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July 14, 2020

Mr. Ken Pieslak
City of Clearwater Code Compliance Manager
100 S. Myrtle Avenue, Second Floor
Clearwater, FL 33756

Re: Municipal Lien Reduction Request
Municipal Code Enforcement Board (“MCEB”) Cases 29-16 (1343
Cleveland Street) and 128-16 (1871 Douglas Avenue)

Dear Mr. Pieslak:

I have the pleasure of representing Dr. Gilbert Jannelli regarding MCEB Case Nos. 29-16 and 128-16. Pursuant to Article IX, Section 4, City of Clearwater MCEB Regulations, please consider this correspondence as a formal request for reconsideration and reduction of the fine and lien imposed in these cases.

The City is well acquainted with Dr. Jannelli, his properties, and these code enforcement matters, and though this letter pertains only to the above-mentioned cases and properties, a history will provide some context for our request.

Dr. Jannelli has been a property owner in the City of Clearwater since the early 1970s. Over the course of the past fifty years he has owned several properties, and but for a short period beginning in 2015, his properties had only been in violation of Clearwater Municipal Code a handful of times.

In 2016, one of Dr. Jannelli’s properties (23837 US19, the “US19 Property”) fell into violation. The US 19 Property was a McDonald’s restaurant that became abandoned and fell into violation due to long term construction of overpasses on US 19 which made it untenable to lease for use as a restaurant. Unfortunately, around the same time, two other

properties owned by Dr. Jannelli (1342 Cleveland Street, the “Cleveland Property”, and 1871 Douglas Avenue, the “Douglas Property”) had also grown old and in need of repair. This chain of events led to the imposition of repeat violation fines, and the amount of work needed, and amount of money owed quickly became more than Dr. Jannelli could afford all at once.

Recognizing that the situation was getting beyond his ability to repair, Dr. Jannelli hired counsel to represent him at an MCEB hearing held on November 16, 2016 regarding the Douglas Property in MCEB Case No. 128-16. Prior to the hearing, Dr. Jannelli’s former attorney met with the Assistant City Attorney to discuss a plan to address all of Dr. Jannelli’s properties and all of the fines/liens. At the hearing, the Assistant City Attorney stated that when the time came that all of Dr. Jannelli’s properties were brought into compliance, the City Staff would ask the Board to support any reduction in lien requests and reduce the fines to administrative costs. A video file of that hearing is enclosed as Exhibit “A”; the Assistant City Attorney’s statements occur at 2:44:50 and 2:53:20. Later in the hearing, a Board member states that, if the properties come into compliance, the lien is going to be reduced to administrative costs. Exhibit “A” at 2:54:13.

Dr. Jannelli set out, according to the plan, to begin remediating the properties. Prior to the November 2016 hearing, he had brought the Douglas Property (subject of MCEB Case No. 128-16 and this request) into compliance. He also spent over \$30,000 dollars remediating the US19 Property. Additionally, He renegotiated the terms of the lease with his tenant in the Cleveland Property (subject of MCEB Case No. 29-16 and this request); agreeing to rent forbearance and reduction in exchange for the tenant’s agreement to remodel the property at a cost of about \$580,000.

While these efforts resulted in the Cleveland Property and the Douglas Property being brought into compliance by 2017, the progress was not swift enough on bringing the US 19 Property into compliance. Fines continued to compound on that property and eventually, on March 18, 2019, the City filed suit to foreclose on the US 19 Property against which the accrued fines had been liened. *See* Pinellas County Case No. 2019-CI-001896.

During the pendency of the foreclosure suit, all of Dr. Jannelli’s properties subject to code enforcement orders were brought into compliance by January 6, 2020. The Cleveland Property and a property at 1411 Gulf to Bay would become non-compliant during 2020, but those violations were promptly addressed. The Cleveland Property was in compliance prior to the issuance of a fine from the MCEB and the 1411 Gulf to Bay property was issued a \$575 fine by the MCEB on June 24, 2020 which was promptly paid, and as of this writing all of Dr. Jannelli’s properties are in compliance. There have been no other violations for the past four years. A chart detailing the relevant MCEB cases, fines, liens and satisfactions is enclosed as Exhibit “B”.

The City and Dr. Jannelli settled the foreclosure suit in May of this year. In exchange for a reduction of the lien amount on the US 19 Property and an agreement to release the liens against the US 19 Property, Dr. Jannelli paid \$100,000, which we believe to be the second largest lien payment the City has received in the past 5 years.

This reduction request is the culmination of a cooperation between Dr. Jannelli, undersigned counsel, and the City to bring all of Dr. Jannelli's properties into compliance. Without this continued cooperation, the fines which had compounded to an amount much greater than the properties' values would have been insurmountable and the properties may have remained a blight on the City.

Through this process, Dr. Jannelli has changed. The violations that arose in 2020 were addressed quickly; one (MCEB Case No. 67-20) was remedied prior to hearing and dismissed; regarding the other (MCEB Case No. 29-16), Dr. Jannelli exhibited a prompt response sufficient to cause the Board to reduce the fines to \$575 which was promptly paid in full.

Dr. Jannelli understands that he cannot manage the volume of properties and wishes to divest himself of some of them. However, the remaining liens on the Cleveland and Douglas Properties render him incapable of selling any of his properties (other than the US 19 Property which is subject to a Settlement Agreement with the City). The current, and only, outstanding lien amounts are \$324,500 and \$96,250, for a total of \$420,750.

Consistent with the representations made regarding the outcome upon full compliance, in consideration of the good faith shown through the money expended to achieve compliance and the payment of a \$100,000 fine, and in furtherance of the cooperation between Dr. Jannelli and the City to arrive at this point where Dr. Jannelli is capable of divesting himself of these properties, we respectfully request that the outstanding liens in Case Nos. 29-16 and 128-16 be reduced to administrative costs. A denial of this request will result in undue hardship, endanger compliance and generally frustrate the purpose for which the parties have been working for years. Please consider granting this final request.

I hope to hear from you soon and thank you for your assistance in this matter.

Sincerely,

Brian J. Aungst, Jr.

Brian J. Aungst, Jr., Esq.