

# EXECUTIVE BRIEF REGULAR MEETING

**AGENDA DATE:** April 9, 2020

**DEPARTMENT:** Community Sustainability

**TITLE:**

Agreement Extension Request from 14 S East Coast, LLC for property located at 14 S. East Coast Street, Lake Worth Beach Florida

**SUMMARY:**

The new owner of property located at 14 S. East Coast Street, in Lake Worth Beach is requesting an extension of the deadline that the building on the property be demolished and replaced with a surface parking lot. This extension will allow the owner and the City to negotiate additional issues at this property.

**BACKGROUND AND JUSTIFICATION:**

In 2017, the City filed a lawsuit to foreclose its code enforcement liens on property located at 14 S. East Coast Street (hereafter referred to as the "Subject Property"), which is located south of Lake Avenue, on the east side of South East Coast Street, immediately adjacent to the "Eco Center." Defendant, Vive Verde South, LLC, was the current owner of the Subject Property, and its principal was John Romano.

On March 14, 2019, the City attended court ordered mediation with Viva Verde South, LLC representatives. At the mediation, the parties agreed to a Settlement Agreement, subject to City Commission consideration. The City Commission approved the settlement. **Highlights of the Settlement Agreement included:**

- Vive Verde South, LLC, had to sell the Subject Property located at 14 S. South East Coast to a new owner;
- The City's liens against the Subject Property were reduced to 10% of their accrued value on the date the City Commission approved the settlement, not to exceed One Hundred Thousand and 00/100 Dollars (\$100,000.00). \$100,000 was paid to the City at the time of the closing of the sale of the Subject Property to the new owner (the closing date was at or around October 11, 2019, but the documents weren't signed for a few days after the actual closing date);
- A Declaration of Covenants and Restrictions had to be, and in fact was, recorded in the Palm Beach County Public Records in order to bind the new owner to the obligations to demolish the building and construct the surface parking lot;
- The new owner was required to demolish the building located at 14 S. East Coast Street no later than one hundred and eighty (180) days following the closing and replace it with a surface parking lot meeting all required city regulations and permitting (the date is on or around April 8, 2020); and
- The City received an additional \$15,000.00 at the closing of the sale of the Subject Property to the new owner for payment of its attorney's fees and costs.

Since the purchase of the property from Vive Verde South, LLC, the new owner has been discussing with the City, whether or not the building should in fact be demolished. In the meantime, the City received a letter from 14 S East Coast, LLC's attorney requesting an extension on the timeline due to the National emergency caused by COVID-19. Staff has considered the request, and feels that a ninety (90) day extension should be granted. However, as the new owner is requesting not only an extension but also a discussion on terms to develop the property with the building remaining intact, staff will be negotiating, in the 90 day timeframe, an amendment to the Declaration of Covenants and Restrictions which will include timelines for development of the property. The Amendment will be brought back for commission consideration, and if negotiations fail, the conditions of the Declaration of Covenants and Restrictions will be enforced.

**MOTION:**

Move to approve/disapprove the request from 14 S East Coast, LLC, granting an extension until July 8, 2020, to demolish the building on the Subject Property and replace it with a surface parking lot as required and set forth in section 3B of the Declaration of Covenants and Restrictions.

**ATTACHMENT(S):**

Fiscal Impact Analysis N/A