



Rutherford County

Legislation Text

File #: ID 17-1413, Version: 1

Meeting Date: August 7, 2017

LR Buffalo Creek/Rutherford County Settlement Order

Summary:

The bankruptcy estate of LR Buffalo Creek LLC continues to own approximately 252 tracts of land in the Grey Rock subdivision and the County is owed significant outstanding property taxes in connection with those tracts. The Florida bankruptcy court recently approved a settlement between the County and the bankruptcy trustee whereby the County received a payment of \$740,000 towards the outstanding taxes. As part of that same settlement, the bankruptcy court also approved general unsecured claims of the County for over \$17 million, related to unpaid taxes and LR Buffalo Creek's breach of development agreements with the County. Based upon the assets remaining in the bankruptcy estate and the substantial number of claims which have been filed against the debtor, the County anticipates that if there is any distribution of its unsecured claim, the amount will be minimal (i.e., likely to be less than a 1% recovery). The bankruptcy trustee is engaged in discussions with third parties in an attempt to sell the tracts owned by the bankruptcy estate and if those sales take place, the County anticipates receiving further tax revenue at closing.

Budget:

N/A

Contact Information:

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Recommended Motion:

Information only.