

**ST. LUCIE WEST
SERVICES DISTRICT**



**BOARD OF SUPERVISORS'
SPECIAL BOARD MEETING
MARCH 27, 2018
9:00 A.M.**

AGENDA
ST. LUCIE WEST SERVICES DISTRICT
BOARD OF SUPERVISORS'
SPECIAL BOARD MEETING
March 27, 2018
9:00 a.m.
450 SW Utility Drive
Port St. Lucie, Florida 34986

- A. Call to Order**
- B. Pledge of Allegiance**
- C. Roll Call**
- D. Public Comment**
- E. District Manager**

Action Items

DM 1 – Consider Counter Offer to Letter of Intent to Purchase 15 Acres and Clubhouse at the Trails Golf Course

- F. Supervisors' Requests**
- G. Adjournment**

St. Lucie West Services District

Board Agenda Item

Tuesday, March 27, 2018

Item

DM 1 Consider Counter Offer to Letter of Intent to Purchase 15 Acres and Clubhouse at the Trails Golf Course

Summary

Provided for your review and consideration is the Counter Offer to the Letter of Intent (LOI) to purchase the Clubhouse and 15 acres of property from the new Trails golf course owner (CGI), together with the LOI as presented to CGI. District staff submitted the LOI on March 13 and received the Counter Offer on March 21, 2018. The Counter Offer is for the District to purchase the entire Clubhouse building consisting of approximately 22,000 square feet, the two-story tennis center, and adjacent parking, together with approximately 15 acres of property for future surface stormwater projects, for a total of \$1,100,000. The purchase price would be broken down into two parcels:

Property One: Clubhouse, two story tennis building and parking for—\$933,350.00.

Property Two—\$166,650.00, subject to increase or decrease by the sums of (a) \$13,070.00 per acre if the acreage of the Fee Parcels (as defined in the LOI) is greater or less than 10½ acres, and (b) \$6,535.00 per acre if the acreage of the Easement Parcel (as defined in the LOI) is greater or less than 4½ acres.

Recommendation

Budget Impact

Project Number:

Available Project Budget: \$0.00

ORG Number:

This Project: \$0.00

Available Balance: \$0.00

Board Action

Moved by:

Seconded by:

Action Taken:

CGI ST. LUCIE, LLC

March 21, 2018

Mr. Vincent J. D'Amico, Chairman
Board of Supervisors
St. Lucie West Services District
450 SW Utility Drive
Port St. Lucie, FL 34986

RE: Sale of Land and Building – St. Lucie Trail Golf Club

Dear Vincent,

Please accept this letter as written confirmation of our ongoing discussions regarding the sale of the land and current clubhouse building to the District.

To further our discussions and after significant review of both the Districts' proposed LOI, as well as our internal due diligence study of the entire golf asset transaction we now have the following conclusion.

The retention of any portion of the clubhouse building simply places a economic hardship both initially and in the longer term operating expenses to the point we cannot complete the contemplated golf asset acquisition. Thus, we propose that the district purchase both the fifteen (15) acres of land for the water storage and the entire clubhouse building as initially contemplated for the purchase price of \$1,100,000.

Additionally, please be aware per our personal discussion that the significant annual costs to the golf club from the CDC, together with the water costs is far and above any costs I've ever seen in my 30 plus years of owning and operating over 40 golf assets.

Please know we appreciate all the Districts and its Boards assistance in completing this proposal as it is the only avenue we see available to complete this transaction. We look forward to working with the District into the future should the Board see the benefit in proceeding with this proposal.

Sincerely,



Tom DeShazo
Managing Member



ST. LUCIE WEST SERVICES DISTRICT

450 SW Utility Drive Port St. Lucie, FL 34986

March 13, 2018

Mr. Talmadge P. DeShazo, Jr.
Manager
CGI St. Lucie, LLC
Ever Green Golf Club
4225 S.E. Bimini Circle
Palm City, Florida 34990

Re: Letter of Intent on behalf of the St. Lucie West Services District, a community development district organized and existing in accordance with Chapter 190, Florida Statutes ("Purchaser"), for the purchase of portions of the St. Lucie Trail Golf Club ("SLTGC") located in Port St. Lucie, Florida, from CGI St. Lucie, LLC, a Florida limited liability company ("Seller"), contract purchaser of SLTGC from PGA St. Lucie, Inc., a Florida corporation ("Current Owner")

Dear Mr. DeShazo:

This letter shall serve as a proposal of the terms and conditions under which the Purchaser is willing to enter into Purchase and Sale Agreements ("Agreements") to acquire the following portions of the SLTGC:

Property One: A condominium unit ("Unit") consisting of the top floor of the clubhouse building located on that certain parcel of land bearing Parcel ID No. 3323-785-0004-000-1 ("Clubhouse Parcel"), together with (a) appropriate easements, access, and other interests in parking and support facilities for the Unit as more particularly described in a declaration of condominium ("Declaration") to be established for the clubhouse building and approximately five (5) acres of the Clubhouse Parcel, and (b) such furniture and office equipment ("Personalty," and, together with the Unit, "Property One") located within the clubhouse building, as inventoried and more fully described in an agreement to purchase Property One ("Property One Agreement").

