

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

3G-2

AGENDA ITEM SUMMARY

Meeting Date: May 16, 2017 Consent Regular
 Workshop Public Hearing

Department: Office of Financial Management and Budget

I. EXECUTIVE BRIEF

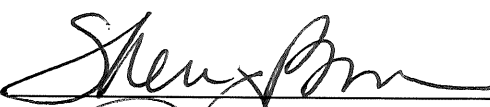
Motion and Title: Staff recommends motion to approve: a negotiated settlement offer in the amount of \$20,600 for the full satisfaction of a Code Enforcement Lien that was entered against Arcadia Florida Property Holdings LP on November 4, 2015.

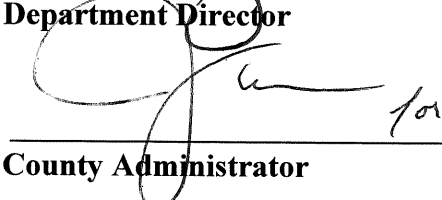
Summary: The Code Enforcement Special Magistrate (CESM) entered an Order on August 5, 2015 for property owned by Arcadia Florida Property Holdings LP giving them until October 4, 2015 to bring the property located at 11961 US Highway 1 in North Palm Beach into full Code Compliance. The property had been cited for not obtaining the required electrical 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 Arcadia Florida Property Holdings LP on November 4, 2015. Code Enforcement issued an Affidavit of Compliance for the property stating that as of October 18, 2016, the electrical violation had been fully corrected. The total accrued lien amount as of December 1, 2016, the date on which settlement discussions began, totaled \$41,490.69, of which Arcadia Florida Property Holdings LP has agreed to pay the County \$20,600 (49.6%) for full settlement of their outstanding Code Enforcement Lien. District 1 (SF).

Background and Policy Issues: The initial violation that gave rise to this Code Enforcement Lien was for not having the required permits for electrical work that was done. The Special Magistrate gave Arcadia Florida Property Holdings LP until October 4, 2015 to bring the property into full code compliance or a fine of \$100 per day would begin to accrue. A follow-up inspection by Code Enforcement on October 6, 2015 confirmed that the property was not in compliance. A code lien was then entered against Arcadia Florida Property Holdings LP on November 4, 2015. Code Enforcement issued an Affidavit of Compliance for the property stating that as of October 18, 2016 the code violation had been corrected. The Collections Section of OFMB (Collections) was originally contacted by Ms. Toni Fontana with Arcadia Florida Property Holdings LP on December 1, 2016 to discuss settlement of their code lien. Collections, after extensive review, evaluation, and discussions with Ms. Toni Fontana and Code Enforcement, has agreed to present a proposed settlement offer in the amount of \$20,600 (49.6%) to the Board for approval.

(continued on page 3)

Attachments: none

Recommended by:  5/9/17
Department Director Date

Approved by:  5/12/17
County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	<u>(\$20,600)</u>	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>(\$20,600)</u>	_____	_____	_____	_____

ADDITIONAL FTE
POSITIONS (Cumulative)

Is Item Included In Current Budget? Yes X No _____
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:

John W. 5/10/17
5/10/17 OFMB 5/19/17 5/18/17 pm 5-8-17

N/A
 Contract Dev. and Control

B. Legal Sufficiency:


 Assistant County Attorney

C. Other Department Review:

N/A
 Department Director

Background and Policy Issues Continued (Arcadia Florida Property Holdings LP)
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The factors considered during staff's review and evaluation of this settlement are as follows:

1. A Notice of Violation was first issued on October 9, 2014 for electrical work/alterations without the required electrical permits. A Code Enforcement Hearing was later held on August 5, 2015 at which Arcadia Florida Property Holdings LP was given until October 4, 2015 to obtain the required electrical permit or a fine of \$100.00 per day would begin to accrue.
2. Arcadia Florida Property Holdings LP acquired the property on April 11, 2014 with the goal of ultimately demolishing the older apartment structure and constructing a new building. A contractor was hired on November 14, 2014 to apply for a demolition permit and perform the demolition of the rental property. A dispute between the owner and the contractor arose in April of 2015 with the contractor being terminated. Although the original demolition permit was ready to be picked up in April of 2015, only a licensed contractor is able to pick up permits on rental or commercial properties so the permit remained in the Building Department due to the lengthy delay in obtaining a new contractor. A new contractor was finally hired on February 17, 2016 with the building demolition being completed and passing final inspection on October 18, 2016 which resolved the code violation.
3. The unpermitted electrical work had been done by a tenant that who was being evicted and who, in turn, reported the violation to Code Enforcement to report the violation. The tenant eviction process began at the end of July of 2014 with the entire building being empty and secured as of January 15, 2015. Electrical service to the building was fully disconnected as of January 16, 2015 (nearly nine (9) months before the fine start date).
4. The only other remedy available to the owner to resolve the electrical permit violation in the Special Magistrate's Order was to complete the demolition of the entire structure. The delay in the demolition process by the owner and their contractor's issues allowed the code lien to accrue.
5. Code Enforcement has confirmed that Arcadia Florida Property Holdings LP and their representatives remained in regular contact with them as they worked to resolve their open code violation.

An Affidavit of Compliance was issued by Code Enforcement stating that the cited code violation was fully corrected as of October 18, 2016 and that the property was in full compliance with the CESM's Order. Further, the cited violation did not involve any life/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.