

R9 AE DISCUSS/TAKE ACTION: CONSIDER MAKING A BACK-UP OFFER TO
PURCHASE 1234 WASHINGTON AVENUE AND 1260 WASHINGTON AVENUE.
Applicable Area:

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Commissioner Tanya K. Bhatt
DATE: November 20, 2024
TITLE: DISCUSS/TAKE ACTION: CONSIDER MAKING A BACK-UP OFFER TO PURCHASE 1234 WASHINGTON AVENUE AND 1260 WASHINGTON AVENUE.

RECOMMENDATION

BACKGROUND/HISTORY

ANALYSIS

On October 30, 2024, the Mayor and City Commission adopted Resolution No. 2024-33343, directing the City Administration to initiate discussions with Bernice Lee, the court-appointed receiver in Securities and Exchange Commission v. Kapoor et al., regarding the potential acquisition by the City of two properties located at 1234 Washington Avenue and 1260 Washington Avenue. The City was also authorized to seek, if deemed necessary and appropriate by the City Manager, an appraisal to determine the fair market value of the properties.

As outlined in the recitals of Resolution 2024-33343, the United States Securities and Exchange Commission (SEC) filed a lawsuit against real estate developer Rishi Kapoor and several associated entities, including Location Ventures LLC, in connection with a \$93 million real estate fraud scheme. In response, Bernice Lee was appointed as the receiver to manage and liquidate Kapoor's assets, including properties owned by Location Ventures. Among the assets under receivership are two parcels at 1234 Washington Avenue and 1260 Washington Avenue in Miami Beach, Florida (collectively, the "Washington Ave. Parcels"), where Kapoor had begun a partially developed co-living condominium project.

Ms. Lee sought and received court approval to sell the Washington Ave. Parcels to Parkman Miami Beach on an "as-is" basis for a reported sale price of \$17.5 million. In light of this, the City Attorney's Office reached out to Ms. Lee to inquire if she would be open to discussing the possibility of the City acquiring the properties in the event that the sale to Parkman Miami Beach does not proceed. Ms. Lee has indicated that she would be willing to consider a back-up offer from the City.

I would now like to discuss this matter with my colleagues in order to provide further direction to the Administration on how to proceed.

FISCAL IMPACT STATEMENT

To be determined.

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?

Yes

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

Back-Up Offer to Purchase 1234 Washington Ave. and 1260 Washington Ave. (Bhatt)