



CITY MANAGER'S OFFICE
CITY HALL
7 NORTH DIXIE HIGHWAY
LAKE WORTH BEACH, FL 33460

September 17, 2020

Amrit Gill
Gulfstream Hotel, LLC
c/o Restoration St. Louis, Inc.
4240 Manchester Ave
St. Louis Mo 63110

RE: Letter of Understanding – Redevelopment of Gulfstream Hotel and adjacent properties

Dear Mr. Gill :

The City is very pleased to learn of the efforts and interest from Restoration St. Louis, Inc. in the proposed renovation of the Gulfstream Hotel and the adjoining vacant parcels. We believe the success of this project would have a very positive impact on downtown Lake Worth Beach and will serve as a catalyst for other private investment in the City.

This letter shall serve as a “Letter of Understanding” to establish the mutual intentions regarding the redevelopment of the Gulfstream Hotel and the adjoining vacant parcels in downtown Lake Worth Beach (“**Development Property**”) by Restoration St. Louis, Inc. and its affiliated entity for this project, Gulfstream Hotel, LLC. This Letter of Understanding is intended to provide clarification of the terms and parameters of the redevelopment of the Development Property and to ensure that both parties are proceeding according to a mutually-agreed set of expectations to avoid any miscommunication and maintain a development process that is smooth and as timely as legally possible.




Under the terms of this Letter of Understanding, the City of Lake Worth Beach, Florida (“**City**”) and Restoration St. Louis, Inc./Gulfstream Hotel, LLC (“**Developer**”), which proposes to redevelop the Development Property, intend to negotiate and enter into a development agreement and/or other appropriate binding document(s) committing to and/or enacting the terms described in this Letter of Understanding.

Please note the following estimates are based upon information provided to date by the Developer. We understand many of the key determinants of the development are being defined; therefore, the following estimated benefits may be adjusted as the project's parameters are further refined and finalized.

To assist Developer with the redevelopment of the Development Property, the City agrees to the following:

- A. To coordinate entitlement process for an urban planned development and historic restoration as outlined by Chapter 23 of the City's Code of Ordinances including review by Historic Resources Preservation Board (HRPB) and the Lake Worth Beach City Commission as appropriate, and release the existing recorded Unity of Title and other restrictions simultaneously with approval of new entitlements for the Development Property.
- B. To facilitate an Economic Investment Incentive package based on new revenue streams to the electrical, water, sewer and stormwater utilities estimated as follows:
 1. Electric -\$0.55 per sq ft of conditioned space
 2. Water/Sewer - \$0.12 per sq ft of conditioned space
 3. Stormwater - \$0.03 per sq ft of conditioned space.
- C. To evaluate an Economic Investment Infrastructure Incentive that may include reimbursement of costs for necessary infrastructure improvements on behalf of the Electric Utility, Water Utility and/or Public Services Department that are included in the City's Five Year Capital Improvement Plan (CIP)
- D. To develop a formal Stipulated Agreement to be presented to the City's Code Compliance Special Magistrate that outlines a schedule for Code Compliance in exchange for a reduction or elimination of existing Code Compliance liens.
- E. To evaluate the feasibility and the design of providing for 2-way traffic along South Lakeside Drive between Lake Avenue and 1st Avenue South.
- F. To support a valet lane on Lake Avenue in front of the Development Project and assist with coordination with the Florida Department of Transportation (FDOT) as necessary.
- G. To evaluate parking options as follows:
 1. Non-exclusive free hotel/restaurant use of existing street parking on Golfview Drive
 2. Exploration of a joint option of providing overflow parking for staff and guests.
 3. Consider alterations in meter and parking restrictions surrounding the Development Property
 4. Negotiate a purchase or rental rate for public parking in the Development Property if the Developer makes provision for public parking
- H. To evaluate the building permit fee and entitlements application fee parameters for developments over \$30M
- I. To coordinate a 10-year ad valorem tax abatement on the historic portion of project through review and approval before the HRPB, the Lake Worth Beach City Commission and the Palm Beach County Board of County Commissioners.



