

**MEMORANDUM**

To: County Manager Kraus; Commissioners Ford, Hollingsworth, Murphy, Phillips, and Williams; Asst. Manager Kirby

From: Joel F. Foreman

**Re: Memorandum of Understanding and Interlocal Agreement  
City conveyance of Richardson Community Center to Columbia County**

Date: January 4, 2023

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**Recent Developments:**

In recent weeks members of the Board have expressed reservations about funding capital improvements to the Richardson Community Center and surrounding real property without some assurance that the County would ultimately hold title to that property. These concerns follow warnings communicated to Commissioners that the City would not transfer Richardson as agreed. Based on that warning, Commissioner Hollingsworth reached out to the City via letter and requested that the City reaffirm its commitment to convey the property under a February 2022 Interlocal Agreement with the County to convey the property.

The City Council discussed Commissioner Hollingsworth's request but declined to reaffirm its commitment as requested.

The February 2022 Interlocal Agreement states that the City will convey the property to the County either upon closeout of the CDBG-CV grant or in the event the City is relieved of its obligation to own the property pursuant to the CDBG-CV grant.

The County Manager and City Manager subsequently learned through discussions with the Florida Department of Economic Opportunity, the agency that made the grant to the City, that the City's ownership of the property was not a continuing requirement of the grant, such that the City was not obligated to maintain ownership until the grant was completed.

On December 22, 2022, the Commission approved a motion that the Chairman would send correspondence to the City Council formally requesting that the City follow through on the February 2022 Interlocal Agreement. Commissioner Ford sent a letter to the Mayor and Councilors on January 3, 2023, asking that the City "proceed now with conveying the City's interest in all real property at and contiguous to Richardson to the County in satisfaction of the interlocal agreement".

The City Council met on the evening of January 3, 2023 and considered Commissioner Ford's letter. The City Attorney offered the opinion that as written the Interlocal Agreement provided

for transfer of the property upon the close out of the CDBG-CV grant or any other circumstance relieving the City of its obligation to hold title to the property. Members of the Council had varying perspectives ranging from immediately transferring the property as requested on one hand to waiting to “see how the chips fall” up to and including the 2028 expiration date of a Memorandum of Understanding between the City and County made in February 2008.<sup>i</sup> Members of the public spoke in opposition to the County’s request, expressing confusion about why the County was requesting title at this time and accusing the County of bullying the City. County Manager Kraus spoke to reassure the Council of the County’s intentions and to apologize for causing any offense. Commissioner Ford spoke and expressed concern about whether the City intended to keep its end of the Interlocal Agreement with the County.

The Mayor declined to call for a motion citing his desire to see any communication from FDEO concerning the requirement or lack thereof the City’s ownership of the property reduced to writing before he would proceed with conveyance.

### **The County’s Legal Position:**

At the County’s special meeting on October 4, 2022, I offered a summary of the County’s legal position with respect to the Memorandum of Understanding, Interlocal Agreement, and the CDBG-CV Grant. The County’s position is unchanged. As I explained then, the County is in a strong position with respect to how it chooses to proceed at Richardson.

Under the Memorandum of Understanding, the County has a right of occupancy and use of Richardson subject to the terms of that agreement. The term of that lease is uncertain, except that it cannot exceed 20 years, potentially carrying it to January of 2028. Any tenancy at Richardson is at-will, meaning the County has the ability to terminate that tenancy with notice to the City. Notwithstanding these terms, I am of the opinion that the Memorandum of Understanding has been superseded by the Interlocal Agreement.

The Interlocal Agreement made in February of 2022 is the formalization of the plan to transfer Richardson to the County as contemplated by the Memorandum of Understanding. Not only does it supersede the prior document, but it strengthens the County’s claim to a right to receive title to the property by providing that “upon the close out of the CDB grant, or any other circumstance relieving the City of its obligation to hold title to the property” the City will convey the land. This language is in both the Interlocal Agreement itself and City Council Resolution 2022-018 (“...upon the close out of the CDBG, or any other circumstance relieving the City of its obligation to own the property, the City will donate and convey the Richardson Community Center property to the County”).

As stated at the City Council meeting on the night of January 3, 2023, the City has already agreed to this, such that on the occurrence of “any other circumstance relieving the City of its obligation to own the property”, the County can demand deeds and the City will be obligated to deliver without further Council action.

## Proposed Action or Motions

Since the County is not bound to continue in occupancy, and since the County is in position to elect enforcement of the Interlocal Agreement on the occurrence of the operative language, the options for the Board given its concerns about making capital investments are broad. I understand there are varying levels of desire to address the Board's concerns, and I have crafted motions that follow a spectrum from the lowest impact to the highest. I believe any of the following options may be exercised by the Board with minimal risk of legal exposure. As always, the Board has the option of taking no action.

1. **Motion:** To suspend all capital expenditures at Richardson until such time as title to the property is received by the County.
  - Recreation Department activities at the Center would remain.
  - The Richardson Community Center's license agreement with the County would remain.
  - The Interlocal Agreement would remain in effect such that if the City were released by FDEO from any obligation to continue in ownership of the land the City would be obligated to convey the property to the County.
  
2. **Motion:** To suspend all County activities at Richardson until such time as title to the property is received by the County.
  - This motion would have the same effect as the first motion, except that all Recreation Department activities and other activities by County employees would also stop until the County received its deeds.
  
3. **Motion:** To notify the City of Lake City of the County's election to terminate any tenancy at Richardson Community Center, release the City from the Interlocal Agreement, remove all County material and personnel from the premises, and surrender the premises to the City.
  - This is the most extreme of the options I was asked to evaluate, and it is self-explanatory. This is tantamount to the County "giving back" Richardson Community Center. Since the only way the Interlocal Agreement can terminate according to its terms is through recordation of the operative deeds from the City to the County, it would be necessary for the County to instead release the City from the Interlocal Agreement so the deeds would not be required of the City.

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<sup>i</sup> The Memorandum of Understanding has been loosely referred to as a "lease". In fact, it is not a lease, but is "an interim agreement until a more formal document can be produced in relation to the terms of the City transferring to Columbia County the Richardson Recreational Facility and Annie Mattox Park which is currently owned and operated by the City of Lake City." The interim agreement is superseded by the February 2022 Interlocal, which formalizes the terms and conditions of the transfer of the Richardson Community Center property. Furthermore, even if the 2008 Memorandum of Understanding is enforceable, by its own terms it is not a 20-year lease, rather a lease "beginning on January 1, 2008 for a term not to exceed 20 years". As there is no defined term of the lease, any tenancy that might exist would be at-will, subject to termination by the County with notice.