

PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS  
AGENDA ITEM SUMMARY

Meeting Date: January 12, 2009

[ ] Consent [X] Regular  
[ ] Public Hearing

Department: Housing and Community Development  
Submitted By: Housing and Community Development

I. EXECUTIVE BRIEF

**Motion and Title: Staff recommends motion to approve:** The following in connection with the acquisition of a commercial condominium property at 1000 45th Street in the City of West Palm Beach and its conversion into a homeless resource center: **A)** an Agreement for Purchase and Sale with Crittenden Sokoloff Investments, LLC (Unit No. 1), **B)** an Agreement for Purchase and Sale with Hand Surgery Institute, Inc. (Unit No. 2), contingent upon execution by the seller without alteration, **C)** a Lease Agreement with Hand Surgery Institute, Inc. (Unit No. 2), contingent upon execution by the lessee without alteration, **D)** an Agreement for Purchase and Sale with Koral Saritas and Perran Saritas (Units No. 3 and No. 4), contingent upon execution by the seller without alteration, **E)** a Lease Agreement with David Kashuba, P.A. (Unit No. 4), contingent upon execution by the lessee without alteration, **F)** an Interlocal Agreement with the City of West Palm Beach (for the purchase of Units No. 5 through No. 17), **G)** an Interlocal Agreement with the City of West Palm Beach (for participation in the project), **H)** Delegation of authorization to the County Administrator, or designee, to exercise the County's rights under the leases between Palm Beach County and the tenants in Units No. 2, No. 3, and No. 4, at 1000 45th Street in the City of West Palm Beach, **I)** a Budget Transfer of \$7,500,000 from the Neighborhood Stabilization Program to the Public Building Improvement Fund for the purchase and rehabilitation of the facility, **J)** a Budget Transfer of \$953,000 from the Community Development Block Grant Fund to the Public Building Improvement Fund for the purchase and rehabilitation of the facility, **K)** a Budget Transfer of \$394,750 from the General Fund to the Public Building Improvement Fund for the purchase and rehabilitation of the facility, **L)** a Budget Amendment of \$9,212,750 in the Public Building Improvement Fund to recognize revenue of \$365,000 from the City of West Palm Beach, the transfer of \$7,500,000 from the Neighborhood Stabilization Program Fund, \$953,000 from the Community Development Block Grant Fund, \$394,750 from the General Fund and to establish a project expense budget, and **M)** in the event the owners and/or the tenants of Units No. 1 through No. 4 do not execute and close on Agreements for Purchase and Sale and/or Lease Agreements, authorization is provided to the Department of Housing and Community Development and to the County Attorney's Office to institute eminent domain proceedings, including the hiring of any required experts necessary to acquire Units No. 1 through No. 4, through eminent domain, as more fully set forth in the Resolutions attached hereto as Attachments 14-17, which are approved for this purpose.

**Summary:** Staff has identified the commercial condominium complex at 1000 45th Street in the City of West Palm Beach (City) as an appropriate location for the establishment of a homeless resource center. The proposed site comprising eight buildings with 34,035 square feet of improved space, on 3.83 acres of land, contains seventeen commercial condominium units. Fourteen of these units are vacant, one unit is owner-occupied, and two units are tenant-occupied. *Continued on Page 3*

**The portion of the project funded with Federal Community Development Block Grant and Federal Neighborhood Stabilization Program funds requires no local match. District 7 (TKF)**

**Background and Justification:** *Continued on Page 3*

**Attachments:**

1. Location Maps
2. Agreement for Purchase and Sale with Crittenden Sokoloff Investments, LLC
3. Agreement for Purchase and Sale with Hand Surgery Institute, Inc.
4. Lease Agreement with Hand Surgery Institute, Inc.
5. Agreement for Purchase and Sale with Koral Saritas and Perran Saritas
6. Lease Agreement with David Kashuba, P.A.
7. Interlocal Agreement with the City of West Palm Beach (for the purchase of Units No. 5 through No. 17)
8. Interlocal Agreement with the City of West Palm Beach (for participation in the project)
9. Seller's Disclosure of Beneficial Interests for Crittenden Sokoloff Investments, LLC
10. Budget Transfer: \$7,500,000 from the Neighborhood Stabilization Program (Fund 1109)
11. Budget Transfer: \$953,000 from the Community Development Block Grant Fund (Fund 1101)
12. Budget Transfer: \$394,750 from the General Fund (Fund 0001)
13. Budget Amendment (Fund 3804)
14. Resolution No. R-2010\_\_\_\_\_ (Unit No. 1)
15. Resolution No. R-2010\_\_\_\_\_ (Unit No. 2)
16. Resolution No. R-2010\_\_\_\_\_ (Unit No. 3)
17. Resolution No. R-2010\_\_\_\_\_ (Unit No. 4)

Recommended by: Edward W. Pommery

Department Director

Date

1/6/2010

Approved By: Sharon B. [Signature]

Assistant County Administrator

Date

1/11/2010

## II. FISCAL IMPACT ANALYSIS

### A. Five Year Summary of Fiscal Impact:

Fiscal Years	2010	2011	2012	2013	2014
Capital Expenditures	\$9,212,750				
Operating Costs		\$1,000,000	\$2,000,000	\$2,000,000	\$2,000,000
External Revenues	\$8,818,000				
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT	\$394,750	\$1,000,000	\$2,000,000	\$2,000,000	\$2,000,000

  

# ADDITIONAL FTE POSITIONS (Cumulative)	-0-				
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Is Item Included In Current Budget? Yes ☐ No ☒  
 Budget Account No.: 3804-149-B452-various (after transfers and amendments)

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

**Funding for the property acquisition and capital improvements will be provided by the Neighborhood Stabilization Program Grant, the Community Development Block Grant, the General Fund and the City of West Palm Beach.**

**There is an estimated annual operating fiscal impact of up to \$2,000,000 depending on the level of funding provided by the service partners and the level of donations received.**

C. Departmental Fiscal Review: SA/M 1-6-10  
 Shairette Major, Fiscal Manager I

## III. REVIEW COMMENTS

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

B. Legal Sufficiency:

Sam Duh 1-7-10  
 OFMB  
 1/7/10

1/7/10  
 1-7-10

Dr. J. J. J. 1/11/10  
 Contract Development and Control  
 1/11/10

At the time of our review many of the documents were not executed.

