

MINUTES
CODE ENFORCEMENT SPECIAL MAGISTRATE MEETING
January 16, 2025
3000 Bellemead Drive Daytona Beach Shores, FL 32118

1. CALL TO ORDER

SM deLaroche called the meeting to order at 9:03 am.

A. Opening Statements by Special Magistrate deLaroche

B. Swearing in Witnesses

All witnesses were sworn in for the day's hearings.

2. OPENING REMARKS

A. Notification of Items Removed from Agenda by City Staff

3. MINUTES

A. Code Enforcement Special Magistrate Minutes December 5, 2024

SM deLaroche approved the minutes from December 5, 2024.

4. ADVANCED HEARINGS (Post-Initial Hearings)

5. INITIAL HEARINGS

A. Property Owner: JK Daytona, LLC
Violation Address: 2225 S. Atlantic Ave.
Code Enforcement Case #: FCDEF2024-42
Volusia County Tax Parcel ID #: 5315 02 02 0010

Ms. Herstein requested that each of the documents included in the PowerPoint file, whether presented during the hearing or not, by the City for this case be accepted as evidence, most of which have been provided to the Special Magistrate and all of which have been presented to the Respondent or their rep. The Special Magistrate accepted the documents with no objection. General Manager, Shamila Mohamed was in attendance for the Respondent. This is an Initial Hearing with two code violations for fire prevention. The violations were read for the record. The property is a 5-story hotel. The property was placed on Fire Watch in January 2023 due to the fire system malfunctioning. In April 2024, inspection reports by DynaFire were provided to Lt. Medders demonstrating that neither the fire alarm system nor the fire sprinkler system was functioning properly. Lt. Medders emailed the hotel GM the same reports. In September, the property was re-inspected by Lt. Medders and very few violations were rectified. On November 18th, a Notice of Violation was generated and hand delivered to the hotel front desk. Lt. Medders re-evaluated the file on January 6, 2025. There was no forward movement including no permit applications being submitted. A Statement of Violation/Request for Hearing and a Notice of Hearing were generated and hand delivered to the hotel front desk. In the last week, Lt. Medders issued an Order for Immediate Closure if the hotel fails to secure a third-party security service to establish and maintain

a 24-hour Fire Watch and to submit Fire Watch daily logs until all fire systems are fully restored and all violations addressed. Ms. Herstein requested an Order #7 be issued giving six months (July 16, 2025) to correct the violations or else a \$250 daily fine be imposed. She also requested reimbursement of \$162.89 in Administrative Fees.

Ms. Herstein questioned LT Norman Medders. The SM inquired how the private security company would alert guests in the event of a fire. He explained that they are required to walk the floor every hour and they have a system in place to call 911 if it is needed. He was questioned about the accuracy of the documents and slides shown. He replied they were true and accurate. He stated the events presented were also true and accurate. He had no changes or additions.

Ms. Mohamed stated that after the hurricanes of 2022, the hotel began a full renovation. They have hired a security company as was required. She felt the alarm system should be functional within a couple of days per the contractor.

The Special Magistrate issued Order #7 allowing only 30 days for the fire alarm system to be fully functional. The remaining work on the fire suppression system will have 6 months for compliance (July 16, 2025) or a fine of \$250 per day will be imposed. The Administrative Fee of \$162.89 is due within 30 days.

- B. Property Owner: Ocean Court Holdings, LLC
Violation Address: 2315 S. Atlantic Avenue in Daytona Beach Shores, Florida
Code Enforcement Case #: SCDEF2023-36
Volusia County Tax Parcel ID #: 5322 03 01 0110

Ms. Herstein requested that each of the documents included in the PowerPoint file, whether presented during the hearing or not, by the City for this case be accepted as evidence, most of which have been provided to the Special Magistrate and all of which have been presented to the Respondent or their rep. The Special Magistrate accepted the documents with no objection. The case began initially in 2022 after the hurricanes damaged the seawall and pool deck area. In September 2023, with no permit applications submitted, a Notice of Violation was sent by Certified Mail. In January 2024, there was inconclusive USPS tracking so the Notice of Violation was hand delivered to the hotel. Ms. Herstein spoke with the GM Hannah Grafenstein regarding securing permits and making permanent repairs. After an inspection on January 3, 2025, and no forward movement, a Statement of Violation/Request for Hearing and Notice of Hearing were generated, sent by Certified Mail, First Class Mail and hand delivered. A few days later, contractor Michael Fuquay came to the office and reported that he would be taking care of the seawall and backfill. He explained that the emergency seawall permit was just re-instated but would expire April 2, 2025. Slides were shown of the violations for the record. Ms. Herstein requested Order #7 be issued and allow 6 months (July 16, 2025) to rectify Violations a,b,e & f and to obtain required permits and final inspections. The Respondent would have one year (January 16, 2026) to rectify Violations c & d. She requested reimbursement of the Administrative Fee of \$149.09. A daily fine of \$250 would be imposed for non-compliance. The SM asked why there was no violation for an unsecured pool area. It was explained that there is a 24-hour active monitoring presence on the property as the Ocean Court is a functioning hotel. If anyone was in the area, they would be trespassed for private property.

