

PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS

36-1

AGENDA ITEM SUMMARY

Meeting Date: October 16, 2018

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 \$50,000 for the full satisfaction of a code enforcement lien that was entered against Craig A. Hill on May 5, 2010.

**Summary:** The Code Enforcement Special Magistrate (CESM) entered an Order on December 2, 2009 for property owned by Craig A. Hill (Mr. Hill) giving him until January 1, 2010 to bring his property located at 35850 County Road 880 in Belle Glade into full code compliance. The property had been cited for improper maintenance and unsafe/unsanitary conditions. Compliance with the CESM's Order was not achieved by the ordered compliance date and a fine in the amount of \$1,000 per day was imposed. The CESM then entered a claim of lien against Mr. Hill on May 5, 2010. The Code Enforcement Division issued an affidavit of compliance for the property on September 21, 2018 stating that as of September 19, 2018 the cited code violations had been fully corrected. The total accrued lien amount on May 23, 2018, the date on which settlement discussions began, totaled \$4,627,694.56, of which Mr. Hill has agreed to pay Palm Beach County \$50,000 for full settlement of his outstanding code enforcement lien. It should be noted that the new owners of this property, Bedner Farms, has completely renovated the property and is using it for migrant farm worker housing. District 6 (SF).

**Background and Justification:** The initial violation that gave rise to this code enforcement lien was for improper maintenance and unsafe/unsanitary conditions. The Special Magistrate gave Mr. Hill until January 1, 2010 to bring his property into full code compliance or a fine of \$1,000 per day would begin to accrue. A follow-up inspection by the Code Enforcement Division on January 8, 2010 confirmed that the property was still not in compliance. A code lien was then entered against Mr. Hill on May 5, 2010. The Code Enforcement Division issued an affidavit of compliance for the property on September 21, 2018 stating that as of September 19, 2018 the cited code violations had been corrected. The Collections Section of OFMB was contacted by Mr. Hill on May 23, 2018 to discuss settlement of his code lien. Collections, after extensive review, evaluation, and discussions with the Code Enforcement Division and Mr. Hill, has agreed to present a proposed settlement offer in the amount of \$50,000 to the Board for approval.

(continued on page 3)

Attachments: none

Recommended by:

  
Department Director

10/4/18  
Date

Approved by:

  
County Administrator

10/9/18  
Date

**II. FISCAL IMPACT ANALYSIS**

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

Fiscal Years	2019	2020	2021	2022	2023
Capital Expenditures					
Operating Costs					
External Revenues	(\$50,000)				
Program Income(County)					
In-Kind Match(County)					
NET FISCAL IMPACT	(\$50,000)				
#ADDITIONAL FTE POSITIONS (CUMULATIVE)					

Is Item Included In Current Budget? Yes \_\_\_\_\_ No  X   
 Does this item include the use of federal funds? Yes \_\_\_\_\_ No  X

Budget Account No. Fund  0001  Department  600  Unit  6241  Object  5900

**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:**

*[Handwritten signatures and dates: "OFMB 10/4/18", "10/4/18", "10/4", "10-4-18"]*

N/A   
Contract Dev. and Control

**B. Legal Sufficiency:**

*[Handwritten signature]*  
 \_\_\_\_\_  
 Assistant County Attorney

**C. Other Department Review:**

N/A   
 Department Director

## **Background and Policy Issues Continued (Hill)**

### **Page 3**

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

1. Mr. Hill acquired the abandoned corrections facility from the Correctional Services Corporation on March 29, 2006. The intent for purchasing the property was for Mr. Hill's father, who was a contractor, to rehabilitate the structures. Soon after the purchase, Mr. Hill's father became ill and passed away before any renovations began. The property went into decline and had a few outstanding tax certificates issued on it. Bedner Farms, who was in search of property for much needed seasonal housing for their migrant workers, saw the property and thought it might be an option. Bedner Farms then hired an engineer and contractor to determine if the buildings were structurally sound for renovation and if the existing sewage transfer station on the site was in good working order. Bedner Farms then contacted Mr. Hill, who was residing in the Bahamas, to inquire about purchasing the property. Mr. Hill agreed, and as part of the transaction he in turn would receive his initial investment of \$50,000.
2. The Property Appraiser lists the current fair market value of the subject property at \$65,824. The subject property is the only property that Mr. Hill owns in Palm Beach County.
3. Bedner Farms has already spent over \$1 million in renovations to the property which will dramatically increase the property's taxable value and has resolved all of the code enforcement violations for the structures that became rundown after the old correction facility had closed down.
4. The Occupational Safety and Health Administration (OSHA), which oversees migrant farm worker's housing and conditions in the State of Florida, has told Bedner Farms that the housing they have created on the property is a model for migrant farm worker housing.
5. If the subject property had gone up for tax deed sale on any of the issued tax certificates, it was unlikely that it would have been purchased and would most likely had gone on the Lands Available for Sale list, and after three (3) years would then escheat to the County.
6. Bedner Farms, who was in need of housing for their migrant workers, saw the old correctional facility buildings as a potential solution, and with the buildings being structurally sound, together with a heavy influx of capital to rehabilitate the buildings, Bedner Farms has been able to completely transform the property.
7. The proposed lien settlement amount will be paid from the sales proceeds.
8. The subject property is surrounded by farm land and the violations did not negatively impact the neighboring land owners.

An affidavit of compliance was issued by the Code Enforcement Division stating that the cited code violations were fully corrected as of September 19, 2018 and the property is in full compliance with the CESM's Order.

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.