

CITY OF HOLLYWOOD  
INTEROFFICE MEMORANDUM

TO: Mayor and Commissioners

DATE: May 6, 2020

FROM: Douglas R. Gonzales, City Attorney

**SUBJECT:** Agreement for Development of South Park Road Development Site

I have reviewed the above referenced Agreement with the participating Department/Office(s), and the proposed general business terms and other significant provisions are as follows:

- 1) Department/Division involved – Communications, Marketing and Economic Development
- 2) Type of Agreement – Land Development and Disposition Agreement
- 3) Method of Procurement (RFP, bid, etc.) – RFP
- 4) Term of Contract:
  - a) initial – Closing within 90 days of issuance of all government approvals needed for site to be eligible for building permits. After closing, Developer shall actively pursue the development in accordance with the schedule included in the proposal submitted by Developer in response to the RFP. Not later than 540 days after the later of (i) 180 days after execution of agreement and (ii) City’s approval of the preliminary plans, Developer shall file application for site plan and design review for Phase I.
  - b) renewals (if any) –
  - c) who exercises option to renew –
- 5) Contract Amount – \$250,000 escrow deposit due five days after execution of agreement, additional \$250,000 escrow deposit due 190 days after execution of agreement, balance due at closing. \$1,500 per residential unit for the estimated 315 market rate residential units, totaling \$472,500, and \$8.00 per commercial/neighborhood retail space square footage for the estimated 71,000 SF, totaling \$568,000, with these payments due on the earlier of final CO or 180 days after temporary CO.
- 6) Termination Rights – For 180 days from execution of agreement, Developer will have the right to terminate for convenience.
- 7) Indemnity/Insurance Requirements – Each party will indemnify the other. Developer will provide insurance.
- 8) Scope of Services – Developer will buy the property from City and develop it with, at least, 315 unrestricted market rate residential units, 71,000 sq.ft. of commercial/retail space, a convenience store, and an integrated fuel station to serve City’s public works/fleet operations. During the first two years (this period could be longer depending on certain factors), Developer

will evaluate the viability of increasing those numbers to 450 unrestricted market rate residential units and 100,000 sq.ft. of commercial/retail space.

Developer will seek a loan up to \$4,000,000 for public works facility improvements. City will be charged for such funds the rate charged by the lender to Developer plus 1%. City will be notified of terms of Developer's loan and City will have 10 days to accepting such terms or electing to use City's resources to pay for the improvements.

9) Other Significant Provisions: If Developer fails actively to pursue development after Closing, City will assess Developer \$115,000 in year 1 of the assessment, \$230,000 in year 2, \$345,000 in year 3, \$460,000 in year 4 and \$575,000 in year 5. If this financial guarantee is not terminated by the end of year 5 of the assessment by satisfactory completion of portions of the development as specified in the agreement and Developer fails to pay the assessment, City may buy back any incomplete phase, with the purchase price equal to Developer's actual financial investment in the phase, not including any "profit" to Developer above Developer's actual financial investment.

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