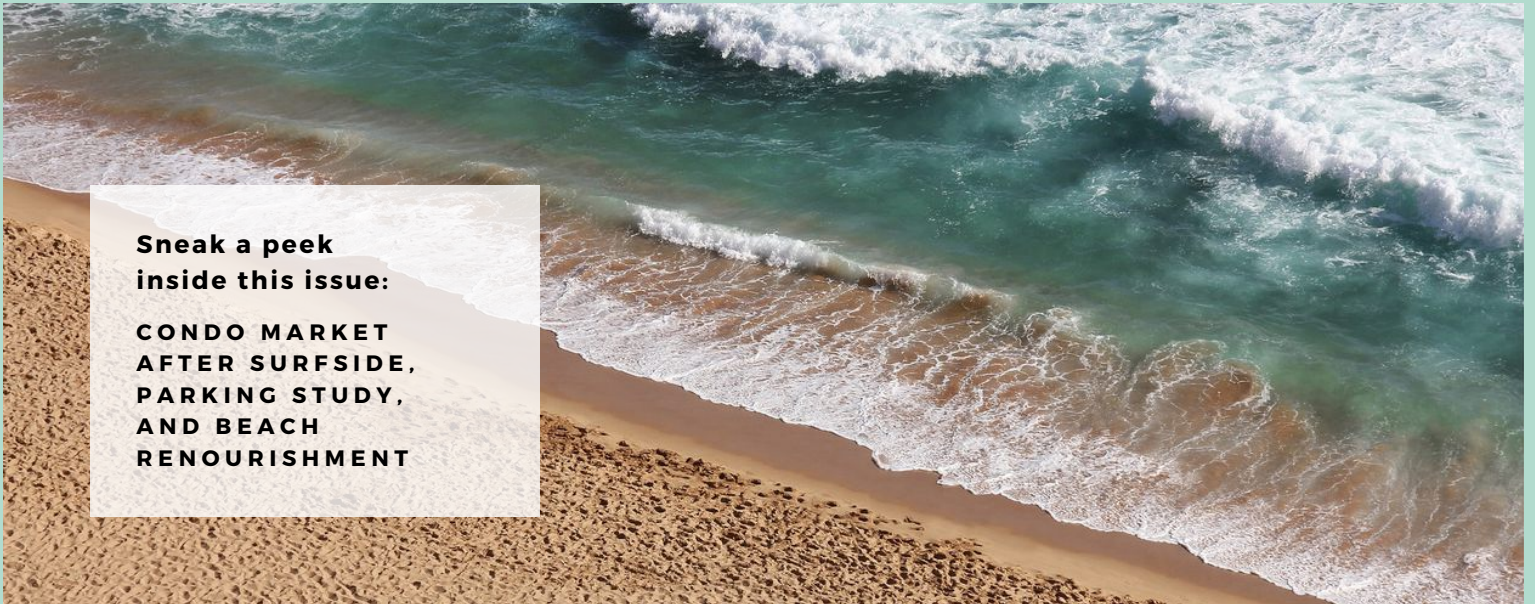


Summer Updates

www.citizensassociationofpalmbeach.org

EDITORS: LINDA SULLIVAN AND JJ BUTLER



**Sneak a peek
inside this issue:**

**CONDO MARKET
AFTER SURFSIDE,
PARKING STUDY,
AND BEACH
RENOURISHMENT**

NEW FLORIDA LAW ROILS ITS CONDO MARKET THREE YEARS AFTER SURFSIDE COLLAPSE

MORE UNITS ARE BEING DUMPED ON THE MARKET BECAUSE OF SIX-FIGURE SPECIAL ASSESSMENTS TIED TO REPAIRS FOR OLDER BUILDINGS

By Deborah Acosta May 13, 2024- The Wall Street Journal

MIAMI—Ivan Rodriguez leapt at the chance to buy a unit at the Cricket Club, an exclusive bay- front condominium in North Miami. In 2019, he liquidated his 401(k) retirement account to purchase a nearly 1,500-square-foot unit with water views for \$190,000.

But because of a recent state law that requires older buildings to meet certain structural safety standards, the condo board recently proposed a nearly \$30 million special assessment for repairs, including roof replacement and facade waterproofing. It would amount to more than \$134,000 per unit owner.

