

**CITY OF HOLLYWOOD
INTEROFFICE MEMORANDUM**

TO: Mayor and Commissioners **DATE:** June 18, 2020

FROM: Douglas R. Gonzales, City Attorney

SUBJECT: Agreement with Prestigia Real Estate FJM, Inc. for Purchase and Development of 2717 Van Buren St.

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 date is 12/1/2021. Construction will be completed not later than 39 months after closing, except for the portion of the property that is subject to an existing parking lease expiring in 2032.
 - b) renewals (if any) –
 - c) who exercises option to renew –
- 5) Contract Amount – Purchase price is \$1,200,000.
- 6) Termination Rights – Developer can terminate without cause during the 120-day inspection period beginning upon execution of the agreement.
- 7) Indemnity/Insurance Requirements – Each party will indemnify the other.
- 8) Scope of Services – Developer will purchase the property from City and develop at least 63 apartment units and 15 townhouses.
- 9) Other Significant Provisions – Escrow deposit is \$75,000. For 15 years after closing, the property will not be used as a place of recreation or amusement, a business serving alcoholic beverages (except in conjunction with a restaurant), a store catering to adults only, a smoke shop, a pawn shop, or a business or facility in the marijuana industry.

Not later than 180 days prior to closing, all governmental approvals for at least one phase of the project will be ready to be issued. If Developer fails to reach substantial completion of at least one phase within 36 months of closing, City will have a buyback option for \$1,200,000.

Developer will commence construction not later than 90 days after closing and will substantially complete at least one phase within 36 months after commencing construction.

The Agreement will be recorded and will be binding on the parties and their successors for 20 years.

cc: Dr. Wazir Ishmael, City Manager