

## **REAL ESTATE DEVELOPMENT GRANT AGREEMENT**

**THIS REAL ESTATE DEVELOPMENT GRANT AGREEMENT** (the Agreement) is made this \_\_\_\_ day of \_\_\_\_\_, 2018 (the Effective Date), by and between Largo Central LLC, a Florida limited liability company (the Owner), with its principal address at PO Box 817, Largo, FL 33779-0817 and the CITY OF LARGO COMMUNITY REDEVELOPMENT AGENCY, a Florida body corporate and politic created pursuant to section 163.357, Florida Statutes (the "CRA"), with its principal address at 201 Highland Ave NE, Largo, FL 33770 (collectively, "the Parties").

### **WITNESSETH**

**WHEREAS**, the CRA was formed for the purpose of removing slum and blight in the West Bay Drive Community Redevelopment District (the "WBD-CRD") and to promote redevelopment within the WBD-CRD; and

**WHEREAS**, the CRA, is authorized, pursuant to Chapter 163, Part II, Florida Statutes, and the WBD-CRD Plan, adopted in 2009 and updated in 2013, to, from time to time, utilize incentives and to expend tax increment funds in order to promote and encourage development activity within the boundaries of the WBD-CRD; and

**WHEREAS**, the CRA Board established the Real Estate Development ("RED") Grant program by the adoption of Resolution Number CRA-14-04 on May 6, 2014, and extended the program with the adoption of Resolution Number CRA-16-05 on September 20, 2016; and

**WHEREAS**, Resolution CRA 16-05 establishes the procedures for granting and the qualifications for an award of an incentive in the form of a reimbursement by the CRA of a portion of tax increment funds generated by new development that is multi-story, and mixed-use with an office component, based on the assessed value (as determined by the Pinellas County Property Appraiser) of the new improvements, for a period not to exceed ten years; and

**WHEREAS**, the Owner is the property owner of certain real property located at 500 and 600 West Bay Drive, Largo, FL 33770, as more particularly described in Exhibit "A" (the "Property"); and

**WHEREAS**, the Owner desires to redevelop the Property by constructing a new multi-story, mixed-use development, the West Bay Lofts, with an office component and associated parking structure; and

**WHEREAS**, the Owner has entered into a Development Agreement with the City of Largo, Florida (the "City"), on June 9, 2016, which was amended by the First Amendment to Development Agreement (DA 16-03) on January 5, 2018 governing the development of the Property (collectively the "Development Agreement"); and

**WHEREAS**, the Owner has submitted an application for a RED Grant to the CRA, staff reviewed the application and determined the Owner to be eligible to receive a RED Grant; and

**WHEREAS**, the Community Redevelopment Agency Advisory Board reviewed the Owner's application at its meeting on April 30, 2018, and voted to recommend to award the Owner

an incentive equal to 50% of the City's portion of the tax increment funds generated by the West Bay Lofts for a period of up to ten years; and

**WHEREAS**, the CRA Board, finding it to be in the best interest of the CRA and the health, safety, and welfare of the citizens of the City of Largo, Florida, wishes to provide certain economic incentives to the Owner in order to facilitate the development of the Property with the expectation that the CRA's involvement will encourage and expedite the timing of the development, thus preserving property values in the WBD-CRD, enhancing and expanding economic development and opportunities for new residents, new offices, and commercial tenants to provide a stronger, more balanced and stable economy, and assist in the funding of certain public improvements that will be constructed by the Owner as part of the West Bay Lofts project (the Project).

**NOW, THEREFORE**, in consideration of the promises and the mutual covenants herein contained, and such other good and valuable consideration the receipt of which is hereby acknowledged by the Parties, the Parties agree as follows:

**Section 1. Incorporation of Preamble.** The Preamble of this agreement is true and correct and incorporated herein as if fully set forth here.

