

Agenda Item #:

50-1

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

Meeting Date: February 6, 2007

☐ Consent

☒ Regular

☐ Public Hearing

Department: Housing and Community Development

Submitted By: County Attorney's Office

Submitted For: Housing and Community Development

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: Satisfaction and Release of Mortgages releasing two mortgages, each in the original amount of \$215,700 on rental property located in Canal Point, in consideration for payment in the amount of \$75,000.

Summary: In 1991, Palm Beach County, utilizing federal funds through the Rental Rehabilitation Program, loaned the owner of this property, Alford Ellick, a total of \$431,400 to rehabilitate rental units for very-low and low income households. The County's loans were secured by second and third mortgages. The first mortgage holder foreclosed its mortgage in September 2006, essentially extinguishing Palm Beach County's interest in the property. The original owner, Alford Ellick, is endeavoring to reacquire the property from the first mortgage company, Meister Financial Group, Inc., and has offered to pay Palm Beach County \$75,000 in consideration for the Satisfaction and Release of Mortgages. The current unpaid balance of the mortgages is \$401,613.27. District 6 (TKF)

Background and Policy Issues: Currently, Palm Beach County's interest in this property has been extinguished by a mortgage foreclosure and Meister Financial Group, Inc., is the owner. Alford Ellick, the original owner, has close ties to the Canal Point community and wishes to reacquire the property. He has made arrangements with a local non-profit agency to house special needs residents. In order to clear any potential title issues, Mr. Ellick is offering the County \$75,000 to obtain Satisfaction and Release of Mortgages. If another individual were to purchase this property, they would have no obligation to clear any title issues relating to the County's mortgages. County Attorney staff will not release the Satisfaction and Release of Mortgages until payment is received.

Attachments:

1. Satisfaction and Release of Mortgages
2. Correspondence from Mr. Ellick's attorney dated December 11, 2006

Recommended by:

County Attorney

Date

Approved by:

N/A

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2007	2008	2009	2010	2011
Capital Expenditures	—	—	—	—	—
Operating Costs	—	—	—	—	—
External Revenues (\$75,000)	—	—	—	—	—
Program Income (County)	—	—	—	—	—
In-Kind Match (County)	—	—	—	—	—
NET FISCAL IMPACT (\$75,000)	—	—	—	—	—
# ADDITIONAL FTE POSITIONS (Cumulative)	N/A	—	—	—	—

Is Item Included in Current Budget? Yes ___ No X

Budget Account No.: Fund 1101 Department 143 Unit 1431 Object 8201

Reporting Category W/F

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

Approval of this agenda item will increase the budget for Housing and Community Development by \$75,000, as a result of providing Alford Ellick with a Satisfaction and Release of Mortgages from rental property located in Canal Point.

C. Departmental Fiscal Review:

Ray D. Quinn

III. REVIEW COMMENTS

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

The \$75,000 will be recognized in the FY 2008 budget.

Elizabeth Blaise
OFMB
1/31/07
1/31/07
1/31/2007

Jim J. Jurek
Contract Development and Control
2/1/07

B. Legal Sufficiency:

J. N. [Signature]
Assistant County Attorney
1/31/07

C. Other Department Review:

Edward W. [Signature]
Department Director

THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.

G:\WPDATA\ENG\TKF\HCD\AIS-ELICK-TWO-01-23-07.doc

Prepared by and Return to:
Tammy K. Fields, Sr. Assistant County Attorney
Palm Beach County Attorney's Office
301 North Olive Avenue, Suite #601
West Palm Beach, Florida 33401

SATISFACTION AND RELEASE OF MORTGAGES

Know All Men By These Presents: That We, Board of County Commissioners of Palm Beach County, Florida, the owner and holder of certain mortgages executed by Alford Ellick, to The Board of County Commissioners of Palm Beach County, Florida, bearing date the 4th day of October, A. D. 1991, recorded in Official Records Book 7001, Page 747, and Book 7001, Page 789, in the office of the Clerk of the Circuit Court of Palm Beach County, State of Florida, securing two notes each in the principal sum of Two Hundred-Fifteen Thousand, Seven Hundred (\$215,700.00) DOLLARS, and certain promises and obligations set forth in said mortgages, upon the property situate in said State and County described as follows, to wit:

East ½ of Lot I, Block 14 Plat of Nemaha Subdivision, West ½ of Lot 1, Block 14 Plat of Nemaha Subdivision, Lots 9, 10, 11, and 12, Block 14A Nemaha Subdivision recorded in Plat Book 3, Page 28, Palm Beach County Records.

hereby acknowledge full payment and satisfaction of said note and mortgage deed, and surrender the same as cancelled, and hereby direct the Clerk of the said Circuit Court to cancel the same of record.

