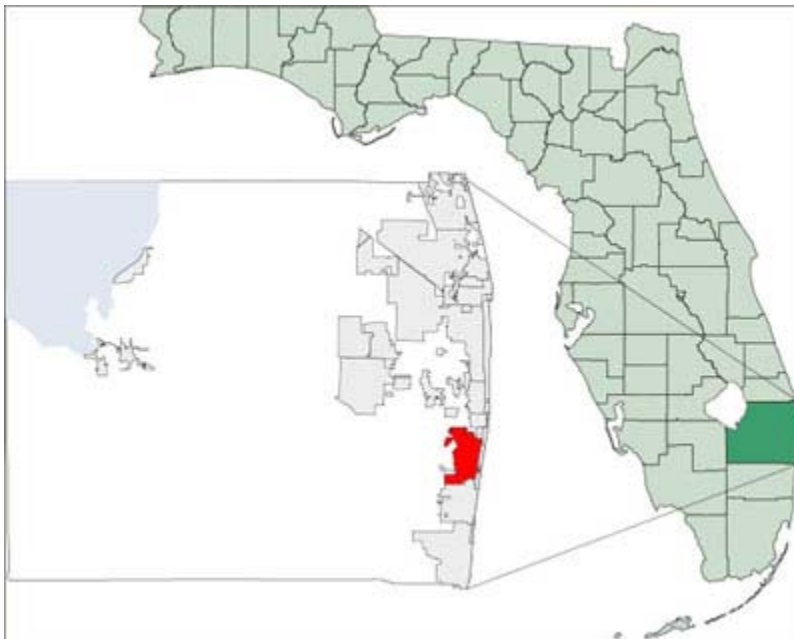
But Boynton Beach is facing the same budgetary cuts as most South Florida cities, so officials are uncertain when City Hall could be moved, Brooks said.

In the next few months, the city will be working on issuing requests for proposals for development of 18 city-owned acres that take up three blocks, including the current City Hall site.

Boynton Beach lacks an “identifiable center,” according to a consultant who helped develop the master plan. But creating a cohesive downtown won’t happen overnight, Brooks said, adding that the process will take more than one real estate cycle.

Some developers who had planned projects for downtown said that for now they will just wait.

Mike Bellefeuille, owner of Stealth Development, was going to build Hemingway Square, a project with 21 townhouses at 2319 Federal Highway. He said he hasn’t given up the project but doesn’t expect to start building for another year.



“We will let it sit until we feel we have a better chance of making a profit,” he said.

Merv McDonald also had planned a residential project but doesn’t think it will happen for another two years. Instead, he is looking for other uses for the parcel at 2632 N. Federal Highway where the 82 condos and townhouses were planned.

“I’m exploring other opportunities rather than sit there and do nothing,” McDonald said.

McDonald wants to build a dry-slip marina on the site but would need to get city approvals for that.

"You have to go with the market," he said.

Brooks said she is not disappointed at the failed projects and said she knew building a downtown would take years.

"It takes more than one real estate cycle to achieve what we are trying to do here," Brooks said. "You basically have to get what you can out of each cycle."

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