



Legislation Details (With Text)

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Title: Southern Charm Kitchen Purchase Agreement (B)

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Attachments: 1. 210207_A_Southern Charm-FARBAR Contract-City as Seller_2021.08.05.pdf, 2. 210207_B_Southern Charm Restaurant Appraisal_2021.08.05.pdf, 3. 210207_C_Lease, Option of Sale and Amendments 1-5 to Hawthorne Road Cafe - Southern Charm_2021.08.05.pdf, 4. 210207_D_Southern Charm Kitchen Purchase Agreement Presentation_2021.08.05.pdf

Date	Ver.	Action By	Action	Result
8/5/2021	1	City Commission	Approved as Recommended	Pass

Southern Charm Kitchen Purchase Agreement (B)

On June 9, 2008, the Gainesville Community Redevelopment Agency (CRA) closed on the properties located at 1712 SE Hawthorne Road and 1714 SE Hawthorne Road. The CRA approved the concept of a small restaurant or diner for this site and general scope of a Request for Proposal (RFP) to attract a business as a tenant.

The RFP was issued in June 2010 and one proposal was received for the site proposing a café/restaurant use. The proposer was Southern Charm Kitchen, proposed by Omar and Arpita Oselimo, the founders and owners of Reggae Shack Café located on University Avenue. Southern Charm is a restaurant café that is rooted in traditional southern cooking that takes classic dishes and traditional recipes and transforms them in a contemporary fashion to suit current tastes, local preferences, and available seasonal ingredients.

In September 2010, the Oselimo's received the CRA's first Grow Gainesville Fund, a SBA 7(a) loan to help towards the interior build-out, furniture and equipment, and operating expenses for the café space. The CRA then entered into a lease agreement with an option to purchase. In June 2020, Southern Charm Kitchen exercised their option to purchase and provided notice of their intent. The Gainesville Community Reinvestment Area (GCRA) ordered an appraisal on the property which came in at \$215,000. The Oselimo's agreed to the price, and we are now at the point of execution of the agreement.

Since its opening in August of 2011, Southern Charm Kitchen has served as a catalyst for continued redevelopment along the Hawthorne Road corridor. The establishment today serves as one of the only sit-down family restaurants to exist on the east side.

Strategic Connection

Goal 3: A Great Place to Live & Experience and Goal 4: Resilient Local Economy

The purchase price for the property is \$215,000. Proceeds from a sale will be returned to the Eastside Redevelopment Area Trust Fund. The sale is contingent upon approval of the Purchase Contract by the City

Commission. -Is, Where- Buyer to pay all closing costs. The Purchase and Sales Agreement (PSA) clearly states that all debt incurred (including past rents) by Buyer or affiliated entities shall be paid in full on or before the Closing Date. Omar Oselimo is prepared to pay the purchase price, closing costs stated in the preliminary HUD-1 statement from Salter Feiber, and all debts owed to the City of Gainesville including any past due or rent forbearance (\$21,781.74) statements provided by Colliers at closing. Omar Oselimo is working with the City of Gainesville to put all monies due at closing into Escrow with Salter Feiber.

1. Sale of Building: \$215,000.00 (In PSA Contract)
2. HUD-1 Statement: Closing Cost Total (Salter Feiber)
3. All Debts Owed to City of Gainesville

City Commission to authorize the City Manager or his designee to 1) Enter into a purchase agreement with Southern Charm Kitchen for \$215,000 the sale of tax parcels #11619-000-000 and #11618-000-000 and 2) Authorize the City Manager or his designee to execute all necessary disposition and sale documents once approved by the City Attorney's office as to form and legality.