**Section 2. Capitalized Terms.** The following terms have the meanings below:

1. "Affiliate" means any person (a) that directly or indirectly controls, is controlled by or is under common control with the Owner, (b) who is an officer, manager, employee, or agent of partner in, or trustee of, or serves in a similar capacity with respect to, the Owner, (c) of which the Owner is an officer, manager, employee, agent, partner, or trustee or serves in a similar capacity, or (d) who is a member of the Owner's family.
2. "Base Year Assessed Value" means the valuation of the taxable assessed value of the Property as determined by the Pinellas County Property Appraiser for 2017. The Base Year Assessed Value is One Million Three Hundred Ninety-nine Thousand, Six Hundred Fifty-nine Dollars (\$1,391,865.00).
3. "Building Permit" means any site development approved by the City, and any building permit, occupancy permit, signage permit, fence permit, electrical permit, grading permit, or similar permit required by City Code and/or City's development or building code, electrical code, plumbing code, fire code, or similar code, as in effect from time to time.
4. "City" means the City of Largo.

"Development Costs" means the construction costs actually incurred by Owner in connection with the design and construction of the Public Improvements, and the Project through issuance of the certificate of occupancy, excluding land costs and costs paid to any Affiliates. The Development Costs shall be certified by an architect or engineer after completion of construction of the Public Improvements. The architect's or engineer's certification shall include a calculation as to what portion of the construction costs of the mechanical parking structure are attributable to the mechanical internal parking structure's availability for public parking. This certification may be based on data received from the manufacturer of the equipment to be used in the parking garage that reflects the anticipated availability of parking for the public.

5. "Public Improvements" means, landscaping, irrigation, exterior lightning, sidewalks, plazas, site walls, site furniture, bicycle racks, public art, etc. located in areas open to the public or on public rights-of-way, public right-of-way improvements (streets and/or alleys) including but not limited to, paving, curb & gutters, storm drainage structures, traffic signals, on-street parking spaces, etc., surface parking lots and parking structures that provide public access to parking.
6. "Redevelopment Trust Fund" shall mean the trust fund created pursuant to City of Largo Ordinance No. 2000-99, as amended, and Pinellas County Ordinance 00-70, as amended, in accordance with Chapter 163, Part III, Fla. Statutes.
7. "Tax Increment Rebate Period" means the period commencing the year subsequent to the issuance of the final certificate of occupancy for the Project and that which the Property's tax assessment will initiate a Tax Increment Revenue increase as a result of completion of the Project and the period terminating on the earlier of: (i) the date on which the Owner has received Tax Increment Rebates cumulatively equaling the Development Costs of the Public Improvements; or (ii) December 31, 2030.
8. "Tax Increment Revenue" shall mean the ad valorem tax increment funds, if any, actually received by the CRA from the County and City generated from the Project for the applicable year.
9. "Total Assessed Value" shall mean the total assessed value as determined annually by the Pinellas County Property Appraiser for all parcels that constitute the Property.

**Section 3. Term.** Unless earlier terminated pursuant to Section 11.C, the term of this Agreement (Term) will commence on the Effective Date and will continue through and including the expiration of the Tax Increment Rebate Period, unless terminated earlier pursuant to the terms of this Agreement. After expiration of the Term, this Agreement will be deemed terminated and of no further force and effect.

**Section 4. Nature of and Authority for Agreement.** This Agreement constitutes an economic and business development incentive agreement between the Parties consistent with the economic development objectives of the CRA and the business development objective of the Owner, and does not constitute the creation of a joint venture, partnership or any other form of business enterprise between the Parties. This Agreement contemplates reimbursement to the Owner from the CRA Trust Fund of costs to be incurred by the Owner to construct Public Improvements, including but not limited to landscaping, irrigation, exterior lighting, sidewalks, public plazas, site furniture in public areas, bus stop, public bicycle racks, paving of public areas, curb and gutter improvements to public rights of way, public storm drainage structures, on-street parking spaces, public surface parking lot, and mechanical internal, public parking structure. The CRA has determined that reimbursement of the amounts set forth herein furthers a public interest of the CRA to attract commercial development in the WBD-CRD.

