



Legislation Text

File #: 071219., **Version:** 5

Rescission of Gainesville Greens' Development and Disposition Agreement (B)

As has been previously discussed, by both the City Commission and the CRA, the Gainesville Greens project proposed to be constructed on City Lot 10 has been adversely affected by the change in market conditions since the project was initially proposed and approved three years ago. The Development and Disposition Agreement executed in 2006, initially contemplated construction commencing by September 2007. An amendment/extension to that Agreement subsequently pushed the commencement date to September 2008. When the Agreement between the CRA and the Developer was initially executed in 2006, the Option to purchase Lot 10 from the City was simultaneously assigned to the Developer. In connection with this assignment, the Developer provided the CRA with \$25,000.00, which would have been credited against the purchase price paid the City by the Developer, had the project come to fruition.

When the Option to purchase between the City and the Developer was recently extended by six months, there were obvious concerns that the continued housing slump would prevent the project, even a somewhat re-tooled project, from being built. It has become apparent, that that is, in fact, the case. Unfortunately the time and money invested by both the CRA and the Developer will not bear fruit at this time, under current market conditions. Recession of the Development and Disposition Agreement will bring this matter to rapid closure and provide a clean background for the issuance of a new RFP for development of the Lot 10 site.

None. This is CRA Project number DRAB-23-RT-2006.

CRA Executive Director to the CRA: (1) Enter into an agreement with the Developer to rescind the Development and Disposition Agreement, return the \$25,000.00 which was to be credited against the purchase price, less the cost of returning Lot 10 to useable condition, and absolve both parties of any and all liabilities related to this Project and the Agreement and authorizing the Executive Director to execute any and all documents related to such rescission; (2) recommend to the City Commission that the parking garage agreement between the City and the Developer and the Option to purchase between the City and the Developer be rescinded; and (3) Discuss the proposed scope for new Lot 10 redevelopment projects, and provide feedback to CRA staff.