

FOR IMMEDIATE RELEASE Tuesday, October 25, 2022 Contact: Pete Shipley, 614.965.0203 Email: <u>pjshipley@columbus.gov</u>

City Attorney Klein Says City Nearing Agreement Requiring Latitude Five25 Owners to Sell Property or Face Takeover

Klein says terms are still being finalized, but agreement would require sale of property within 90 days and continued systems maintenance or a receiver would be appointed to manage, sell property

COLUMBUS, OH— Columbus City Attorney Zach Klein today announced the City of Columbus is nearing an agreement on a resolution that would put the Latitude Five25 Apartments on a path toward significant improvement. The deal, which is expected to be finalized in the coming weeks, would require Paxe Latitude, which owns the 400 unit complex on the city's east side, to sell the property within 90 days and then pay a \$50,000 contempt fine at closing. In the interim, a provision would require property owners to maintain utilities and mechanical systems at the property. If owners fail to comply with the property for sale. Final details of the agreement are expected in the coming weeks.

"At this point, improving conditions at Latitude Five25 means bringing in new ownership to take control. The City is working with all parties to facilitate a sale of the property so that residents can finally see a real quality of life improvement," said Columbus City Attorney Zach Klein. "While the terms of the agreement are still being finalized, the City is encouraged at the direction of these discussions and remain hopeful that within 90 days, the property will be transferred either to a new owner or a receivership group. It's past time for current ownership to take action."

The Latitude Five25 have been on the City Attorney's radar for some time. Columbus Police received more than 1,000 calls for service to the premises between Jan. 7, 2020 and Jan. 6, 2022, including calls for shots fired, shootings, overdoses, narcotics complaints, reports of domestic violence and assault, and fights on the property.

Additionally, City Code Enforcement has received a multitude of complaints from residents for unsafe and unsanitary conditions, including common areas not being cleaned, insect infestations, and failure of staff to respond to maintenance requests.

As a result of the unsafe and unsanitary conditions, the City secured a court order in May 2022 that required the owners to improve security, address code violations and bring the property into compliance.

In August and September 2022, the City Attorney's Office filed two separate motions <u>to hold</u> <u>property owners in contempt</u> of court following multiple violations of the terms of the May 2022 agreement, including failure to maintain on site security personnel, multiple reports of gun violence and multiple unaddressed code violations, including the termination of electric services to the complex as a result of owners' nonpayment of their utility bill.

As a result of these violations, Latitude Five25 tenants have been forced to endure significant periods without electricity, hot water or elevator service, flooding of both water and sewage, and accumulation of trash throughout the interiors of the buildings. On multiple occasions, the City has responded to concerns of Latitude Five25 residents by deploying social service providers for assistance.

City Attorney Klein noted Tuesday that every option remains on the table, but the ultimate goal is to change ownership and improve living conditions for residents. If current owners fail to sell the property, a court appointed receiver will immediately take over the property to manage, improve and prepare the property for sale—a similar arrangement the City pushed for at the Colonial Village Apartments, which has seen a dramatic improvement in recent months as the receivership group has taken over management duties and begun to improve conditions at the property.

A finalized agreement between the City, property owners and the lender is anticipated in the coming weeks.

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