



THE CITY OF KEY WEST
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EXECUTIVE SUMMARY

Date: March 6, 2026
To: Mayor and City Commissioners
Via: Brian Barosso, City Manager
Mayanne Downs, City Attorney
From: Ryan J. Waterhouse, Assistant City Attorney
Christopher Counselor, Director of Code Enforcement
Re: 1106 17th Street Lien Mitigation

Background

The City of Key West received a request to mitigate a code enforcement lien recorded against the property located at 1106 17th Street, Key West, Florida (“Property”). Code Enforcement has advised that the payoff amount was \$2,528,250.00 as of March 22, 2023, based on the department’s accrual calculation through that date. The lien was recorded on November 6, 2009 in the Monroe County Official Records at Book 2439, Page 410.

The request has been submitted in connection with the administration of the Bankruptcy Estate of Bernard C. Seidling. The Applicant proposes payment of Ten Thousand Dollars (\$10,000.00) in exchange for release and satisfaction of the City’s code enforcement lien recorded against the subject property, which was imposed pursuant to Section 2-635 of the City of Key West Code of Ordinances and Section 162.09, Florida Statutes, and may only be released or mitigated by action of the City Commission under Section 2-646 of the City Code, in order to facilitate closing of the pending sale.

The subject property is a single-family residential property located at 1106 17th Street, Key West, Florida, and is currently titled in the name of Royal Land Enterprises, Inc., an entity associated with the Bankruptcy Estate of Bernard C. Seidling. Staff is not aware of any pending foreclosure action affecting the property at this time. Code Compliance staff processed Code Case No. 09-00027, arising from

unpermitted roofing and plumbing work and violation of a Stop Work Order, as detailed in Table 1.



Table 1: Case History, CC 09-0000027

DATE	NARRATIVE
01/07/2009	Code Enforcement received a complaint at 1106 17 th Street that the roof was being replaced without the required permits. Property was also rented without a business tax receipt.
02/17/2009	Code officer Jeff Berman Inspected 1106 17 th Street and he observed the property being rented without a business tax receipt. The owner and helper were conducting a re-roof of the house. There was no permit on record and a stop work was posted at the property.
02/25/2009	Officer Berman sent a Notice of Code Violation by certified mail to Bernard Seidling. The certified card was signed for by B. Seidling on 2-27-2009.
03/03/2009	The property was transferred via a quit claim deed from Sunshine Family Limited Partnership to Royal land Enterprises (Address used by B.Seidling).
03/23/2009	Officer Berman sent a Notice of Code Violation to the tenant (Kathy Hitchcock) and the new property owner (Royal Land Enterprises).
03/31/2009	Officer Berman sent a Notice of Code Violation to B. Seidling at the address supplied by the tenant. Certified card signed for by B. Seidling on 4-9-2009.
04/27/2009	Officer Berman sent a Notice of Administrative Hearing for 5-18-2009. Certified card signed for by C. Seidling.

05/18/2009	At the Magistrate Hearing on 5-18-2009, the property was found in violation. Costs of \$250 were awarded as well as a fine of \$500 per day starting on 5-18-2009.
05/20/2009	Findings of fact, conclusions of law and order were sent by certified mail and regular mail to all addresses available.
07/07/2009	A Letter of Non-Compliance was sent by certified mail and regular mail to all addresses.
8-18-2009	A Notice of Lien Hearing was sent via certified mail and regular mail and the property was Posted.
11-6-2009	An Order Imposing Penalty/Lien was recorded on November 6, 2009.
03-22-2023	Building permit BLD2023-0824 was Issued for the Roof work. This Complied the Violation
10-14-2025	A Request for Lien Mitigation was Filed.

A summary of the fines and offered settlement is shown in **Table 2**. The applicant is requesting the fine be reduced to \$10,000.00 which represents 0.4% of the total outstanding fine.

Table 2: Code Fines Summary

Case Number	Violation	Days in Violation	Daily Fine	Fines Due	Settlement Offered	Reduction Requested
CC09-00027	Administration Fee	5056	250.00	\$250.00	\$10,000.00	99.6%
CC09-00027	Building permits; professional plans; display of permits; address; exceptions	5056	500.00	\$2,528,250		
Total Fines Due				\$2,528,250.00		

Mitigation Factors

The following criteria was considered by Staff in evaluating the lien mitigation request:

A. The nature and gravity of the violation.

Failure to obtain roof and plumbing permits, failure to have an electrical inspection, failure to have a plumbing inspection.

B. The length of time between the previously ordered compliance date and the date the violation was brought into compliance.

The code violations were brought into compliance on March 22, 2023, 5056 days after the extended deadline imposed by the Special Magistrate.

C. Any actual costs expended by the Respondent to cure the violation as provided by supporting documentation.

No such information has been provided to the City as to the amount Respondent expended to come into compliance.

D. Any other prior or current violations committed by the Respondent on the subject property or upon any other property owned by the Respondent within the City.

There are currently no code violations on the property or any other properties owned by the Respondent, to the best of staff's knowledge.

E. Owner's Justification for the requested lien mitigation.

The request is presented in connection with a proposed sale of the property through the bankruptcy estate. The materials provided reflect a proposed sale price of \$790,000.00, with a proposed payment of \$10,000.00 to satisfy the City's lien as part of the closing of that transaction. Based on projected settlement figures provided, approximately \$529,000.00 in net proceeds would flow to the bankruptcy estate after payment of identified obligations, including the proposed payment to the City.

F. Any other factors.

The Property is currently being administered in a Chapter 7 bankruptcy proceeding, and staff has been advised that it is under contract for sale pursuant to 11 U.S.C. § 363, with liens attaching to sale proceeds. In light of the pending sale and the procedural posture of the bankruptcy, foreclosure, while legally available, would likely involve delay, additional expense, and uncertain recovery.

The proposed sale price reflects the contract price provided to Staff. Mitigation conditioned upon payment at closing would provide the City with immediate recovery, conserve City resources, and avoid extended litigation.

Recent trustee filings in the bankruptcy case reflect ongoing administration of estate assets and substantial remaining estate value (excluding unknown values). Staff considers the pending bankruptcy sale posture and the estate's ongoing administration in evaluating the most efficient enforcement mechanism for the City's lien.

Recommendation

Staff recommends proceeding through the lien mitigation process as the most practical enforcement mechanism in light of the pending bankruptcy sale. Staff does not recommend approval of the proposed \$10,000.00 amount based on the information presently available. Staff recommends that the Commission hear from the Applicant and determine an appropriate mitigated amount, if any, taking into consideration projected sale proceeds, lien priority, and the costs and uncertainty associated with further enforcement.

Should the Commission approve a mitigated amount, Staff recommends requiring full payment at or before closing, or within thirty (30) days of Commission action, whichever occurs first. Staff further recommends that a Release of Lien be issued and recorded only upon receipt of the entire approved amount in cleared funds.