PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date:	December 6, 2016	[X] 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 \$23,284 for the full satisfaction of a Code Enforcement Lien that was entered against Law Star, LLC on April 9, 2015.

Summary: The Code Enforcement Special Magistrate (CESM) entered an Order on October 1, 2014 on property owned by Law Star, LLC giving them until January 29, 2015 to bring the property located at 11891 US Highway 1, North Palm Beach into full Code Compliance. The property had been cited for expired building permits. Compliance with the CESM's Order was not achieved by the ordered compliance date and a fine in the amount of \$100 per day was imposed. The CESM then entered a claim of lien against Law Star, LLC on April 9, 2015. Code Enforcement issued an Affidavit of Compliance for the property stating that as of August 31, 2016 the code violations had been fully corrected. The total accrued lien amount through August 31, 2016, the date in which settlement discussions began, totaled \$69,858.82, of which Law Star, LLC has agreed to pay the County \$23,284 for full settlement of their outstanding Code Enforcement Lien. District 1 (PM).

Background and Policy Issues: The initial violations that gave rise to this Code Enforcement Lien were for eleven (11) Building Permits that were not finaled and had subsequently expired. At the time of the Code Enforcement Hearing, three (3) expired permits had not been resolved. The Special Magistrate gave Law Star, LLC until January 29, 2015 to bring the property into full code compliance or a fine of \$100.00 per day would begin to accrue. A follow-up inspection by Code Enforcement on February 3, 2015 confirmed that the property was still not in compliance. A code lien was then entered against Law Star, LLC on April 9, 2015. Code Enforcement issued an Affidavit of Compliance for the property stating that as of August 31, 2016 the code violations had been corrected. The Collections Section of OFMB (Collections) was first contacted by Mr. Curtis Shenkman, Partner of Law Star, LLC, on August 31, 2016 to discuss the outstanding code case and lien balance. Collections, after extensive review, evaluation, and discussions with Mr. Shenkman and Code Enforcement, has agreed to present a proposed settlement offer in the amount of \$23,284 to the Board for approval which is 33% of the total lien.

	(continued on page 3)	
Attachments: none		
Recommended by:	Shen Am Department Director	11/22/16 Date
Approved by:	County Administrator	11-30-16 Date

II. FISCAL IMPACT ANALYSIS

A. F	Five Year Summary of	Fiscal Impac	et:			
Capi	al Years ital Expenditures rating Costs	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Prog In-K	rnal Revenues gram Income (County) ind Match (County) ' FISCAL IMPACT	(<u>\$23,284.00)</u> (<u>\$23,284.00)</u>				
	DITIONAL FTE ITIONS (Cumulative)					
Is Ite Budg	em Included In Curren get Account No.:Fund_	t Budget? _0001De	Yes <u>×</u> partment <u>600</u>	No Unit <u>6241</u>	Object <u>590</u>	0
Repo	orting Category					
В.	Recommended Sour	ces of Funds	/Summary of F	'iscal Impact:		
C.	Departmental Fiscal	Review:				
		III. <u>Rev</u>	IEW COMM	<u>ENTS</u>		
А.	OFMB Fiscal and/or	Contract De	ev. and Contro	l Comments:		
)1/21/16 11/21/16	OFMB THE HEL	122/16 PM-21-14		Contract De	<u>N/A</u> v. and Contro	 1
B.	Legal Sufficiency:					
	Sum J Assistant County Att	orney				
C.	Other Department R	eview:				
	N/A Department Director				8	
	This sum	nary is not t	o he used as a l			

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

Background and Policy Issues Continued Page 3

The factors considered during staff's review and evaluation of this settlement are as follows:

- 1. The initial Notice of Violation was issued for eleven (11) expired building permits that had not been properly closed out. By the time of the CESM Hearing on October 1, 2014, only three (3) expired permits remained unresolved of which two (2) pre-dated Lawstar's ownership and one (1) which had been issued under their ownership:
 - a. 1992 air conditioning (hvac) permit,
 - b. 1993 permit for alterations and renovations,
 - c. 2005 permit for alterations and renovations.

Due to some miscommunications within the ownership group, there were delays in getting these final three (3) expired permits properly closed out.

- In August of 2016, the lien was discovered by Mr. Shenkman as the building was being sold. He immediately contacted the Building Department to resolve the remaining three (3) inactive permits which were closed as of August 31, 2016.
- 3. The expired 1992 HVAC permit was determined to be moot as the HVAC units under this permit were replaced and passed inspection under a 2005 HVAC permit. The 1993 building alterations permit was re-activated and a Certificate of Completion was issued within two (2) weeks of re-activation. The expired 2005 building alterations permit was quickly resolved as the renovations permitted under this building permit were never done and the permit was cancelled.
- 4. The settlement, if approved, will be paid out of the proceeds from the sale of the property.

An Affidavit of Compliance was issued by Code Enforcement stating that the cited code violations were fully corrected as of August 31, 2016 and that the property was in full compliance with the CESM's Order. Further, the cited violations did not involve any health/safety issues.

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

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.