



Agenda Item Summary

File #: 24-00443

Agenda Date: 5/14/2024

Agenda Item Name:

Option to Accept Assignment of Purchase Contract from Viking Companies for West End Golf Course

Presenter:

Ramon D. Gavarrete, P.E.

Description:

Board review of Assignment and Assumption Agreement between Viking Companies, LLC, as assignor, and Alachua County, as assignee, for the Agreement for Sale and Purchase of the West End Golf Course.

Recommended Action:

Approve the Option Contract for Assignment and Assumption of Agreement For Sale and Purchase to assume Viking Companies, LLC's rights and responsibilities as Purchaser under its Agreement for Sale and Purchase with West End Golf Club, Inc (Seller) of the West End Golf Course property, authorize the Chair to sign the Option Contract, delegate and authorize the County Manager to evaluate and accept or reject title and survey exceptions, and authorize the County Manager to execute any other documents necessary to close and complete this acquisition.

Prior Board Motions:

N/A

Fiscal Note:

Purchase Price for Property: \$3,800,000 (\$3,675,000 paid to seller and \$125,000 paid to Viking for deposits on PSA)

Assignment fee to Viking Companies: \$57,000.00

Viking Companies Option Payment: \$5,000.00

Tree Debris removal reimbursement to Viking Companies: \$4,975.00

Environmental Site Assessment to GSE Engineering: \$28,410.00

Survey fee to EDA Consultants: \$40,180.00

Title search, title insurance and attorney's fees to Salter Feiber: \$27,575.00

Remediation Post Closing: \$50,000.00-\$100,000

County will be accepting the assignment of Viking's environmental services contract with GSE and pay GSE for work already performed.

County will amend the property's PD post-closing in order to operate the property as a county park.

Funds are expected to come from the 50% of 1 cent Surtax WSPP Fund account 140.41.4100.537.61.00 which

has the account description of land.

Strategic Guide:

Infrastructure

Background:

Viking Companies, LLC, a Florida limited liability company, (Viking) as Purchaser, entered into an Agreement for Sale and Purchase dated September 18, 2023 with West End Golf Club, Inc (“WEGCI”), as Seller (the “Initial Agreement”), as amended by that certain Amendment to Agreement for Sale and Purchase dated October 24, 2023 (the “First Amendment”) and that certain Second Amendment to Agreement for Sale and Purchase dated effective January 31, 2024 (the “Second Amendment” and collectively with the Initial Agreement and the First Amendment, the “Purchase Agreement”) for the purchase of the real property identified more particularly in the Agreement and located in Gainesville, Florida commonly known as West End Golf Club (the “Property”). Pursuant to the Second Amendment, Viking may assign the Agreement to Alachua County (County) in Viking’s sole and absolute discretion without any further consent required from the Seller. County staff has negotiated an option contract with Viking through which Viking will grant the County an option to be assigned all of Viking’s rights and responsibilities under the Purchase Agreement.

As consideration for the option, the County must pay Viking a \$5,000 Option Payment within 10 days of the Board’s approval of the Option Contract. If approved, the Option Contract would give the County a short period of time to perform due diligence before the County must decide whether to exercise its option to purchase the Property. The County must exercise the option on or before June 8, 2024, and if it decides to exercise its option to purchase the Property, the Parties will close on the purchase of the Property by June 15, 2024. Accordingly, the Option Contract gives the County until June 8, 2024, to complete its due diligence and delegates to the County Manager the authority to decide whether to exercise the option on or before the June 8, 2024 Option Deadline.

Due to the relatively short due diligence period, County staff has already tasked one of its surveyor contractors to start performing the survey work and it has already tasked its closing agent to prepare title work. However, as of the writing of this agenda item, staff is uncertain whether the survey will be completed prior to June 8, 2024, so the County Manager may have to make a decision without the benefit of the survey, including how said record easements may impact the County’s proposed use of the Property as a County Park.

Two areas of contamination have been discovered on the Property by Viking’s environmental consultant, GSE Engineering & Consulting, Inc. (“GSE”). County staff estimates that the cost to remediate both areas is between \$50,000 and \$100,000, plus an additional \$30,000 for assessment work to verify any additional findings. The County would be responsible for the cost to remediate if the County purchases the Property. In addition, at closing Viking would assign all of Viking’s rights, title, interest, and obligations in its contract with GSE to the County, and the County would be responsible to pay GSE for unpaid invoices totaling \$28,410.00, as well as any additional work to be performed by GSE post-closing.

At closing, the County would be obligated to pay the amounts listed in the Fiscal Note section of this agenda item. If the County Manager decides not to exercise the County’s option to purchase the Property, then the County would not have to pay any of the those costs, except t0he \$5,000 Option Payment and the cost of the due diligence completed through the date the County Manager’s decision.