



LAKE WORTH
COMMUNITY REDEVELOPMENT AGENCY
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MEMORANDUM

TO: Chair, Vice-Chair and Members of the Board

FROM: Joan C. Oliva, Executive Director

DATE: December 15, 2015

SUBJECT: Amendment to Redevelopment Agreement and Payment Schedule

EXPLANATION:

In 2004, the CRA signed an agreement with the Lucerne LLC, for the development of land located at Lake and "L" Street. The development agreement included an incentive from the CRA to the Lucerne, with payments being made every year until a total payment of \$1.2M is reached. CRA Staff has been making these payments for years if and when they receive the complete information from the Lucerne. The submittals have been inconsistent and at varying times during the year. After discussing the annual payments (Exhibit "A") with the Board a few months ago, and receiving a request for back-dated payments, our Attorney, David Tolces met with the attorney from the Lucerne and a more efficient schedule was created that gave both the CRA and the Lucerne more certainty and clarity on when and what payments are due to the Lucerne. This Amendment is included for review as Exhibit "B."

REQUEST:

Staff requests the Board approve the Amendment to the Agreement for the Redevelopment of Property between the Lucerne LLC. and the CRA.

Lucerne Payment Reconciliation
Contract terms (\$1.2M)

Date Payment Made	\$	Year Covered	Check #
6/20/2008	205,619.00	2007	1426
8/14/2008	11,544.00	2007	1465
4/9/2009	143,851.00	2008	1738
1/8/2010	78,834.49	2009	1999
7/30/2010	31,853.35	2010	2152
1/1/2012	125,345.87	2010/2011	2573
4/5/2013	52,589.31	2012	2808
6/13/2014	59,571.84	2013	3042
9/17/2015	67,595.27	2014	3314

776,804.13

Total Due 1,200,000.00

Amount Owed 423,195.87

FIRST AMENDMENT TO AGREEMENT FOR REDEVELOPMENT

THIS FIRST AMENDMENT TO THE AGREEMENT FOR REDEVELOPMENT OF PROPERTY ("First Amendment"), made and entered into this ____ day of _____, 2015, by and between The Lake Worth Community Redevelopment Agency, a public agency created pursuant to Part III, Chapter 163, Florida Statutes, hereinafter referred to as "Agency", and The Lucerne, LLC, a Florida limited liability company, hereinafter referred to as "Developer".

WITNESSETH:

WHEREAS, Agency and Developer entered the Agreement for Redevelopment of Property on May 23, 2004 (the "Original Agreement"), for the development of property located generally between Lake Avenue and Lucerne Avenue, east of "L" Street in the City of Lake Worth, Palm Beach County, Florida (the "Property"); and

WHEREAS, pursuant to Section 6.02, the Agency is to make payments to the Developer based upon the actual Tax Increment Revenues Attributable to the Lucerne Development on the Property (the "Project"); and

WHEREAS, at this time the Agency and the Developer desire to clarify the outstanding balance owed to the Developer pursuant to the Agreement, and to provide for a payment schedule that will result in the completion of each party's obligations under the Agreement; and

WHEREAS, the Agency and Developer agree to enter into this First Amendment in order to provide for a payment schedule and a termination date for the Agreement..

NOW THEREFORE, in consideration of the terms and conditions hereinafter set forth, the Agency and Developer agree to amend the Original Agreement as follows:

1. The recitations set forth above are hereby incorporated herein.
2. That the parties acknowledge that as of the date of execution of this First Amendment, the remaining outstanding balance of the Project Assistance Amount is Four Hundred Twenty Three Thousand, One Hundred Ninety Six and 00/100 Dollars (\$423,196.00).
3. That Section 6.02, "Agency Payments" shall be amended in its entirety to read as follows:

6.02. Agency Payments

- (a) The Agency finds that the Project will add significantly to the revitalization of the Area and, when completed, will increase the assessed value of the Property on the real property ad valorem tax roll.
- (b) Subject to availability of Increment Revenues Attributed to the Project, the

Agency agrees to make annual Agency Payments as follows:

- (1) In order to satisfy the 2015 payment of One Hundred Five Thousand and 00/100 Dollars (\$105,000.00) submitted in October, 2015, the Agency shall pay the Developer four (4) annual payments of Twenty Five Thousand and 00/100 Dollars (\$25,000.00) on or before February 1, 2016, and each year thereafter, up to and including February 1, 2019. The Agency shall pay the Developer one payment of Five Thousand and 00/100 Dollars (\$5,000.00) on or before February 1, 2020.
 - (2) In addition to the payments to be made in Section 6.02(b)(1), the Agency will pay the Developer annual Agency Payments in an amount not to exceed Seventy Thousand and 00/100 Dollars (\$70,000.00) for the 2015, 2016, 2017 and 2018 tax years, subject to the Developer presenting tax payment receipts to the Agency by May 31, 2016, and each year thereafter, evidencing the payments for the respective tax year. Subject to the Developer providing the tax payment receipts to the Agency, the Agency shall make the annual Agency Payment of an amount equal to the tax payment receipts, up to an amount not to exceed Seventy Thousand and 00/100 Dollars (\$70,000.00) to the Developer on or before August 1, 2016, and each year thereafter until August, 2019. If the Developer fails to present the Agency with evidence of tax payments having been made, to the satisfaction of the Agency, the Agency shall have no obligation to make such annual Agency Payment for that tax year.
 - (3) The Agency will pay the Developer one final annual Agency Payment of an amount not to exceed the amount equal to \$1,200,000 less the cumulative agency payments made by the Agency to the Developer; however in no event shall the final annual Agency Payment exceed \$70,000.00. The Final Agency Payment shall be made on or before August 1, 2020, subject to the receipt of tax payment receipts from the Developer for the 2019 tax year, on or before May 31, 2020.
- (c) Before the Agency is obligated to pay the annual Agency Payment for any year, the Developer shall provide the Agency with documentation to the satisfaction of the Agency staff that the property taxes levied against the Property have been paid for such year.

- (d) The Agency Payments shall be in consideration of and dependent on the development and completion of the Project in accordance with this Agreement, and shall continue only so long as the Project and the Property are used as a mixed-use development as contemplated by this agreement.
- (e) The Agency shall not pay to the Developer any Agency Payments for any year in which the Project is not open for business.
- (f) The Agency shall be obligated to make Agency Payments only from funds on deposit and available in the trust Fund. Agency Payments shall be subordinate to any obligations or liens on the Trust fund in effect prior to the Effective Date.

4. That Section 1.01(nn), "Termination Date", of the Original Agreement shall be amended to provide that the Termination Date means August 1, 2020. After the Termination Date the Agency and the Developer shall have no further obligations under the Agreement.

5. Except as amended herein, all other terms and conditions of the Original Agreement shall remain unchanged by this Amendment.

6. The Parties agree the Original Agreement and this First Amendment set forth the entire agreement between the parties, and that there are no promises or understanding than those stated herein and in the Original Agreement and this First Amendment.

7. To the extent there exists a conflict between this First Amendment and the Original Agreement, the terms and conditions of this First Amendment shall prevail. Wherever possible, the provisions of such documents shall be construed in such a manner as to avoid conflicts between provisions of the various documents.

IN WITNESS WHEREOF, the parties have executed this First Amendment to the Original Agreement the day and year first above written.

ATTEST:

**LAKE WORTH COMMUNITY
REDEVELOPMENT AGENCY**

Joan Oliva, Executive Director

By: _____
Cary Sabol, Chair

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this ___ day of _____, 2015, by _____ and _____, Chair and Secretary, respectively of the City of Lake Worth Community Redevelopment Agency. They are personally known to me or

have produced valid Florida drivers' licenses as identification.

NOTARY PUBLIC

My Commission Expires:

ATTEST:

THE LUCERNE, LLC, a Florida limited liability company

By: Nathalie J. Winnick
Print Name: Nathalie J. Winnick
Title: Witness

By: [Signature]
Print Name: Gary Koolik
Title: _____

STATE OF FLORIDA

COUNTY OF Palm Beach

The foregoing instrument was acknowledged before me this 25 day of November, 2015, by Gary Koolik, of the Lucerne, LLC, a Florida limited liability company. They are personally known to me or have produced valid Florida drivers' licenses as identification.

My Commission Expires September 21, 2018

[Signature]
NOTARY PUBLIC