**Section 5. Agreement to Develop Property.**

- A. The Owner represents and warrants to the CRA that Owner will develop the Property in accordance with the Development Agreement.



B. Owner must commence construction of the Project no later than June 5, 2019.

**Section 6. Applicable Regulations and Provisions Governing Development.**

The Development Agreement and the City's Comprehensive Development Code govern and control the development of the Property, including the Public Improvements, the payment of impact fees, permit fees and any other fees associated with the development of the Property.

**Section 7. Tax Increment Rebate.** As an inducement to Owner to undertake the development of the Property, including the Public Improvements, the CRA agrees to pay the Owner a percentage of the Tax Increment Revenue actually generated from the Property as follows:

- A. If the assessed value of the Property as determined by the Property Appraiser for the year subsequent to the issuance of the final certificate of occupancy for the Project will initiate a Tax Increment Revenue increase as a result of completion of the Project that equals or exceeds Forty-eight Million and NO/100 Dollars (\$48,000,000.00), the CRA agrees to provide an economic incentive to the Owner in the form of a rebate equal to the Development Costs of the Public Improvements, but not to exceed the amount calculated in accordance with subparagraph B below (the "Tax Increment Rebate").
- B. Rebate Amount. Beginning with the year subsequent to the issuance of the final certificate of occupancy for the Project and for which the Property's tax assessment will initiate a Tax Increment Revenue increase as a result of completion of the Project that equals or exceeds Forty-eight Million and No/100 Dollars (\$48,000,000) and for each year thereafter during the term of this Agreement, the Tax Increment Rebate will be calculated by deducting the Base Year Assessed Value from the Total Assessed Value for the tax year for which the rebate is being provided multiplied by .95, multiplying that amount by the City's millage rate for the given year and multiplying that amount by .5. Stated in the form of a formula:
  1. Total Assessed Value of Property for given year – Base Year Assessed Value = Incremental Assessed Value.
  2. Incremental Assesed Value x .95 x City millage rate = City's tax increment.
  3. City's tax increment x .5 = Tax Increment Rebate.
- C. Tax Increment Rebate payments from the CRA shall be payable solely from funds in the Redevelopment Trust Fund and shall not be a general obligation or debt of the CRA or the City. The total Tax Increment Rebates made pursuant to this Agreement shall not exceed the Development Costs of the Public Improvements. Provided, however, if the amount of Tax Increment Rebates made in accordance with the formula in subparagraph B above is less than the Development Costs of the Public Improvements at the end of the Term, or at the termination of this Agreement if terminated prior to the end of the Term, the Owner's entitlement to Tax Increment Rebates shall terminate as of the end of the Term or at the termination of this Agreement.



- D. Compliance Conditions. The CRA's obligation to provide the Tax Increment Rebate is contingent upon the Owner's compliance with the following:
- i. The Project shall be developed in accordance with the Development Agreement.
  - ii. The Project shall be constructed by a Florida licensed general contractor substantially in accordance with the plans for the project as approved by the City in connection with the issuance of the Building Permits for its construction.
  - iii. The Project is to commence and be completed in accordance with the descriptions and timeframes set out in Section 5.B and the Development Agreement.
  - iv. The Property must remain free of all municipal and county liens, judgments or encumbrances of any kind throughout the term of this Agreement.
  - v. Maintain the following eligibility requirements throughout the term of this Agreement:
    - a. At least 5,000 square feet of office space occupied or available for occupancy; and
    - b. A minimum of 50% of the Project's total ground floor area shall be dedicated to non-residential uses.
  - vi. The maintenance agreement entered into by the City of Largo and Owner.
  - vii. The Owner is properly maintaining the public parking area, and the public parking area is open to the public consistent with the availability for the public that is utilized to determine the Development Costs.
  - viii. The Development Agreement.
- E. Funding Disbursement. Owner will provide the CRA with proof of the payment of the complete ad valorem tax bill for the Property each year. If the proof of payment reflects that the entire ad valorem tax bill was not paid by March 31<sup>st</sup> of the applicable tax year (the due date for ad valorem tax bills) during any year of this Agreement, Owner will not be entitled to the Tax Increment Rebate and this Agreement shall terminate as of March 31<sup>st</sup> of the year in which the entire ad valorem tax bill was not paid as of March 31<sup>st</sup>.

