

MEMORANDUM

TO: MAYOR AND CITY COMMISSIONERS

FROM: JANICE RUSTIN, ASSISTANT CITY ATTORNEY

THROUGH: NOEL PFEFFER

DATE: MARCH 23, 2015

SUBJECT: **AGENDA ITEM - COMMISSION MEETING OF APRIL 7, 2015**

BACKGROUND

This item requests the City's approval to amend the Settlement Agreement and Consent Order involving the Ocean Drive Program for Caron Foundation of Florida, Inc. ("Caron") entered into on July 23, 2012 (attached as Exhibit "A").

In 2012, Caron filed a lawsuit against the City in the US District Court of the Southern District of Florida alleging violations of the Fair Housing Act (FHA) and Americans with Disabilities Act (ADA) based on a denial of reasonable accommodation request and the enactment of certain zoning ordinances. Before the case went to trial, the parties agreed to settle.

Pursuant to one of the terms of the Settlement Agreement and Consent Order, Caron agreed to pay to the City an annual sum equal to the amount of ad valorem real estate taxes assessed for the properties for the prior year, less the amount of public school board taxes. School board taxes are addressed in the Order through Caron's agreement to provide in-kind services, specifically, substance abuse training and education to schools, churches or other charitable institutions within the City with a value equal to or greater than the annual public school board taxes assessed for the properties for the prior year. Caron is exempt from paying ad valorem real estate and public school board taxes due to its status as a full treatment center. Pursuant to the terms of the current Settlement Agreement, Caron paid \$55,159.92 to the City in 2014 and will pay \$59,112.51 in 2015.

Caron has requested to amend the Settlement Agreement and Consent Order by offering to pay the City a sum equal to the amount of annual school board taxes in lieu of providing in-kind services, specifically, substance abuse training and education. Caron has divested itself of the operations attributed to Hanley Center and no longer has the same staff and resources it previously had to maintain the training and education programs required under the Settlement Agreement. If the City agrees, Caron would pay the City approximately \$30,500.00 a year in addition to the existing sum it pays to the City under the Settlement Agreement. This additional sum represents the value of the annual school board taxes.

If the proposed amendment is approved, the City Manager requests that the City Commission delegate to him the authority to appropriate the additional funds collected under this amendment for education efforts. Examples of educational programs that could benefit from the amendment to the Settlement Agreement include:

- No Place for Hate at Atlantic Community High School, which is supported by Anti-Defamation League (ADL).
- Pink Shirt Day, supported by the Literacy Coalition, which helps bring awareness to bullying.
- Kid Safe at Pine Grove Elementary School, which teaches techniques for self-esteem building.
- A book purchase program to provide books about substance abuse to local schools.
- The hiring and scheduling of facilitators to talk about substance abuse at local churches, the 505 Teen Center, elementary, middle and high schools and other child-based organizations such as Knights of Pythagoras, Boys and Girls Club, and Boys and Girls Scouts.

LEGAL REVIEW:

Approved as to form and legal sufficiency.

FINANCIAL REVIEW:

RECOMMENDATION

Motion to approve amending the Settlement Agreement and Consent Order with Caron Foundation of Florida, Inc. to require Caron to pay an annual sum equal to the amount of public school board taxes in lieu of providing in-kind services, specifically, substance abuse training and education.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 12-80215-CIV-DIMITROULEAS/SNOW

CARON FOUNDATION OF FLORIDA, INC.,
a Pennsylvania Corporation doing business as
Caron Renaissance,

Plaintiff.

vs.

CITY OF DELRAY BEACH,
a Florida municipal corporation,

Defendant.

ORDER GRANTING MOTION TO AMEND SETTLEMENT
AGREEMENT AND CONSENT ORDER

THIS CAUSE is before the Court on the parties' Motion to Amend Settlement Agreement and Consent Order [DE 46] (the "Motion"), filed herein on May 8, 2015. The Court has carefully considered the Motion and is otherwise fully advised in the premises.

Accordingly, it is **ORDERED AND ADJUDGED** that ¶ 1 of the Consent Decree executed by the parties on July 23, 2012, and approved by the Court on July 25, 2012 [DE 43-1, 44], is hereby modified as follows:

1. Caron will pay the City, on an annual basis on or before March 31 of each year, an amount equal to the real estate taxes for the previous year as set forth by the Palm Beach County Property Appraiser, less the amount of school taxes, neither of which it is obligated to pay, for the first and second Ocean Drive Program residences referred to in Caron's amended complaint ("first Ocean Drive Program residence" and "second Ocean Drive Program residence," respectively). Consistent with its mission as a not-for-profit foundation, Caron, on an annual basis, *will pay the City, on an annual basis on or before March 31 of each year, an amount equal to the school taxes for the previous year as set forth by the Palm Beach County Property Appraiser* to provide substance abuse training and education to organizations including, but not limited to, schools, churches or other charitable institutions within the City. These obligations and the reasonable accommodations as set forth in Paragraph 6 below as to each residence will cease

if and when Caron sells, leases or no longer uses the residences for its patients in recovery.

DONE AND ORDERED in Chambers at Fort Lauderdale, Broward County, Florida,

this 16th day of June 2015.


WILLIAM P. DIMITROULEAS
United States District Judge

Copies furnished to:

Counsel of record