



SOUTH RISING

BY RICH POLLACK

**THE CITY'S NEWEST URBAN
CENTER SOUTH OF ATLANTIC
IS CHANGING THE FACE
OF DOWNTOWN DELRAY.**

"WITHIN FIVE YEARS
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The distance from Kevin Homer's Osceola Park home to Delray Beach's bustling Atlantic Avenue is just three blocks—but it wasn't always an easy walk, especially at night.

"I would always be looking over my shoulder," Homer says. "It was dark and dangerous. I would walk with friends, but I'd still cross my fingers."

However, since early this year, Homer has felt a little more secure as he traverses an area that for years was filled with vacant parcels, empty parking lots and a smattering of office buildings that went dark after hours.

What's driving the change is a mini-development boom in an area two blocks south of Atlantic Avenue that has been branded as the South of Atlantic or SOFA district.

Bounded by Southeast Second Street on the south, Atlantic Avenue on the north, Southeast Fifth Avenue on the east and the west side of Swinton Avenue on the west, the area had long been passed over by developers and home builders, partially because it wasn't always seen as desirable. While the four blocks north of Atlantic Avenue were undergoing a renaissance as the Pineapple Grove Arts District, the area to the south was largely ignored, except by nighttime visitors seeking free parking for restaurants and shops.

But a resurgent real estate market, shrinking availability of undeveloped land in the downtown area and the interest of big-time developers breathed new life into SOFA.

"Within five years you will see a substantially completed and occupied SOFA district," says Richard Jones, a Delray Beach architect who is not only designing many of the projects within the district but also gets credit for creating the SOFA name. "It will be a great place to live and work."

Already, plans for about 450 residential units and a smattering of retail space are in the works for the SOFA district, which will have a mix of both rental units and condominium apartments.



Kevin Homer

AARON BRISTOL



Top: Osceola Park neighborhood
Bottom: SOFA Delray Beach 2 building

THE PROJECTS INCLUDE:

- **SOFA DELRAY BEACH 1:** 117 rental apartments between Southeast Third and Fourth avenues and south of Southeast First Street, expected to be completed before year's end.
- **SOFA DELRAY BEACH 2:** 55 rental units between Southeast Second and First avenues, south of Southeast First Street. It is expected to be completed by early next year.
- **111 FIRST DELRAY:** 76 condominium units on Southeast First Avenue, just south of Southeast First Street, expected to open at the end of 2017. The project also will include 4,500 square feet of retail space.
- **THE METROPOLITAN:** 48 condominium units on Southeast Third Avenue, just north of Southeast First Street, expected to be completed by the end of 2017. The project will include 5,000 square feet of rental space.
- **UPTOWN DELRAY:** 150 rental units between Southeast Fourth Avenue and U.S. Highway 1, north of Southeast Second Street. The project also will include 8,000 square feet of retail on Federal Highway.
- **SOFA DISTRICT OFFICE BUILDING:** 20,000 square feet of Class A office space on the northeast corner of Southeast First Street and Second Avenue.



In all, Jones estimates that developers have invested close to \$250 million into the SOFA district, with more likely to come as remaining parcels are developed. Well-known in Delray Beach, Jones has been a driving force behind the rehabilitation of an area that had become neglected over time.

"My office is on the edge of the SOFA district," he says. "Four years ago, as I would pass by on my way to



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the office, I saw the area as an underutilized void in the heart of our downtown. There were boarded-up buildings, empty lots and a lot of crime in the area.”

With Delray’s popularity on the rise, Jones looked to the future and came up with the name SOFA soon after he discarded an earlier choice—SOFAT—for obvious reasons. “We saw an opportunity to take an area that was undesirable and brand it in a way that would give it an allure of being an attractive place to live and work,” Jones says.

One of the first to see the potential of the area was Miami’s Related Group, led by developer Jorge Perez. The group spent about \$7 million to buy property south of downtown, according to the *Sun Sentinel*, and later turned down an offer to sell the property for \$10 million a short time later.

