



Legislation Details (With Text)

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Title: A Resolution Of The City Commission Of The City Of Hollywood, Florida, Approving And Authorizing The Appropriate City Officials To Implement A Settlement With Margaritaville Hollywood Beach Resort, LP In The Amount Of \$500,000.00.

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Date	Ver.	Action By	Action	Result
9/2/2020	1	Regular City Commission Meeting	adopt	Pass

A Resolution Of The City Commission Of The City Of Hollywood, Florida, Approving And Authorizing The Appropriate City Officials To Implement A Settlement With Margaritaville Hollywood Beach Resort, LP In The Amount Of \$500,000.00.

Financial Management & Administration

Staff Recommends: Approval of Resolution.

Explanation:

In June 2013, Margaritaville Hollywood Beach Resort, LP (“Developer”) and the City of Hollywood entered into an Amended and Restated Development Agreement and Ground Lease (the “Agreement”). Under the Agreement, the City leased certain property to Developer for the construction, development, and operation of a hotel, parking garage and other improvements (collectively, the “Project”). Under the Agreement, Developer was to pay rent to the City, including one type of rent designated as “Transaction Rent.”

In April 2018, Developer sold the Project to a third party. In October 2018, the City made written demand upon Developer for Transaction Rent in the amount of \$1,719,962.41. In October 2018, Developer filed a civil action against the City seeking a declaration by the court that Developer is not liable to the City for any amount of Transaction Rent; and

The parties have negotiated a settlement in the amount of \$500,000.00 to be paid by

Developer to the City, which would totally resolve the issues raised in the pending litigation, including the City's underlying claim for Transaction Rent arising out of the April 2018 sale of the Project. The City Attorney recommends that the City Commission approve the negotiated settlement.

Fiscal Impact:

As a result of this settlement, the City will receive \$500,000.00 from Developer.

Recommended for inclusion on the agenda by:

Douglas R. Gonzales, City Attorney