Rodriguez, 76, didn't have the money. So he reluctantly put his two-bedroom condo up for sale, joining dozens of others in the building who are doing the same. After originally listing his unit for \$350,000, he kept marking it down until finally it sold for \$110,000 last month, or 42% less than what he paid for it.

Every time a potential buyer learned of the assessment, he said, "they'd run in the opposite direction."

Miami has enjoyed one of the biggest real-estate booms in the country. Home prices have doubled since 2018, according to real-estate brokerage Redfin. Now, thanks to a new law in response to the partial collapse of a building in Surfside that killed 98 people, apartment owners are dumping their units on the market because they can't afford the six-figure special assessments.



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Continued from page 1

Condo inventory for sale in South Florida has more than doubled since the first quarter of last year, to more than 18,000 units. While the sharp rise in Florida home insurance costs is driving some to sell, most of the units on the market are in buildings 30 years or older. Under the new law, buildings must pass milestone structural inspections no later than 30 years after they are built.

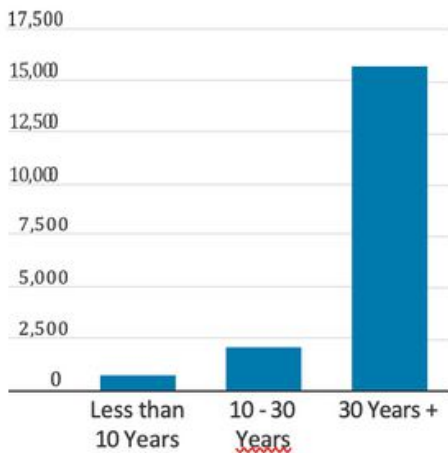
In Miami, about 38% of the housing stock is condos, the highest of any major metropolitan area in the U.S., according to Zillow. Of those buildings, nearly three-quarters are at least 30 years old. For those that have large repairs looming, many owners are scrambling to sell before Jan. 1 when building reserves must be fully funded to be in compliance with the law.

"I think this is just the beginning," said Greg Main-Baillie, an executive managing director at real-estate firm Colliers, who oversees 40 condo renovation projects across the state. In a number of these buildings, prices are beginning to plummet. While units built less than 30 years ago are selling for about 38% more today than they did in 2020, units 30 years or older are now going for almost 12% less than they did back then, according to a data analysis by brokerage ISG World.

Owners are struggling to find all-cash buyers because mortgage lenders are increasingly unwilling to take on the risk associated with these units.

"It's not the buyers that aren't qualifying," said Craig Studnicky, chief executive at ISG World. "It's the buildings that aren't qualifying."

Total Active Condo Listings in South Florida, by Building Age



Source: ISG World; includes Miami-Dade, Broward and Palm Beach Counties through Q1 of 2024

Few buildings have as many condo owners looking to get out as the Cricket Club, which was once one of the city's more desirable places to live. The high-rise boasts its own bar, boat dock, tennis courts and pool deck. A Saudi prince made it his part-time home in the 1980s.

State law previously allowed condos to waive reserve funding year after year, leading many buildings, including the nearly 50-year-old Cricket Club, to keep next to nothing in their coffers. Now, about 40 units in the building of 220 are listed for sale but are seeing little interest.

"These units are practically being given away," said Sari Papir, a retired real-estate agent who has lived in the Cricket Club with her partner Shaul Szlaifer since 2018. "Even if we found a buyer, what could we buy with the pennies we'd receive for our unit?"

Maria Tkachun and her husband purchased their seventh-floor bay-front unit at the Cricket Club in 2022 for \$490,000. With a terrace and a balcony, the apartment boasts 180-degree views of Miami and Biscayne Bay.

They spent another \$100,000 on renovations. They installed extra-large format Italian porcelain tiles and redid the entire kitchen, adding a marble countertop and island. The first sign of the Cricket Club's financial shortfall came when banks wouldn't give them a mortgage unless they put down 25%, Tkachun said. The reason, the lender said, was that their building had no reserves. Two years later, they face a six-figure assessment.

"This is just outrageous," Tkachun said. In 2020, two years before the new law was passed, the building completed a recent recertification after taking out about \$9 million in loans, some of which was used for repairs to the pool deck and other areas. So when the condo board estimated an almost \$30 million special assessment four years later, it came as a shock.

