

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA APPROVING A SETTLEMENT AGREEMENT BETWEEN, ON THE ONE HAND, THE CITY OF MIAMI BEACH, AND ON THE OTHER HAND, THE DEAUVILLE PARTIES, CONSISTING OF TMG 67 COMMUNITIES, LLC, A DELAWARE LIMITED LIABILITY COMPANY, DEAUVILLE ASSOCIATES, LLC, A FLORIDA LIMITED LIABILITY COMPANY, DEAUVILLE HOTEL PROPERTY, LLC, A FLORIDA LIMITED LIABILITY COMPANY, AND DEAUVILLE HOTEL HOLDINGS, LLC, A FLORIDA LIMITED LIABILITY COMPANY, PURSUANT TO WHICH (1) THE DEAUVILLE PARTIES SHALL PAY TO THE CITY ALL AMOUNTS CURRENTLY DUE IN RESPECT OF CERTAIN VIOLATIONS AGAINST THE PROPERTIES LOCATED AT 6701 COLLINS AVENUE AND 6625 INDIAN CREEK DRIVE AS SPECIFIED IN THE SETTLEMENT AGREEMENT, (2) THE PARTIES SHALL AGREE TO DISMISS THEIR RESPECTIVE CLAIMS IN THE LAWSUIT STYLED CITY OF MIAMI BEACH VS. DEAUVILLE ASSOCIATES, LLC ET AL., CASE NO. 2019-003653, AND (3) THE DEAUVILLE PARTIES SHALL FILE A NOTICE OF VOLUNTARY DISMISSAL OF THE APPEAL STYLED DEAUVILLE ASSOCIATES, LLC VS. THE CITY OF MIAMI BEACH, CASE NO. 2024-66-AP-01; AND FURTHER, AUTHORIZING THE CITY MANAGER AND CITY CLERK TO EXECUTE THE SETTLEMENT AGREEMENT IN THE FORM ATTACHED TO THIS RESOLUTION TOGETHER WITH ANY DOCUMENTS ANCILLARY THERETO INCLUDING, WITHOUT LIMITATION, AN ESCROW AGREEMENT, IN SUCH FORM AS IS APPROVED BY THE CITY ATTORNEY.

WHEREAS, TMG 67 Communities, LLC, a Delaware limited liability company ("TMG") and Deauville Associates, LLC, a Florida limited liability company ("DALLC") hold fee simple title to the property located at 6701 Collins Avenue and identified by Miami-Dade County Folio No. 02-3211-007-0420 (the "Hotel Property"), within the City; and

WHEREAS, DALLC holds fee simple title to the property located at 6625 Indian Creek Drive and identified by Miami-Dade County Folio No. 02-3211-007-1800 (the "Garage Property"), within the City; and

WHEREAS, on February 5, 2019, the City filed a lawsuit in the 11th Judicial Circuit in and for Miami-Dade County Florida, Case No. 19-03653 (the "Demolition by Neglect Suit"), against DALLC, Deauville Hotel Property, LLC ("DHP") and Deauville Hotel Property, LLC ("DHH") (collectively, DALLC, DHP and DHH, the "Deauville Defendants") and Ocean Bank, a Florida banking corporation ("Ocean Bank"), asserting causes of action against the Deauville Defendants for violations of Section 118-532(g) of the Code of Ordinances of the City of Miami Beach (the "Code") and failure to remit resort taxes and requesting injunctive relief as well as the appointment of a receiver; and

WHEREAS, Ocean Bank filed a Motion to Dismiss which was ultimately rendered moot because its mortgage on the Hotel Property was satisfied on March 25, 2020; and

WHEREAS, thereafter, the City obtained leave of court to file an amended complaint to include additional causes of action, including for breach of contract arising out of unpaid utility bills, and seeking additional injunctive relief; and

WHEREAS, the Deauville Entities filed counterclaims against the City in the Demolition by Neglect Suit seeking declaratory relief relating to the applicability of Section 118-532(g), among other causes of action; and

WHEREAS, following various inspections resulting in a determination that the building located at the Hotel Property had deteriorated to such an extent (for reasons disputed by the parties) that the building must be demolished, on January 19, 2022, the Building Official for the City of Miami Beach entered an Emergency Demolition Order; and

WHEREAS, the Hotel Property was demolished on November 13, 2022 rendering moot some of the relief sought by the City in the Demolition by Neglect Suit; and

WHEREAS, the City's claims for unpaid utility bills and the Deauville Entities' claims challenging the City's North Beach Local Historic District Ordinance and its applicability to the Hotel Property remain pending in the Demolition by Neglect Suit; and