Project Manager Michael Fuquay spoke for the Respondent. He felt the timelines given for the repairs were fair and accurate. They have an active permit from FDEP and plan to have the seawall completed by April 2nd. The materials for the project have been acquired. He stated that he has submitted plans for the pool and cabana area to the hotel for consideration.

The Special Magistrate issued Order #7 as provided with Violations a,b,e,& f rectified within 6 months (July 16, 2025) and obtaining approved final inspections of all required City of Daytona Beach Shores permits. Violations c & d are to be rectified within one year (January 16, 2026) or a daily fine of \$250 be imposed. The Administrative Fee of \$149.09 is due within 30 days.

- C. Property Owner: SLF V DBS HOLDCO, LLC
Violation Address: 2323 S. Atlantic Avenue in Daytona Beach Shores, Florida
Code Enforcement Case #: CDEF2024-40
Volusia County Tax Parcel ID #: 5322 03 01 0130

Ms. Herstein explained that the next two cases would have representatives of the Respondent joining by telephone. Ms. Erica Killam, Seawall Project Manager, and Thomas Christopher, part of the owner's group, joined by phone.

Ms. Herstein requested that each of the documents included in the PowerPoint file, whether presented during the hearing or not, by the City for this case be accepted as evidence, most of which have been provided to the Special Magistrate and all of which have been presented to the Respondent or their rep. The Special Magistrate accepted the documents with no objection. Ms. Herstein provided background on the hotel itself. In 2019, remodel work began without proper permits. In November 2021, the property was cited when permits had expired, and it was no longer an active job site. In January 2022, the case was brought before the SM. In late 2022, the property's seawall was destroyed by the hurricanes. In early 2023, the property owner filed for bankruptcy protection. In October 2023, the property was purchased by the current owner. In mid-October of 2024, Building Official Steve Edmunds received a call related to permits. It was then that the city discovered that the property had been acquired. On October 16, 2024, an incomplete permit application was received to repair undermined concrete slabs. On November 14, 2024, a re-inspection was conducted, and additional violations were found for a total of 50. A Notice of Violation was sent, and good service was achieved. After another re-inspection on January 3, 2025, a Statement of Violation/Request for Hearing and Notice of Hearing were sent, and good service was achieved. Slides were shown of the 50 violations. Ms. Herstein recommended Order 7 be issued with specified dates to the SM.

Ms. Herstein questioned Chief Building Official Steve Edmunds about the accuracy of the documents and slides shown. He replied they were true and accurate with no changes or additions. Mr. Edmunds provided an update on the permit that was submitted for repairs of the undermining of the building in October. He stated that there were three comments sent back on it. One was for an FDEP permit, one showed wood on the property that was not termite treated wood, and a drawing by the engineer that was not acceptable. The permit had been resubmitted, and the FDEP permit had been obtained, but the remaining two issues were not addressed. He stated that the permit would have a comment letter issued by the end of the week. Ms. Gillum thought the new drawings had been sent in to the city and apologized if they weren't.

Ms. Gillum provided an update to the SM on work that is being done on the property. She confirmed they had just received the FDEP permit last week. The concrete undermining repairs will begin very soon. The seawall material has arrived in Florida, and the permit will be picked up, so work can begin. The rebar that is seen in the photos is for the seawall installation. They have been speaking with a management company to do many of the building cleanup items on the violation list.

SM deLaroche questioned Mr. Christopher as to how his company acquired the property, and he confirmed it was through bankruptcy. The company is a private investor firm that does not regularly operate hotels. It was asked if the company was going to make the repairs and maintain the operation or sell it? Mr. Christopher provided background information as to how they came to own

the property. They closed the loan in December 2023 with the prior owner. He stated that a portion of the loan proceeds were meant to complete the construction. Unfortunately, poor management by the prior owner, problems with contractors, and then Hurricanes Ian and Nicole occurred. Once the main projects are repaired, the plan is to sell to someone who wants to operate it.

