City of Pensacola

Memorandum

File #: 20-00176	City Council	3/26/2020

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

COMMUNITY MARITIME PARK ADDENDUM TO OPTION AGREEMENT

RECOMMENDATION:

That City Council authorize the Mayor to execute an Addendum to the Option Agreement between the City of Pensacola and Studer Properties, LLP extending the Option Term twelve (12) months to March 31, 2021.

HEARING REQUIRED: No Hearing Required

SUMMARY:

The City Council policy for disposition of properties by sale or lease allow for a Direct Negotiation Option. On October 11, 2018, City Council authorized the Mayor to execute an option agreement with Studer Properties, LLP for an 18 month period on the 7 vacant CMP parcels. In consideration the City received a $271,659 non-refundable Option Payment which is 20% of the post development base rent and consistent with the City listing for the CMP parcels per NAIA Pensacola listing August 10, 2018.

The current option agreement expires March 31, 2020 and the addendum will extend the agreement another 12 months through March 31, 2021. In consideration for the addendum, the City will receive a $90,553.20 Addendum Option Payment payable in installments of $7,546.10 per month

PRIOR ACTION:

August 21, 2010 - Policy for Disposition of City Owned Real Property.

February 9, 2017 - Amendment to City Policy for Disposition of City Owned Real Property.

October 11, 2018 - City Council authorized the Mayor to execute an option agreement with Studer Properties, LLP through the Direct Negotiation Option for lots 3, 4, 5, 6, 7, 8 and 9 of the Community Maritime Park (CMP)

FUNDING:

N/A

FINANCIAL IMPACT:

The City will receive $90,000 as a non-refundable 12 Month Option Payment in monthly installments of $7,500 over a 12-month period.

CITY ATTORNEY REVIEW: Yes

     3/17/2020

STAFF CONTACT:

Keith Wilkins, City Administrator

ATTACHMENTS:

1) Addendum to Option Agreement

PRESENTATION: No