

City of Hollywood Term Sheet

Redevelopment Opportunity South Park Road

(RFP 4585-18-PB)

Seller	The City of Hollywood (the “City”), a Florida municipal corporation, with an address of 2600 Hollywood Boulevard, Hollywood, Florida 33020.																		
Developer	Park Road Development, LLC, a Florida limited liability company (the “Developer”), with an address of 218 Hendricks Isle, Fort Lauderdale, Florida 33301.																		
Description of Real Property	<p>Approximately 30 acres of land located in the City of Hollywood and owned by the City with a street address of 1600 South Park Road, Hollywood, Broward County, Florida, and for tax and assessment purposes having Broward County Folio numbers as noted below:</p> <table><tr><td><i>Parcel</i></td><td><i>Folio</i></td><td><i>Acreage</i></td></tr><tr><td>North</td><td>5142-20-00-0040</td><td>13.91</td></tr><tr><td>Middle</td><td>5142-20-00-0140</td><td>9.38</td></tr><tr><td>West</td><td>5142-20-04-0010</td><td>0.13</td></tr><tr><td>Southeast</td><td>5142-20-00-0150</td><td>4.91</td></tr><tr><td>Southwest</td><td>5142-20-00-0170</td><td>2.40</td></tr></table> <p>Collectively, the “Subject Site.”</p> <p>The City will retain control of the portion of the Subject Site needed to accommodate its Public Works operations and administration which is estimated to be 7.00 +/- acres (the “Retained Area”). The portion of the Subject Site to be included in the Retained Area will be determined during the approvals and platting process. The acreage to be sold to the Developer will be referred to as the “Development Parcel.”</p>	<i>Parcel</i>	<i>Folio</i>	<i>Acreage</i>	North	5142-20-00-0040	13.91	Middle	5142-20-00-0140	9.38	West	5142-20-04-0010	0.13	Southeast	5142-20-00-0150	4.91	Southwest	5142-20-00-0170	2.40
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Term Sheet and Land Disposition and Development Agreement	This Term Sheet outlines the proposed business terms for the purchase, remediation and redevelopment of the Subject Site. The City and the Developer intend to negotiate and enter into a more detailed Land Development and Disposition Agreement (the “LDDA”) that once executed will supersede this Term Sheet. Nonetheless, the City and the Developer wish to delineate certain terms and conditions to be incorporated into the LDDA. Parties agree the LDDA will run with the land and be recorded in the public records of Broward County.																		
Base Purchase Price	The Developer agrees to pay to the City a Base Purchase Price that will be comprised of (i) a Closing Payment, and (ii) a Per Unit Payment for the fee simple conveyance of the Development Parcel (the “Base Purchase Price”). The conceptual development plan outlined in the Developer’s response to the Request for Proposals (RFP) and presented with the Developer’s Best																		

	<p>and Final Offer (BAFO) yields an estimated \$3.24M Base Purchase Price with the currently proposed densities.</p> <p>Closing Payment \$2,200,000 will be paid upon Closing subject to the Developer receiving the Minimum Entitlements, with all Conditions Precedent to Closing having been satisfied.</p> <p>Per Unit Payment</p> <ul style="list-style-type: none"> ▪ \$1,500 per residential unit shall be due and payable upon the issuance of a final Certificate of Occupancy for each multi-family residential building with an estimated 315 market rate residential units to be constructed, totaling \$472,500; provided, however, the Developer shall not be obligated to pay the City a per unit payment for any residential units that are required to be rent-restricted and/or income restricted. The issuance of a Certificate of Occupancy for each building is contingent upon the receipt of the Per Unit Payment for such building. ▪ \$8.00 per commercial/neighborhood retail space square footage, with related amenities shall be due and payable upon the issuance of a Certificate of Occupancy for each building with an estimated 71,000 SF to be constructed upon the Development Parcel, totaling \$568,000. The issuance of a Certificate of Occupancy for each building is contingent upon the receipt of the Per Unit Payment for such building. <p>Collectively, the “Per Unit Payment.” The calculation of the Per Unit Payment will be determined based on the approved site plan, as may be amended, for each phase and subsequently incorporated into the LDDA.</p> <p>During the preliminary planning for the Subject Site, the Developer will evaluate the viability of developing up to 450 residential units and up to 100,000 SF of commercial space.</p>
Disposition Structure	<p>The Development Parcel will be conveyed in fee simple by the City to the Developer (via Special Warranty Deed, or as may otherwise be required by the Developer’s title company) in one closing.</p>
Disposition Timeline	<p>Phase I – Due Diligence Period; Environmental and Geotechnical</p> <p>The “Due Diligence Period” will commence upon the execution of the LDDA and will be for a period of six months, with the Developer having the right to extend the Due Diligence Period for up to three additional 30 day periods by submitting a request for an extension in writing to the City providing the reason(s) for the extension. During the Due Diligence Period, the Developer will be working to secure approval of a Remedial Action Plan (“RAP”) by Broward County and the Florida Department of Environmental Protection (FDEP).</p>

