



City of Eustis

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TO: EUSTIS CITY COMMISSION

FROM: TOM CARRINO, CITY MANAGER

DATE: NOVEMBER 17, 2022

RE: RESOLUTION NUMBER 22-86: REDUCTION OF FINE/RELEASE OF LIEN AND DISMISSAL OF FORECLOSURE ACTION AGAINST 1000 SOUTH BAY STREET (COLONIAL INN MOTEL), CASE #19-01297

Introduction

Resolution Number 22-86 approves a Code Enforcement Order reducing outstanding code enforcement fines from their current amount of \$176,250 to \$52,000; Provides for dismissal of a pending foreclosure action, and releases the lien against 1000 South Bay Street (Colonial Inn Motel), upon payment of the reduced fine.

Recommended Action

The administration recommends approval of Resolution Number 22-86.

Background

The City of Eustis has a code enforcement lien recorded against Colonial Inn Motel, LLC for failing to bring their property located at 1000 South Bay Street into compliance with City Code.

On June 3, 2021, the City Commission approved Resolution Number 21-39 authorizing the City Attorney to begin foreclosure action against unpaid code enforcement fines after all other enforcement methods failed to prompt the owners to bring the property into compliance.

On September 2, 2021, the City Attorney filed a complaint with the Circuit Court to foreclose the code enforcement lien, and Colonial Inn Motel LLC was served with a Summons on September 29, 2022. It was served to Amrual Patel as Registered Agent.

On November 2, 2021, the City Attorney forwarded a proposal to the Commission, which was drafted by Nayana Patel on October 18, 2021, in an effort to “save the motel” and advised that that he would be seeking their direction at the next meeting.

On November 4, 2021, Nayana Patel read a prepared statement to the Commission under audience to be heard. She cited their willingness to try and negotiate an end to the foreclosure lawsuit, and assured the Commission she would be assuming responsibility

for the Motel along with her brother and sister-in-law. She was advised that the City Attorney would be addressing the Commission at the end of the meeting regarding this issue.

During comments, the City Attorney provided an update to the City Commission on the status of the foreclosure. He advised that the Motel owes \$104,500 in fines, which continues to accrue at a rate of \$250 per day. After much discussion, the Commission asked for Ms. Patel's brother to come before them at the November 18, 2021 meeting so they could speak with him, which she agreed. In the end, the City Attorney recommended that the Commission direct him to stop proceeding with the foreclosure until they have an opportunity to speak with the brother, and then direct him accordingly.

It was also during this meeting that the former Development Services Director recommended that the Patels have the property inspected by a Private Professional Inspector to make recommendations on what needs to be fixed.

On November 18, 2021, the City Attorney provided the Commission with another update. He recommended that they leave the foreclosure open for the time being and stated the Commission could require a timeline for issues to be resolved. Koresh Patel was present as previously requested, who advised the Commission that he would be taking over management of the Motel. After much discussion, Ms. Patel asked about the fines and was advised that they would continue to accrue, but could be discussed once the property is brought into compliance. It was also during this meeting, that it was decided that the Motel would hire an independent third-party Inspector to inspect and compile a list of required repairs.

On January 18, 2022, Universal Engineering Sciences, Inc submitted to Staff the required Property Condition Assessment Report within the established 60-day submittal deadline.

On February 3, 2022, the former Development Services Director provided the City Commission with a status update and requested their direction. It was their consensus for Staff to move forward with preparation of a Memorandum of Understanding.

On March 3, 2022, the City Commission approved Resolution Number 22-19 authorizing the City Manager to execute an agreement to cure deficiencies and implement all recommendations set forth in the Property Condition Assessment Report within 30 days of being fully signed, with the exception of any identified long-term needs. The agreement also required the installation of an interconnected fire alarm system and surveillance cameras within the same time period.

On April 7, 2022, the City Attorney informed the Commission that the Colonial Inn had requested an extension, which was granted.

On May 5, 2022, Ms. Patel addressed the City Commission under audience to be heard to report that they are waiting on installation of the fire alarm system and surveillance cameras. She advised that a specific completion timeframe could not be provided because she has not been able to get ahold of the Contractor. She asked if she needed to request more time. The Commission told her to just keep communicating with Staff and if there is a problem, they will bring the matter back before them.

On August 16, 2022, Ms. Patel notified the City Attorney they had completed the requests the City had set for them. The Attorney responded advising the next step in the process would be for them to propose a monetary amount for the City to consider in exchange for releasing the lien.

On August 24, 2022, the City Attorney updated the City Commission on the matter, and it was their consensus for the Motel to submit their request for a reduction of the accrued fines to the Code Enforcement Board.

On September 12, 2022, Ms. Patel submitted a spreadsheet of expenses totaling \$88,255.14 to the City Attorney, and requested a bare minimum fine because they had spent almost the original lien amount. She said she did not have a figure in mind, but was leaning towards paying costs the city has sustained.

On October 10, 2022, the matter went back before the Code Enforcement Board to consider a reduction of the accrued fines. The Code Supervisor updated the Board on the status of the Case, advised them of the property owner's request and informed them of the Code Departments costs, along with the City's legal costs to date.

The Board questioned the Fire Chief on the status of the fire alarm system and asked if the stoves had been removed from the rooms. Ms. Patel confirmed that they have been removed with the gas lines being capped off.

The Board also called on the Police Chief, who advised them that this is probably the best resolution, for a matter such as this, that he has seen in his profession. He also informed them that the calls have been vastly reduced with maybe two to three calls within the last 8 or 9 months, which was not due to poor management of the Motel.

In the end, the Board approved a motion to reduce the accrued fines to \$52,000 with five members voting yes, and two voting Number

Costs:

Police Department:	\$44,700
Fire Department:	\$20,278
Code Enforcement:	\$ 2,055
City Attorney:	<u>\$ 4,799</u>
TOTAL:	\$71,132

Community Input

There has been no community input since the City Commission approved the foreclosure.

Budget / Staff Impact:

If the Resolution is approved, the City could possibly receive \$52,000.

Reviewed By:

David M. Carney, Captain

Prepared By:

Eric Martin, Code Enforcement Supervisor

Attachments

- Resolution Number 22-86