

RESOLUTION #2188

A RESOLUTION APPROVING THE SALE OF GRAHAM PARK/ROGALL CONGREGATE AND APPROVING A SIX MONTH LEASE FOR ROGALL CONGREGATE

WHEREAS, the Housing Authority of the City of St. Petersburg currently owns the property known as the Graham Park/Rogall Congregate (“Graham Rogall”); and

WHEREAS, the Housing Authority obtained the approval from the Department of Housing and Urban Development (“HUD”) for the disposition of the 336 public housing units within Graham Park (the “Graham Portion”) and subsequently also the approval for the termination of certain land use restrictions with respect to the 150 project-based Section 8 units within Rogall Congregate (the “Rogall Portion”); and

WHEREAS, in 2004, after a public competitive selection process, the Housing Authority entered into a contract for the purchase and sale of Graham Rogall, however, due to delays caused by intervening litigation and the subsequent housing market collapse, the prior contract was terminated in 2009; and

WHEREAS, during March 2010, the Housing Authority again advertised its intention to sell Graham Rogall and publicly invited offers for the purchase of Graham Rogall through newspaper advertisements and notices posted on the Housing Authority website; and

WHEREAS, several prospective buyers indicated interest in submitting a purchase proposal to the Housing Authority, however, only two written offers were received; and

WHEREAS, the Housing Authority requested final and best offers from the two bidders to be received by 12 noon on Friday April 9, 2010; and

WHEREAS, both bidders submitted their best and final offers and the Housing Authority has considered the terms offered by both bidders and hereby determines that the offer of Phil Farley, or an entity, the sole owner of which is Phil Farley (the “Buyer” and the “Farley Offer”) provides the best terms to the Housing Authority for the sale of Graham Rogall, based upon, among other factors, the fact that the Buyer has offered to purchase Graham Rogall on an “as is” basis, with no inspection period, and with a non-refundable deposit to be paid upon execution of a purchase agreement; and

WHEREAS, under the terms of the Farley Offer, the Housing Authority and the Buyer will enter into a Purchase and Sale Agreement for Graham Rogall (the “Purchase Agreement”), which Purchase Agreement shall contain the following terms and conditions:

(a) The closing date for the purchase shall be no later than six (6) months from the date of execution of the Purchase Agreement (the "Closing Date").

(b) The purchase shall be on an "as is" basis with no inspection or diligence period and no representation as to habitability or suitability for the Buyer's purposes nor obligation or responsibility for repairs or maintenance by the Housing Authority.

(c) The purchase price shall be a cash price of \$6,800,000 (the "Purchase Price").

(d) The Purchase Agreement shall be assignable only with the consent of the Housing Authority, which may withhold its consent in its absolute discretion.

(e) The Purchase Agreement will provide for the payment to the Housing Authority in immediately available funds upon execution of the Purchase Agreement of \$800,000 as non-refundable consideration for the execution of the Purchase Agreement (the "Non-Refundable Deposit"), which Non-Refundable Deposit shall be credited against the Purchase Price but shall not be refundable under any circumstances.

(f) If the purchase is not completed within the required time period, then the Purchase Agreement shall terminate and the Housing Authority shall have absolutely no further obligation to the Buyer. The Buyer shall not be entitled to any reimbursement or payment for any cost incurred by the Buyer. Under no circumstances shall the Buyer be entitled to any refund of any portion of the Non-Refundable Deposit.

(g) The Purchase Agreement shall provide for full indemnification of the Housing Authority by the Buyer for any and all damages or liabilities incurred by the Housing Authority relating to Graham Rogall after the closing.

(h) Closing of the sale and purchase of Graham Rogall will be subject to HUD's declarations recorded against the Graham Portion unless such declarations are released prior to closing.

WHEREAS, in advance of the Closing Date, the Buyer has requested that it be permitted to lease the Rogall Portion and the Board of Commissioners is agreeable to such lease provided the Buyer agrees to enter into a Lease Agreement for the Rogall Portion (the "Lease Agreement") which shall contain the following terms and conditions:

(a) The lease term will be for a period of six (6) months, with no optional renewals and the Rogall Portion shall be rented on an "as is" basis with

no representation as to habitability or suitability for the Buyer's purposes nor obligation or responsibility for maintenance by the Housing Authority.

(b) The Lease Agreement shall be assignable only with the consent of the Housing Authority, which may withhold its consent in its absolute discretion.

(c) The Lease Agreement will provide for the monthly payment to the Housing Authority of rent in the amount of \$6,400 for the Rogall Portion and will otherwise be on a triple net basis.

(d) The Lease Agreement will provide for the continued occupancy by the Housing Authority of the ground floor of the Rogall Portion at no cost to the Housing Authority.

(e) Upon termination of the Lease Agreement, any improvements made by the Buyer during the term of the Lease Agreement shall become the property of the Housing Authority and the Buyer shall not be entitled to any reimbursement or payment for any cost incurred by the Buyer. Under no circumstances shall the Buyer be entitled to any refund of any rental payments.

(f) The Lease Agreement shall provide for full indemnification of the Housing Authority by the Buyer for any and all damages or liabilities incurred by the Housing Authority in respect of entering into the Lease Agreement and the Buyer's use of Rogall Portion.


WHEREAS, the Board of Commissioners desires to delegate to the Chief Executive Officer the authority to negotiate the final terms of the Purchase Agreement and a Lease Agreement within the parameters identified in this resolution and to take all necessary action in order to consummate the transaction for the sale and purchase of Graham Rogall, including the interim leasing of the Rogall Portion in advance of the closing date.

NOW, THEREFORE BE IT RESOLVED THAT the Board of Commissioners of the Housing Authority of the City of St. Petersburg authorizes the Chief Executive Officer to negotiate the final and specific terms of the Purchase Agreement and the Lease Agreement, to execute the Purchase Agreement and the Lease Agreement and to take all necessary action in order to consummate the transaction for the sale of Graham Rogall and the interim leasing of the Rogall Portion.

APPROVED AND ADOPTED this 22nd day of April 2010.



Dr. Arnett Smith
Chairperson



Darrell J. Irons
Secretary