

MINUTES
CITY OF INDIAN ROCKS BEACH
SPECIAL CITY COMMISSION MEETING
Civic Auditorium
1507 Bay Palm Blvd. Indian Rocks Beach, FL. 33785
Thursday, January 22, 2026

CALL TO ORDER

Mayor-Commissioner Houseberg called the meeting to order at 1:00 p.m., followed by the Pledge of Allegiance and a moment of silence.

ROLL CALL

Attendance:

- Commissioner Jude Bond - Present
 - Commissioner John Bigelow - Present
 - Commissioner Hillary King - Present
 - Vice Mayor Commissioner Janet Wilson - Present
 - Mayor Commissioner Denise Houseberg - Present
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Staff Present: Matt Maggard, City Attorney; Carlos (Litigation Counsel provided by PRM Insurance); Mike Kelly, Code Compliance Manager; Lorin A. Kornijtschuk, City Clerk, Robin Gomez, Administrative Director, City Manager; and Matthew (City Attorney)

1. DISCUSSION OF settlement proposal in resolution of AP 6, LLC v. City of Indian Rocks Beach, M.D. Fla. Case No. 8:2023cv01986 AP 6, LLC v. City of Indian Rocks Beach, Court for Pinellas County Circuit Court Case No.: 522025CA004779XXCICI

Staff Presentation

City Attorney Matt Maggard presented the settlement proposal for two lawsuits filed by AP6, LLC regarding a short-term rental property at 455 20th Street. The lawsuits challenge the city's short-term rental ordinance adopted in 2023, including an inverse condemnation claim and a Bert J. Harris Jr. Private Property Rights Protection Act claim seeking approximately \$2.6 million in damages.

The settlement would resolve both cases and allow the property to operate with 12 vacation renters (or 14 if 2 are 12 years or under), require compliance with the ordinance, including registration and annual inspections, preserve the city's suspension rights, but eliminate permanent revocation rights. The settlement terms would run with the land.

If litigation continues, the city faces potential costs of \$500,000-\$750,000 in attorney fees plus potential damages up to \$2.6 million if unsuccessful. Insurance coverage is nearly exhausted at approximately \$177,342.64 already paid, with only \$200,000 total allocated (\$100,000 per claim type). The federal judge has ordered a third mediation within 2-3 months. Discovery deadlines are due in the next couple of weeks, which will incur significant additional legal expenses.

The property has had violations of trash, one FEMA violation for downstairs plumbing/electrical (corrected), and one large party incident responded to by Pinellas County Sheriff. No complaints have been received on the 800 number, and there have been no noise violations since the party incident. The city cannot currently enforce the ordinance against this property due to pending litigation.

City Attorney clarified legal aspects of the settlement proposal, including: (1) The property will remain a short-term rental regardless of litigation outcome; (2) Settlement would allow immediate enforcement of city ordinances; (3) Bert Harris statute of limitations was preserved by timely notice filing; (4) New property owners would be on notice of ordinance requirements; (5) Judge has ordered mediation three times, signaling preference for settlement; (6) Best case scenario still results in property operating as short-term rental.

Commission Discussion

Extensive discussion occurred issues raised:

- The difference between this settlement (carve-out for one property only) versus the previous rejected settlement (would have changed the ordinance citywide);
- Concerns about perpetuity of the agreement and inability to permanently revoke;
- Clarification that revocation does not transfer with change of ownership under normal circumstances due to state preemption;
- Questions about enforcement mechanisms if the property continues to violate despite suspension;
- Acknowledgment that state law preempts cities from prohibiting rentals entirely;
- Discussion of the practical difficulty of enforcing permanent revocation due to potential ownership changes;

- Concerns about the potential for additional Bert Harris claims from other properties
 - Clarification that winning the lawsuits would only result in ability to enforce the ordinance, not the elimination of the rental;
 - Questions about the property violations history and whether it is truly a 'problem house'
 - Discussion of financial risks, including potential \$2.6 million damages plus \$500,000-\$750,000 in attorney fees if city loses, versus settlement terms;
 - Concerns about beds potentially still being in FEMA-restricted lower level despite correction of the violation;
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2. NEIGHBOR COMMENT

