



Legislation Text

File #: 170805., **Version:** 2

Contract for Sale and Purchase for Unit C of Cornerstone, a Condominium (B)

In 2014, Concept Companies, Inc. was a respondent to a Request for Proposals seeking developers interested in developing within and obtaining an anchor tenant for a Gainesville Community Redevelopment Agency (CRA) and City envisioned redevelopment of the Gainesville Technology Entrepreneurship Center area consisting of approximately 13.6 acres. Between 2014 - 2017, the City and CRA continued to refine the redevelopment plans for the Gainesville Technology Entrepreneurship Center area, including approval of a Master Plan for mixed-use development with up to six commercial buildings to be developed in two phases and to be known as the Cornerstone Project.

The City, CRA and Concept Companies, Inc. developed a Letter of Intent to set forth the Parties' general understandings as to the further negotiation and execution of a lease, option to purchase, and development agreement for building pads C and D (which were later combined into Condominium Unit C) within the Cornerstone Project. The Cornerstone Project and the parties intent has evolved over time; however, one constant has been the desire for Merieux NutriSciences to become the first anchor tenant for the Cornerstone Project. Concept Companies has now entered into a long-term lease with Merieux NutriSciences. On January 18, 2018, the City Commission approved the creation and filing of a Declaration of Condominium for the Cornerstone Project, in order to create parcels of land that may be legally conveyed to purchasers. As a result, the City and Concept Companies now desire to enter into a Contract for Sale and Purchase for Unit C, instead of a lease (with option to purchase) and development agreement. The Contract is included in the back-up.

One of the Special Conditions in the Contract requires the City, as owner of the GTEC parcel, to pay Condominium assessments for GTEC's use of the common elements (e.g., parking, common areas, stormwater drainage basins) until such time as the mortgages on the GTEC parcel are satisfied and the City is able to add the GTEC parcel as a subsequent phase to the Condominium. To satisfy that Special Condition, at or prior to Closing on Unit C, the City will enter into a Compensation Agreement for Use of Common Elements with the Condominium Association, a copy of the Agreement is included in the back-up.

The sale price for Unit C is \$391,272. The Buyer will pay all closing costs, except documentary stamp taxes on the deed and recording fees for documents needed to cure title defects, if any. Based on the estimated first year budget of \$57,450 for the Condominium Association, it is estimated the City will pay \$14,378.54 for the GTEC parcel's use of the common elements.

The City Commission: 1) approve the Contract for Sale and Purchase for Unit C and authorize the City Manager to execute the Contract; and 2) approve the Compensation Agreement for Use of Common Elements and authorize the City Manager to execute the Agreement on behalf of the City and authorize the President of the Condominium Association to execute the Agreement on behalf of the Association.