	<p>The Developer will secure a RAP during the Due Diligence Period to provide both the City and Developer certainty as to the environmental process required to remediate the Subject Site.</p> <p>During the Due Diligence Period, the Developer will commence the following work or submit the applications as follows:</p> <ul style="list-style-type: none"> ▪ <i>Environmental & Geotechnical</i> <ul style="list-style-type: none"> ○ Coordination Meeting with Broward County / FDEP – within 15 days of LDDA Execution ○ Commence Contamination and Geotechnical Assessment (Environmental & Geotechnical Borings) – within 45 Days of LDDA Execution <p>Commencement of Contamination and Geotechnical Assessment will be subject to the City providing as-built drawings of all utilities abutting, crossing, and adjacent to the Subject Site within 15 days of LDDA Execution to ensure adequate coordination time with Developer’s boring subcontractor.</p> ▪ <i>City Submissions & Applications</i> <ul style="list-style-type: none"> ○ Submit Draft RAP “Bubble Plan” Development Exhibit to City – within 45 days after receipt of Contamination and Geotechnical Assessment laboratory results. ○ Filing for “Preliminary Application Conceptual Overview” (“PACO”) consideration with the City of Hollywood – within 120 days from commencement of Contamination and Geotechnical Assessment. ○ City Commission Review & Comment – before the expiration of the Due Diligence Period, the Developer will have an opportunity to present the draft Preliminary Plans to the City Commission for public review and comment. ▪ <i>Advance Submission of Plat, Land-Use, and Related Applications</i> <p>If mutually agreeable, the City and Developer will jointly prepare and submit applications for the Project during the Due Diligence Period that address land-use, zoning, and platting approvals (collectively, the “Advance Applications”). The Advance Applications will be further identified within the LDDA and finalized within 15 days of Developer’s receipt of the Contamination and Geotechnical Assessment.</p> <p>Upon the full execution of this Term Sheet, the City shall commence to deliver to the Developer the following documents to the extent such exist and are in the City’s possession (collectively, the “Property Documents”):</p>
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	<ul style="list-style-type: none"> • As-Built of Improvements (utilities, infrastructure, etc.) • Building Permits & Plans of Prior and Existing Structures and Facilities • Prior Boundary Survey • Prior Title & Encumbrance Report • Prior Environmental Reports & Documentation (UST Closure Letters; Prior Contracts & Scopes of Work for Environmental Testing, Remediation, etc.; Environmental Data Logs; etc.) • Programming of City Facilities & Acreage of Retained Property • City Access Requirements to Retained Property <p>Prior to the execution of the LDDA, the Developer may supplement the list of Property Documents. If the City does not deliver any of the Property Documents (as such may be supplemented by the Developer), then prior to the execution of the LDDA, the Developer shall provide the City with written notice as to any such Property Documents that have not been delivered and, unless the City provides responsive written notice to the Developer that such Property Documents do not exist or are not in the City's possession, the City shall have until five days after the Due Diligence Period commences to deliver such Property Documents, and if the City fails to deliver such Property Documents within such time frame, the Due Diligence Period shall be extended on a day-for-day basis until the delivery of such Property Documents.</p> <p>Phase II – Programming, Planning, and Entitlements</p> <p>18 months from the later of the conclusion of the Due Diligence Period and the date the City, in its capacity as a seller of real property, approves the Preliminary Plans submitted by the Developer for the development of the Development Parcel, with the Developer having the right to extend for up to three additional months, and until the expiration of any applicable appeal periods (the "Approvals Period").</p> <p>During the Approvals Period, the Developer will file the below applications:</p> <ul style="list-style-type: none"> ▪ Filing of City and County Applications to amend the applicable land use plan maps to permit the Project – to be filed within 60 days from the end of the Due Diligence Period. ▪ Filing of an application to rezone the Property to Planned Development District ("PD") – to be filed within 90 days from the end of the Due Diligence Period. ▪ Filing of City Application to plat the Property – to be filed within 90 days from the end of the Due Diligence Period. ▪ Filing of application for site plan and design review for the Phase 1 development within 60 days of the date that the Broward County Commission approves the transmittal of the application to amend the County land use plan map.
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	<p>In addition, Developer will also submit other applications (ex., stormwater) that must be obtained before the Project can be eligible to submit for, and obtain, building permits.</p> <p>The development program will include, at a minimum, the following:</p> <ul style="list-style-type: none"> • 315 Unrestricted Market Rate Residential Units • 71,000 SF Commercial/Retail Space • Convenience Store/Food Market/Coffee Shop/Service Station (which may include separate public and private fueling facilities, including but not limited to, providing fuel and other services to the City), in addition to an Integrated Fuel Station to serve the City's Public Works/Fleet Operations <p>The above items are collectively the "Minimum Entitlements."</p> <p>During the preliminary planning for the Subject Site, the Developer will evaluate the viability of developing up to 450 residential units and up to 100,000 SF of commercial space.</p> <p>Phase III – Closing & Development</p> <p>Closing will occur within 60 days of the date of issuance of all approvals necessary to make the Subject Site eligible for building permits for the Developer's intended improvements, and such approvals becoming final and not subject to appeal.</p>
Escrow Deposit	<p>The Developer will deposit, into escrow with the Law Firm of Leopold Korn P.A. (the "Escrow Agent"), the sum of \$250,000 within five business days subsequent to the date of the complete execution of the LDDA (the "Escrow Deposit"). The Escrow Deposit will be available to be utilized by the Developer to fund third party professional services (environmental engineer, geotechnical engineer, etc.) associated with the environmental and geotechnical analysis throughout the term of the LDDA. The Developer will submit to the City monthly statements showing all expenditures of the Escrow Deposit. The Escrow Deposit (reduced by any portions of the Escrow Deposit utilized by the Developer to fund third party professional services) shall be fully refundable to the Developer throughout the Due Diligence Period and until the Developer obtains an approved RAP. Upon the earlier to occur of (i) the expiration of the Due Diligence Period or (ii) the Developer's receipt of an approved RAP, any remaining Escrow Deposit funds shall be transferred to Fox Rothschild LLP and deemed to be non-refundable, except in the event that the City fails to approve the Minimum Entitlements and subject to the terms of the LDDA.</p>
Additional Escrow Deposit	<p>Upon the conclusion of the Due Diligence Period, the Developer will submit to Fox Rothschild LLP a non-refundable "Additional Escrow Deposit" of</p>

