



NOTICE OF AWARD

DATE: August 27, 2021

BID: RFP 21-008

PROJECT NAME: Development of the CRA Property
301 Circle Park Drive

CONTRACTOR: The Collective Sebring, LLC

The proposal was accepted by the CRA Board and approved for disposition by the City Council on August 17, 2021 (see attached).

Lisa Osha
City of Sebring, Purchasing Agent
368 South Commerce Avenue; Sebring, Florida 33870
Phone: 863-471-5110

CITY OF SEBRING
AGENDA ITEM SUMMARY

MEETING DATE: August 17, 2021

PRESENTER: David Leidel

AGENDA ITEM: 10 E - CRA Property Disposition – 301 Circle Park Drive

BACKGROUND: The Downtown Sebring Community Redevelopment Agency (CRA) purchased the longstanding vacant property located at 301 Circle Park Drive in the core business district of Downtown Sebring on October 5, 2020 for \$230,000. The CRA issued RFP 21-008 '*Development of The Sebring CRA Property 301 Circle Park Drive*' on February 9, 2021 with responses due by 3 pm on March 12, 2021.

The CRA received (3) responses to the solicitation, and the CRA's selection committee met on March 29, 2021 and May 3, 2021 to review and rank the proposals received. The selection committee unanimously chose the proposal submitted by Sugar Sand Distillery. The CRA board approved of the selection committee's recommendation of Sugar Sand Distillery at their May 10, 2021 meeting, and subsequently approved of the lease agreement with the proposer at their August 9, 2021 meeting.

The intent of the RFP was to solicit proposals for the redevelopment and revitalization of the vacant, blighted property at 301 Circle Park Drive to help augment the economic development of the downtown district. The proposal is to transfer the property ownership to the prospective owners at the end of a 5-year time period at no cost, subject to certain operational and other conditions as outlined in the agreement approved by the CRA board. The agreement for this property disposition is attached for reference. The CRA intends to dispose of the real property to The Collective Sebring, LLC.

Due to the fact that the property is being disposed for less than market value, the City Council needs to approve of the disposition to finalize the process, and a public hearing must be held in conjunction with the meeting. The CRA advertised for the required public hearing to take place at this Council meeting.

The CRA is requesting Council's approval of the property disposition per the agreed upon terms contained in the lease agreement with The Collective Sebring, LLC as presented.

STAFF RECOMMENDATION: None.

RECOMMENDED ACTION: Approve the disposition of the CRA owned property at 301 Circle Park Drive as presented.

COUNCIL ACTION:

_____ APPROVED Moved by: _____; Seconded by: _____
_____ DENIED Carlisle ___ Dettman ___ Lowrance ___ Stewart ___
_____ TABLED TO: _____ OTHER

LEASE-OPTION AGREEMENT

THIS IS AN AGREEMENT effective as of AUGUST 18, 2021 (the "Effective Date") between the **SEBRING COMMUNITY REDEVELOPMENT AGENCY**, a Florida dependent special district (herein called "Lessor") and **THE COLLECTIVE SEBRING, LLC**, a Florida limited liability company (herein called "Lessee").