WHEREAS, on Demolition by Neglect Suit has been stayed pending mediation pursuant to orders issued by Judge Thomas J. Rebull on February 19, 2023, January 19, 2024 and March 5, 2025; and

WHEREAS, the Hotel Property is the subject of Zoning Violation No. ZV2020-03121, and Special Magistrate Case No. SMC2020-01415 (the "Demolition by Neglect Violation"); and

WHEREAS, the Special Magistrate for the City of Miami Beach imposed a fine of \$5,000 per day for each day of non-compliance commencing as of March 1, 2021 due to DALLC's failure to cure the Demolition by Neglect Violation; and

WHEREAS, on October 22, 2022, the Special Magistrate granted DALLC's request to stop fines; and

WHEREAS, on January 3, 2024, the City requested that the fines be reimposed due to DALLC's failure to close its demolition permit and submit an affidavit of compliance, as required; and

WHEREAS, an affidavit of compliance was received by the Special Magistrate on May 8, 2024 reflecting that the permit had been closed on April 5, 2024 and the fines were stopped as of April 5, 2024; and

WHEREAS, the City holds a lien against the Hotel Property recorded in Official Record Book 32982, Page 3713 of the Public Records of Miami-Dade County, stemming from the Demolition by Neglect Violation (the "Demolition by Neglect Lien"); and

WHEREAS, the fines levied as a result of the Demolition by Neglect Violation and the interest accrued thereon represent substantial sums; and

WHEREAS, the Owners sought, but the Special Magistrate denied, mitigation of the fines and interest accrued as a result of the Demolition by Neglect Violation; and

WHEREAS, the Owners filed a notice of administrative appeal of the Special Magistrate's decision to deny mitigation in the case styled *Deauville Associates, LLC vs. the City of Miami Beach*, Case No. 2024-66-AP-01 (Fla. 11th Cir. Ct.) (the "Appeal"); and

WHEREAS, as of April 30, 2025, the total amount owed by the Owners with respect to the Demolition by Neglect Violation will be \$5,218,803.36, including interest through April 30, 2025 (the "Demolition by Neglect Fines Amount") as reflected in the "Special Magistrate Cases/Liens" Section on the Lien Statement included in **Exhibit A**; and

WHEREAS, the Owners are also indebted to the City in the amount of \$714,972.34 for unpaid utility bills in respect of the Hotel Property through March 4, 2025 corresponding to account number 519145-00 (the "Hotel Property Utilities Debt"), and the City holds a lien against the Property for the Utilities Debt, recorded in Official Record Book 31706, Page 4765 of the Public Records of Miami-Dade County, stemming from the unpaid utility bills (the "Unpaid Hotel Property Utilities Lien"), as reflected in the Lien Statement included in **Exhibit A** under Charge Type "Utility Bill; and

WHEREAS, the Hotel Property is also the subject of the additional Code violations (the "Hotel Property Additional Violations") for which fines have been imposed and remain unpaid in the amount of \$83,444.65, including interest through April 30, 2025 (the "Hotel Property Additional Violations Fines Amount"), as reflected in the Lien Statement included in **Exhibit A** under Charge Types "City Bills," "City Invoices," "Licensing," and "Permits;" and

WHEREAS, the Hotel Property is also the subject of two separate Code violations issued following the demolition associated with the Owners' failure to install a fence, and to grade and plant sod as required by Code sections 142-876 (this Code section is now included in section 7.5.1.6 of the Resiliency Code) and section 14-501 (initially issued pursuant to Code section 126-6, but revised on April 15, 2025 to reflect the correct Code section), assigned violation numbers ZV2023-05067 and BVB25002614, respectively (the "Failure to Install Sod Violations"); and

WHEREAS, DALLC is indebted to the City in the amount of \$126,566.96 for unpaid utility bills in respect of the Garage Property through March 4, 2025 corresponding to account numbers 519146-00, 519146-01 and 519149-00 (the "Garage Property Utilities

Debt”) as reflected in the Lien Statement included in **Exhibit B** under Charge Type “Utility Bill”; and

WHEREAS, the Garage Property is the subject of various Code violations for which fines have been imposed and remain unpaid in the amount of \$3,738.75 (the “Garage Property Additional Violations Fines Amount”) as reflected in the Lien Statement included in **Exhibit B** under Charge Types “Unsafe Structure,” “City Invoices,” “Licensing,” and with respect to case numbers SMB 2023-02059 (the “Garage Structural Violation”), SMC 2022-02312, and SMC 2024-03055 (the “Garage Concrete Restoration Violation”) referenced in the “Special Magistrate Cases/Liens” Section of the Lien Statement; and