WITNESS hand and seal, this ____ day of _____, A.D. 2007.

Signed, Sealed and Delivered in Presence of:

**PALM BEACH COUNTY, FLORIDA, a
Political Subdivision of the State of
Florida**

BOARD OF COUNTY COMMISSIONERS

Witness: _____

Signature: _____
Addie L. Greene, Chairperson

Witness: _____

ATTEST:
SHARON R. BOCK, Clerk & Comptroller

By: _____
Deputy Clerk

**STATE OF FLORIDA
COUNTY OF PALM BEACH**

The foregoing instrument was acknowledged before me this ____ day of _____, 2007, by Addie L. Greene, Chairperson, Board of County Commissioners, who is personally known to me or who produced _____ as identification and who did not take an oath.

(Signature)

(Print or Type Name)

Notary Public State of Florida at Large
My Commission Expires:
(NOTARY SEAL)

**Approved as to Form and
Legal Sufficiency**

By: 
Tammy K. Fields
Sr. Assistant County Attorney

7

LAW OFFICE OF
MARTIN A. ZUCKER, P.A.

Attorney at Law
800 West Cypress Creek Road, Ste #502
Ft. Lauderdale, FL 33309
954/727-9920 telephone
954/727-9922 telefax

December 11, 2006

RECD DEC 14 2006

Via Facsimile (561) 355-4398 & Regular Mail

Tammy Fields, Esq.
Palm Beach County Attorneys Office
301 N. Olive
Suite 601
West Palm Beach, FL 33401

RE: Properties: 37300 Okeechobee Avenue, Canal Point, FL
37280 Okeechobee Avenue, Canal Point, FL
12225 Lakeshore Drive, Canal Point, FL

PBC Mortgages: O.R. Book 7001, Pg 747
O.R. Book 7001, Pg 789

Dear Ms. Fields:

This letter is in furtherance of our telephone calls regarding Palm Beach County's mortgages on the referenced properties. As you know, these properties were foreclosed in September 2006, and Palm Beach County's mortgages were extinguished when the first mortgage holder was the high bidder at the foreclosure sale.

I represent Alford Ellick, the owner who lost the properties to the foreclosure and who is the borrower under the Palm Beach County mortgages. As I have mentioned to you in our telephone conversations, Mr. Ellick has been approached by Meister Financial Group (the former first mortgage holder – and now title holder - of the referenced properties) regarding whether Mr. Ellick and/or his family had an interest in *repurchasing* the properties. The Ellicks do have an interest and have asked me to assist them in putting together a proposal. However, in doing so, I have advised them that in order to clear all potential title problems, we must confront the Palm Beach County mortgages that were inferior to Meister Financial's first mortgage.

You have advised me that the aggregate outstanding balances of the two Palm Beach County mortgages is approximately \$400,000. Mr. Ellick is prepared to offer \$75,000 in one lump sum payment in full settlement of both mortgages.

I believe that this is a fair offer considering the circumstances. First of all, this amount represents the "available cash" that Mr. Ellick will have for the closing after setting aside enough

Letter to Palm Beach County
December 11, 2006
Page 2 of 2


to pay the purchase price, the closing costs and delinquent property taxes. Secondly, this may be the only way the Palm Beach County mortgages have any "recovery value", in light of the fact that they were extinguished through foreclosure. Furthermore, putting these mortgages back on the properties is not an option, since the new lender involved in the purchase prohibits any other mortgages on the properties.

Mr. Ellick has a great desire to repurchase the properties due to his strong ties to the small community of Canal Point. We hope Palm Beach County will consider this offer.

Time is of the essence.

Thank you for your assistance

Very truly yours



Martin Zucker, Esq.

cc: Mr. Alford Ellick