- PROPERTY; LEASE-OPTION AND DURATION.** Lessor hereby leases the land located at 301 Circle Park Drive, Sebring, Florida 33870, more particularly described on Schedule "A" attached hereto (herein called the "Property") to Lessee upon the terms and conditions set forth below for a FLX (5) year term beginning AUGUST 18 2021 and ending AUGUST 17, 2026
- USE.** Lessee shall use the Property as a brewery, distillery, restaurant and lounge and will make no unlawful, improper, or offensive use of the Property.
- RENT.** Lessee shall pay no rent to Lessor during the term of this lease.
- EMERGENCY CONTACT.** Lessee shall provide Lessor with the name and telephone number of a contact person who shall be on call at all times to respond in case of any emergency.
- ALTERATIONS OR CONSTRUCTION.** All material additions or alterations in or to the Property must have the written consent of Lessor, which consent will not be unreasonably withheld. Subject to paragraph 11, Lessee shall be responsible for the cost of all additions or alterations made by Lessee and shall protect and reimburse Lessor against possible mechanics', laborers' and materialmen's liens upon the Property. Lessee's contractor must record a payment bond in the full amount of the full value of the construction project, at Lessor's expense, pursuant to Florida Statute 255.05 prior to commencing construction. The form of the payment bond is attached. All alterations or fixtures shall become Lessor's property once constructed or affixed to the Property.
- SIGNAGE.** All exterior signage must be approved in advance by Lessor, in writing, as to size, location, content, color and material.
- ASSIGNMENT.** Lessor hereby approves Lessee's subleases to Sugar Sand Distillery, LLC; Sugar Sand Brewery, LLC; Michael Anthony's Pizzeria, Inc. and any other entity owned by Donell H. Davies or Anthony M. Castronovo. Lessee shall not otherwise assign this lease-option or sublet the Property without the written consent of Lessor, which consent may be withheld for any reason or no reason at all.
- INSURANCE.** Lessee shall maintain liability insurance which by endorsement, shall name the Lessor as an additional insured in the amount of not less than \$500,000.00 for each occurrence, \$1,000,000 aggregate. Lessee shall assume all liability for damage or injury to persons or property which may occur on the Property or which may arise from Lessee's use of the Property. Assumption of liability extends to the damage or injury to persons and property of Lessee, Lessee's agents, employees, invitees, licensees, as well as persons and property of third parties.



9. **PROPERTY COVERAGE.** Lessee shall procure and maintain for the life of the lease, All Risk/Special Form, coverage including sinkhole and wind storm insurance coverage (or its equivalent), to cover loss resulting from damage to or destruction of the building or any improvements. The policy shall cover a minimum of 100% replacement cost, and it is preferred that it include an agreed value endorsement to waive coinsurance. Lessee shall be solely responsible, at its expense, for any insurance coverage for its personal property, including removable trade fixtures and Lessee's leasehold improvements.

10. **HOLD HARMLESS.** Lessee agrees to hold Lessor harmless against all claims for bodily injury, sickness, disease, death or personal injury or damage to property or loss of use resulting therefrom, arising out of the lease.

11. **UTILITIES.** Lessor agrees to pay \$2,170.00 to Air and Electrical Services pursuant to its Proposal 6413-141105 for the work described therein, including the hourly rate under Notes; however, the term "Owner" as used in the Proposal shall mean The Collective Sebring, LLC. Lessor shall also pay to demolish the drop ceiling inside the building, subject to a maximum cost of \$10,000.00. Lessor shall not be obligated to pay any charges for any telephone service, gas, electricity, sewer, water or other utility service or commodity procured or consumed by Lessee.

12. **TAXES.** All taxes (including, without limitation, Highlands County ad valorem real property taxes and Florida sales or use taxes) on this lease-option, the lease-option payments or the Property shall be paid promptly by Lessee. Should said taxes not be paid by Lessee, they shall be considered unpaid additional rent and failure to pay said taxes shall be considered a default hereunder.

13. **REMOVAL OF PERSONAL PROPERTY UPON TERMINATION.** If the option to purchase is not exercised and closed upon by Lessee and this lease-option is terminated, provided all monies due Lessor have been paid, Lessee shall have the right and responsibility to remove all of its personal property, which removal shall be accomplished no later than the termination date. Lessee agrees to repair any damage occasioned by reason of such removal or damage caused by Lessee's occupancy. In the event Lessee fails to remove its personal property or to repair any damage done to the Property by the termination date, Lessor reserves the right to remove, store and/or dispose of all such personal property left, at the risk and expense of Lessee, and to make repairs necessary to restore the Property, with the cost of such repairs to be paid by Lessee.

14. **ABANDONMENT OF PREMISES BY LESSEE.** In case Lessee shall abandon said Premises, or any part thereof, during the term of this agreement, this lease-option shall immediately terminate without notice to Lessee.

15. **NOTICES.** Whenever any notice is required or permitted by this Agreement to be given, such notice shall be in writing by certified mail, overnight delivery or facsimile addressed to:



Lessor:
Executive Director
Sebring Community Redevelopment Agency
309 Circle Park Drive
Sebring, FL 33870

Lessee:
Donell H. Davies, Manager
Anthony M. Castronovo, Manager
The Collective Sebring, LLC
P.O. Box 948
Lake Placid, FL 33862

Notice shall be considered given when deposited with the U.S. Postal Service or commercial carrier, postage prepaid, or when received by the other party if by facsimile. Telephonic notice shall not suffice if written notice is required herein. Each party will be responsible for notifying the other of any change in their address.

