CODE ENFORCEMENT SPECIAL MAGISTRATE HEARING MINUTES

August 25, 2026 – 10:00 A.M.

PRESENT: Thomas Thanas, Special Magistrate
Attorney Nancy Stuparich, City Attorney's Office
Ginny Bodkin, Deputy City Clerk
Peyt Dewar, Code Enforcement Manager
Chris Rosinski, Deputy Building Official
Joanne Boland, Permit Administrator

Special Magistrate Thanas called the hearing to order at 10:00 AM, stating that this hearing was a continuation of the July 13, 2026 hearing.

2. **Changes to the Agenda** – None.

3. **Cases Continued**

   A. **City of St Pete Beach v. District Holdings Florida LLC Case # 20210367**
   Address: 550 Corey Ave St. Pete Beach, FL 33706
   Status Hearing - Orders entered on February 16, and April 13, 2022, and August 12, 2026

The hearing was paused briefly from 10:04 to 10:08AM to allow all the parties to arrive.

Present for the Respondent: Adam Kestenbaum, District Holdings; Omer Ben Avraham of KAO Partners; Anthony Pavek, General Contractor, Yehovah International.

Special Magistrate Thanas swore in Deputy Building Official Chris Rosinski; those who were sworn in at the last hearing continued to be under oath.

City Attorney Nancy Stuparich stated that the July 13th hearing involved two issues: a status update on a prior order and the City's request for authorization to foreclose on a lien because of nonpayment and the property's continued noncompliance. She explained that the City would present testimony from the building official and permit technician about the City's records and the status of building permits, as well as testimony from the Code Enforcement Manager regarding any payments received and other relevant information. After that presentation, the City intended to ask the special magistrate for authorization to pursue foreclosure of the lien. She emphasized that the City's primary goal was to bring the property into compliance.

Deputy Building Official Chris Rosinski provided a summary of what has occurred at the property since the previous hearing. The property was still in a "semi-demolished" condition: floors in individual units had been removed, walls were stripped down, and some sewer lines had been removed or excavated without replacement. He stated the work was interior demolition, the project had a permit, and six inspection requests had been made over the life of the permit, with the most recent request occurring the day before the hearing.

Permit Administrator Joanne Boland testified that the permit remained open and reviewed the inspection history. The first windows-and-doors inspection was called in on May 16, 2024, performed on May 17, and failed because no product approvals or permit placards were on site. A second windows-and-doors inspection on May 21, 2024 passed. Later inspections included a partial pass for building framing on October 6, 2025, a passed temporary electrical pole inspection on October 27, 2025, and a canceled permanent power inspection. Yesterday a job-site status meeting was held. She stated that many inspections still needed to be completed.

Code Enforcement Manager Peyt Dewar testified that since the permit was issued in 2023, the property had only had about five inspections and remained far from complete. Relying on information from building officials, he testified that the property was still in the interior pre-demolition stage and remained out of compliance with code. He testified that no payments had been made to the City on the lien. City research showed two tax certificates on the property, from 2024 and 2025, but no tax deed or change in ownership; the warranty deed still showed KAO Capital Partners Florida LLC as the owner, dated April 8, 2022. He said the lien amount was approximately $371,250, excluding administrative costs. He also presented photographs taken that morning showing the property's current exterior condition, including lack of maintenance, overgrowth, an empty pool, and multiple structures that are all part of the same 550 Corey Avenue parcel under single ownership. He noted a "for sale" sign on the property. He provided the documents and photos to the owner/respondents for inspection; they are part of the meeting record.

Omer Ben Avraham of KAO Partners testified that the 2024 taxes are paid in full and 2025 is not yet due. He also testified to waiting 10 days for a zoom call with staff to inquire about next steps. He stated that at the last hearing he agreed to progress with the renovations and he summarized that they have had four inspections since then and obtained a Certificate of Occupancy for 600 Corey Ave. They have made progress and are willing to work together.

Contractor Anthony Pavek testified that he remained under contract with the current owners and believed the project could be completed in less than a year, although the deputy building official estimated it could take longer. He explained that he had focused first on completing work at 600 Corey so resources could shift back to 550 Corey, and that inspections and underground fire-related work had recently been scheduled or addressed. He stated that progress was being made, including site cleanup and weed control, and that subcontractors were ready to proceed. He also attributed delays to hurricanes, downtime, and the need to resolve classification issues with the building before work could continue. He emphasized that the project involves a required construction sequence, so related trade permits and underground work must be completed before later phases can move forward.