## **Section 8. Defaults and Remedies.**

A. Default by a Party. A breach of default by the either Party under this Agreement ("Default") will be defined as such Party's failure to fulfill or perform any express material obligation of that Party.

B. Notices of Default. In the event of a Default by either party under this Agreement, except for any Default identified in Section 11. Termination, the non-defaulting party will deliver written notice to the defaulting party of the Default, at the address specified in Section 18, and the defaulting party will have thirty (30) days from and after receipt of the notice to cure the default without liability for the Default. If the Default is not of a type which can be cured within such thirty (30) day period and the defaulting party gives written notice to the non-defaulting party within such thirty (30) day period that it is actively and diligently pursuing a cure, the defaulting party will have a reasonable period of time given the nature of the Default following the end of the thirty (30) day period to cure the Default, provided that the defaulting party is at all times within the additional



time period actively and diligently pursuing the cure and such additional period shall not exceed 120 days.

C. Remedies. If an Owner Default under this Agreement is not cured as described above, the CRA may enforce the Owner's obligations by an action for injunction, specific performance, and/or damages, or at its election may terminate this Agreement, following which this Agreement will be of no further force and effect and neither Party will have any further obligations to the other under this Agreement. If a CRA Default under this Agreement is not cured as described above, the Owner will have the right to enforce the CRA's obligations hereunder by an action for injunction, specific performance, and/or damages.

**Section 9. Representations.** In addition to the other representations, warranties and covenants made by the Parties, the Parties make the following representations, warranties and covenants to each other:

A. Full Authority. Each Party has the full right, power and authority to enter into, perform and observe this Agreement, and the persons signing below have full authority to bind their respective Party.

B. Other Instruments. Unless otherwise specified, neither the execution of this Agreement, the consummation of the transactions contemplated hereunder, nor the fulfillment of or the compliance with the terms and conditions of this Agreement by each Party will conflict with, violate or result in a breach of any terms, conditions, or provisions of, or constitute a default under, or result in the imposition of any prohibited lien, charge, or encumbrance of any nature under any agreement, instrument, indenture, or any judgment, order, law or decree to which either Party is a party or by which either Party is bound.

**Section 10. Severability.** Any provision of this Agreement held by a court of competent jurisdiction to be invalid, illegal or unenforceable shall be severable and shall not be construed to render the remainder to be invalid, illegal or unenforceable.

**Section 11. Termination.** In addition to any other event that shall cause the termination of this Agreement as set forth herein, this Agreement shall terminate immediately upon the occurrence of any of the following events:

- A. The end of the Term, as provided in Section 3; or
- B. Owner's failure to comply with the conditions or deadlines in Section 5.B; or
- C. Owner's failure to comply with the conditions in Section 7.D; or
- D. Termination of this Agreement by the CRA pursuant to Section 8.C; or
- E. The CRA is no longer authorized by state statute to provide the Tax Increment Rebate; or
- F. The CRA ceases to exist; or



- G. The CRA's is no longer authorized by the State of Florida or Pinellas County to maintain the Redevelopment Trust Fund; or
- H. Owner fails to pay the entire ad valorem tax bill any tax year by March 31 of that tax year (e.g. ad valorem tax bill issued in November must be fully paid by the following March 31); or
- I. The Property is no longer free of all municipal and county liens, judgments or encumbrances of any kind; or
- J. This Agreement terminates pursuant to Section 15.

