

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

36-2

AGENDA ITEM SUMMARY

Meeting Date: February 6, 2007

☒ Consent

☐ Regular

☐ Workshop

☐ Public Hearing

Department: Office of Financial Management and Budget

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve a negotiated settlement offer in the amount of \$20,745.60 for the full satisfaction of a Code Enforcement lien that was entered against Automotive Experts of Palm Beach, Inc. on November 21, 2001.

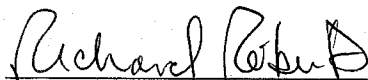
Summary: The Code Enforcement Special Master (CESM) entered an Order on March 7, 2001 giving Automotive Experts of Palm Beach, Inc. (Automotive Experts) until July 5, 2001 to obtain building permits for interior renovation work that had been done without permits (enclosed second floor loft area). Compliance with the CESM's order was not achieved by the ordered compliance date and a fine in the amount of \$50.00 per day was imposed. The CESM then entered a claim of lien against Automotive Experts on November 21, 2001. The cited code violations were fully corrected as of December 29, 2003. The total accumulated lien amount through March 29, 2004, the date settlement discussions began, totaled \$62,236.80, of which Automotive Experts has agreed to pay the County \$20,745.60 (33.34%) for full settlement of their outstanding Code Enforcement Lien. (District 2) (PM)

Background and Policy Issues: The initial violation that gave rise to this code enforcement case was for interior renovations that had been made to the second floor interior of their building without a building permit. The Special Master gave Automotive Experts until July 5, 2001 to obtain compliance (get the required building permits) or a fine of \$50.00 per day would begin to accrue. A check of the Building Department's records on August 14, 2001 confirmed that the property was not in compliance as no permits had been issued. A lien was then entered against Automotive Experts on November 21, 2001. The collections Section of OFMB was initially contacted by Mr. Potter, owner of Automotive Experts, on March 29, 2004 to discuss a settlement of the outstanding code lien. The collections Section of OFMB, after careful review, evaluation and several discussions, agreed to present the proposed settlement offer in the amount of \$20,745.60 to the Board for approval.

(Continued on Page 3)

Attachments:

Recommended by:

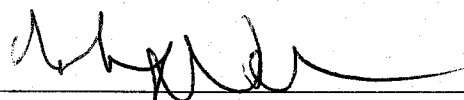


Department Director

1/29/06

Date

Approved by:



County Administrator

1/29/06

Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	<u>(\$20,745.60)</u>	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>(\$20,745.60)</u>	_____	_____	_____	_____

ADDITIONAL FTE
POSITIONS (Cumulative)

Is Item Included In Current Budget? Yes _____ No X
Budget Account No.: Fund 0001 Department 600 Unit 6241 Object 5900

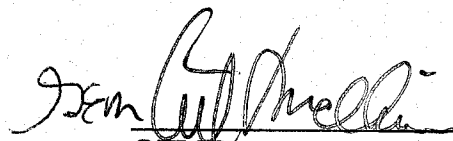
Reporting Category _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

C. Departmental Fiscal Review:

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

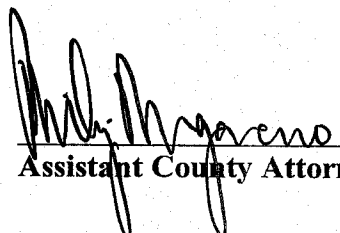


OFMB

N/A

Contract Dev. and Control

B. Legal Sufficiency:



Assistant County Attorney

C. Other Department Review:

Department Director

This summary is not to be used as a basis for payment

The mitigating factors considered during our review and evaluation are as follows:

1. Automotive Experts initially hired a contractor in July 2000 to enclose a second floor loft area in one of their buildings for office expansion. A County Fire Inspector, who was conducting annual business inspections, noted that the improvements were being made without a building permit and notified Code Enforcement of the same. Code Enforcement then inspected the property on August 2, 2000 and cited the owners. The first permit application was submitted by the original contractor on September 25, 2000. After working for two years to obtain the required permit, the contractor quit the job. Automotive Experts then hired a new contractor who made application for the required building permit on July 29, 2002. After working to get the permit, it was determined that the existing use of the property was not in conformity with the approved zoning and that the expanded use of the connecting properties that Automotive Experts owns would require a zoning change in order for the permits to be issued. After working on this issue until November 20, 2003 and weighing the costs to go through the zoning change process, Automotive Experts had their new contractor apply for a demolition permit to remove the un-permitted improvements on December 16, 2003 with the permit being issued on December 29, 2003. Had Automotive Experts removed the improvements earlier when there were major issues standing in the way of getting the required building permit, their code lien would not have grown to its substantial amount. Automotive Experts incurred a substantial amount of costs to remove the unpermitted improvements.
2. The Building Department's records do reflect that the owner's contractors were working on obtaining the required permit and had the first contractor applied for the required permit before doing the improvement work, the owner would not have incurred a lien. The first contractor, who went out of business around the time he quit the job, misled the owner when he told him that the installation of interior walls did not require a permit.
3. The Building Department listed the value of the alterations at \$7,000.00.
4. The owner has expended thousands of dollars on contractors for improvements that were eventually removed and the building's interior has been restored to its original permitted condition. After 2 years of ongoing discussions, the owner has agreed to this proposed settlement. It should be noted that after being cited, no additional work was done until the removal/demolition permit was issued.

An Affidavit of Compliance has been issued by Code Enforcement and states that the cited violations were fully corrected as of December 29, 2003 and that the property is in full compliance with the Code Enforcement Special Master's Order.

Settlement offers that reduce any debt amount due to Palm Beach County by more than \$2,500 require the approval of the Board of County Commissioners, per Countywide PPM# CW-F-048. This settlement offer exceeds the \$2,500 limit and requires Board approval.