

## Statement for the Press

Today, PNS Hotel Group, Ltd. filed suit against the City of Pensacola concerning the recent lease of airport property.

The partners in PNS Hotel Group, Ltd. are Darryl Lapointe, Bob Cleveland, Dave Cleveland, Jim Cronley, Tony Terhaar, and John Connell. The group owns and manages hotels currently operating near the airport, including the Hampton Inn, the Homewood Suites, and the Hilton Garden Inn (currently under construction).

According to Dave Cleveland, “We have filed this suit as citizens concerned about the way this deal was done, and because we believe it is a bad deal for the City and its citizens. We felt that the only way to bring the facts into the sunshine was via legal action. It was a deal done very quickly, behind the scenes, and with only a few people involved. It was voted on by City Council before they had any chance to study or question the basic legalities involved. As our legal research has revealed, we believe the City failed to adhere to some basic constitutional requirements when they decided to allow the use of public property for private profit. This lawsuit requests the Court to declare the Lease to be in violation of Florida Statutes and the Florida Constitution”.

Tony Terhaar also offered, “As businessmen we are concerned that the deal is not fair, not only to our business, but to all commercial real estate and business owners in the vicinity of the airport, as it artificially influences the free rental market and the price of commercial space. The lease and development agreement gives an unfair business advantage to a private enterprise due to public subsidization. We believe that this flawed deal comes at a cost to all area citizens and taxpayers through excessive or unnecessary expenditures of City and/or airport funds, forfeited property taxes, and reduced revenues to the airport for a very, very long period of time. These costs to the taxpayers add up to millions of dollars”.

The actual complaint, crafted by Pensacola-based attorney Robert Beasley, is attached. Essentially, the lawsuit alleges the following:

- The duration and term of the Agreement are in excess of legal allowances.
- The City failed to provide the required public hearings and notices to allow public input.
- The Lease constitutes illegal contract zoning which obligates the City to approve automatically any of the future development plans of Sandspur Development, LLC.
- The City has provided for an unconstitutional conveyance of public funds and financial support to a private business, with no paramount public purpose.
- The City has violated its own written policies regarding the leasing of airport property.
- The Agreement provides for the illegal special private use of public property, regarding the placement of directional signage to a privately owned hotel, throughout the airline terminal facility.
- The City, by and through its designated staff, has acted either fraudulently, arbitrarily, illegally, or dishonestly in negotiating the Lease and Development Agreement, and hastily submitting it for approval, despite serious errors, misstatements, miscalculations, and amendments.

For additional questions or comments, please contact Dave Cleveland at 932-9314.