16. **DEFAULT.** Lessee's failure to meet any one or more of the following requirements shall constitute an event of default.

A. Complete the proposed renovations and repairs, including two awnings above the exterior doors, and open the Property for business as a brewery, distillery, restaurant and lounge (the "Business") by May 1, 2022 (the "Completion Date");

B. Maintain hours of operation of not less than 11:00 a.m. to 9:00 p.m. four days per week after the Completion Date. Lessee may close for limited periods, not to exceed a total of thirty (30) days in a calendar year, for repairs, additional renovations or vacations;

C. Continue to own and operate the Business, subject to exceptions from such regular operations as are agreed to, in writing, by Lessor for not less than sixty (60) months after the Completion Date;

D. Not sell or assign any interest in the Lessee LLC unless agreed to in writing by Lessor;

E. Submit an annual report to Lessor on each anniversary of the Effective Date of this lease-option showing that Lessee has complied with all of the terms of this lease-option;

F. Make all payment required by this lease-option, including taxes, when due;

G. Avoid any proceedings under the Bankruptcy Act for bankruptcy filed by or against Lessee or any guarantor of Lessee's performance hereunder which are not dismissed within thirty (30) days after the filing;

H. Avoid any assignment of Lessee's property for the benefit of creditors;

I. Avoid the appointment of a receiver, conservator, or similar officer to take charge of all or a substantial part of Lessee's or any guarantor's property, if the officer is not discharged and possession of the property is not restored within thirty (30) days; and

J. Avoid Lessee's interest in the Property or under this lease-option being the subject of a taking or levy under execution, attachment, or other process of law if the action is not canceled or discharged within thirty (30) days after its occurrence.

17. **LESSOR'S REMEDIES.** If any event of default occurs and has not been cured within the time period provided in this Lease, Lessor may immediately or at any time thereafter do one or more of the following:

A. Make the Property available to another party without liability to Lessee;

B. Terminate this lease-option by giving Lessee written notice thereof, without relieving Lessee from any obligation or liability for payments theretofore or thereafter becoming

due or any other present or prospective damages or sums due or provided by law or this lease-option and resulting from Lessee's default;

- C. Exercise any lien rights pursuant to Chapter 83, *Fla. Stat.*, as amended; and
- D. Exercise any combination of the above or any other remedy provided by law.

18. **ENTRY BY LESSOR.** Lessee shall allow the Lessor or Lessor's agent to enter the Property at all reasonable times and upon reasonable notice for the purpose of inspecting the Property.

19. **NO LIENS CREATED.** Lessee has no power to incur any indebtedness giving a right to a lien of any kind or character upon the Property. No third person shall be entitled to any lien against the Property or any structure thereon, derived through or under Lessee. All persons contracting with Lessee, or furnishing materials or labor to Lessee, shall be bound by this provision. Should any such lien be filed, Lessee shall have the same discharged within sixty (60) days thereafter by paying the same or by filing a bond, or otherwise as permitted by law. Lessee is not the agent of Lessor so as to confer upon a laborer bestowing labor upon the leased Premises, or upon a person who furnishes material incorporated in the construction of improvements upon the leased Premises, a construction lien upon Lessor's estate under the provision of Chapter 713, Florida Statutes, or any subsequent revisions of that law.

20. **LIABILITY OF LESSOR.** Lessor shall not be liable for any damages done to Lessee's personal property on or about Premises, nor for any damage arising from acts of negligence of Lessee, Lessee's guests, agents, employees, invitees, licensees, or other individuals, unless such damage is occasioned by the gross negligence of Lessor.

21. **SUITABILITY OF PREMISES.** Lessee acknowledges having examined the Property thoroughly before entering into this Lease-option and acknowledges the suitability of the Property for Lessee's proposed use. Lessee does not rely upon any representations by the Lessor as to the Property's suitability for the Lessee's purposes.

22. **LICENSES.** Lessee covenants that it, and all entities through which it operates, holds all licenses and permits required for the operation of Lessee's business and shall take no action which could adversely affect Lessee's licensure.

