

MEMORANDUM

DATE: March 11, 2021

TO: Honorable Mayor and City Commission

VIA: James Slaton, City Manager

SUBJECT: Notices of Default – Dixie Walesbilt, LLC and Redevelopment Agreement for the Grand Hotel

SYNOPSIS: The City Commission will consider sending notices of default to Dixie-Walesbilt, LLC.

RECOMMENDATION:

At the direction of the City Commission Staff will send notices of default to Dixie-Walesbilt, LLC.

BACKGROUND

During a recent City Commission work session, the City Commission directed staff to put on the regular Commission agenda an item to send notices of default to Dixie-Walesbilt, LLC.

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.

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