

MEMORANDUM

DATE: March 9, 2021

TO: Honorable Mayor and City Commission

VIA: James Slaton, City Manager

SUBJECT: Legal Opinion – Dixie Walesbilt, LLC and Redevelopment Agreement for the Grand Hotel

SYNOPSIS: *The City Commission will consider the attached letter of legal opinion received from Kevin Ashley with Peterson & Myers, P.A. and determine a course of action.*

RECOMMENDATION:

Staff recommends Commission consideration of the attached legal opinion and provide staff with direction.

BACKGROUND

During a past City Commission work session, the City Commission requested that the City Manager investigate the status of the Grand Hotel. This memorandum and attached letter of legal opinion contain the findings ascertained thus far.

1. Currently, the City has no active building permits, building permit applications, or plans under review related to redevelopment of the Grand Hotel. Additionally, no outstanding Code Enforcement violations or fines exist related to the Grand Hotel.
2. As indicated in Mr. Ashley's letter of opinion, Dixie-Walesbilt, LLC has committed multiple, material breaches of the original Redevelopment Agreement and a factual basis for bringing a lawsuit against Dixie-Walesbilt appears to be solid.

If the City desires to take action against Dixie-Walesbilt, LLC, any claims to be made must first be noticed to the LLC with an opportunity to cure, as provided in the original Redevelopment Agreement.

Staff is requesting direction from the City Commission, specifically as it relates to sending the notice of default to Dixie-Walesbilt, LLC.

FISCAL IMPACT

None at this time, but costs will be incurred if the Commission elects to file suit following the Curative Period.

ATTACHMENTS

Letter of Legal Opinion