	<p>\$250,000 that will be credited against the Purchase Price at Closing subject to the terms and conditions of the LDDA.</p> <p>In the event, the Developer does not provide the Additional Escrow Deposit, within 10 days of the conclusion of the Due Diligence Period, the City will have the right and option to terminate the LDDA upon written notice to the Developer. In such event (i) the Escrow Agent shall release the balance of the Escrow Deposit to the City, if any, (ii) the parties will be released from any further liabilities and obligations to each other concerning and/or relating to the redevelopment of the Subject Site, except as expressly provided in the LDDA, and (iii) the Developer will promptly assign to the City, without recourse and at Developer's sole cost and expense, all of the Developer's work product obtained (i.e. third party reports, environmental testing results, etc.).</p>
Environmental Remediation	<p>Developer understands that the Subject Site is a designated Brownfield that will require remediation to allow development to occur. Developer will be fully responsible for all costs associated with all environmental investigations of the Subject Site during the Due Diligence Period to be outlined in the LDDA and understands that a primary factor in the City's decision to sell the property is for the completion of environmental remediation and the issuance of a No Further Action Order or Site Rehabilitation Completion Order from the FDEP.</p> <p>City will provide reasonable access to the Subject Site to allow for sampling/surveying/boring as needed. Developer and developer's contractors will be required to indemnify the City and provide required insurance and endorsements.</p> <p>Developer estimates that the costs associated with the Environmental Remediation / Site Cleanup necessary to meet the conditions required under federal and state laws for the environmental remediation of the Subject Site, inclusive of the Development Parcel and the Retained Area, shall be approximately \$5,350,000. Documentation of all costs associated with Environmental Remediation / Site Cleanup will be provided to the City per terms to be incorporated into the LDDA. Any cost savings below the sum of \$5,350,000 will be shared equally between the Developer and the City.</p>
Public Improvement Costs	<p>Developer agrees to fund a minimum \$750,000 worth of on-site public amenities, in addition to the landscaping and landscape buffers required by the City's Land Development and Zoning Code. The on-site public amenities could include entrance monumentation, green space, enhanced landscaping, water features (including, at the discretion of the Developer, retention ponds), walking paths, decorative paving and other features to be further defined in the entitlement process.</p>