Property Two: (a) Fee simple title to approximately ten and one-half (10½) acres of real property consisting of agreed portions of those parcels of land bearing Parcel ID Nos. (i) 3325-423-0026-000-4, (ii) 3323-785-0003-000-4, (iii) 3323-785-0002-000-7, (iv) 3323-785-0001-000-0, (v) 3323-785-0004-000-

1 (including as to such parcel the small two-story building and site), and (vi) 3323-785-0005-000-8 (collectively, such agreed portions the “Fee Parcels”), together with any and all improvements, fixtures, benefitting easements, access, and other rights appurtenant to the Fee Parcels, and (b) a water management easement over approximately four and one-half (4½) acres of an agreed portion of that certain parcel of land bearing Parcel ID No. 3323-785-0004-000/1 (“Easement Parcel,” and, together with the Fee Parcels, “Property Two”), all as more fully described in an agreement to purchase Property Two (“Property Two Agreement”).

This letter is intended to propose the basic terms for the negotiation of the Property One and Property Two Agreements and is to be considered non-binding on either party. It is contingent upon the Seller closing on its contract to purchase the SLTGC from the Current Owner. It is in no manner intended to obligate either party in any way whatsoever, until mutually agreed upon Agreements have been negotiated, approved, and fully executed.

Purchase Prices: Property One—\$755,550.00.

Property Two—\$166,650.00, subject to increase or decrease by the sums of (a) \$13,070.00 per acre if the acreage of the Fee Parcels is greater or less than 10½ acres, and (b) \$6,535.00 per acre if the acreage of the Easement Parcel is greater or less than 4½ acres.

Terms of Purchase: All cash.

Deposits: Deposits in the amounts of \$20,000.00 for the Property One Agreement and \$5,000.00 for the Property Two Agreement (“Deposits”) shall be held by the Purchaser's Attorney and shall be deposited in an escrow account upon execution of the Agreements. In the event the Purchaser terminates the Agreement for any reason whatsoever on or before the later of (a) expiration of the Investigation Period (as defined below) or (b) expiration of the Title Review Period (as defined below), the Deposits shall immediately be returned to the Purchaser.

Investigation

Period: The Purchaser shall have a period of forty-five (45) days (“Investigation Period”), commencing upon the later of (a) execution of the Agreements by both parties or (b) the Purchaser’s receipt of due diligence documents that are required to be delivered by the Seller to enable the Purchaser to investigate and determine, in its sole and absolute discretion, whether

Property One and Property Two are suitable for the Purchaser's use. "Due diligence documents" shall mean all documentation possessed by or under the control of the Seller and its agents and contractors respecting the use, development, or condition of Property One and Property Two, including but not limited to any policy of title insurance; boundary or topographic survey; aerial photograph, environmental assessment, audit or report; soils test; zoning or rezoning resolution or ordinance; site plan or planned unit development approval; development order; construction plan or approval; building permit; building plan; certificate of occupancy; or governmental agency notice, complaint, order, or citation. The Seller shall also advise the Purchaser of the identity and location of any additional such documentation actually known by the Seller or its agents or contractors. The Seller will make no warranty or representation with respect to the accuracy of any report or document provided to the Purchaser by the Seller and the Purchaser shall rely upon its own investigation and inspection of Property One and Property Two to satisfy the Purchaser that Property One and Property Two are suitable for the Purchaser's intended use. The Seller shall have the Property One and Property Two surveyed during the Inspection Period, at the Seller's expense, and shall provide the Purchaser with a signed and sealed copy of the survey ("Survey").

Title Insurance: The Seller, at the Seller's expense, shall obtain title insurance commitments ("Commitments") for Property One and Property Two and provide the Commitments to the Purchaser within fifteen (15) days of execution of the Agreement. The Purchaser shall complete its examination of the Commitments and the Survey, and notify the Seller in writing of any objection to title or survey, on or before the fifteen (15) days from receipt of the Commitments or receipt of the Survey, whichever last occurs ("Title Review Period").

If the Purchaser decides, on or before the later of expiration of the Investigation Period or expiration of the Title Review Period, not to acquire either Property One or Property Two, then the Property One and Property Two Agreements shall be null and void and the Deposits will be returned to the Purchaser. Otherwise, unless the Board of Supervisors declines, following the required public hearing, to approve, ratify, and authorize closing of the transactions contemplated by the Agreement, the Purchaser will not be entitled to a return of the Deposit barring Seller default.

Closing: Closing shall occur on or before fifteen (15) days after (a) expiration of the

Investigation Period, (b) expiration of the Title Review Period, or (c) satisfaction of all conditions precedent to closing as set forth in the Property One and Property Two Agreements, whichever last occurs.

