



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING**

#14-0094

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Lee R. Feldman, ICMA-CM, City Manager

DATE: January 22, 2014

TITLE: Lien Settlement with La Segunda Realty Corporation

Recommendation

It is recommended that the City Commission authorize the Mayor and City Manager to execute the attached Lien Settlement Agreement with La Segunda Realty Corp.

Background

La Segunda Realty Corp. is the owner of a shopping center ("Riverland Center") located at 2758 Davie Boulevard (southwest corner of Davie Boulevard and Riverland Road). In April 2008, the City commenced code enforcement action against the property owner for failure to maintain the shopping center in accordance with the City Code. The property is currently not in compliance with Sections 47-20.20.H (parking lot maintenance) and 47-21.8 (landscape maintenance) of the City Code. Fines currently accrue at \$150 per day and as of January 13, 2014 amount to \$422,325.00.

The property owner has executed a contract to sell a portion (the Davie Boulevard and Riverland Road corner) of the shopping center to McDonald's USA, LLC. As a condition to the purchase, the property owner must correct the code violations and improve the center's parking lot. McDonald's has required the property owner to escrow \$400,000 for this purpose and complete the work within 180 days of McDonald's opening to the public.

Both, the property owner and McDonald's have requested that the City of Fort Lauderdale mitigate the above referenced code enforcement liens prior to compliance of the code enforcement case in order to complete the purchase and sale of a portion of the shopping center.

Staff has been working with the property owner and McDonald's and recommends the following settlement offered by the property owner:

- The City shall receive \$25,000 at closing in partial satisfaction of the code enforcement lien and will release the lien on the property being sold to McDonald's.

- The City shall receive \$35,000 within 120 days of the closing.
- The City shall receive \$65,000 in twelve (12) equal monthly payments of \$5,416.67 commencing on the first month after the payment of the \$35,000.
- Within 120 days of the closing, the property owner will bring the shopping center into compliance with the code.
- In addition to complying with the Code, the property owner is voluntarily completing the following enhancements to the property (in the same 120 day period for bringing the property into compliance), in accordance with the letter from Frank Weinberg Black dated January 13, 2014 (Exhibit 1), and valued by the property owner at an estimated \$105,969:
 - install enhanced lighting;
 - remove the existing pylon sign and install a new pylon sign;
 - enhance the landscaping by upgrading the tree specimen and adding trees;
 - add pervious pavers at the driveway entrances and end of each drive isle; and,
 - install bicycle racks near the school drop-off area.
- The City will release the remainder of the lien upon the work being completed and final payment being received.

Resource Impact

Upon compliance of the Code Enforcement violations, the liens in the amount of \$422,325.00 as of January 13, 2014 will be reduced to \$125,000.00 Revenue will be placed in the General Fund, Index #DSD040101, Sub Object #M103.

<i>Funds deposited in Fiscal Year 2014:</i>					
ACCOUNT NUMBER	INDEX NAME (Program)	OBJECT CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Object Code)	FUNDS RECEIVED (Object Code)	REVENUE AMOUNT
001-DSD040101-M103	Community Inspections	Fines & Forfeitures/Code Enforcement Board Fines	\$397,747	\$132,363	\$125,000
				TOTAL ►	\$125,000

Strategic Connections

This item is a *Press Play Fort Lauderdale Strategic Plan 2018 initiative*, included within the *Neighborhood Enhancement Cylinder of Excellence*, specifically advancing:

- **Goal 5:** Be a community of strong, beautiful, and healthy neighborhoods.

- **Objective 2:** Enhance the beauty, aesthetics and environmental quality of neighborhoods.
- **Initiative 4:** Implement findings from the Code Enforcement Process Improvement Initiative.

This item advances the *Fast Forward Fort Lauderdale Vision Plan 2035: We Are Community*.

Attachments:

Exhibit 1 - Letter from Frank Weinberg Black dated January 13, 2014

Exhibit 2 – Lien Settlement Agreement

Prepared by: Lee R. Feldman, ICMA-CM, City Manager

Department Director: Greg Brewton, Sustainable Development