23. **OPTION TO PURCHASE.** In consideration of Lessee entering into this lease-option and Lessee's continued performance of the requirements under paragraph 17 above, Lessor hereby grants to Lessee the exclusive option to purchase the Property on the terms and conditions set forth below.

24. **EXERCISE OF OPTION.** If Lessee is not in default of this lease-option, Lessee may elect to exercise this option by giving written notice thereof to Lessor after sixty (60) months from the effective date of this agreement.

25. **PURCHASE PRICE.** The purchase price shall be \$00.00.

26. **TITLE.** Lessor shall provide Lessee with a title insurance commitment for the Highlands County Property Appraiser's valuation of the Property, at Lessee's expense, certified to a then current date, agreeing to insure title to Lessee, within 20 days after Lessee exercises this



option. Lessee shall have 5 days thereafter to examine the same and notify Lessor, in writing, if title is not acceptable and specifying the defects. Acceptable title shall be a good and merchantable fee simple title, subject only to taxes not then due and payable, restrictions and easements of record. If title is not acceptable, Lessor shall be allowed 30 days from the receipt of the notice of title defects in which to cure or remove the same. If Lessor does not cure or remove such defects with such period, Lessee shall promptly either waive the title defects and proceed with the purchase or withdraw from the transaction, whereupon all further obligations of the parties shall cease.

27. **CLOSING.** If Lessee elects to exercise this option and if Lessee is not in default in any requirement under paragraph 17 above, Lessor shall convey the Property to Lessee by general warranty deed, subject only to the lien for taxes not yet due and payable, restrictions; and easements of record. Lessee shall be responsible for: all costs of closing; all documentary stamps required by law with respect to the deed; the costs and expenses necessary to provide the title commitment and updates, together with the expenses of issuing the Owner's Title Insurance policy, along with all related title and search costs related thereto; and, any costs of curing title defects occurring after the initial title commitment. Real estate taxes for the year of closing shall not be prorated, but shall be Lessee's obligation. Lessee shall also be responsible for: the Clerk's fee for the recording of the warranty deed; any third party professional and consulting fees incurred at Lessee's request; and the cost of any survey, and all endorsements, extended coverage, or upgrades to Lessee's title insurance policy. Closing shall be within 30 days after exercise of this option (the "Closing Date") and shall be at the office of Swaine, Harris & Wohl, P.A.

28. **SUCCESSORS AND ASSIGNS.** This lease-option shall inure to the benefit of and be binding upon the parties hereto and no third party shall have any rights, privileges or other beneficial interest in or under this agreement. Lessee may not assign or transfer its rights or obligations under this agreement without prior written consent of Lessor. Any attempted assignment by Lessee without such written consent shall be void and shall act to cancel this lease-option and all obligations hereunder.

29. **ENTIRE AGREEMENT.** This Agreement, including the Exhibit attached hereto, contains the entire Agreement between Lessor and Purchaser and all other representations, negotiations and agreements, written and oral, including Lessee's proposal under the Lessor's RFP 21-008, which pre-date the Effective Date hereof, with respect to the Property or any portion thereof, are superseded by this Agreement and are of no force and effect. This Agreement may be amended and modified only by instrument, in writing, executed by all parties hereto.

30. **WAIVER.** No waiver hereunder of any condition or breach shall be deemed to be a continuing waiver or a waiver of any subsequent breach

31. **RECORDING.** This Agreement may be recorded by either party, at that party's expense.

32. **SEVERABILITY.** In case anyone or more provisions contained in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, such invalidity, illegality



or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

33. **FLORIDA CONTRACT.** This Agreement shall be deemed a Florida contract and construed according to the laws of such state, regardless of whether this Agreement is being executed by any of the parties hereto in other states or otherwise. The proper and exclusive venue for any action concerning this Agreement shall be the Circuit Court in and for Highlands County, Florida.

34. **ATTORNEYS' FEES AND COSTS.** In any action brought by either party for the interpretation or enforcement of the obligations of the other party, the prevailing party shall be entitled to recover from the losing party all reasonable attorney's fees, paralegal fees, court and other costs, whether incurred before or during litigation, on appeal, in bankruptcy or in post judgment collections.


