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Reply to: Lakewood Ranch

MEMORANDUM

TO: Mayor Spoll and Town Commissioners

CC: Tom Harmer, Town Manager

FROM: Maggie D. Mooney, Esq., Town Attorney

DATE: August 29, 2019

RE: Town of Longboat Key v. Equity Villa Fund, et al. - Settlement Agreement and Final Judgment Consideration

On June 3, 2019, the Town Commission authorized the Town Attorney and special litigation counsel (Arthur Hardy and Josh Dell with the law firm of Matthews Eastmoore) to file a lawsuit against property owners Equity Villa Fund, LP and Equity Residences, LLC (collectively referred to as "Property Owners") arising out of the unauthorized rental of a residential property located at 537 Schooner Lane. Specifically, the Property Owners repeatedly rented the subject property for periods of fewer than thirty consecutive calendar days, which is a violation of the short term rental restriction provided for in Section 158.144 of the Town's Zoning Code.

On June 4, 2019, a two (2) count complaint for declaratory and injunctive relief was filed on the Town's behalf against the Property Owners. The Property Owners engaged legal counsel (Robert Lincoln) to represent their interests. Following service of the Complaint, the Property Owners' legal counsel contacted the Town's litigation counsel and settlement negotiations ensued.

Lakewood Ranch
6853 Energy Court
Lakewood Ranch, Florida 34240

Venice
236 Pedro Street
Venice, Florida 34285

Attached for the Town Commission's consideration is a Settlement Agreement and Final Judgment that reflects the negotiations between the parties' litigation counsel. The settlement documents have been approved and executed by the Defendant Property Owners, and payment of the settlement sums have been received by the Town's litigation counsel. Approval of the Settlement Agreement and Final Judgment by the Town Commission will fully resolve the pending litigation and accomplish the following:

1. The Defendant Property Owners will be declared by the Court to have violated the Town's Zoning Code (Sec. 158.144) by renting the property for periods of less than thirty days in the R-4SF zoning district;
2. The Defendant Property Owners will be enjoined from using or renting the subject property for periods of less than thirty days in the R-4SF zoning district;
3. The Defendant Property Owners will pay the Town a sum of \$3640.00 as a compromise of existing, unresolved civil citation fines (imposed for violations of Sec. 158.144 of the Zoning Code) and litigation filing costs incurred by the Town;
4. The Court will retain jurisdiction to enforce the terms of the Final Judgment and Settlement Agreement should the Defendant Property Owners violate the Town's Zoning Code in the future; and
5. The disposition of this case establishes a judicial precedent upholding and enforcing Section 158.144 of the Town's Zoning Code.

The Town's litigation counsel from Matthews Eastmoore, the Town Manager and I are all recommending that the Town Commission approve the Settlement Agreement and Final Judgment. We collectively believe that this compromise and settlement will achieve the Town's ultimate goal of ending ongoing violations of the Town's short term rental restriction and bringing this property into compliance with this very important section of the Town's Zoning Code.

If you should have any questions about this litigation, the Settlement Agreement, or the Final Judgment, please do not hesitate to contact me.

**IN THE CIRCUIT COURT OF THE TWELFTH JUDICIAL CIRCUIT
IN AND FOR SARASOTA COUNTY, FLORIDA
CIVIL DIVISION**

TOWN OF LONGBOAT KEY,

Plaintiff,

v.

CASE NO. 2019-CA-003085

**EQUITY VILLA FUND, LP,
EQUITY RESIDENCES, LLC,**

Defendants.

_____ /

FINAL JUDGMENT

THIS action was commenced by Plaintiff, Town of Longboat Key (the “Town”), against Defendants, Equity Villa Fund, LP (the “Fund”), and Equity Residences, LLC (the “Residences”) (collectively, the Fund and Residences are the “Defendants”) on June 4, 2019, whereby the Town sought certain declaratory and injunctive relief as described in its Complaint. The parties have stipulated to the entry of this Final Judgment.

Accordingly, it is hereby **ORDERED and ADJUDGED** that:

1. The request for a declaratory judgment that, by allowing more than one family to use the real property located at 537 Schooner Lane, Longboat Key, Florida (the “Property”), for periods of fewer than thirty days, the Fund has used the Property in violation of the Town’s Zoning Code, is answered in the affirmative.

2. The request for a declaratory judgment that, by renting the Property for remuneration for periods of fewer than thirty consecutive calendar days or one entire calendar month, whichever is less, the Fund has used the Property in violation of the Town’s Zoning Code, is answered in the affirmative.

3. The Fund is hereby enjoined from any use of the Property except as permitted in a District Type R-4SF, as described in the Town's Zoning Code, so that only one family (as defined by Section 158.144 of the Town's Zoning Code) may occupy the Property for periods of fewer than thirty days, which use shall not preclude visitation by guests, provided that the Property is not used as a tourism use for remuneration (as defined by Section 158.144 of the Town's Zoning Code).

4. The Fund is hereby enjoined from using the Property in violation of the Town's Zoning Code including: (a) allowing more than one family (as defined by Section 158.144 of the Town's Zoning Code) to use the Property for periods of fewer than thirty days; (b) renting the Property for remuneration (as defined by Section 158.144 of the Town's Zoning Code) for periods of fewer than thirty consecutive calendar days or one entire calendar month, whichever is less; and (c) advertising the Property for remuneration (as defined by Section 158.144 of the Town's Zoning Code) for periods of fewer than thirty consecutive calendar days or one entire calendar month, whichever is less.

5. The injunctive relief granted against the Fund shall be binding on the Fund, its successors, officers, agents, servants, employees and attorneys.

6. The Court approves the Settlement Agreement between the Town and Defendants and orders the parties to adhere to the terms and conditions of their Settlement Agreement.

7. The Court expressly retains jurisdiction to enforce the terms and conditions of this Final Judgment and the parties' Settlement Agreement.

DONE AND ORDERED in Sarasota County, Florida this ____ day of September, 2019.

THE HONORABLE HUNTER CARROLL

Conformed copies to:
Attached List

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End of Agenda Item