



## MEMORANDUM

To: City Council, Marco Island, Florida

From: Alan L. Gabriel, City Attorney  
CC: Michael A. McNees, City Manger

Re: Marco Shores Surplus Properties

Date: September 27, 2021

At your September 20, 2021 City Council meeting, I was directed by Council to prepare a proposed purchase contract between the City and SK Holdings, LLC ("SK") for the purchase of 1825 & 1955 Mainsail Drive (the "Property") from the City. Subsequent to this Council meeting, SK representatives have been in communication with me and Casey Lucius. Most significantly, SK has indicated a willingness to proceed to work through contract terms and thereafter, as condition to proceed to secure the residential development rights it will need development the Property.

Based upon the appraisal the City obtained for these two parcels the basic terms of purchase have been established, the Contract Purchase Price is \$2,160,000.00. The appraiser based this price upon the ability to develop 72 residential units at \$30,000 per unit. At this point, it is understood that the Property does not have any residential density rights and the underlying PUD will have to be amended to allow for residential units on each parcel.

SK Holdings, LLC, ("SK") understands that it will have to acquire this residential density from either another property owner/developer or possibly from Collier County. SK is currently investigating the best and most expeditious means to obtain these entitlements to develop and purchase the Property. To this end, Jon Kassolis a principal of SK Holdings, LLC has submitted the attached correspondence requesting that the City formally continue these discussions for 60 days, to afford SK the opportunity to secure the best and most expeditious means to proceed. Therefore, based upon the foregoing, it is suggested that this discussion be temporarily continued to no later than your December 6<sup>th</sup> or your first Council meeting in January 2022.

Attachment (1)