

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

36-1

AGENDA ITEM SUMMARY

Meeting Date: June 16, 2009

Consent
 Workshop

Regular
 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 \$51,000 for the full satisfaction of a Code Enforcement Lien that was entered against Diwatch International Consultants, Inc. on January 9, 2007.

Summary: The Code Enforcement Special Master (CESM) entered an Order on September 6, 2006 giving Diwatch International Consultants, Inc. (DIC) until December 5, 2006 to repair and maintain the mobile homes, additions, accessory structures, parking areas, and driveways in conformity with the County's Property Maintenance Code and Florida Building Code, to clean up the open storage of trash and debris, and to remove the unlicensed and inoperable vehicles from their mobile home park on Lake Worth Road. Compliance with the CESM's Order was not achieved by the ordered compliance date and a fine in the amount of \$75.00 per day was imposed. The CESM then entered a claim of lien against DIC on January 9, 2007. The cited code violations were fully corrected as of March 20, 2009 when the property was completely cleared of all the dilapidated mobile homes and structures, vehicles, and trash and debris. The accumulated lien amount through March 20, 2009, the date settlement discussions began, totaled \$84,972.60, of which DIC has agreed to pay the County \$51,000 (60%) for full settlement of their outstanding Code Enforcement Lien. (District 3) (PGE)

Background and Policy Issues: The initial violations that gave rise to this code enforcement case were for the maintenance and upkeep of the mobile homes and structures in the park, open storage of trash and debris on the property and the storage of unlicensed and inoperable vehicles on the property. The Special Master gave DIC until December 5, 2006 to obtain compliance or a fine of \$75.00 per day would begin to accrue. A follow-up inspection by Code Enforcement on December 7, 2006 confirmed that the property was still not in full compliance. A code lien was then entered against DIC on January 9, 2007. The Collections Coordinator of OFMB was recently contacted by DIC's Site Planner/Designer for the new rehabilitation facility, which is to be constructed on the property, to discuss a settlement of the outstanding code lien. The Collections Coordinator of OFMB, after careful review, evaluation, and discussions, agreed to present the proposed settlement offer in the amount of \$51,000 to the Board for approval.

(Continued on Page 3)

Attachments: N/A

Recommended by:


Department Director

6/10/09
Date

Approved by:


County Administrator

6/12/09
Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>20012</u>	<u>2013</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	<u>(\$51,000)</u>	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>(\$51,000)</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

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:

John Mehl 6/10/09 N/A
 OFMB *Raf* 6/10/09 6/10/09 Contract Dev. and Control

B. Legal Sufficiency:

[Signature]
 Assistant County Attorney

C. Other Department Review:

N/A
 Department Director

Background and Policy Issues Continued
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The mitigating factors, considered during our review and evaluation, are as follows:

1. DIC purchased the mobile home park property in December 2004. At the time they acquired the park, their plan was to renovate it and turn it into a nice mobile home community. However, soon after they acquired the park they quickly realized that the demographics and the surrounding area were going to be a major stumbling block. Instead of the surrounding area being revitalized, the area began declining as more transient migrants and homeless began moving west due to the revitalization that was taking place in East Lake Worth. With mobile home parks to the east being sold and shut down, the residents sought comparable cost housing and began moving westward. An increase in crime soon followed and the park became an increasing problem for the owners as the owners tried to properly maintain the community. As soon as they would correct maintenance issues in one section of the park, a new set of maintenance issues would spring up in another section. The Palm Beach Sheriff's Office was there constantly at the owners' request and also on their own as crime in the area increased. Copies of the Sheriff's reports and logs that the owners provided attest to the magnitude of problems in the park and surrounding area.
2. The Code Enforcement Officer that handled the DIC case has confirmed that the manager of the mobile home park was in regular contact with her and always addressed any major code violations immediately but was constantly battling to keep up with overwhelming routine maintenance and upkeep due to the transients that would infiltrate the park at night. People that did not rent there would be sleeping under some of the trailers and would leave trash and debris behind. Also, a couple of consecutive years of back-to-back hurricanes and the damage caused by them did not help either. The park owners have sought and recently received Zoning changes for the property and have completely removed the mobile home park and cleared the property. A new multimillion-dollar rehabilitation facility has been approved for the site and construction on the new facility is to start very soon.
3. DIC had attempted to shut down the mobile home park last fall 2008 in an attempt to stop the daily accruing code fines, but agreed to keep it open at the request of the Office of Community Revitalization. Further, although they were not required to provide or offer any type of relocation assistance to the lessees, DIC gave rental rebates and forgave rents to financially assist their former lessees.
4. The owners will be putting the reduced lien amount monies back into the property and toward the construction of the new facility, which will be a major improvement to the area and will increase the property's value, which in the end will benefit the County. The new facility will create new jobs in the area as well.
5. The gravity of the violations, together with the fact that there were no life/safety issues involved, warrants consideration of a reduction of their substantial lien amount.

An Affidavit of Compliance has been issued by Code Enforcement and states that the cited violations were corrected as of March 20, 2009 and that the property is in full compliance with the CESM's Order. Further, the cited violations did not involve any health/safety issues.

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.

In light of the above stated circumstances, Staff believes that the proposed settlement is fair and in the best interest of Palm Beach County.