WHEREAS, the Garage Property is also the subject of Zoning Violation No. ZV2022-04494, and the related Special Magistrate Case No. SMC2023-02438, arising out of DALLC’s violation of Section 126-16(a) of the Code which requires an owner to ensure that required landscaping is properly maintained (the “Garage Landscaping Violation”); and

WHEREAS, the Special Magistrate for the City of Miami Beach imposed a fine of \$150 per day for each day of non-compliance commencing on July 20, 2023 due to DALLC’s failure to cure the Garage Landscaping Violation; and

WHEREAS, the City holds a lien against the Garage Property recorded in Official Record Book 34051, Page 4361 of the Public Records of Miami-Dade County, stemming from the Garage Landscaping Violation (the “Garage Landscaping Lien”); and

WHEREAS, the amount owed by DALLC with respect to the Garage Landscaping Violation is \$118,462.62, including interest through April 30, 2025 (the “Existing Garage Landscaping Fines Amount”), as reflected in the “Special Magistrate Cases/Liens” Section on the Lien Statement included in **Exhibit B**; and

WHEREAS, the Failure to Install Sod Violation, the Garage Structural Violation, the Garage Concrete Restoration Violation and the Garage Landscaping Violation have not been cured as of the date of this Agreement; and

WHEREAS, to avoid the costs and uncertainties of continued litigation associated with the Demolition by Neglect Suit and the Appeal, and to resolve certain other disputes among the Parties related to unpaid utilities invoices and code violation fines, the Parties are desirous of resolving all existing amounts owed and disputes relating to the Demolition by Neglect Suit, the Demolition by Neglect Violation, the Appeal, the Hotel Property Additional Violations, the Hotel Property Additional Violations Fines Amount, the Hotel Property Utilities Debt, the Garage Property Utilities Debt, the Garage Property Additional Violations Fines Amount and the Existing Garage Landscaping Fines Amount, but without releasing the Owners from the Failure to Install Sod Violation, the Garage Structural Violation, the Garage Concrete Restoration Violation, or the Garage Landscaping Violation, pursuant to the terms and conditions set forth in the Settlement

Agreement between, on the one hand, the City, and on the other hand, the Deauville Parties, consisting of TMG, DALLC, DHP and DHH, a copy of which is attached to this Resolution as **Exhibit A** (the "Settlement Agreement") and which Settlement Agreement contemplates that (1) the Deauville Parties shall pay to the City all amounts currently due in respect of certain violations against the properties located at 6701 Collins Avenue and 6625 Indian Creek Drive as specified in the Settlement Agreement, (2) the City and the Deauville parties shall agree to dismiss their respective claims in the lawsuit styled City of Miami Beach vs. Deauville Associates, LLC, et al., Case No. 2019-003653, and (3) the Deauville Parties shall file a Notice of Voluntary Dismissal of the appeal styled Deauville Associates, LLC vs. the City of Miami Beach, Case No. 2024-66-AP-01.

WHEREAS, the Mayor and City Commission desires to settle the various claims and counterclaims among the Parties as set forth in the Settlement Agreement.

NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that the Mayor and City Commission hereby approve a Settlement Agreement between, on the one hand, the City of Miami Beach, and on the other hand, the Deauville Parties, consisting of TMG 67 Communities, LLC, a Delaware limited liability company, Deauville Associates, LLC, a Florida limited liability company, Deauville Hotel Property, LLC, a Florida limited liability company, and Deauville Hotel Holdings, LLC, a Florida limited liability company, pursuant to which (1) the Deauville Parties shall pay to the City all amounts currently due in respect of certain violations against the properties located at 6701 Collins Avenue and 6625 Indian Creek Drive as specified in the Settlement Agreement, (2) the City and the Deauville parties shall agree to dismiss their respective claims in the lawsuit styled City of Miami Beach vs. Deauville Associates, LLC, et al., Case No. 2019-003653, and (3) the Deauville Parties shall file a Notice of Voluntary Dismissal of the appeal styled Deauville Associates, LLC vs. the City of Miami Beach, Case No. 2024-66-AP-01; and further, authorizing the City Manager and City Clerk to execute the Settlement Agreement in the form attached to this Resolution together with any documents ancillary thereto including, without limitation, an escrow agreement, in such form as is approved by the City Attorney.

PASSED and ADOPTED this ____ day of _____, 2025.

ATTEST:

Steven Meiner, Mayor

Rafael E. Granado, City Clerk

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION

City Attorney

4/18/2025

Date