"Just because the project passed inspection in 2020 doesn't necessarily mean that the condition is acceptable now," said Alexandros Washburn, the condo board president. "There is an enormous amount of value in the Cricket Club that will only grow when we fix it."

Residents say that the assessments have sowed discord in the building, pitting owners who feel they are being pushed out against those who can afford the assessments and are eager to move on.

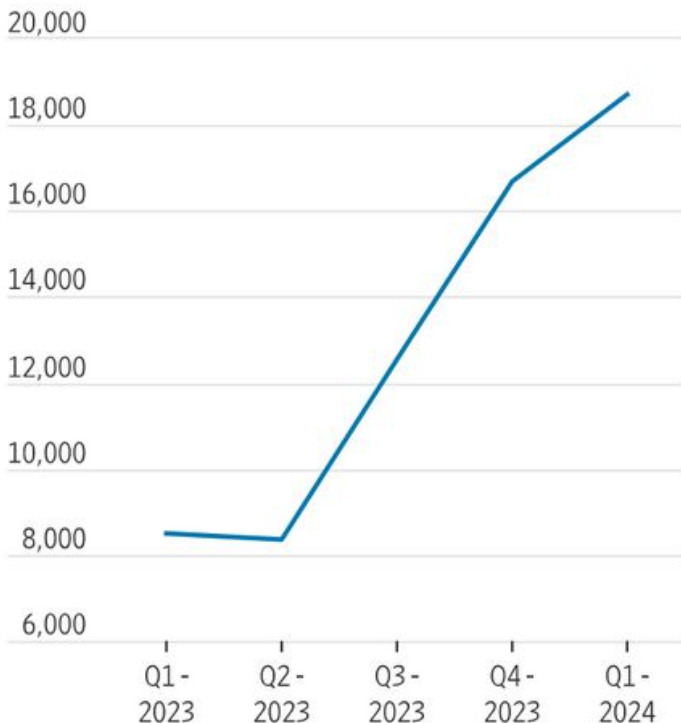
Residents still meet at the building's bar and pool decks to celebrate birthdays. But now, those gatherings are often charged with owners pooling documentation in hope of finding evidence that the assessments should be lower. Some are worried developers may already be purchasing condos in the building for a potential takeover, where a developer tries to gain control of a building to knock it down and build a newer, more luxurious one. These condo terminations are happening up and down the state's coastline. While the rules can vary by building, if enough people vote to sell their units, the others have to follow along.

Rodriguez considers himself lucky, despite the big loss on his sale. He is moving out next month and will rent an apartment near his daughter and grandchildren. He said younger families that have mortgages are worse off, especially if the debt exceeds what the units can sell for.

Szlaifer and his partner also own their unit outright, but they are unwilling to part with it at a loss. Their plan?

"The truth: We don't know," he said.

Total Active Condo Listings in South Florida



Source: ISG World; includes Miami-Dade, Broward and Palm Beach Counties

Important Voter Information

What is a Primary Election?

A Primary Election is used by political parties to nominate a candidate to move on to the General Election. Florida is a closed primary state, meaning a voter must be registered with a political party to vote in that party's primary races.

You can change your party affiliation by submitting an updated [Voter Registration Application](#) at any time, but the change must be made 29 days before a Primary Election in order to be valid for that election.

If all candidates in a race have the same party affiliation and the winner will be unopposed in the General Election, anyone may vote in the primary for that race, regardless of party affiliation. This is known as a Universal Primary Contest. The primary is also used to narrow down the number of candidates in nonpartisan races (such as school board) and may include some amendments or referenda. All voters, whether affiliated with a political party or not, vote on nonpartisan races and issues in the Primary Election.

2024 Primary Election Are You Election Ready?

Deadline to Register to Vote or Change Party
Monday, July 22, 2024

Deadline to Request a Vote-by-Mail Ballot be Mailed to You

Thursday, August 8, 2024, at 5:00 p.m.

Early Voting

August 10, 2024 - August 18, 2024
7:00 a.m. - 7:00 p.m.

Election Day

Tuesday, August 20, 2024
7:00 a.m. - 7:00 p.m.

