

36-1

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: January 23, 2018

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 \$60,000 for the full satisfaction of a Code Enforcement Lien that was entered against Okeechobee Station, Inc. on April 4, 2007.

Summary: The Code Enforcement Special Magistrate (CESM) entered an Order on September 6, 2006 on property owned by Okeechobee Station, Inc. giving them until December 5, 2006 to bring the property located at 4982 Okeechobee Blvd in West Palm Beach into full Code Compliance. The property had been cited for adding exterior lighting without the required permit. Compliance with the CESM's Order was not achieved by the ordered compliance date and a fine in the amount of \$75 per day was imposed. The CESM then entered a claim of lien against Okeechobee Station, Inc. on April 4, 2007. Code Enforcement issued an Affidavit of Compliance for the property on August 5, 2016 stating that as of June 28, 2016 the cited code violation had been fully corrected. The total accrued lien amount on June 2, 2017, the date on which settlement discussions began, totaled \$593,104.55, of which Okeechobee Station, Inc. has agreed to pay Palm Beach County \$60,000 (10%) for full settlement of their outstanding Code Enforcement Lien. District 7 (SF).

Background and Policy Issues: The initial violation that gave rise to this Code Enforcement Lien was for adding exterior lighting without the required permit. The Special Magistrate gave Okeechobee Station, Inc. until December 5, 2006 to bring the property into full code compliance or a fine of \$75 per day would begin to accrue. A follow-up inspection by Code Enforcement on February 14, 2007 confirmed that the property was not in compliance. A code lien was then entered against Okeechobee Station, Inc. on April 4, 2007. Code Enforcement issued an Affidavit of Compliance for the property on August 5, 2016 stating that as of June 28, 2016 the cited code violation had been corrected. The Collections Section of OFMB (Collections) was originally contacted by Mr. Isaac, representative for Okeechobee Station, Inc., to discuss settlement of his organization's code lien back in 2016, but some open unresolved building issues and a new 2016 code lien case, which needed to be resolved and paid in full, delayed the settlement discussions. Once the 2016 code enforcement case was fully resolved, Mr. Isaac again contacted OFMB in June 2017 and after extensive review, evaluation, and discussions with Mr. Isaac and Code Enforcement, has agreed to present a proposed settlement offer in the amount of \$60,000 (10%) to the Board for approval.

(continued on page 3)

Attachments: none

Recommended by: Sherry Brown Department Director Date 12/15/17

Approved by: [Signature] County Administrator Date 1/3/18

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	<u>(\$60,000)</u>	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>(\$60,000)</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

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 J. [Signature] 12/18/17
 OFMB
 12/14/17
 12/15/17
 12/15/17
 12-14-17
 PM
 RAJ 12/15/17

 N/A
 Contract Dev. and Control

B. Legal Sufficiency:

[Signature]

 Assistant County Attorney

C. Other Department Review:

 N/A
 Department Director

Background and Policy Issues Continued (Okeechobee Station Inc.)

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

1. The subject property is a service/gas station originally built in 1981. The owner's former property manager did not correct the code violation and the fine accrued for 9.5 years. The property is being sold and the lien needs to be resolved to clear title. Since the property is a commercial property, only a licensed contractor is able to apply and obtain the required building permit. A licensed electrical contractor was hired by the owner in June of 2016 to obtain the required permit and resolve the issue.
2. The security lights, which were installed on the building without the required electrical permit, were found to have been installed by a licensed electrician who should have pulled a permit. The estimated cost for the installation was approximately \$1,500 for the entire job.
3. The owner has acknowledged that a lengthy delay in correcting the code violations was their fault. They also acknowledged that their local management team for that facility didn't follow through with obtaining the required electrical permit when they were originally cited. Okeechobee Station, Inc. has agreed to pay \$60,000 (10%) to settle their \$593,105 code lien.

An Affidavit of Compliance was issued by Code Enforcement stating that the cited code violation was fully corrected as of June 28, 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.