<p>Public Works Facility Improvements</p>	<p>P3 Financing Opportunities The City and Developer are exploring several options to fund the City Public Works Facility Improvements, including a range of innovative financing opportunities that are tailored to public private partnerships (“P3 Financing”). P3 Financing may provide cost savings and other benefits to the City and/or Developer, and these alternative structures will be further explored during the term of the LDDA.</p> <p>Developer Funding of \$4,000,000 In the event the P3 Financing opportunities are not available or viable, the Developer will fund up to \$4,000,000 consistent with the terms identified in the Developer’s RFP response and BAFO. However, if the Developer funds any of the \$4,000,000 with funds from a debt lender, the interest rate charged to the City will be the actual rate charged to the Developer plus one percent. The terms of this debt will be negotiated, but ultimately determined by the lender.</p> <p>The City and the Developer will identify the appropriate mechanism and security to ensure the repayment to the Developer by the City of this expenditure of up to \$4,000,000 and all additional actual and reasonable expenses incurred by the Developer in conjunction with the financing of this expenditure (collectively “Expenditure Expenses”) including but not limited to, interest fees, application costs, origination fees, pre-payment penalties, administrative fees, etc., with such terms to be incorporated into the LDDA.</p> <p>Use of \$4,000,000 towards City Public Works Facilities The \$4,000,000 will be used by the Developer to construct the City Public Works facilities within the Subject Site boundaries including but not limited to, construction of new buildings, reconfiguration of fueling facilities, parking, lighting, site work and the related professional fees to prepare and process plans for such improvements. The Developer will not, however, be obligated to renovate any existing City Public Works buildings, structures or facilities.</p>
<p>Community Development District (CDD)</p>	<p>The City and Developer agree to explore the formation of a Community Development District (CDD) to fund site remediation and public infrastructure including the City’s Public Works Facility Improvements. If a CDD is deemed to be of mutual benefit by both the Developer and the City, the terms of the CDD will be reflected in the LDDA.</p>
<p>Redevelopment, Operational Costs and Real Estate Taxes</p>	<p>The Developer shall be solely responsible for the costs of redevelopment, including predevelopment costs, and future operation of the Development Parcel. The Developer shall be solely responsible for the payment of all utilities, permit fees, assessments and taxes relating to the Development Parcel, including, if applicable, possessory interest tax assessed under the Broward County Property Appraiser’s Office.</p>

	<p>The City portion of the site will not be part of an HOA or Master Association. It will remain separate from the remainder of the site. However, there shall be a Reciprocal Easement Agreement ("REA") executed at Closing due to the contemplated interdependence of utilities, roadways, driveways, drainage and other infrastructure that will be interconnected throughout the Subject Site.</p>
Conditions Precedent to Closing	<p>Due to the Project's complexity, coordination with the City and its existing operations, and the Project's specific environmental and geotechnical conditions, a number of Conditions Precedent to Closing exist. At this time, the following Conditions Precedent to Closing have been identified:</p> <ul style="list-style-type: none"> ▪ Receipt of Minimum Entitlements. ▪ Developer having obtained all the approvals necessary to make the Subject Site eligible for building permits and such approvals having become final and not subject to appeal. ▪ Developer completing all environmental remediation analysis required by the environmental regulatory authorities, including the receipt and recordation of an approved RAP. ▪ Developer completing all of its detailed geotechnical analysis. ▪ Any and all other terms and conditions that may be negotiated in the LDDA. <p>The Developer shall have the right to withdraw from and terminate the LDDA if any of the Conditions Precedent are determined by the Developer, in its sole discretion, to be unachievable or insurmountable. The City will have the right to terminate the LDDA in the event of an uncured event of default by the Developer under the LDDA. In the event the Developer withdraws from and terminates the LDDA, all of the Developer's work product obtained (i.e. third party reports, environmental testing results, etc.) will be assigned, without recourse, to the City by the Developer.</p>
Developer Financing	<p>Developer shall be responsible for obtaining financing and equity to fund the redevelopment of the Development Parcel, including all costs associated with predevelopment. The City is not obligated to extend any funds to the Developer, whether in the form of a loan or otherwise, and the City shall not be obligated to provide a grant to Developer in connection with the financing of the redevelopment of the Development Parcel, and the City shall incur no liability whatsoever should Developer fail to obtain or close upon financing for the Project. The City will, however, work with the Developer to pursue any and all federal, state, county and regional funding opportunities that are available for Brownfield remediation efforts.</p> <p>The Developer will prepare a financial plan for review by the City's economic consultant prior to Closing, to demonstrate the Developer's ability to execute the Preliminary Plans and comply with the Developer's obligations per the LDDA.</p>

