

**CITY OF HOLLYWOOD
INTEROFFICE MEMORANDUM**

TO: Mayor and Commissioners

DATE: February 24, 2021

FROM: Douglas R. Gonzales, City Attorney

SUBJECT: Proposed Agreement with for the development of The Tropic

I have reviewed the above captioned agreement for form and legality. The general business terms and other significant provisions are as follows:

- 1) Department/Division involved – Development Services
- 2) Type of Agreement – Development Agreement
- 3) Method of Procurement (RFP, bid, etc.) – n/a
- 4) Term of Contract -
 - a) initial – Developer will substantially complete the project within 36 months of issuance of last required building permit. Agreement will expire 9/30/30.
 - b) renewals (if any) – n/a
 - c) who exercises option to renew – n/a
- 5) Contract Amount – \$3,000,000 forgivable loan from CRA in \$1,000,000 increments over the span of three fiscal years beginning in FY2022 and continuing to FY2024. \$1,000,000 from CRA within 60 days of project receiving Temporary Certificate of Occupancy. \$3,500,000 in forgivable loan from City from ILA proceeds in FY 2022 as approved by Broward County. Up to \$2,000,000 in fee offsets from City when project is 90 days from completion date. Starting when project generates TIF and ending 9/30/2025, CRA will pay Developer 95% of TIF generated by project, Thereafter and ending 9/30/2030, CRA will pay Developer 95% of what City’s portion of TIF generated by project would be if TIF was still being paid to CRA. Total TIF incentives will not exceed \$2,400,000.
- 6) Termination rights – For cause only.
- 7) Indemnity/Insurance Requirements – Vendor will indemnify City.
- 8) Scope of Services – In Block 58, “Hollywood” Plat, Phase 1 will have residential, commercial retail and parking garage. Phase 2 will have parking garage and associated retail.
- 9) City’s prior experience with Vendor (if any) – No.

10) Other significant provisions – For residential units, two-thirds will be restricted to affordable/workforce housing for 15 years. One-third units will be market rate. If an event of default is caused by Developer and not cured, City and CRA will be repaid all forgivable loan proceeds at 3.25% interest and if the project is not completed no TIF incentive will be due the developer.

cc: Wazir A. Ishmael, Ph.D., City Manager