

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number: _____

Meeting Type: Regular

Meeting Date: Oct 23, 2014

Action Requested By: Legal

Agenda Type: Resolution

Subject Matter:

Dreamz Unlimited LLC d/b/a Cafe 565.

Exact Wording for the Agenda:

Resolution authorizing the City Attorney to seek a forfeiture of the surety bond issued by Western Surety Company.

Note: If amendment, Please state title and number of the original

Item to be considered for: Action

Unanimous Consent Required: No

Briefly state why the action is required; why it is recommended; what council action will provide, allow and accomplish and; any other information that might be helpful.

More than thirty (30) days have passed since the issuance of the Notice of Final Assessment to Dreamz Unlimited LLC d/b/a Cafe 565 reflecting that Dreamz Unlimited LLC d/b/a Cafe 565 is indebted to the City of Huntsville for past-due liquor and sales taxes, interest and penalties in the amount of \$1,047.29 for the period in which said bond was in effect. Dreamz Unlimited LLC d/b/a Cafe 565 has not responded to the Notice of Final Assessment.

Associated Cost: _____

Budgeted Item: Not Applicable

MAYOR RECOMMENDS OR CONCURS: _____

Department Head:  _____

Date: 10-14-14

RESOLUTION NO. 14-_____

WHEREAS, Western Surety Company issued a surety bond in the amount of EIGHT THOUSAND AND 00/100 DOLLARS (\$8,000.00) for the payment of liquor and other taxes to Dreamz Unlimited LLC d/b/a Café 565.

WHEREAS, the Principal failed to pay taxes in the amount of ONE THOUSAND FORTY SEVEN AND 29/100 DOLLARS (\$1,047.29) for the taxing period of November 2013 through March 2014; and

WHEREAS, the City Clerk-Treasurer's Office has made every possible effort to collect the taxes due from the Principal.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Huntsville, Alabama, that the City Attorney's Office is hereby authorized, requested, and directed to seek a forfeiture of the surety bond issued by Western Surety Company; and

BE IT FURTHER RESOLVED by the City Council of the City of Huntsville, Alabama, that the Mayor, upon payment by Western Surety Insurance Company and in accordance with its bond, is hereby authorized, requested, and directed to execute a release and assignment agreement substantially in words and figures as Attachment "A", an executed copy of said document being permanently kept on file in the Office of the City Clerk-Treasurer of the City of Huntsville, Alabama.

ADOPTED this the 23rd day of October, 2014.

President of the City Council of
the City of Huntsville, Alabama

APPROVED this the 23rd day of October, 2014.

Mayor of the City of
Huntsville, Alabama

ATTACHMENT "A"

KNOW ALL MEN BY THESE PRESENTS that the undersigned, for the sole consideration of ONE THOUSAND FORTY SEVEN AND 29/100 DOLLARS (\$1,047.29) to be paid by Western Surety Company from the bond of Dreamz Unlimited LLC d/b/a Café 565 (Bond Number 61553931), to the City of Huntsville, Alabama, releases and discharges Western Surety Company from the obligation of the bond to the extent of ONE THOUSAND FORTY SEVEN AND 29/100 DOLLARS (\$1,047.29) received for the taxing period of November 2013 through March 2014.

In further consideration of payment of ONE THOUSAND FORTY SEVEN AND 29/100 DOLLARS (\$1,047.29) of the above noted bond, the City of Huntsville, Alabama, hereby assigns to Western Surety Company any claim the City of Huntsville, Alabama, may have against Dreamz Unlimited LLC d/b/a Café 565, for delinquent or deficient taxes or license fees to the extent of the remitted amount of ONE THOUSAND FORTY SEVEN AND 29/100 DOLLARS (\$1,047.29) for the taxing period of November 2013 through March 2014. The City of Huntsville, Alabama, retains any claim it may have against Dreamz Unlimited LLC d/b/a Café 565 for delinquent or deficient taxes or license fees greater than the amount of ONE THOUSAND FORTY SEVEN AND 29/100 DOLLARS (\$1,047.29) received from Western Surety Insurance Company for the taxing period of November 2013 through March 2014.

IN WITNESS WHEREOF, the City of Huntsville, Alabama, has caused this document to be executed by its duly sworn officer this the 23rd day of October, 2014.

CITY OF HUNTSVILLE, ALABAMA

BY: _____
Tommy Battle
Its Mayor

ATTEST:

By: _____
Charles E. Hagood
Its Clerk -Treasurer