Respondent Adam Kestenbaum of District Holdings questioned why the City was pursuing foreclosure when the ownership group was ready and willing to work with City staff and its contractor to bring the property into compliance. He noted that City staff had indicated the work could take approximately a year and a half and argued that foreclosure would not expedite compliance, since the current ownership group was already prepared to begin the necessary work.

City Attorney Stuparich questioned Mr. Ben Avraham about a "for sale" sign on the property, noting that he had previously testified there was no pending sale. Mr. Ben Avraham said he did not recall when the sign was placed but maintained that he intended to bring the property into compliance and retained the right to sell it. The attorney also questioned him about the status of property taxes. He maintained that the 2024 taxes had been paid and offered to provide documentation. The attorney explained that the City's records showed tax certificates and suggested a third-party investor may have paid delinquent taxes to acquire the property through a tax sale. It was clarified that such a process had not resulted in a change of ownership and that KAO Capital Partners Florida LLC remained the owner.

Mr. Dewar asked the Magistrate to consider the property's history, noting that the sale from District Holdings Florida LLC to KAO Capital was contingent on the property being renovated within 90 days, with approximately $86,000 held in escrow for that purpose. He questioned the owners' claims of recent progress, noting that, according to staff, there had been no inspections in 2026 and fewer than two inspections since the property was sold to the current owners.

In summary, Mr. Kestenbaum stated that the work was being pursued in good faith and that completing the property was always expected to take longer than 90 days. He argued that the $86,000 escrow was unrelated to whether the City should be permitted to foreclose on the code compliance lien, as the City was not a party to the escrow agreement. The owners were prepared to complete the property and then work with the City to resolve any financial obligations associated with the lien. He maintained that foreclosure was unnecessary and urged the City to cooperate with the ownership group so the property could be brought into compliance, acknowledging that the work could take approximately a year and a half.

In closing, Ms. Stuparich stated that the hearing addressed both the property's compliance status and the City's request for authorization to foreclose on the code compliance lien. The escrow funds could be used to reduce, but not fully satisfy, the outstanding lien. She argued that the legal criteria for foreclosure had been met because the property remained out of compliance and the lien had been unpaid and recorded for more than three months. She emphasized that the City's goal was compliance, not a financial gain, and noted that a reduction of the lien could be pursued separately once the property is brought into compliance. Given the lack of meaningful progress since 2022 and the City's position that activity only increased after the matter was brought back before the Magistrate, she argued that foreclosure authorization was necessary to compel compliance. She added that the owners could continue working toward compliance during the foreclosure process and could seek a lien reduction once compliance was achieved.

Special Magistrate Thanas stated that this case had been pending since February 2022 and that an order had previously been entered based on representations that the property would be renovated and that escrow funds would be provided as a good-faith assurance. He acknowledged several circumstances affecting the property, including the COVID-19 pandemic and the September 2024 hurricanes, but found that, during the intervening period, there did not appear to have been significant construction activity at 550 Corey Avenue. He noted that, although some progress had been made, the property did not appear to be near completion and remained out of compliance.

The Special Magistrate stated that his decision was based on the prior proceedings, the current status of the property, and the City's authority under its ordinance. He further stated that foreclosure is not automatic and that the property owners may still have time to work with the City to bring the property into compliance before any ultimate foreclosure occurs. Special Magistrate Thanas discussed the accrued fines and stated that the fines would continue to accrue at $250 per day. He noted that, under the applicable state statute and City ordinance, he did not have authority at this stage to reduce the fine or stop its accrual. He stated that any dispute regarding escrow funds was a private matter between the parties and the title company, and that the City was not a party to that agreement.

Based on the testimony presented by the current owners, former owner Mr. Kestenbaum, City staff, and the argument of City Attorney Stuparich, the Special Magistrate granted the City's motion to authorize the City to proceed with a foreclosure action. He stated that a written order authorizing the City to proceed with foreclosure would be entered and emailed to the parties.

B. City of St Pete Beach v. District Holdings Florida LLC Case # 20210367
Address: 550 Corey Ave St. Pete Beach, FL 33706
Authorization to Foreclose – Lien recorded in Official Record Book: 21966 on Page: 2520 on the 9th day of March, 2022 in the Official Records of Pinellas County, Florida

This item was heard and decided as part of the previous item 3A.

4. Next Meeting/Adjournment -

There being no further business, the hearing was adjourned at 11:12 A.M.

Attest:

Renee Rose, City Clerk