

Recap for August 6, 2024, City Council Meeting

Talus Update

City Attorney Bill Ihrke was authorized by the council during closed session to defend and protect the City in bankruptcy cases filed Monday night by SilverRock Development Company LLC (SDC) and related entities.

The Petitions for Chapter 11 bankruptcy, filed in federal court in the state of Delaware on Monday, August 5, automatically created a stay of foreclosure sale of the Talus La Quinta property, formerly known as SilverRock Resort, by lender Cypress Holdings LLC.

On August 2, 2024, the City found SDC in “total breach” of a Purchase, Sale and Development Agreement (PSDA) when the developer missed a critical June 30, 2024, deadline to secure Recapitalization Loans on the property and restart construction on two luxury hotels, golf clubhouse and other amenities.

In a special meeting on Tuesday, the City Council authorized the City Manager, with assistance by the City Attorney, to negotiate an interim agreement with members of a Memorandum of Understanding (MOU). The MOU was entered into on May 24, 2024, with SDC, CMG, Montage North America LLC, Cypress Holdings LLC, Poppy Bank, RD Olson Construction and Granite Construction Company.

SDC will be excluded from the current negotiations, and any proposed agreement will be brought back to the City Council for review before it is finalized.