Special Election for the Office of State Senate, District 24

The Governor has called a Special Election for filling the vacancy of the office of State Senate, District 24, and has also called a Special Primary Election for selecting nominees of the recognized political parties for such election:

Special Primary Election: August 20, 2024

Special Election: November 5, 2024

More cars than residents in Palm Beach: 5 key takeaways from traffic and parking study

By: Diego Diaz Lasa - Palm Beach Daily News, July 2, 2024

With the Town Council's recent vote to approve the long-awaited traffic and parking study from The Corradino Group, the town has officially accepted a document that details many of the issues that have contributed to what has become an increasingly challenging situation for many Palm Beach residents. Here are five key takeaways from The Corradino Group traffic and parking study.

There is a massive influx of cars coming into Palm Beach daily

Palm Beach is flooded by cars daily, with the study reporting an average of 37,003 trips coming into town during weekdays, and an average of 37,927 trips during the weekend. That's more than four times the population of the town, which sits at 9,235.

"We did not have these volumes pre-COVID," Town Council President Bobbie Lindsay said during the panel's June 25 meeting.

The report also details the major attractions bringing visitors to the island. In the study's North District, which spanned from Pine Walk to the island's northern tip, the commercial businesses inside the Breakers, Royal Poinciana Plaza and those north of Royal Poinciana brought the most visitor trips at 6,813 trips. Recreation services, the Breakers' and Palm Beach Country Club's respective golf courses, had 2,410 trips, with the beaches bringing a mere 15 trips. In total, 3,286 trips heading to the island's North District were work-related. With an average of 2,190 daily visitor trips, commercial businesses also topped the list for the study's Central District, which spanned from Pine Walk to Southern Boulevard. Beaches followed at 969 trips with private recreational offerings, namely the Everglades Golf Course, sitting at 93 trips. Work-related trips for the Central District totaled at 4,026.

With an average of 2,190 daily visitor trips, commercial businesses also topped the list for the study's Central District, which spanned from Pine Walk to Southern Boulevard. Beaches followed at 969 trips with private recreational offerings, namely the Everglades Golf Course, sitting at 93 trips. Work-related trips for the Central District totaled at 4,026.

The study did not include visitor trips to the Mandel Recreation Center, the Seaview Tennis Center or Phipps Ocean Park Tennis Center in its recreation services count.

West Palm Beach is expanding and that will affect Palm Beach

Development in Downtown West Palm Beach is expanding, the report said, detailing 53 developments currently in West Palm Beach. Of those projects, 13 are under review, 25 have been approved and 15 are under construction. These developments would mean an additional 626 additional cars crossing to and from the town during the morning traffic peak and 852 additional cars during the afternoon peak hours, the report said.



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Eric Czerniejewski, traffic engineering division manager for The Corradino Group, said during the Town Council's June 25 meeting that there are a slew of projects that will coming before the City of West Palm Beach Development Services Department. The study reflected projects on West Palm's Citywide Projects Web Viewer as of April 19, he said.

Palm Beach traffic congestion is fueled by specific routes

The town's roadways are functioning, on average, at a level of service of D, which is allowed under the comprehensive plan.

However, according to the report, a level of service D is defined as "approaching unstable conditions with increasing congestion."

It also found that specific routes were problematic.

For example, on average, the intersection of North County Road and Sunset Avenue was given an overall rating of Level of Service A, during its morning and midday traffic peak, and a level of service of B during its afternoon peak.

Yet, the intersection's eastbound route has a level of service of E during the morning traffic peak. That means a driver is waiting an average of a 63.3 seconds, per vehicle, before crossing the intersection. That delay is even worse during the afternoon peak, rising to 82.8 seconds per vehicle for the intersection's eastbound route, the second longest delay in town.

Additionally, as The Corradino Group Principal Joe Corradino noted during the Town Council's June 25 meeting, wait times are compounding, and increase with each vehicle ahead of the driver in question. In other words, if the driver is the fifth in line for the aforementioned eastbound route, the driver's wait time wouldn't be 63.3 seconds, but the combined total of all five cars in the queue.

There is excess public parking, but mismanagement leads to localized shortages

According to the report, the parking issues in Midtown's commercial areas are likely caused by local shortages and management failures rather than lack of parking spaces.

