

TOWN *Of* **PARADISE VALLEY**



STAFF REPORT

TO: Mayor Bien-Willner and Town Council Members

FROM: Jill Keimach, Town Manager
Andrew McGuire, Town Attorney
Deborah Robberson, Assistant Town Attorney

DATE: June 10, 2021

DEPARTMENT: Town Manager
Jill Keimach, 480-348-3533

AGENDA TITLE:

Approve Settlement Agreement between the Town of Paradise Valley and Five Star Development Resort Communities, et al. to resolve disputes in pending litigation and other matters.

RECOMMENDATION:

Approve Settlement Agreement between the Town of Paradise Valley and Five Star Development Resort Communities, et al.

SUMMARY STATEMENT:

The Town and Five Star Development reached a mutual agreement to resolve legal disputes pertaining to the costs of underground drainage structures and street improvements in connection with Five Star's resort and residential developments generally located in the proximity of Lincoln Drive and Mockingbird Lane within the Town of Paradise Valley. This Settlement Agreement will end the pending lawsuit and its related risks and expenses, and is designed to provide the Town with appropriate compensation for all fees, expenses and contractual obligations.

BUDGETARY IMPACT:

In addition to monies already paid by Five Star, the Town will be paid an additional \$2.8M in immediately available funds over what Five Star has already paid, and will receive payments totaling at least \$3M to be paid annually over a six-year period through the implementation of a \$10 off-site infrastructure surcharge on guest rooms on the Five Star property, for a total of over \$8M.

ATTACHMENT(S):

- A. Staff Report
- B. Settlement Agreement