1/11/10  
 Senior Assistant County Attorney

### C. Other Department Review:

\_\_\_\_\_  
 Department Director

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

**Summary:**     *Continued*

The County is in receipt of Federal Neighborhood Stabilization Program (NSP) funds pursuant to a Grant Agreement between the U.S. Department of Housing and Urban Development and the County. The Grant Agreement provides \$7,500,000 for the acquisition of vacant property and the development of at least one homeless resource center. NSP funds must be encumbered by September 4, 2010, and must be expended by March 4, 2013. The use of these funds requires that the facility provide the intended services for a period not less than five (5) years after NSP grant closeout. Since NSP funding is limited to the acquisition of vacant property, \$953,000 in Federal Community Development Block Grant (CDBG) funds have been allocated towards the acquisition of the occupied units. The City has agreed to contribute \$365,000 at closing towards project costs. In addition, \$394,750 from the County's general fund contingency will be required. The \$394,750 assumes that all agreements are executed as envisioned and that no condemnation actions are required.

Project costs to be funded from the above stated sources include property acquisition and closing costs, renovation costs, furniture/fixtures/equipment, staff costs, design and relocation consultants, and relocation costs required under the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). Staff recommends purchasing the entire site from its four present owners and subsequently renovating the buildings in order to establish a homeless resource center. It is anticipated that the facility will be complete in the second quarter of 2011, and that the annual operating costs will range between \$1.5 - \$2.0 million.

**Background and Justification:**     *Continued*

Establishing a homeless resource center in West Palm Beach will allow the County to expand the provision of supportive services to the County's homeless population from a central location in the County. From this location, a universal intake and assessment process can be undertaken. The proposed center will provide sleeping quarters for use as an interim housing option when permanent housing is not immediately available. The center will also provide medical, psychiatric and instructional services.

Staff obtained two appraisals of each property owned by the four property owners. The appraised amounts were averaged and offers were extended to these property owners based on the average amount. The following property owners have accepted the County's offers at the average value of the two appraisals:

- Unit No. 1 - Crittenden Sokoloff Investments LLC: \$391,750  
The beneficial interest holders of the seller are: Daniel O. Sokoloff and Deena Sokoloff (50%) and Frank Crittenden (50%). The Seller's Disclosure of Beneficial Interests and the Schedule of Beneficial Interests in the Property are attached.
- Units No. 5 through No. 17 - City of West Palm Beach: \$2,070,000.

The following property owners have been presented with agreements for purchase and sale and are still considering the County's offers:

- Unit No. 2 - Hand Surgery Institute, Inc.: \$391,750  
The beneficial interest holders of the seller will be disclosed at a later date.
- Units No. 3 & No. 4 - Koral Saritas & Perran Saritas (husband and wife): \$754,000

In addition to the above, it should be noted that the tenant occupying Unit No. 3, Dr. Jackie Johns (Implant Dental Group of South Florida, LLC), has a five year lease for this unit with approximately 54 months remaining. Staff obtained two appraisals of the market value of this leasehold interest the average of which is \$38,750. At the writing of this agenda item, negotiations were still in progress with Dr. Johns concerning his short term continued occupancy of the property as an eventual tenant of the County, and concerning the buyout of his leasehold interest.

Staff has performed its typical due diligence associated with the acquisition, including environmental audits, physical condition assessment and estimates of renovation costs. However, title work will be provided by the sellers after execution of the contracts. If the title work identifies any problems that cannot be cured during the inspection period, the County will have the right to terminate the contracts.

Since Federal funds will be used for this project Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) requirements apply in connection with the relocation of the unit occupants and their personal property. Staff has secured the services of a consultant to assist with the relocation process as follows:

- Unit No. 1 - Crittenden Sokoloff Investments LLC (owner of vacant unit): relocation of personal property.
- Unit No. 2 - Hand Surgery Institute, Inc. (owner occupant): relocation of business operations and of personal property.
- Units No. 3 & No. 4 - Koral Saritas & Perran Saritas (owner investor): relocation of business operations if the sellers reinvest their proceeds to purchase two other units to be rented out.
- Unit No. 3 - Dr. Jackie Johns (tenant): relocation of business operations and of personal property.
- Unit No. 4 - David Kashuba, P.A. - (tenant): relocation of business operations and of personal property.
- Units No. 5 through No. 17 - City of West Palm Beach (vacant units): no relocation.

Relocation assistance will include reimbursement for search expenses for a replacement unit in an amount not to exceed \$2,500, reestablishment fees in their new unit up to a maximum of \$10,000, as well as eligible moving expenses. After closing, the occupants must be allowed to remain in the property for at least 90 days according to URA, unless they find another location and wish to voluntarily move sooner.

Location Maps  
1000 45th Street, West Palm Beach, FL  
Proposed Homeless Resource Center

