

**CITY OF HOLLYWOOD
INTEROFFICE MEMORANDUM**

TO: Mayor and Commissioners **DATE:** February 1, 2017

FROM: Jeffrey P. Sheffel
City Attorney

SUBJECT: Proposed License Agreement between McCumber-Wright Venture, LLC (MWV) and Rudy's of Hollywood, Inc. for the operation of a food and beverage concession at Hollywood Beach Golf and Country Club.

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 – Parks, Recreation and Cultural Arts
- 2) Type of Agreement – License Agreement
- 3) Method of Procurement (RFP, bid, etc.) – (Pursuant to Section 11.3 of the License and Management Services Agreement between MWV and City).
- 4) Term of License Agreement between MWV and Rudy's
 - a) initial – 1 year
 - b) renewals (if any) – n/a
 - c) who exercises option to renew – n/a
- 5) License Agreement Amount – Rudy's will pay MWV in equal installments of \$3,750.00 per month.
- 6) Termination rights – With or without cause.
- 7) Indemnity/Insurance Requirements – Yes.
- 8) Scope of Services – Rudy's will operate a food and beverage concession at Hollywood Beach Golf and Country Club.
- 9) City's prior experience with Vendor (if any) – n/a
- 10) Other significant provisions – *In accordance with Subsection 1.5 of the License and Management Services Agreement between the City and MWV, "City hereby acknowledges that MWV will retain all Gross Revenues derived from all sources generated from the Licensed Premises, including but not limited to, golf fee, motel/hotel, restaurant, food & beverage services, and sale of merchandise excluding sales tax. However, if the Gross Revenues, excluding the

capital reserve surcharge, generated from the License Premises exceeds \$2,400,000. each year, then MWV, shall pay the City 10% from the Gross Revenues in excess of \$2,400,000. Said revenue sharing payment shall be remitted to the City 30 days after the annual report is received.

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