“We love being pioneers,” says Arturo Pena, vice president of development for the group, explaining that the company saw the future in the SOFA area. “There’s just a magic on Atlantic Avenue, and that’s one of the big selling points.”

Rental units in the group’s SOFA buildings will range in average price from \$1,800 a month for a studio apartment to about \$2,800 a month for a two-bedroom, two-bath unit. To comply with Delray Beach requirements, Related Group will be incorporating 19 units that meet the city’s affordable-housing standards.

While a few small office buildings—including one that housed a Department of Corrections office—and some older homes converted into offices were demolished as part of the revitalization of

the area, as much as 50 percent of the property housing the new four- and five-story residential units was vacant. Among the few businesses that will remain in the area is Kevro’s Arts Bar, just south of the Related Group’s SOFA Delray Beach 2. While there have been issues with access to the eight-year-old bar during construction, owner Kevin Rouse says he’s glad to see SOFA coming into its own.

“All these years without a neighborhood we struggled,” he says. “Now the neighborhood is here.”

Rouse says that early on, customers would shy away from walking to and from the arts bar—a combination art gallery and bar—because it was dark and isolated at night. “It was a no-man’s land,” he says. “There were no businesses, and it was all vacant land.”

It was so bad, Rouse says, that he put up lights of his own on the street so his customers would feel safer. Those light fixtures came down with construction, however, and getting to Kevro’s became a bit more of a challenge. Rouse worked with representatives of the Related Group, which is building SOFA 2 right up against the bar’s property line, and concessions were reached. To liven up his courtyard, Rouse won the right to paint a mural on one of SOFA’s outside walls. The Related Group has also promised to help clean up the area once construction is complete.





Clockwise, from left: The Metropolitan, 111 First, SOFA district office building and Felipe Vergara. Insets: Cary Glickstein (this page) and Kevin Rouse (opposite page)

FOR SOME PROPERTY OWNERS, THE BUILDING BOOM IN SOFA MEANS SKYROCKETING PROPERTY VALUES.

“We and the contractors responded quickly to resolve the issues,” Pena says. “It’s just being a good neighbor.”

Today, Rouse is welcoming SOFA 2 and all the changes that are coming to his neighborhood. “Second Avenue is the second main drag in Delray Beach,” he says. “Now it will bring Atlantic Avenue right to Kevro’s.”

While many in city hall and throughout the business community welcome the growth of SOFA and the potential for nighttime activity, Delray mayor Cary Glickstein and some business leaders would like to see more office space built in the area.

“The new developments south of Atlantic will help support our merchants by balancing out the seasonal nature of our downtown,” Glickstein says. “But we have also lost prime office re-development land that would provide the missing ‘third leg of the stool.’”

“I am hopeful we will see more creative office development there to capture a large number of these new residents with compelling employment opportunities so they remain in our downtown—day and night—and their cars stay parked at home and off our roads leading in and out of downtown.”

Still, developers such as Michael Morton, whose Morton Group is behind the planned 48-unit Metropolitan condominium, believe residential development will benefit the downtown economy by providing homes for retail customers.

“What’s needed in Delray is housing to serve the retail sector,” he says.

Both Morton and Felipe Vergara, a founding member of SOFA Partners, which is developing 111 First Delray, believe there is a pent-up demand for condominium units downtown. “There hasn’t been a new-construction condominium project in downtown Delray Beach for quite some time,” Vergara says.

Buying a condominium downtown comes with a substantial price. Units in 111 First Delray will cost anywhere between \$400,000 and \$800,000. With traffic already an issue and with the addition of as many as 900 new residents, Randal Krejcarek, Delray Beach’s director of environmental services, predicts traffic patterns will change, and residents in the area will seek out alternative modes of transportation.

“There probably will be some increase in traffic, but it’s not going to get to the point where there’s gridlock,” he says.

For property owners like Kevin Homer of the Osceola Park neighborhood and Rouse of Kevro’s, the building boom in SOFA not only means a safer and better-traveled path to downtown; it also means skyrocketing property values.

“People are knocking on my door to buy my house for quadruple what I paid for it,” Homer says. ☺



AARON BRISTOL