35. **PROVISIONS OF LAW DEEMED INSERTED.** Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted herein and the Agreement shall be read and enforced as though it were included, and if, through mistake or otherwise, any such provision is not inserted, or is not correctly inserted, then upon application of any party, the Agreement shall forthwith be physically amended to make such insertion or correction.

36. **MULTIPLE ORIGINALS.** This Agreement is executed in multiple copies, each of which shall be deemed an original.

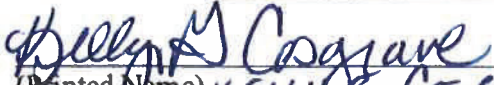
IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals.

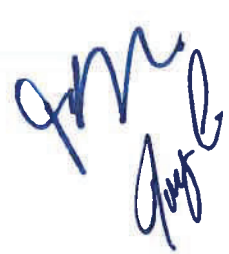
Two Witnesses as to Lessor:

**LESSOR: SEBRING COMMUNITY
REDEVELOPMENT AGENCY, a Florida
dependent special district**


(Printed Name) Kristie Vazquez

By: 
David Leidel, Chair


(Printed Name) KELLY A COSGRAVE



Two Witnesses as to Lessee

Jeff Stanley
(Printed Name) JEFF STANLEY

LiE
(Printed Name) LIE STANLEY

LESSEE: THE COLLECTIVE SEBRING, LLC, a Florida limited liability company

By: [Signature]
Donell H. Davies, Manager

By: [Signature]
Anthony M. Castronovo, Manager

(corporate seal)

Two Witnesses as to Guarantors

Jeff Stanley
(Printed Name) JEFF STANLEY

LiE
(Printed Name) LIE STANLEY

GUARANTORS:

[Signature]
Donell H. Davies

[Signature]
Anthony M. Castronovo

[Handwritten Signature]

Schedule "A"

All of Lots 3 and 4 of Block 58, TOWN OF SEBRING, according to the Plat thereof as recorded in Plat Book 3, Page 1, Public Records of DeSoto County, Florida, of which Highlands County was formerly a part, and in Transcript Book, Page 6, of the Public Records of Highlands County, Florida, LESS AND EXCEPT the Westerly 65.0 feet of Lot 3 being more particularly described as follows:

Beginning at the Northwest corner of said Lot 3 on Circle Drive, thence South 77°16' East following the boundary between Lots 3 and 2 of said Block 58 a distance of 65.0 feet, thence South 18°56' West 40.59 feet to the boundary between Lots 3 and 4 of said Block 58, thence North 59°49' West following the boundary between said Lots 3 and 4 a distance of 65.0 feet to its intersection with Circle Drive, thence in a Northeasterly direction following the curved Easterly boundary of Circle Drive 20.9 feet to Point of Beginning;

LESS AND EXCEPT: A portion of Lot 3 being more particularly described as follows: Commence at the Northwest corner of said Lot 3 on Circle Drive, thence South 78°05'56" East following the boundary between Lots 3 and 2 of said Block 58 a distance of 65.0 feet for Point of Beginning, thence South 18°05'54" West 15.81 feet; thence South 71°54'08" East 4.60 feet; thence North 18°05'54" East 8.04 feet; thence North 89°29'54" East 3.72 feet; thence South 71°54'06" East 3.30 feet; thence North 14°32'03" East 7.49 feet to a point of the boundary between said Lots 2 and 3; thence North 78°05'58" West and along said boundary between said Lots 2 and 3 for a distance of 11.03 feet to the Point of Beginning.

Parcel Identification Number: 8-29-34-29-070-0580-0030



Proposal

AIR AND ELECTRICAL SERVICES

www.highlandsaes.com

863-402-5664

4715 US HWY 27 SOUTH

SEBRING, FL 33870

June 03, 2021



ELEC SERVICE

6413-141105

6/15/2021

SEBRING CRA
368 SOUTH COMMERCE AVE
SEBRING, FL 33870

SEBRING CRA ES141105
301
SEBRING, FL 33870

863-471-5104

863-471-5104

We Hereby Submit Specifications And Estimates For:

PROPOSAL TO INSTALL SERVICE ON THE 301. PRICE IS BASED UPON THE FOLLOWING:

- ALL MATERIAL TO BE SUPPLIED BY OWNER
- ANY ADDITIONAL PARTS NEEDED TO BE BILLED AT STANDARD RATES
- PERMIT FOR SERVICE ONLY INCLUDED, ADDITIONAL WORK NOT INCLUDED UNDER SCOPE OF PERMIT

\$2,170

NOTES:

A LOAD CALCULATION WILL NEED TO BE PERFORMED AND PROVIDED TO DUKE ENERGY. THIS WILL BE DONE AT CITY CONTRACT RATE OF \$60 PER HOUR.
THERE WILL NEED TO BE A MEETING WITH DUKE ON SITE TO PERFORM A JOB WALK THRU WITH THEM. THIS WILL ALSO BE BILLED AT CITY CONTRACT RATE OF \$60 PER HOUR.