SM deLaroche issued Order #7 as provided. To rectify Violation xx), a Certificate of Compliance - Vacant Property application must be submitted and a CC-VP interior/exterior inspection must occur before April 16, 2025. The violations identified as a), b), c), h), i), j), k), l), m), p), r), s), jj), kk), nn), oo), pp), and uu) must be corrected on or before July 16, 2025, including obtaining approved final inspections on all required City of Daytona Beach Shores permits. The violations identified as d), e), f), g), n), o), q), t), u), v), w), x), y), z), aa), bb), cc), dd), ee), ff), gg), hh), ii), ll), mm), qq), rr), ss), tt), vv), and ww) must be corrected on or before March 16, 2026, including obtaining approval final inspections on all required City of Daytona Beach Shores permits. Reimbursement for the Administrative Fee in the amount of \$149.09 must be paid within 30 days. In the event the Respondent does not comply with this Order, a fine of \$250 per day will be imposed.

- D. Property Owner: SLF V DBS HOLDCO, LLC
Violation Address: 2323 S. Atlantic Avenue in Daytona Beach Shores, Florida
Code Enforcement Case #: PCDEF2024-41
Volusia County Tax Parcel ID #: 5322 03 01 0130

Ms. Herstein explained that this case involves the same property and owners as the previous one, but different violations. There are ten violations due to work being done without permits, permits revoked or expired, or permits not approved. The violations occurred between 2019-2023. It was noted that a similar case was brought before the SM with the previous owner but, due to the bankruptcy, the case was eliminated. A Notice of Violation was written in November 2024 and good service was achieved. On January 3, 2025, the property was re-evaluated, and the expired permits were not rectified. A Statement of Violation/Request for Hearing and a Notice of Hearing were sent by mail and posted on the property. Good service was achieved. Shortly after, the office was contacted by Ms. Erica Killum, who is the seawall project manager. She is on the call today with Mr. Thomas Christopher from the owner's group. While speaking with Ms. Killum, her company, plans to complete the seawall and protect the building site. They do not have plans to continue the remodel/renovation work inside. A vacant building can be owned in the city, but there are certain requirements that must be met to do so. The city has a different recommendation for the SM on this case. One pathway is to obtain permits for all the unpermitted work and to begin work on these by May 16, 2025. The other path would be to treat it as a vacant building and adhere to those requirements. Mr. Christopher explained that the unpermitted work had all been done prior to their ownership. Ms. Herstein explained that the violations stay with the building no matter the owner.

SM deLaroche inquired if the two Respondents on the phone had a copy of the city's recommendation. Both stated they did. He then issued Order #7 with the alternative remedy to obtain new permits for the work which was started, the following actions shall be completed in their entirety on or by April 16, 2025: Submit to the City a letter of intent to maintain a vacant building, signed by an authorized agent of the property; submit a complete Vacant Building Registration; submit a complete Certificate of Compliance - Vacant Property (CC-VP) application; and facilitate a CC-VP interior and exterior inspection to occur before April 16, 2025. In such a case, any additional deficiencies and additional violations identified as affecting life safety during the CC-VP inspection shall be corrected by June 16, 2025; all responsibilities related to multi-story vacant buildings as described in the City's Code of Ordinances, Section 19-1.2(i)(1) through (6) must be complied with by June 16, 2025, and all other additional deficiencies and additional violations identified during said CC-VP inspection shall be corrected by March 16, 2026. In the event the Respondent does not

comply with this order, a fine of \$250 per day will be imposed for each and every day. The reimbursement of the Administrative Fee in the amount of \$149.09 must be paid within 30 days.

6. CLOSING REMARKS

- A. The next Code Enforcement Special Magistrate Meeting is scheduled for Thursday, February 20, 2025, at 9:00 a.m.
- B. March's C.E.S.M. Meeting is scheduled for Thursday, March 20, 2025, at 9:00 a.m.
- C. April's C.E.S.M. Meeting is scheduled for Thursday, April 17, 2025, at 9:00 a.m.

7. SPECIAL MAGISTRATE COMMENTS

8. ADJOURNMENT

The meeting ended at 10:42 am.

Special Magistrate, Steven deLaroche

Recording Secretary, Cheri Schwab