- Bob Copeland, 447 20th Ave: Noted property operated without a state license for two years and without a fire safety inspection. Questioned why plaintiff would settle for less than the potential \$2.6 million award.
- Kelly Cisarick, 448 Harbor Dr. South: Suggested city make counteroffer on Bert Harris case only, allowing occupancy of 12 for current entity AP6 LLC only, excluding future owners.
- Linda Gowen, 2001 Bayview Place: Reported multiple parties and bad behavior. Characterized as problem property since rentals began.
- Kevin McGrath, 473 20th Ave: Thanked Commission for difficult job. Emphasized issue is occupancy, not legality of Airbnb. Concerned that allowing occupancy change constitutes land use change that could be challenged by other attorneys.
- Ron Hubbard, 406 12th Ave: Acknowledged risk-reward analysis makes settlement financially sensible.
- Joe Mulling, 461 20th Ave: Concerned about stretching occupancy definitions. Objects to perpetual suspension of laws/rules for this property. Concerned license could be transferred to different LLC.
- Don House, 2104 Beach Trail: Criticized some residents for saying they do not care what happens to city, just want rental gone. Emphasized short-term rentals are legal and need enforceable laws.
- Patty Katz, 124 13th Ave: Has great neighbors with short-term rentals she does not even know are there. Emphasized need to fight only those who want to sue and break rules, not compliant operators.
- Kim Beer, 2003 Bayview Place: Called the sheriff multiple times about cars parked up and down street. The house has been a nightmare since short-term rentals started.

- Kelly Watt, 431 Harbor Dr. South: Concerned that the no-revocation right is transferable to any future property owner in perpetuity, not limited to current owners. Noted agreement states occupancy rights and revocation restrictions 'shall run with the land,' which constitutes a land use change requiring proper process. Urged the Commission to make a counteroffer removing perpetuity provisions.
 - Dan Mynesburg, 442 Harbor Drive North: Does not understand the rush to accept a settlement that people will be unhappy with. Advocates are going back to the third mediation to fight against perpetual rule change, preventing revocation.
 - Lan Vaughan, Harbor Drive: Noted uncertainty whether Bert Harris claim was filed timely. Questioned why the plaintiff would settle if they could win \$2.6 million.
 - Dave Watt, 431 Harbor Dr. S: Warned against falling into the trap of 'it's just one house' discussion, which misses big picture of larger battle.
 - Linda Newton, 438 Harbor Dr. N: Noted the city has only 2-lane highway. Concerned about the lack of sidewalks and lighting.
 - Rhett Parker, attorney representing AP6/455 20th Ave: Thanked Commission for service. Addressed FEMA compliance: no bunk beds on bottom floor, no living space on the bottom, issue was rectified. Any inspection issues must be rectified, or the property cannot be rented. Revocation is tied to ownership and land purchase prior to ordinance passage. Statute of limitations under the Bert Harris Act is one year from date of enforcement. All citations ever issued to property have been immediately rectified.
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Motion by: Vice Mayor Commissioner Wilson, to reject the settlement proposal in resolution of AP 6, LLC v. City of Indian Rocks Beach, M.D. Fla. Case No. 8:2023cv01986 AP 6, LLC v. City of Indian Rocks Beach, Court for Pinellas County Circuit Court Case No.: 522025CA004779XXCICI the proposal

Seconded by: Commissioner Bigelow.

Roll Call

- Commissioner Bond: No
- Commissioner Bigelow: Yes
- Commissioner King: Yes
- Vice-Mayor Commissioner Wilson: Yes
- Mayor Commissioner Houseberg: No

Motion to reject the settlement proposal passed with a vote of (3-2).

3. ADJOURNMENT

Motion by: Vice-Mayor Commissioner Wilson

Seconded by: Commissioner Bond

Vote: Carried Unanimously

Meeting adjourned at 2:59 P.M.