

# Developer pursuing 9-story downtown Melbourne complex offers to donate land for public park



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Florida Today

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Project update: North American Properties now hopes to build a nine-story, \$81 million downtown apartment complex on Melbourne Avenue.

And the national developer also proposes to donate a nearby 1/2-acre parcel to the city of Melbourne for use as a park.

For more than two years, NAP officials have worked behind the scenes planning the high-end housing complex — whose 350-odd tenants could inject \$11 million per year into the surrounding economy, Melbourne City Hall officials estimate.

"Push a button in the elevator, and walk downtown," said Shawn McIntyre, NAP managing partner.

NAP bought the 2-acre Orange Court Apartments property at the intersection of Melbourne Avenue and Melbourne Court for \$2.9 million in June 2021, then razed the blighted buildings. Plans for the future housing complex have expanded since to include 246 apartments and a three-story, 376-space parking garage.



"Finishes and design elements have been selected to attract higher earning professionals and dual-income families. Amenities will include a pool, yoga room, business center, resident storage, bike repair station, and dog washing station," according to a financial report compiled by the National Development Council.

"Base targeted rents range from \$1,450 per month for a studio unit, to \$2,700 per month for the largest 2-bedroom unit. The developer will also generate income from the proposed 376 parking spaces at a base rate of \$80 per month," the report said.

Last week, the Melbourne City Council unanimously approved conceptual framework to forge a public-private partnership with the developer, helping pave the way for future construction. Numerous approvals are still needed before work starts, including a master redevelopment agreement and zoning matters.

**More: Construction planning underway for Eau Gallie 326-apartment complex with retail off U.S. 1**

McIntyre said NAP hopes to break ground in the fourth quarter of 2024, with the first tenants moving in during late summer 2026.

"We know that residential density will change the face of downtown Melbourne. We know that having people living in these high-density structures are going to flush into downtown," Melbourne Main Street Executive Director Kim Agee said during a recent Melbourne Downtown Redevelopment Advisory Committee meeting.

"They're going to drive the retail. They're going to drive demand for new retail, and different retail," Agee said.



City Hall officials previously entered into downtown public-private partnerships for construction of Hotel Melby and the Highline apartment complex.

Established in 1954, NAP is based in Cincinnati, Ohio. The company has completed developments exceeding \$8 billion in value, including more than 22,000 residential units and more than 26 million square feet of commercial space in 15 states and 84 cities.

In Viera, NAP built Luna, the \$60 million, six-story, 245-apartment complex with 3,280 square feet of retail space that opened to tenants in March at Viera Town Center. The complex — which is the tallest building in Viera — stands just west of The Avenue Viera main entrance.

In downtown Melbourne, NAP also has secured a 1/2-acre parcel at 2029 Melbourne Court under a \$1 million purchase contract, Economic Development Manager Doug Dombroski said during the Nov. 14 City Council discussion. This irregularly shaped parcel borders Holmes Park to the north, stretching behind and alongside Iron Oak Post.

**September 2021 story:** Site plan submitted for 7-story downtown Melbourne apartment complex with parking garage

Dombroski said the 1/2-acre parcel would serve as a support site during apartment construction. Afterward, the company would donate the property to the city as a park. City officials would transfer residential density credits from the 1/2-acre parcel across Melbourne Court to the apartment site, boosting the allowable number of apartments from 197 to 246.

In tandem with adjacent Holmes Park, Melbourne officials have eyed this 1/2-acre parcel as having potential to "create a large public leisure area and event space that would connect Downtown to the waterfront," a City Council agenda memo said.

NAP has requested a 10-year Community Redevelopment Agency property-tax break estimated at about \$3.5 million after the nine-story complex is built. The National Development Council analyzed the project at the city's request and determined it is not economically feasible without the tax break, stating,

"without the incentive, the return on investment is not strong enough to attract private equity and commercial finance."



Dombroski listed some of the site's development challenges, which are common across downtown Melbourne:

- Constrained acreage.
- Expensive land cost.
- Need for structured parking.
- Costly underground stormwater retention.

"In addition to these challenges related to an urban infill project, the current economic environment nationally adds additional development risk. Specifically, supply chain issues combined with the inflationary uptick for construction materials and labor, has translated into construction delay and cost increases," the agenda memo said.

"Most recently, higher interest rates have affected the cost to finance development. The unpredictable nature of increasing development costs has required supplementary risk analysis over the past year before committing to this development. As such, NAP has requested a 100% TIF reimbursement over a ten-year period," the memo said.

The developer also proposes to build off-site public infrastructure and streetscaping along Melbourne Court and Melbourne Avenue, including an intersection realignment, sidewalks, stormwater drainage, landscaping and lighting.

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