**Purchaser's Special
Conditions Of**

Closing:

Among the Purchaser's conditions of closing the Property One and Property Two Agreements shall be the following provisions:

The City Council of the City of Port St. Lucie has approved a rezoning of that portion of the Clubhouse Parcel that contains the Unit to a zoning classification that authorizes governmental office/institutional uses.

The Seller, at the Seller's expense, (a) has prepared and recorded a Declaration for that portion of the Clubhouse Parcel that contains the Unit, which Declaration is in form and content acceptable to the Purchaser, and (b) if required, has completed the process to re-plat such portion of the Clubhouse Parcel, including but not limited to securing recordation of the re-plat in the public records of St. Lucie County.

The Seller has completed such renovations of the clubhouse building as may be necessary to isolate utility, heat, ventilation, air conditioning, and other facilities for the control, operation, and maintenance of the Unit under separate ownership.

The Seller has installed no fuel tank or fueling facility on that portion of the Clubhouse Parcel that contains the Unit.

The Purchaser, at the Purchaser's expense, has completed the process to re-plat the Fee Parcels and the Easement Parcel as separate and distinct parcels, including but not limited to securing recordation of the re-plat(s) in the public records of St. Lucie County. Such re-plat(s) shall address maintenance and other access by the Purchaser and the Seller to their respective properties following closing.

The Purchaser has obtained two (2) independent appraisals of Property One and Property Two, each such appraisal performed by an appraiser approved pursuant to Section 253.025(8), Florida Statutes, and the average value of the two appraisals shall be not less than the Purchase Price for the respective property.

Closing**Pro-rations:**

Property One and Property Two are subject to a benefit special assessment levied by the Purchaser to repay water management bonds (“Benefit Assessment”), the full principal amount of which shall be paid by the Seller at closing, provided, however, that the Benefit Assessment payable by the Seller shall not exceed \$1,110.00 per acre of real property purchased, with any excess to be paid by the Purchaser. All other non-ad valorem assessments and all ad valorem taxes shall also be satisfied of record and paid in full by the Seller at closing in the manner provided in Section 196.295, Florida Statutes.

Closing Costs:

The cost of the title insurance premiums, documentary stamps on the deeds, title or abstract charges, title examination fees, settlement or closing fees, and recording any and all corrective instruments necessary to assure good and marketable title shall be paid by the Seller. The cost of recording the deeds and easement shall be paid by the Purchaser. Each party shall bear its own attorney=s fees.

Access to**Properties:**

The Purchaser and its agents shall be allowed reasonable access to Property One and Property Two after the Agreements have been fully executed for the purpose of making all inspections that it requires during the Inspection Period.

Brokerage:

The Seller and the Purchaser represent and warrant to each other that they have not dealt with any broker with respect to the transactions contemplated by this Letter of Intent, and that no brokerage commission will be due and payable as a result of such transactions.

Seller’s**Disclosure:**

Not less than ten (10) days prior to the Closing Date, the Seller shall provide to the Purchaser affidavits and certificates of beneficial interest, in such form and content as the Purchaser may reasonably require, as necessary to comply with all disclosure provisions of Section 286.23, Florida Statutes, or shall demonstrate exemption from such disclosure.

Agreement:

The Purchaser's Attorney shall prepare and distribute to the Seller’s Attorney proposed forms of Property One and Property Two Agreements. Upon concurrence by Purchaser’s and Seller’s Attorneys on the forms of

Agreements, and execution of the proposed Agreements by the Seller, the Board of Supervisors of the Purchaser shall consider authorizing its Chairman to execute the Agreements, subject to final ratification following a public hearing. The Purchaser anticipates that Board consideration of such authorization shall occur on or about April 3, 2018.

If the Board authorizes execution of the Property One and Property Two Agreements, the District Manager of the Purchaser shall schedule and hold a public hearing of the Board of Supervisors of the Purchaser, on not less than twenty-eight (28) days published notice, to consider approving, ratifying, and authorizing closing of the transactions contemplated by the Agreements. The Purchaser's obligation to close shall be contingent upon such approval, ratification, and authorization by the Board of Supervisors following the public hearing, as a condition of closing. The Purchaser anticipates that the Board shall hold its public hearing on or about June 5, 2018.

* * *

Please review our proposal of terms and if agreed please sign and date below, and return to our attention by the close of business on March 15, 2018, or this Letter of Intent will be considered null and void. Upon receipt of a fully executed Letter of Intent, we will instruct our legal counsel to prepare proposed forms of Property One and Property Two Agreements.

Sincerely,

ST. LUCIE WEST SERVICES DISTRICT

By: _____
Vincent J. D'Amico
Chairman, Board of Supervisors

Agreed and Accepted:

CGI ST. LUCIE, LLC

By: _____
Talmadge P. DeShazo, Jr.
Manager

Date: _____