

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

3G-2

AGENDA ITEM SUMMARY

Meeting Date: September 12, 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 \$68,868 for the full satisfaction of a Code Enforcement Lien that was entered against Congress Pointe, Inc. on May 6, 2015.

Summary: The Code Enforcement Special Magistrate (CESM) entered an Order on October 1, 2014 on property owned by Congress Pointe, Inc. giving them until December 30, 2014 to bring the shopping center property located at 4455 S. Congress Avenue in Lake Worth into full Code Compliance. The property had been cited for several building, property maintenance and use code violations. Compliance with the CESM's Order was not achieved by the ordered compliance date and a fine in the amount of \$350 per day was imposed. The CESM then entered a claim of lien against Congress Pointe, Inc. on May 6, 2015. Code Enforcement issued an Affidavit of Compliance for the property on February 10, 2016 stating that as of January 26, 2016 the cited code violations had been fully corrected. The total accrued lien amount on April 7, 2017, the date on which settlement discussions began, totaled \$172,169.23, of which Congress Pointe, Inc. has agreed to pay Palm Beach County \$68,868 (40%) for full settlement of their outstanding Code Enforcement Lien. District 3 (SF).

Background and Policy Issues: The initial violation that gave rise to this Code Enforcement Lien was for several building, property maintenance and use code violations. The Special Magistrate gave Congress Pointe, Inc. until December 30, 2014 to bring the property into full code compliance or a fine of \$350 per day would begin to accrue. A follow-up inspection by Code Enforcement on January 6, 2015 confirmed that the property was not in compliance. A code lien was then entered against Congress Pointe, Inc. on May 6, 2015. Code Enforcement issued an Affidavit of Compliance for the property on February 10, 2016 stating that as of January 26, 2016 the cited code violations had been corrected.

(continued on page 3)


Attachments: none

Recommended by:


Department Director

8/28/17
Date

Approved by:


County Administrator

8/30/17
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>(\$68,868)</u>	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>(\$68,868)</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:

gm
 8/24/17
 J. H. H. H. 8/28/17
 OFMB ET 8/24
 8/28 am
 8-24-17

N/A

Contract Dev. and Control

B. Legal Sufficiency:


Assistant County Attorney

C. Other Department Review:

N/A

Department Director

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

1. The subject property is an older shopping plaza which was originally built in 1986. The owner's management company worked with Code Enforcement to address the twelve (12) cited Code Enforcement violations, some of which existed prior to the current owner's acquisition of the property. Since the property is a commercial property, only licensed contractors are able to apply for and obtain the required building permits. A contractor was hired by the owner in early December, 2014 just prior to the fine start date, to help with correcting the numerous violations. After reviewing each of the violations and taking into account that some of the specific violations were corrected within a few months of the CESM's order, which left only a few remaining violations involving some expired building permits and signage issues for which the daily fine continued, the property manager continued working with Code Enforcement to resolve the open code violations. After lengthy discussions and meetings, Collections, Code Enforcement, Congress Pointe, Inc. and their Attorney, have agreed to submitting this proposed lien settlement to the Board for approval.
2. The subject property was annexed into the Village of Palm Springs on December 15, 2016 and is no longer under Palm Beach County's Building, Zoning or Code Enforcement jurisdiction.
3. The County's Code Enforcement lien is junior and subordinate to the first mortgage which is on the property.
4. The property owners, since the property was annexed into the Village of Palm Springs, and at the County's suggestion prior to annexation, have hired off duty Palm Springs police officers to assist with the security of the plaza during certain hours due to historical high call volume to the Sheriff's office for service.

An Affidavit of Compliance was issued by Code Enforcement stating that the cited code violations were fully corrected as of January 26, 2016 and the property is 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.