



Legislation Text

File #: 060826., **Version:** 0

Florida Food Service, Inc. - Amendment to Contract for Purchase and Sale of Real Property (B)

This item involves a proposed amendment to the Florida Food Service, Inc. contract for purchase and sale of un-platted property extending the City's indemnity regarding the pre-existing environmental condition to other parties.

On September 26, 2005, the City Commission approved an Option and Purchase and Sales agreement for the purchase of 3.51 acres of un-platted property in the Airport Industrial Park to Florida Food Service, Inc. to assist in facilitating their expansion plans. This is in addition to the firm's pending request to exercise a pre-existing Option on a parcel of equal size (Lot 12) located adjacent to the north of their property.

Subsequent to this initial approval, Florida Food Service, Inc. asked that it be provided with some degree of protection from the City, in addition to the previously approved indemnification, should the pre-existing environmental conditions related to the un-platted property be impacted by Florida Food Service's proposed expansion. This includes: 1) a maximum \$50,000 cost contribution related to prospective dewatering that may be necessary regarding development of the subject property and associated with mitigation of the pre-existing environmental condition; and, 2) a release of responsibility related to prospective abandonment of monitoring wells installed on the subject property in connection with the pre-existing environmental condition.

This requested Amendment to Option was approved by the City Commission on June 26, 2006 and executed in August, 2006. The Purchase and Sales Agreement was executed on November 1, 2006.

Recently, Florida Food Service Inc. has requested that additional prospective parties be covered by the aforementioned indemnity. These include an institutional lender providing financing for the project and any third party taking title to the property in the event of foreclosure. Finally, extension of indemnity would cover a bona fide purchaser of the property transacting directly with Florida Food Service, Inc. for a limited period of twenty years from time of closing on the pending contract for purchase of land between the City and Florida Food Service Inc. Assuming approval of this extension of indemnity request, staff anticipates closing within ten days of City Commission action on this item.

Upon closing, proceeds from the sale of the subject properties (approximately \$150,000) will be disbursed to the Gainesville Alachua County Regional Airport Authority (GACRAA) per prior agreement between the City of Gainesville and GACRAA. GACRAA has agreed upon prior review to reserve a portion of these proceeds for potential dewatering associated with site development if necessary.

The City Commission: 1) approve the attached Amendment to Contract for Purchase and Sale of Real Property with Florida Food Service, Inc.; 2) authorize the City Manager to sign the Amendment following approval by the City Attorney as to form and legality; and, 3) authorize the Mayor and Clerk of the Commission to execute the closing documents.