



City of Eustis

P.O. Drawer 68 • Eustis, Florida 32727-0068 • (352) 483-5430

TO: EUSTIS CITY COMMISSION
FROM: TOM CARRINO, CITY MANAGER
DATE: JULY 20, 2023
RE: **RESOLUTION NUMBER 23-64** – MEDIATED SETTLEMENT AGREEMENT WITH SPENCETF, LLC

And

RESOLUTION NUMBER 23-65 - AUTHORIZING A BUDGET AMENDMENT TO THE FY2022-23 GENERAL FUND BUDGET TO ACCOMMODATE A MEDIATED SETTLEMENT AGREEMENT WITH SPENCETF LLC

Introduction:

Resolution Number 23-64 approves a Mediated Settlement Agreement with SpenceTF. Resolution Number 23-65 authorizes the budget amendment to execute the settlement agreement.

Background:

In March 2020, the City entered into an Agreement for Sale and Purchase of Property to sell City-owned property to SpenceTF for a drive-in movie theater and entertainment venue. The project evolved over time and litigation regarding the sale of the property ensued with Lake County Case No. 2022-CA-000085. On Thursday, June 29, 2023, in compliance with the Court's Case Management Order setting litigation deadlines, representatives of both sides engaged in mediation.

In order to avoid the additional expense and time associated with continued litigation, the parties entered into a Mediated Settlement Agreement containing an irrevocable offer to the City valid through July 29, 2023 pending City Commission approval. Mutually agreeable terms were reached with the goal of a Joint Dismissal with Prejudice of the litigation. The essential terms include payment of \$300,000.00 to SpenceTF, authorization for release of the earnest money held in escrow to SpenceTF and payment of the mediation costs of \$3,312.00 to the mediator.

In return, the City retains ownership of the property for potential future sale or public use, SpenceTF will provide the City with all due diligence documents pertinent to the property, including but not limited to all site plans, engineering reports, environmental reports and surveys, the value of which is estimated to exceed \$250,000.00. The value of this due diligence coupled with the ability to avoid additional costs and staff time involved with

protracted litigation prompted the Mayor, City Attorney, and City Manager to support this settlement.

Resolution Number 23-65 authorizes the budget amendment to execute the Mediated Settlement Agreement approved by Resolution Number 23-64.

Recommendation:

Staff recommends approval of Resolution Number 23-64 and Resolution Number 23-65.

Prepared By:

Tom Carrino, City Manager

Attachment:

Resolution Number 23-64

Resolution Number 23-65