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FOR IMMEDIATE RELEASE

City Approves Class Action Settlement to Refund Enterprise Zone Businesses Millions of Dollars

January 26, 2018 – MIAMI, FL – After more than four years of hard-fought litigation, a group of Miami business owners is one step closer to being able to collect millions of dollars owed to them by the city of Miami.

On Jan. 25, city commissioners approved a long-awaited settlement agreement that sets aside millions of dollars to reimburse businesses that submitted written applications before November 6, 2011 for ad valorem tax exemptions under a city of Miami ordinance. The ordinance was passed in 2002, but was not enacted until 2004.

The lawsuit, filed in 2013 by plaintiff business owner 346 NW 29th Street, LLC and later certified as a class action, alleged that the city failed to comply with its own ordinance, which allowed businesses in the city's Enterprise Zone to apply for real estate and personal property tax rebates. The zone includes parts of what are today Midtown, Wynwood, the Design District and Brickell. Developments in the zone include the Epic Hotel, Midtown Development and Met 1 and 2. The purpose of the ordinance was to offer businesses tax concessions to encourage investment and to provide jobs in the Enterprise Zone.

Between 2004 and 2011, approximately 67 businesses within the Enterprise Zone filed applications seeking approval of an ad valorem tax exemption. However, they received neither a written approval nor a denial of their applications.

After a lengthy court battle, during which the city filed numerous unsuccessful appeals, attorneys for the class and city negotiated the settlement agreement in December 2017 which called for the city to set aside millions of dollars in a fund to be distributed to class members who can demonstrate their qualifications under the ordinance.

"This case is important because it reinforces the right of citizens to hold government accountable for following its own laws. The city of Miami had a legal obligation to act under an ordinance that had been passed by the voters in a referendum," said Stevan Pardo, of Pardo Jackson Gainsburg, who represented the plaintiffs.

The class of taxpayer claimants merely wanted the city to carry out the ordinance, the purpose of which was to incentivize re-gentrification and job stimulation in depressed neighborhoods within the city, according to Nicole Rekant, of Pardo Jackson Gainsburg, who worked with Mr. Pardo on the case.

“The trial court’s and appellate courts’ orders throughout this case protected the class’s rights and the city did the right thing by agreeing to a fair and reasonable settlement. This case should set a precedent for municipalities to heed their ordinances, laws, and legal obligations to their communities,” Rekant said.

The settlement agreement is subject to final court approval in Miami-Dade Circuit Court.

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[Pardo Jackson Gainsburg, PL](#) is a Miami-based business law firm that represents clients in all areas of real estate, construction, hotel/hospitality, litigation, creditors' rights, and corporate matters. The firm handles complicated business and construction litigation, with an emphasis on complex commercial, construction law and insurance defense, and represents clients in corporate transactions, including loan origination and workouts, contracts and mergers and acquisitions.