



CITY OF FORT LAUDERDALE
City Commission Agenda Memo

12-1310

TO: Honorable Mayor & Members
Fort Lauderdale City Commission

FROM: Lee Feldman, City Manager

DATE: August 21, 2012

TITLE: Motion for Discussion – Proposed Lien Settlement (785 Middle River Drive)

Recommendation

It is recommended that the City Commission review and approve the attached lien settlement as recommended by the City Manager.

Background

The proposed lien settlement does not meet the criteria to be approved pursuant to City Commission Resolution 05-50, approved on March 15, 2005. In particular, the property is not currently in compliance of the code violations for which the lien was placed; however the recommended settlement addresses compliance as a condition of approval.

Property Info	
Case Number	CE08060529
Address	785 Middle River Drive
Owner	Joseph Guaracino
Zoning	RS-4.4
BCPA Assessed Value	\$1,339,200.00 (as of August 14, 2012)
BCPA Taxes	\$30,021.34
Homestead Tax Exempt	No
Mortgage	\$1,500,000.00 (as of May 25, 2007)
Lien Info	
Original Amount	\$2,478,000.00 (as of August 16, 2012 – accruing at \$2,000.00 per day)
Recorded Date	June 16, 2009
City Costs	\$1,546.00
Amnesty Rate	
Recommendation	\$25,000.00 (1.01% of lien)
Reduction Factors	<ul style="list-style-type: none">▪ The property is not currently in compliance on this violation.▪ The property is being maintained and free of other violations.

Motion for Discussion	Joseph Guaracino purchased this property on May 25, 2007 for \$2,000,000.00. Early in 2008 a fire gutted the interior of the home. Work began, without permits, to rebuild the interior of the structure. On June 06, 2008 a Building Inspector initiated a case and posted a Stop Work Order. On November 04, 2008, Chevy Chase Bank initiated a foreclosure action against Mr. Guaracino. Mr. Guaracino has had additional legal problems and has been forced to sell all of his properties. Attorney Laura Brogan, representing Mr. Guaracino, has a contract with a proposed buyer to purchase this property for \$1,105,000.00. Only July 16, 2012, Ms. Brogan contacted City Manager Lee Feldman in an effort to reach a pre-purchase agreement prior to the closing date of this sale. On August 12, 2012, Ms. Brogan agreed to a proposal by CM Feldman to bring the property into compliance in exchange for a settlement and release of this lien. The new prospective property owner has agreed to pay the City \$25,000.00 at closing, from the proceeds. In addition the buyer has agreed to demolish the structure within 90 days of closing. This action would bring CE08060529 into full compliance. The buyer also agrees to complete construction on a new residence within 18 months of the closing date. The City Manager is recommending that the Commission approve this agreement.
Special Magistrate	
Certified Mail Receipt Date	February 09, 2009
Meeting Date	February 24, 2009
Violations	<p>18-1 – The water in the swimming pool is green and stagnant.</p> <p>9-280(b) – There are wide structural settlement cracks at the SW corner of the building. The walls and foundation are not structurally sound.</p> <p>9-280(g) – The fire damaged wiring and outlets in the affected areas.</p> <p>FBC 105.1 – The interior of the structure has been altered by demolition of 80-90% of the interior space. A dock and pilings have been installed. This work was completed without the required permits and approvals.</p> <p>FBC 105.2.11 – The mechanical system has been altered by removing the ductwork components.</p> <p>FBC 105.2.4 – The plumbing system has been altered by demolishing the bathrooms and kitchen, which are now not functional.</p> <p>FBC 105.2.5 – The electrical system has been compromised by interior demolition and the removal of outlets, switches, drywall, partition walls and other critical components without the required permits and approvals.</p> <p>FBC 106.10.3.1 – Dock and Dolphin pile permit 08021902 has expired but the work on both has been completed.</p>
Outcome	The order required compliance within 28 days or a fine of \$250 per day, per violation for would begin to accrue.
Hearing to Impose a Fine	April 28, 2009
Compliance Date	The property is currently not in compliance.

Resource Impact

Lien in the amount of \$2,478,000.00 will be reduced to \$25,000.00. Revenue will be placed in the General Fund, Index #BLD020101, Sub Object #M103.