**Section 12. Relationship.** This Agreement does not evidence the creation of, nor shall it be construed as creating, a partnership or joint venture among the CRA, the City and the Owner. No party can create any obligation or responsibility on behalf of the others or bind the others in any manner. Each Party is acting for its own account, and it has made its own independent decisions to enter into this Agreement and as to whether the same is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. Each Party acknowledges that none of the other Parties is acting as a fiduciary for or an advisor to it in respect of this Agreement or any responsibility or obligation contemplated. The Owner further represents and acknowledges that no one was paid a fee, commission, gift or other consideration by the Owner as an inducement to entering into this Agreement.

**Section 13. Personal Liability.** No provision of this Agreement is intended nor shall any be construed, as a covenant of any official (either elected or appointed), director, employee or agent of the CRA or the City in an individual capacity and neither shall any such individuals be subject to personal liability by reason of any covenant or obligation pursuant to this Agreement.

**Section 14. Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. The Parties consent to jurisdiction over them in the State of Florida and agree that venue for any state action arising under this Agreement shall lie solely in the courts located in Pinellas County, Florida, and for any federal action shall lie solely in the U.S. District Court, Middle District of Florida, Tampa Division.

**Section 15. Sale of Property.** If Owner sells any portion of the Property, Owner shall immediately notify the CRA in writing. Upon the sale of the Property to multiple owners, or the sale of a portion of the Property, this Agreement shall terminate immediately. Upon sale of the entire Property to one owner, this Agreement shall terminate, unless the new owner requests approval of the extension of this Agreement to the new owner within thirty (30) days of the closing, and the request is approved by the CRA, which approval shall be within the CRA's sole discretion.

**Section 16. Amendment.** This Agreement may not be amended, unless evidenced in writing and executed by all Parties.

**Section 17. Attorney's Fees.** In the event of legal action or other proceeding arising under this Agreement, the prevailing party shall be entitled to recover from the adverse party all its reasonable attorneys' fees and costs incurred by the prevailing party in the prosecution or defense of such action, or in any post-judgment or collection proceedings and whether incurred before suit, at the trial level or at the appellate level. This shall include any bankruptcy proceedings. The prevailing party also shall be entitled to recover any reasonable attorneys' fees and costs incurred in litigating the entitlement to attorneys' fees and costs, as well as in

determining the amount of attorneys' fees and costs due to the prevailing party. The reasonable costs to which the prevailing party will be entitled include costs that are taxable under any applicable statute, rule, or guideline, as well as costs of investigation, copying costs, electronic discovery costs, mailing and delivery charges, costs of conducting legal research, consultant and expert witness fees, travel expenses, court reporter fees and mediator fees, regardless of whether such costs are taxable under any applicable statute, rule or guideline.

**Section 18. Notices.** Notices shall be deemed to have been duly given if sent by facsimile or hand delivered or mailed, first class, postage prepaid, or by certified or registered mail (return receipt requested) to the following addresses:

To the CRA: City of Largo Community Redevelopment Agency  
201 Highland Ave.  
Largo, FL 33770  
Attn: City Manager

With a copy to: Alan S. Zimmet  
Bryant Miller Olive  
201 N. Franklin St., Suite 2700  
Tampa, FL 33602

To the Owner: Largo Central LLC  
PO BOX 817  
Largo FL 33779-0817

**Section 19. Captions.** The captions and headings of sections or paragraphs used in this Agreement are for convenient reference only and shall not limit, define or otherwise affect the substance or construction of provisions of this Agreement.

**Section 20. Third Parties.** The interests of the Owner in this Agreement are personal to the Owner, and do not run with the land. The Agreement has been entered into for the benefit of the Parties and there are no third party beneficiaries. Unless expressly granted in a written instrument executed by the Owner, third parties acquiring any indicia of ownership in the Property shall not, by virtue of such acquisition or otherwise, acquire or receive any right, title or interest whatsoever in any of the monetary payments or benefits to arise or be made by the CRA under this Agreement including, but not limited to, the Tax Increment Rebate. The Owner shall provide notice of the foregoing limitation to successor owners of the Property, or a portion of the Property, at such time that such purchasers give a deposit for a contract for sale and purchase.