The study states that during the study's sampling date, Saturday, March 4, Worth Avenue's on-street parking was filled to capacity. Neighboring off-street parking options, like the Apollo Lot on Hibiscus Avenue, were also close to hitting capacity.

However, just a few blocks north on Hibiscus Ave., the report indicates that there was a surplus of parking spots available. The uneven parking happens because of visitors seeking a parking space close to their destination, and are unaware of other parking options. This issue is exacerbated during the weekend, as the report found that drivers often park illegally on streets already at their parking capacity, such as the stretch of Cocconut Row from Peruvian Avenue to Worth Avenue, which the report showed as consistently experiencing a parking occupancy rate of 106%.

While valet services greatly increase convenience and the quality of life for drivers, the report states, it does not add to the town's parking capacity, since valet services are using the same on-street and off-street parking spaces as the public.

Restaurant valet services may need further vetting

While restaurants aren't a main driver of the town's traffic and parking problems, the report notes that slow valet queues have resulted in multi-car lines blocking the flow of traffic. The study cited long queues during peak hours at Meat Market, Echo Palm Beach, Trevini, Pizza Al Fresco, Bice and Club Colette. The study singled out the 300 block of Peruvian Avenue, where researchers noticed a bottleneck, "due to Renatos, Bice Ristorante and an event being held at the Preservation Foundation of Palm Beach," an organization which also utilizes valet services for events.

The Corradino Group recommends that the town continue to require that valet parking applications provide information about the route valets will take, anticipated queueing, number of valet operators; and specific details about the private lot and number of spaces used.

It also recommends the town to use the Geographic Information System mapping software to layer the existing approved valet parking locations. The report argues that by doing this, the town can verify the amount of space available in private lots, such as the Apollo lot, which is used by multiple restaurant valet services.

"There's so many restaurants that claim parking spaces, that I don't know that they're actually using it," council member Julie Araskog said, during the June meeting. "So, I think that was a great suggestion."



Hardbottom in Reach 8

By: Ronald Matzner

The Town Council, at its July meeting, approved a resolution awarding a contract for 2024 hardbottom monitoring and mapping to its consultant, Coastal Protection Engineering. This is especially important for residents of the condominiums in Reach 8.

As we have reported recently, the Town will be conducting beach and dune nourishment in January 2025 in Reach 7 and Reach 8 by depositing dredged sand directly onto the wet beach in Phipps Park and trucking it to Reach 8 to deposit it on the dry beach. Residents in Reach 8, especially those new to Palm Beach might be wondering why the Town can deposit sand directly onto the wet beach in Reach 7 (north of the LW pier) and not in Reach 8 (south of the pier)., Coastal Protection Monitoring

The reason is hardbottom. There is a lot of it in Reach 8 south of 3120 and none in Reach 7. It is a habitat for young fish and turtle hatchlings. According to federal rules, nobody, including the Town, County or State, can intentionally cover hardbottom without mitigation. The Town has been trying to get a permit from the EPA for nearly 20 years.

The problem is determining and agreeing upon the extent of the hardbottom. Each year in July the Town's consultants undertake hardbottom monitoring and measuring using divers and high resolution photography from drones.

Common sense tells you that hardbottom is ephemeral. Natural wave action uncovers it one day and covers it up again the next. Nevertheless, the testing shows that over the years hardbottom has been increasing in Reach 8, requiring an ever greater mitigation commitment from the Town.

There have been some promising developments in the past year. Federal regulators have agreed to cap the amount of hardbottom at the current amount, thereby enabling the Town to design the mitigation reef to be located in Reach 5.

Hopefully, a permit allowing wet beach nourishment in Reach 8 will follow within the next two years. When that occurs, it is likely that beach nourishment would take place at the north end of Reach 8 between Bellaria and 3120, where there is no hardbottom, thereby allowing normal north to south movement of waves to seed beaches in front of the condominiums southward from us.


Citizens' Association of Palm Beach

Our Mission: The Citizens' Association of Palm Beach (CAPB) represents the interests of our Palm Beach condominium and co-operative association members from Sloan's Curve to the south border of Palm Beach.


