

## **MEMORANDUM**

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**DATE:** May 20, 2014

**TO:** Honorable Mayor and City Commission

**FROM:** Kenneth Fields, City Manager

**RE:** Redevelopment of the Wales-Dixiebilt Hotel Property

**SYNOPSIS:** The City Manager seeks directions concerning the initiation of strict code enforcement action against the subject property.

### **RECOMMENDATION**

That the City requires the owner of the subject property to submit a satisfactorily detailed plan for its redevelopment to the City within thirty (30) days or the City will initiate code enforcement action against the property.

### **BACKGROUND**

The City conveyed the Wales-Dixiebilt Hotel in downtown Lake Wales to the Wales-Dixiebilt, LLC in 2008 with the understanding that the property would be redeveloped into an economically viable structure. Since that time, while the owner has made some internal improvements, the structure remains uninhabited and there have been no improvements to the exterior of the structure or the surrounding site. In an effort to facilitate the redevelopment, the City has not strictly enforced its building or appearance codes in the hope that progress would be demonstrated and funds concentrated on creating an economically viable building. While overall economic conditions at the time of conveyance and subsequent years can explain much of the delay, the City now cannot withstand the structure's continuing blighting influence as the economy improves and new redevelopment is sought for the rest of Downtown.

The City Manager requests direction to require the building owner to provide the City with a detailed plan for the redevelopment of the building including planned use(s), analysis of total construction costs, construction schedule, and sources and evidence of firm funding for all activities. If the City receives a satisfactory plan with all these elements, it can continue to work with the owner to implement the plan; if no such satisfactory plan is forthcoming, the city will initiate the appropriate code actions so as to mitigate the buildings negative impact on downtown.

### **OTHER OPTIONS**

Take no action at this time and see if redevelopment of the building occurs without city prodding.

**FISCAL IMPACT**

No additional fiscal impact is seen beyond normal staff time spent on reviewing any submitted plan or code enforcement activities.

**ATTACHMENTS**

Proposed letter from the City Manager to Wales-Dixiebilt Hotel, LLC.



## City of Lake Wales

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May 20, 2014

Ray Brown  
Dixie-Walesbilt, LLC.

Dear Mr. Brown:

Since the City of Lake Wales conveyed the structure known as the Walesbilt Hotel or Hotel Grand to Dixie-Walesbilt, LLC, the Florida limited liability company which you manage in 2008 it has patiently waited for evidence of significant progress on its redevelopment into a functional property. Given the economic conditions prevailing at the time of the conveyance, some delay is understandable; however, in today's economic climate the lack of progress can no longer be ignored.

In order to facilitate the building's renovation, the City has tolerated a degree of non-compliance with its building maintenance codes but such an approach can no longer be allowed as it is a blighting influence in its present condition. Therefore, if within the next thirty (30) days the City does not receive a written plan for the building's renovation including proposed use(s), analysis of total construction costs, construction schedule, and sources and evidence of firm funding for all activities, the city will commence to strictly enforce all applicable building and maintenance codes.

If the City receives a realistic and feasible plan including construction schedules and financing, it stands ready to assist you in moving the redevelopment of the hotel forward. However, the City will also take whatever steps are necessary to eliminate any blight in the downtown area if redevelopment of the property is not possible.

Very truly yours,

Kenneth Fields  
City Manager