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Eddie Cole  
Mayor of Town of Eatonville  
37 E. Kennedy Blvd.  
Orlando, Florida 3251

Re: **\$200,000.00 Agreement with Host Dime**

Dear Mayor and Members of the Town Council:

I took time today to review the situation with the Host Dime matter because I was noticed on a letter concerning Host Dime and an obligation on the part of the Town of Eatonville to make a \$200,000.00 contribution to the development of the Host Dime building in Eatonville, Florida.

I reviewed several documents that was at first confusing and conflicting with the initial documents generated in year 2016. In the year of 2016, it was clear that the Town of Eatonville would contribute \$200,000.00 to the Host Dime project, because it recognized the building, when completed, would generate tax revenues to the Town of Eatonville in excess of \$150,000.00 per year. It seemed at that time beneficial and a strategic partnership for the citizens of Eatonville. It appears all parties were on the same page and agreed to mutual terms that was reviewed by lawyers and all decision makers.

On August 20, 2019, it appears that the sentiment began to change when reading the minutes produced from the August 20, 2019 meeting, Section VIII of the minutes in particular. Resolution 2019-16, presented by Mike Johnson, the Director of the Community Redevelopment Agency, reasoned that funding allocated to a project that had not been completed in three years, had to be re-appropriated to the Community Redevelopment Agency's budget. No law was cited in the minutes to support that conclusion and it appears no one argued otherwise. However, when you listen to the recorded version of that August 20, 2019 meeting a lot more was said. It appears that the Town Council, led by the comments of Marilyn Sconions, that it was the intent of the Town Council to have that money re-appropriated to the Community Redevelopment Agency only to meet the requirements of the law, but it was clear from Marilyn Sconions, Theodore Washington and Mayor Cole that the money was to re-allocated to the Host Dime project. I encourage all concerned to listen to the recording. There was a vote on the Resolution and it passed. The Town Council voted to re- appropriate the \$200,000.00 to the Community Redevelopment Agency. At this point, I cannot determine if there was an orataneous amendment to Resolution 2019-16, which indicated the concerns articulated by Marilyn Sconions, Theodore Washington and Mayor Eddie Cole.

It is also important to note that an extension was granted to Host Dime by the Town Planner on October 28, 2017 for three years, which would mean the agreement did not expire before August 2019, but rather was in full force and effect until October 2020. Then, in 2020 the lack of progress may be



attributable to the pandemic, basically the world stopped and because of force majeure, many courts would grant an extension under the present circumstances.

I then read a communications letter drafted seemingly by the attorney who represented the Community Redevelopment Agency, Greg Jackson. That communications was drafted and emailed on October 9, 2019 and it stated in summary form, that the initial designation of Community Redevelopment Agency funds were use restricted by Florida Statute. It cited Florida Statute 163, Part III. I believe the attorney was referring to 163.370 (3), which states, The following projects may not be paid for or financed by increment revenues: I came to the conclusion that Attorney Jackson was most likely referring to Florida Statute 163.370 (3) (b). Which reads, Installation, construction, reconstruction, repair, or alteration of any publicly owned capital improvements or projects if such projects or improvements were scheduled to be installed, constructed, reconstructed, repaired, or altered within 3 years of the approval of the community redevelopment plan by the governing body pursuant to a previously approved public capital improvement or project scheduled or plan of the governing body which approve the community redevelopment plan unless and until such projects or improvements have been removed from such schedule or plan of the governing body and 3 years have elapsed since such removal or such projects or improvements were identified in such schedule or plan to be funded, in whole or in part, with funds on deposit within the community redevelopment trust fund.

It is my interpretation of this section to mean that if there was a Capital Improvement Plan that included Host Dime previous to the Community Redevelopment Plan to provide the \$200,000.00 to Host Dime, then the contribution would be statutorily restricted. Here, I do not find that any such Capital Improvement Plan existed previous to the pledge by the Town Council to Host Dime that included Host Dime. The Capital Improvement Plan came about after the commitment to Host Dime and therefore does not statutorily bar the Community Redevelopment Agency from honoring an agreement previously made. Subsequent acts don't generally vitiate previous contractual agreements, especially when one partially performs and or rely on your promise. Matters are compounded, because Host Dime has started work on the project and has relied on the Town's promise and agreement to initiate work. There is no indication that anyone in the appropriate official capacity communicated to Host Dime, prior to work initiation that the Town of Eatonville was no longer going to honor the \$200,000.00 pledge.

It is important to understand and recognize that if this matter should end up in litigation, not only will the courts question why we don't understand the value of the agreement and its benefit, but the cost for breaching such agreement could be enormous. If delays are caused because of a breach attributable to the city, those delays could cost as much as \$2,500.00 a day. Those cost are passed on to the Town of Eatonville as damages in a lawsuit. The typical damages are compensatory, special damages, and loss of profits. It is true generally to get attorney's fees it has to be included in the contractual arrangement. I have not read anything that indicates that attorney's fees in case of a breach would be the town's responsibility.

In short, I encourage the Town Council to resolve this issue post haste.  
I think the risk of breaching the agreement and having to pay damages is real.

Respectfully,