

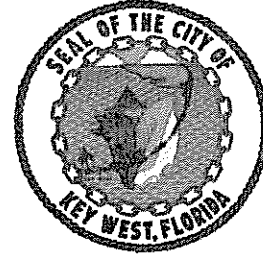
EXECUTIVE SUMMARY

TO: Jim Scholl, City Manager

FROM: Mark Finigan, Assistant City Manager

DATE: May 27, 2010

SUBJECT: 1226 Seminary Street Unit 1
Acceptance of Mitigated Amount and
Release of Lien



Action statement:

Request City of Key West City Commission accepts the proposed mitigated amount of \$25,000.00 of accrued fines totaling \$54,500 for the property located at 1226 Seminary Street Unit 1. Additionally, request City of Key West City Commission release the lien placed by the City of Key West on the subject property pursuant to City of Key West Code of Ordinances Sec 2.635 and FL Statute 162.09 (to place the lien) and Sec. 2-646 (to remove lien). All outstanding utility charges will be paid in full "outside of closing" by the listing agent. The City shall not release the lien until such time all outstanding utility charges are satisfied.

Background:

Property purchased the 1st day of April, 2005 by Allan C. Dingman and Catherine R. Dingman for \$699,000 with a first mortgage for \$559,200. On July 31, 2007 the City's Special Magistrate issued a Finding and Order for renting (long term) the subject property without having a business tax receipt. The fine was \$150.00 in administrative cost plus \$100 per day until in compliance. Property owners continued to rent, without business tax receipt, up through April 2010 at which time the lenders acquired title through foreclosure action.

City of Key West lien filed and recorded on February 1, 2008. Notice of Lis Pendens filed and recorded February 15, 2008. Final Summary Judgment of Mortgage Foreclosure filed and recorded June 2, 2008 on behalf of U.S Bank/Wachovia. Finally, in April of 2010 U.S Bank/Wachovia takes title to 1226 Seminary Street Unit 1. The new owner subsequently engages REO World/Chase Home Finance to market the property. That brings us to today where there is an \$181,000 offer on the table. The Seller and Buyer hope to close in the days following City Commission approval.

Recommendation:

Approve the proposed mitigated amount of \$25,000.00 of accrued fines totaling \$54,500 for the property located at 1226 Seminary Street Unit 1 and release the lien placed by the City of Key West on the subject property pursuant to City of Key West Code of Ordinances Sec 2.635 and FL Statute 162.09 (to place the lien) and Sec. 2-646 (to remove lien). Removal of lien is subject to all outstanding utility charges being paid in full.