Workforce Housing	The Developer is encouraged to explore providing additional residential units to accommodate workforce housing. City will not receive any per unit payment for rent-restricted or income restricted units that are ultimately secured in the site plan approval process.
Green Building Requirements	The Developer shall construct the project improvements in accordance with Chapter 151 of City of Hollywood Code of Ordinances, Mandatory Green Building Practices.
Approval of Preliminary Plans	At the conclusion of the Due Diligence Period, the Developer will submit preliminary plans for approval by the City which, when approved by the City, shall be incorporated into the LDDA ("Preliminary Plans"). In addition to identifying uses and densities, the Preliminary Plans will generally identify the Retained Area and the Development Parcel. Once the City has approved the Preliminary Plans submitted by the Developer, the Developer will submit its formal development applications, in conformity with the site plan approval process, and in general conformity to the Preliminary Plans approved by the City. The City will expedite any and all City reviews of submittals by the Developer required to achieve zoning and other land use approvals, as well as demolition, building and other related permits. In addition, at the request of the Developer, the City designated Project representative will attend any and all meetings required by any regulatory agency or decision making body having oversight or jurisdiction over the Property.
Definitive Agreement	All of the terms and conditions for the sale and purchase of the Subject Site will be pursuant to the City of Hollywood Code of Ordinances, Article XIII, Limitation On Sale, Lease or Purchase of City-Owned Real Property, and shall be governed by the terms of the LDDA negotiated and to be entered into by the City and the Developer subject to the approval of the Hollywood City Commission.
Public Works Needs Analysis & Any Additional Surplus Land	The City is undertaking a Public Works Programming and Needs Analysis to determine the land and facilities necessary for the City to retain for efficient Public Works operations. If the analysis shows additional land within the Retained Area can be made available for sale and private redevelopment, the Developer will be provided the opportunity to negotiate to purchase this additional land under terms to be further negotiated in the LDDA.
Right of Demolition & Relocation	The Developer shall have the right to demolish the existing public works facilities abutting Park Road (City Service Station, transfer area and former public utilities building) and relocate the City Service Station to an interior location within the Subject Site (which interior location shall then be a portion of the Retained Area) provided that the terms and conditions of the demolition and relocation can be mutually agreed upon and incorporated into the LDDA.

Financial Guaranty	The LDDA will include a financial guaranty ("Financial Guaranty") tied to the phased completion of the development that will include a financial penalty to the Developer should the agreed upon development milestones not be met. Developer's failure to pay this penalty would result in a lien on the property. The Subject Site shall be bound by the requirements of a Construction and Use Covenant to be attached to the LDDA, which may be amended with the approval of the City.
Buyback Option	In the event the Developer fails to pay the financial penalty included in the "Financial Guaranty," the LDDA will include a buyback option ("Buyback Option") that provides the City with the right, at its sole discretion, to repurchase any incomplete phase or phases of the Property within the Subject Site, with such phases to be defined by the Developer in the Preliminary Plans, if the Developer fails to substantially complete the construction of that phase or phases on or before the milestone schedule to be established in the LDDA and beyond the expiration of the applicable cure periods for that phase or phases. The cure periods applicable to the Buyback Provision shall be further defined in the LDDA, but such cure periods will provide Developer adequate time to exercise commercially reasonable efforts to complete construction of the respective phases. The repurchase price will be calculated to reasonably compensate the Developer for the Developer's actual financial investment in that phase or phases and will be further defined in the LDDA.

The terms of the LDDA shall be consistent with the terms of this Term Sheet unless the City and Developer otherwise agree in writing.

CITY:

BY: _____ 9/5/19

Name and Title: Josh Levy, City of Hollywood, Mayor

PARK ROAD DEVELOPMENT, LLC, a Florida limited liability company:

BY: _____ 8/20/2019

Name and Title: Eric Metz, Manager