All material is guaranteed to be as specified. All work to be completed in a professional manner according to standard practices. Estimate does not include material price increases or additional labor and material should unforeseen problems or adverse conditions arise after the work has started. Any deviation from above specifications involving extra costs will become an extra charge over and above the estimate. All agreements contingent upon delays beyond our control. Purchaser agrees to pay all costs of collection, including attorney's fees. This proposal may be withdrawn by us if not accepted by the above due date. Payment due upon completion unless outlined above.

Authorized
Signature _____

Acceptance
Signature _____

Date _____

PAYMENT BOND

BY THIS BOND, We, _____, a Florida corporation limited liability company, whose address is _____, and whose phone number is _____, as Principal, and _____, a corporation, whose address is _____ and whose phone number is _____, as Surety, are bound to Sebring Community Redevelopment Agency, herein called "Owner", in the sum of _____ Dollars and _____ Cents (\$ _____) regarding the Contract for the _____ located in Highlands County, Florida, for the payment of which we bind ourselves, our heirs, personal representatives, successors and assigns, jointly and severally.

THE CONDITION OF THIS BOND is that if Principal:

1. Performs the contract dated _____, 20____, between Principal and Owner for construction of the _____ located at 301 Circle Park Drive, Sebring, Highlands County, Florida, the contract being made a part of this bond by reference, at the times and in the manner prescribed in the contract; and
2. Promptly makes payment to all claimants, as defined in §255.05(1), Fla. Stat., supplying labor, materials, or supplies used directly or indirectly by Principal in the prosecution of the work provided in the contract; and
3. Pays Owner all losses, damages, expenses, costs, and attorney's fees, including appellate proceedings, that Owner sustains because of default by Principal under the contract, then this bond is void, otherwise it remains in full force.

Any action instituted by a claimant under this bond for payment must be in accordance with the notice and time limitation provisions in Section 255.05(2), Florida Statutes.

Any changes in or under the Contract Documents and compliance or non-compliance with formalities connected with contract or with the changes do not affect Surety's obligation under this bond.

Dated _____, 20____.

Principal:

Surety:

By: _____

Title:

By: _____

Title:

By: _____

Title: _____

(corporate seal)

(corporate seal)



SURETY BOND AFFIDAVIT

STATE OF _____

COUNTY OF _____

Before me, the undersigned authority, personally appeared _____ who, being duly sworn, deposes and says that he or she is a duly authorized (resident) (nonresident) insurance agent, properly licensed under the laws of the State of _____, to represent _____ of _____ (company name), a company authorized to make corporate surety bonds under the laws of the State of Florida (herein called the "Company")

The undersigned further certifies that as Attorney-In-Fact for the Company he or she has signed the attached payment bond in the sum of:

Dollars and _____ Cents

(\$ _____) on behalf of _____ covering the _____ located at 301 Circle Park Drive, Sebring, Highlands County, Florida.

The undersigned further certifies that the premium on the said bond is _____, which has been paid in full direct to him or her as Attorney-In-Fact, and included in his or her regular accounts to the Company, and that he or she will receive his or her regular commission of _____ percent as Attorney-In-Fact for the execution of said Bond and that his or her commission will not be divided with anyone except as follows, _____ percent to _____ (company name), who is duly authorized resident insurance agent and properly licensed under the laws of the **State of Florida**.

Countersigned:

Florida Resident Agent

Agent and Attorney-In-Fact

ACKNOWLEDGMENT FOR Attorney-In-Fact

Sworn to and subscribed before me, by means of physical presence or online notarization, this _____ day of _____, 20__.

Notary Public, State at Large
My Commission expires: _____