ABOUT US:

- CAPB was established in 1976, as a not-for-profit 501(c)(3) organization. • We serve as your neighborhood volunteers.
- We regularly attend Town Council meetings and take part in various Town boards, commissions, and committees to represent and advocate for the interests of south end resident members.
- We regularly consult with—and are consulted by—Town officials on matters affecting the South End and/or the Town of Palm Beach.
- We provide a series of educational programs and seminars that address topics of interest, e.g., legislative updates, Town Council candidate forums, beach sand replenishment, traffic, development/zoning changes, drinking water safety, and hurricane preparedness.
- We ease access to Town officials to provide updates on town business, and to address your questions and concerns. We also provide a path for residents wishing to become more involved on Town committees.
- We deliver local news and information via our monthly News & Views newsletter, and our mobile app - *Palm Beach Exclusive*. You can also visit our website at www.citizensassociationofpalmbeach.org, or follow us on Facebook and Instagram.
- We co-fund an annual scholarship to the talented children of Town employees and an annual Town Employee of the Year award.
- We coordinate arrangements for our member buildings to receive discounted beach cleaning and turtle monitoring service





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Palm Beach set to donate \$80,000 to Lake Worth Beach in exchange for beach access

By: Diego Diaz Lasa - Palm Beach Daily News

Palm Beach staff soon will be meeting with their Lake Worth Beach counterparts after the Town Council gave the go-ahead for them to draft an agreement that would allow the town to access the beach via that city's patch of coastline. The town wants to use a concrete road south of the Lake Worth Pier during a South End beach and dune renourishment project that is expected to begin later this year, Public Works Director Paul Brazil told the Council during its meeting on Tuesday.

In return, Palm Beach would donate \$80,000 from the Town's Coastal Fund to Lake Worth Beach to improve the public area between the beach and city's public parking lot, he said.

The project to replenish sand along the stretch of coastline from Phipps Ocean Park to La Bonne Vie Condominiums requires a land-based access point to transport and dump sand along the southernmost portions, Brazil said.

"We have to truck it in, there isn't any other alternative,"

Brazil said, noting that the protected seafloor near the coastline bars barges from pumping sand there.

"They have said that they don't want to participate anymore, and I cannot blame them at all," Brazil said.

Instead of seeking out another condominium, the town decided to reach out to Lake Worth Beach, as it offered the easiest access to the coastline, he said.

Historically, the town and Lake Worth Beach have had a tenuous relationship, with the city repeatedly denying the town's request for access, Brazil said. This year, he said, Lake Worth Beach was receptive to the proposal and had a "reasonable" request in return for access. Hence, the donation of \$80,000 for the park.

"What we have seen in the past going through a condominium, our restoration cost could easily exceed \$80,000," he said, noting that the project would only have to replace the dune vegetation. "So the restoration of their property would be very low (cost), since it's paved surfaces."

Brazil said he hoped the agreement could serve as a foundation for a collaborative approach to coastal management in the town's South End.

he Council agreed, with member Lew Crampton calling support for the agreement a "no brainer."

Council Member Bridget Moran asked if the town was setting a precedent by giving Lake Worth Beach a donation for access to the coastline.

"I don't know how it's going to work out, it's the first time we've gotten this far," Brazil said.

Town Manager Kirk Blouin said he didn't believe the town would have to give another donation, as Lake Worth would benefit from any beach nourishment project targeting the South End.

Mayor Danielle Moore and Council Member Julie Araskog gave a special thanks to Lake Worth's elected officials for their willingness to collaborate.

Ronald Matzner, co-counsel for South End-based Citizens' Association of Palm Beach, praised the town staff efforts to replenish the South End's coastline.

"This is really a big deal for the residents of the South End," Matzner said. "The anxiety about our beaches — this will help resolve all of that."

Town Council voted 5-0 to approve a future \$80,000 one-time donation in exchange for coastline access, which will be codified and implemented when staff returns to the council with a draft interlocal agreement.



Palm Beach staff soon will be meeting with their Lake Worth counterparts to create an agreement that would allow Palm Beach access to Lake Worth beach's coastline during the town's upcoming beach and dune renourishment project. /DAMON HIGGINS/Palm Beach Daily News

TOWN OF PALM BEACH PROPOSED BUDGET- 2025

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