O-05

TO: Members of Troy City Council
FROM: Lori Grigg Bluhm, City Attorney
Susan M. Lancaster, Assistant City Attorney
DATE: October 16, 2013
SUBJECT: Center Court Tennis, LLC v. City of Troy

Late last year, Center Court Tennis sent a letter to City officials, asking for a contract to operate the tennis bubble/tennis courts and to provide tennis lessons on City property. Center Court Tennis was informed that there is an exisiting contract with the Troy Racquet Club which does not expire until 2018. Center Court Tennis then filed a lawsuit against the City of Troy, seeking to invalidate the contract with the Troy Racquet Club. Center Court Tennis also filed a similar lawsuit against the City of Birmingham, which is still pending in the Oakland County Circuit Court.

This lawsuit against the City of Troy was divided into four separate counts. In Count I, Center Court Tennis alleged that the City violated the Charter by refusing to accept competitive bids for the operation of the tennis bubble/tennis courts, including the "bid" from Center Court Tennis. In Count II, Plaintiff asserted that the City violated the City Charter by allegedly failing to pursue a public referendum process before contracting with the Troy Racquet Club. Plaintiff also argued that the City allegedly violated the Charter by refusing to accept competitive bids for the private tennis lesson instruction (Count III). In Count IV, Plaintiff sought a Court declaration invalidating the contract with the Troy Racquet Club and also the agreements with the individual tennis instructors. Plaintiff also sought additional damages, costs, and attorney fees.

On May 31, 2013, the City Attorney's Office filed a Motion for Summary Disposition disputing each of the Defendant's claims. The City made the following arguments:

1. The lease and contract between the City and the Troy Racquet Club was valid and binding to May, 2018 with options to renew;
2. City Council did not abuse its discretion in approving the lease and amendments;
3. The Recreation Service Agreements for tennis instructors are exempt from competitive bidding requirements under City Charter;
4. Plaintiff has not established entitlement to the invalidation of the lease or the amendment to the lease because Plaintiff has no guarantee of the right to bid; and
5. The Plaintiff could not establish a violation of the City Charter provision on referendums because a referendum is voter initiated and no petitions were filed.

The Defendant filed a Response to the City's Motion for Summary Disposition on July 29, 2013 and oral arguments were heard by Oakland County Circuit Court Judge Denise Langford Morris on October 9, 2013. Judge Langford Morris granted the City of Troy's Motion for Summary Disposition in an Opinion and Order dated October 10, 2013, a copy of which is included. As set out in the Opinion and Order, Judge Langford Morris' agreed with each of the City of Troy's arguments. The case is now dismissed.

Received for Filing Oakland County Clerk 2013 OCT 10 AM 09:33

STATE OF MICHIGAN
IN THE CIRCUIT COURT FOR THE COUNTY OF OAKLAND

CENTER COURT TENNIS, LLC,
Plaintiff,

v

Case No: 13-133051-CZ
Hon. Denise Langford Morris

CITY OF TROY,
Defendant.
_____/

SUMMARY DISPOSITION OPINION AND ORDER

This matter is before the Court on Defendant's Motion for Summary Disposition. The Court heard oral arguments and took the matter under advisement. Having considered the merits and being fully advised in the premises, the Court finds as follows. The Lease and Contract between Defendant and the Troy Racquet Club are valid and binding and extend until May 2018, with options to renew thereafter. Defendant City Council did not abuse its discretion in approving the Lease and amendments with the Troy Racquet Club. The Court finds that the Recreation Service Agreements apply to the tennis instructors hired by Defendant to teach tennis classes and that these are exempt from the competitive bidding requirement under the City Charter. Plaintiff has not established entitlement to the invalidation of the Lease or amendments because Plaintiff has no guarantee of the right to bid on something that is already under contract. Plaintiff cannot establish a violation of the Charter provision on referendums because it is voter initiated and there is no evidence that the required petitions were filed.

Accordingly,

IT IS HEREBY ORDERED that Defendant's Motion for Summary Disposition pursuant to MCR 2.116 (C) (5) and (8) is GRANTED.

This disposes of the last pending claim and closes the case.

IT IS SO ORDERED.

/s/Denise Langford Morris

DATED: OCT 10 2013

DENISE LANGFORD MORRIS
Circuit Court Judge

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