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- J. To the extent possible, collaborate on streetscape improvements and the effect of the newly adopted Lake Worth Beach Major Thoroughfare Design Guidelines.
 - K. To develop a formal golf course package to facilitate access for hotel guests and condominium owners.
 - L. To collaborate with the Developer to identify appropriate safety and facility improvements for Bryant Park that can be funded and implemented prior to the opening of the hotel.
 - M. To negotiate with the Developer for usage of the City's public beach property to provide for a limited array of amenities for Gulfstream Hotel guests including the following:
 - 1. Right of hotel to operate a 300 sq. ft. cabana at a mutually agreeable location off the sand but near the beach with facilities for electric, plumbing, wifi for check in by hotel guests.
 - 2. A storage space in the casino complex sufficient for towels, umbrellas, chairs, beverages, and other amenities to be distributed from the cabana to hotel guests.
 - N. To collaborate on the design and the relocation of utilities from the abandoned alleyway section bisecting the Development Property and release of City held easements on such property.
 - O. To assist with an application for a HUD Section 108 Loan Community Development Block Grant in the amount of five million dollars (\$5,000,000) to assist with the cost of the following improvements including but not limited to:
 - 1. A parking structure on nearby lot
 - 2. Streetscape, sidewalk and public infrastructure improvements;
 - 3. Other project costs permitted by the loan program
 - P. To support and assist the Developer in obtaining:
 - 1. From the Lake Worth Beach Community Redevelopment Agency:
 - a. A ten-year TIF on new construction portion of project
 - b. A façade and interiors renovation program incentive
 - c. An infrastructure improvement program incentive;
 - 2. From Palm Beach County:
 - a. Abatement or significant reduction in impact fees (currently estimated at \$500,000)
 - b. Hotel/Motel Sales Tax Rebate
 - c. Tourism program incentive funding;
 - d. Use of small existing marina located to the north of the Development Property and,
 - 3. From the State of Florida and/or Federal Government
 - a. Development Incentives
 - b. Grant Funding
 - c. Development Loans.
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- Q. To coordinate a Transfer of Development Rights (incl. 10 additional units per acre) through review and approval before the HRPB, and the Lake Worth Beach City Commission, and waive all fees associated with Transfer of Development Rights .
- R. To coordinate a Sustainable Bonus Incentive (incl. additional FAR) through review and approval before the HRPB, and the Lake Worth Beach City Commission , and waive any associated fees..
- S. During the construction period, to temporarily close or restrict access to lanes, streets, alleys, or other public areas in the area of the Development Property as requested by Developer for staging, parking, equipment etc. , including without limitation temporary closing of South Lakeview and reduction in lanes on First Ave to permit construction cranes, construction trailers, construction parking, and other construction facilitation. The city may require that any such closure or restriction be for the minimum time reasonably necessary to accommodate construction.

Both parties recognize that all intentions and agreements set forth in this Letter of Understanding are non-binding and do not impose an enforceable obligation(s) on either party, but are for the express purpose of allowing preliminary steps and work on this project to proceed under a shared understanding of the parameters of the project. This is not a complete statement of all terms and conditions associated with the project, but provides a basis for further discussions and negotiations. This Letter of Understanding shall not constitute the basis for an agreement by estoppel or otherwise. Any transaction which might arise from the activities of the parties as contemplated by this Letter of Understanding shall be contingent upon the due authorization, execution and delivery by the parties of a formal written development order and/or other written documents(s) for which each party must obtain all management, board and regulatory approvals required under its organizational documents, including without limitation the City's Charter and Code of Ordinances, and those of any other entity contemplated herein.

If you are in agreement with the foregoing, please sign below and return a signed copy to me within thirty (30) days at 7 N. Dixie Highway, Lake Worth Beach, FL 33460.

If you have any questions, please let me know.

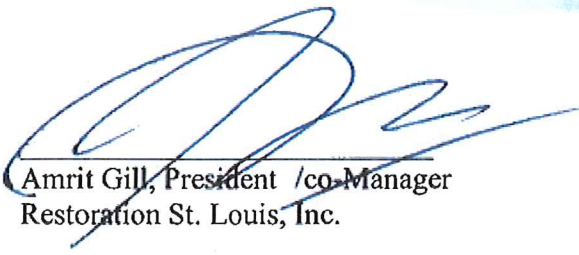
Sincerely,



Michael Bornstein
City Manager
City of Lake Worth Beach, Florida

The undersigned, on behalf of the Developer, agree with the foregoing Letter of Understanding.





Amrit Gill, President /co-Manager
Restoration St. Louis, Inc.



9/17/2020
Date

