



Legislation Details (With Text)

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Title: Cornerstone Lease Modification Request (B)

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Attachments: 1. 160831a_PRESENTATION_20170316.pdf, 2. 160831b_LETTER OF INTENT_20170316.pdf

Date	Ver.	Action By	Action	Result
3/16/2017	1	City Commission	Approved as Recommended	Pass

Cornerstone Lease Modification Request (B)

At the August 4th 2016 meeting, the Commission approved a development deal with Concept Companies that included the disposition of pads C and D at Cornerstone through a lease with a purchase option. One of the incentives to the developer in this agreement was a limited term rental abatement. Since that meeting, the terms of the agreement between the developer and the building tenant have been solidified; placing the developer in a position to possibly purchase building pads C and D within the structure of a commercial condominium association currently being crafted through the City Attorney’s Office.

At this meeting, Staff will present the modifications to the original lease term to include an option to purchase Building Pads C and D for \$391,272 if the option is exercised within one year of the completion of the building. Until that time, the terms of the previously approved ground lease will apply.

15 year lease with an option to purchase at year 1. Payments will begin on year 6 with an increase corresponding with 50% of the increase charged to the building tenant every year. Purchase price of \$567,641.64 represents 3% increase every year for 15 years. \$778,982 less the \$211,340 paid in rent over the 15 years. If the option to purchase is exercised within the first year of the completion of the building, the Developer may purchase pad C and D for \$391,272.

City Manager to City Commission: Authorize the City Manager or his designee to do all things necessary to accomplish the terms in the Letter of Intent, including executing the Ground Lease with option to purchase subject to review as to form and legality by the CRA Attorney.