**Section 21. No Delegation of Police Power.** The Owner shall not pledge the credit of the City or the CRA nor make the City or the CRA a guarantor of payment of surety for any contract, debt, or judgment, lien, or any form of indebtedness. The Parties agree that this Agreement does not nor shall it be construed as a delegation of any of the City's or CRA's authority or police powers to the Owner.

**Section 22. Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement. Any representations or statements made with respect to such subject matter, whether verbal or written, are merged herein, provided, however, that this Agreement shall not affect the validity of the Development Agreement.





**Section 23. Counterparts; Copies.** This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all of which shall together constitute one and the same instrument. Additionally, signed telecopies/facsimiles shall have the same force and effect as a signed original, and, in lieu of an original, any Party hereto may use a photocopy of this Agreement in any action or proceeding brought to enforce or interpret any of the provisions contained herein.

**Section 24. Conflicting Terms.** In the event that this Agreement conflicts with Resolution No. CRA 16-05, the terms of Resolution No. 16-05 shall control.

**IN WITNESS WHEREOF,** the CRA has duly approved this Agreement and have authorized its execution and delivery by the respective signing officers all as of the date first above written.

**CITY OF LARGE COMMUNITY  
REDEVELOPMENT AGENCY**

\_\_\_\_\_, Chairman

Attest:

Reviewed and Approved:

\_\_\_\_\_  
Diane Bruner, City Clerk

\_\_\_\_\_  
Alan S. Zimmer

(SEAL)

STATE OF FLORIDA  
COUNTY OF PINELLAS

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2018, by \_\_\_\_\_ as the Chairman of the City of Largo Community Redevelopment Agency, on behalf of the CRA. Said person [\_\_\_\_\_] is personally known to me or [\_\_\_\_\_] has produced \_\_\_\_\_ as identification.

[Notary Stamp]

\_\_\_\_\_  
Signature of Notary Public  
Printed Name: \_\_\_\_\_  
Serial No. (if any): \_\_\_\_\_  
Commission Expires: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF PINELLAS

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2018, by Diane Bruner as City Clerk of the City of Largo Community Redevelopment Agency, on behalf of the CRA. Said person [\_\_\_\_\_] is personally known to me or [\_\_\_\_\_] has produced \_\_\_\_\_ as identification.

[Notary Stamp]

\_\_\_\_\_  
Signature of Notary Public  
Printed Name: \_\_\_\_\_  
Serial No. (if any): \_\_\_\_\_  
Commission Expires: \_\_\_\_\_



IN WITNESS WHEREOF, the Owner has duly approved this Agreement and have authorized its execution and delivery by the respective signing officers all as of the date first above written.

WITNESS:

Maya Lee  
Printed Name: Maya Lee

Monika Fidowich  
Printed Name: Monika Fidowich

LARGO CENTRAL LLC  
Florida Limited Liability Company

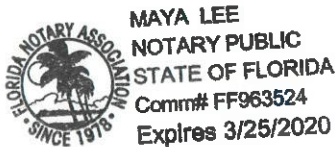
By: [Signature]  
Gary A. Tave, Manager

(SEAL)

STATE OF FLORIDA  
COUNTY OF PINELLAS

The foregoing instrument was acknowledged before me this 15 day of November 2018, by Gary Tave, as Manager of Largo Central, LLC a Florida Limited Liability Company on behalf of said corporation, who is personally known to me or [] has produced \_\_\_\_\_ as identification.

[Notary Stamp]



Maya Lee  
Signature of Notary Public  
Printed Name: Maya Lee  
Serial No. (if any): FF963524  
Commission Expires: 3/25/2020

[Handwritten mark]

EXHIBIT A  
Legal Description of Property

A handwritten signature in blue ink, located in the bottom right corner of the page. The signature is stylized and appears to consist of several connected loops and lines.