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June 18, 2023

Re: Neal Communities of SWF, LLC. and Neal Signature Homes, LLC. (“Neal”) v. Venice
Recommendation to Accept Settlement Offer

Dear Venice City Council:

In February of 2020, Neal began paying building permit fees under protest. Neal made numerous claims regarding building fees his companies began paying since 2014. In March of 2021, the City hired me as special counsel for this case. I am one of only two lawyers certified by the Florida Bar as an expert in both Business Litigation and Local Government Law. I have substantial experience litigating municipal fee disputes, including serving as lead counsel in the largest contested municipal fee litigation case in Florida.

In an effort to resolve the dispute, the parties had several discussions and engaged in a pre-suit mediation on June 15, 2022. The mediation did not result in a settlement and Neal filed suit against the City of Venice on August 26, 2022. The parties continued negotiations while litigating the case to trial and engaged in another mediation on March 30, 2023, to resolve this matter. That mediation did not result in a settlement and the parties continued negotiations while litigating the case to trial. The Court ordered the trial to start on June 11, 2024. After considerable litigation and additional settlement discussions, on June 10, 2024, Neal offered to resolve all claims for 1.6 MM. Under the totality of the circumstances and to avoid the risk and expense of further litigation, I recommend the City accept Neal’s offer. The offer includes an agreement by Neal to stop paying building fees “under protest” and an acknowledgement the City’s current building permit fee complies with the law. After paying \$4,336,513 in building fee refunds in fiscal year 2023, there is currently, before paying any settlement, over 4.4 MM in the fund balance of the building fund. This settlement will be paid from the building fund and have no fiscal impact on the City’s general fund. Thank you for your time and consideration and please do not hesitate to contact me should you have any questions or comments.

Sincerely,



Derek A. Schroth