

C7 AQ A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, DIRECTING THE CITY ADMINISTRATION TO ENGAGE IN DISCUSSIONS WITH BERNICE LEE, THE COURT-APPOINTED RECEIVER IN THE CASE STYLED SECURITIES AND EXCHANGE COMMISSION V. KAPOOR ET AL., REGARDING THE POSSIBLE ACQUISITION BY THE CITY OF THE PROPERTIES LOCATED AT 1234 WASHINGTON AVENUE AND 1260 WASHINGTON AVENUE; AND FURTHER, AUTHORIZING THE CITY ADMINISTRATION TO OBTAIN AN APPRAISAL OF THE PROPERTIES' FAIR MARKET VALUE, IF DEEMED NECESSARY AND APPROPRIATE BY THE CITY MANAGER.

Applicable Area:

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: City Attorney Ricardo J. Dopico

DATE: October 30, 2024

TITLE: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, DIRECTING THE CITY ADMINISTRATION TO ENGAGE IN DISCUSSIONS WITH BERNICE LEE, THE COURT-APPOINTED RECEIVER IN THE CASE STYLED SECURITIES AND EXCHANGE COMMISSION V. KAPOOR ET AL., REGARDING THE POSSIBLE ACQUISITION BY THE CITY OF THE PROPERTIES LOCATED AT 1234 WASHINGTON AVENUE AND 1260 WASHINGTON AVENUE; AND FURTHER, AUTHORIZING THE CITY ADMINISTRATION TO OBTAIN AN APPRAISAL OF THE PROPERTIES' FAIR MARKET VALUE, IF DEEMED NECESSARY AND APPROPRIATE BY THE CITY MANAGER.

RECOMMENDATION

BACKGROUND/HISTORY

ANALYSIS

The attached Resolution was prepared at the request of the sponsor, Commissioner Tanya K. Bhatt.

FISCAL IMPACT STATEMENT

If the City Manager determines to proceed with the appraisal, the cost of the appraisal of the two properties is estimated to be approximately \$10,000.

Does this Ordinance require a Business Impact Estimate?

(FOR ORDINANCES ONLY)

If applicable, the Business Impact Estimate (BIE) was published on:

See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notices/>

FINANCIAL INFORMATION

CONCLUSION

Applicable Area

Citywide

Is this a "Residents Right to Know" item, pursuant to City Code Section 2-17?

No

Is this item related to a G.O. Bond Project?

No

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? No

If so, specify the name of lobbyist(s) and principal(s):

Department

City Attorney

Sponsor(s)

Commissioner Tanya K. Bhatt

Co-sponsor(s)

Condensed Title

Authorize Discussions w/ Court-Appointed Receiver, 1234 and 1260 Washington Avenue Properties. (Bhatt) CA

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, DIRECTING THE CITY ADMINISTRATION TO ENGAGE IN DISCUSSIONS WITH BERNICE LEE, THE COURT-APPOINTED RECEIVER IN THE CASE STYLED *SECURITIES AND EXCHANGE COMMISSION V. KAPOOR ET AL.*, REGARDING THE POSSIBLE ACQUISITION BY THE CITY OF THE PROPERTIES LOCATED AT 1234 WASHINGTON AVENUE AND 1260 WASHINGTON AVENUE; AND FURTHER, AUTHORIZING THE CITY ADMINISTRATION TO OBTAIN AN APPRAISAL OF THE PROPERTIES' FAIR MARKET VALUE, IF DEEMED NECESSARY AND APPROPRIATE BY THE CITY MANAGER.

WHEREAS, the United States Securities and Exchange Commission ("SEC") has initiated a lawsuit against real estate developer Rishi Kapoor and several affiliated entities, including Location Ventures LLC, in connection with a \$93 million real estate fraud scheme; and

WHEREAS, Bernice Lee was appointed as the receiver to manage and liquidate Kapoor's assets, including properties owned by Location Ventures; and

WHEREAS, among the assets currently under receivership are two parcels located at 1234 Washington Avenue and 1260 Washington Avenue in Miami Beach, Florida, where Kapoor had initiated a partially developed co-living condominium project; and

WHEREAS, Lee is seeking court approval for the sale of the Washington Avenue parcels as part of the receivership's asset liquidation process, with a reported offer of \$17.5 million currently pending for the properties; and

WHEREAS, the properties are strategically located in the heart of Miami Beach and represent an opportunity for the City to acquire key real estate that could serve a beneficial public purpose; and

WHEREAS, it is in the best interest of the City to engage in discussions with the receiver regarding the possible acquisition of these properties to explore their potential use and value to the community;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that the Mayor and City Commission hereby direct the City Administration to engage in discussions with Bernice Lee, the court-appointed receiver in *Securities and Exchange Commission v. Kapoor et al.*, regarding the possible acquisition by the City of the properties located at 1234 Washington Avenue and 1260 Washington Avenue; and further authorize the City Administration to obtain, if necessary and appropriate as determined by the City Manager, an appraisal of the fair market value of the properties.

PASSED and ADOPTED THIS ____ day of _____ 2024.

ATTEST:

Steven Meiner, Mayor

Rafael E. Granado, City Clerk

(sponsored by Commissioner Tanya K. Bhatt)

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION



City Attorney

10/23/2024

Date