

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS  
AGENDA ITEM SUMMARY**

Meeting Date: February 6, 2007

[ ] Consent [X] Regular  
[ ] Workshop [ ] Public Hearing

Department: Facilities Development and Operations

**I. EXECUTIVE BRIEF**

**Motion and Title: Staff recommends motion to approve:** A) a request from the Florida Department of Health (DOH) for \$4,752,451 in additional capital funding toward the design and construction for the proposed Palm Beach County Health Department Administration Building;

B) Budget transfer of \$4,752,451 from reserves to the Public Building Improvement Fund within the General Fund;

C) Budget Amendment of \$4,752,451 in the Public Building Improvement Fund to recognize funds transferred from the General Fund and to increase the project budget; and

D) Amendment No. 2 to an Agreement with the Department of Health of the State of Florida and the Board of Trustees of the Internal Improvement Fund (R2001-0587 and amended by R2006-0137).

**Summary:** On December 5, 2006, the Board of County Commissioners (BCC) directed Staff to follow-up on three items related to the Department of Health's estimate to complete the design and construction of its Administration Building on a new location on the Dimick Block which would support the future development of a Transit Oriented Development on the remainder of the Dimick Block and surrounding area. The three items were to; 1) determine the availability of funds from the City of West Palm Beach and/or its Community Redevelopment Agency (CRA), 2) prepare an explanation of the benefits of relocating the DOH Administration Building to its new mid-block location, and 3) conduct an independent review of the proposed construction costs. Subsequently in a joint workshop of the Health Care District (HCD) and the BCC, the BCC indicated that it would consider funding the project deficit, estimated at \$3,750,000, providing that; 4) the review of the costs supported the amount of funds being requested for the project, and 5) that the final request for funding be inclusive of all costs and finite so that the BCC would know its ultimate funding commitment and that the project was fully funded and therefore could proceed. The first two items have been addressed in a letter from the West Palm Beach CRA dated January 16, 2007. County Staff and one of its annual Construction Manager (CM) At Risk contractors have performed a review of the plans, specifications, Preliminary Guaranteed Maximum Price (GMP) and the proposed Total Project Budget and find them to be reasonable for the current market and similar to those incurred by the County for comparable facilities. As such, Staff is recommending that the BCC fund the remaining project deficit of 4,752,451 solely in an effort to ensure that the Administration Building moves forward and does not incur additional costs. If the Board does not fund the entire deficit, Staff recommends that it identify the specific amount it would fund and return the item to the Health Care District to consider funding the difference at its February 14, 2007 meeting. Amendment No. 2 increases the funding to a total amount not to exceed \$12,852,451 and provides for; 1) a pre-construction downward adjustment based on final GMP which eliminates contingencies for items currently undesignated, 2) a reimbursement of unspent project funds, and 3) a prohibition against further requests for funding on this project. **(FDO Admin) Countywide/District 7 (JM)**

**Background and Policy Issues:** On Page 3

**Attachments:**

1. Donation Agreement (R2001-0587)
2. Amendment #1 to Donation Agreement (R2006-0137)
3. E-Mail from Catalfumo to FDO dated 1/18/07
4. E-Mail to DOH dated 1/20/07
5. Project Budget Worksheet dated 1/16/07
6. Letter from the City of West Palm Beach CRA dated 1/16/07
7. Budget Transfer
8. Budget Amendment
9. Amendment No. 2 to Donation Agreement.
10. Letter from the City of West Palm Beach dated 1/17/07

Recommended by: \_\_\_\_\_

*Anthony Wolf*  
Department Director

1/29/07  
Date

Approved by: \_\_\_\_\_

*[Signature]*  
County Administrator

2/8/07  
Date

## II. FISCAL IMPACT ANALYSIS

### A. Five Year Summary of Fiscal Impact:

Fiscal Years	2007	2008	2009	2010	2011
Capital Expenditures	<u>\$12,852,451</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating Costs	<u></u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
External Revenues	<u></u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Program Income (County)	<u></u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
In-Kind Match (County)	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
NET FISCAL IMPACT	<u>\$12,852,451</u>	<u></u>	<u></u>	<u></u>	<u></u>
# ADDITIONAL FTE					
POSITIONS (Cumulative)	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>

Is Item Included in Current Budget? Yes X No       

Budget Account No: Fund <u>3804</u>	Dept. <u>621</u>	Unit <u>M100</u>	Object <u>8101</u>	\$1,300,000
Fund <u>3032</u>	Dept. <u>621</u>	Unit <u>M100</u>	Object <u>8101</u>	\$6,800,000
Fund <u>3804</u>	Dept. <u>621</u>	Unit <u>M100</u>	Object <u>8101</u>	\$4,752,451 (pending transfer)
				\$12,852,451

**B. Recommended Sources of Funds/Summary of Fiscal Impact:**

Staff is recommending that the funding that is the subject of this budget transfer and amendment (\$4,752,451) be reimbursed to the General Fund with funds borrowed from the Sunshine State Pool at a later date.

### C. Departmental Fiscal Review

### III. REVIEW COMMENTS:

A. OFMB Budget and/or Contract Development and Control Comments:

Co Elizabeth Green  
11/31/2007 OFMB Budget 1/1/07 PM 1-31-07  
B. Legal Sufficiency:

*[Signature]*  
Contract Development and Control 2/2/07

B. Legal Sufficiency:

B. Legal Sufficiency: *[initials]*

*[Signature]* 2/5/07  
Assistant County Attorney

C. Other Department Review:

**This summary is not to be used as a basis for payment.**

The Palm Beach County Health Department (DOH) Administrative Division, Division of Environmental Health and several other programs offices currently occupy four County-owned buildings on Evernia Street in West Palm Beach, these facilities were designed for other purposes and constructed many years ago. Today they prove to be inefficient and insufficient headquarters for the DOH operations. In addition, to accommodate growth in the West Palm Beach Clinic located at 45<sup>th</sup> Street, the Office of Vital Statistics, WIC and Nutrition programs will be relocated to the proposed Administration Building upon its completion.

Besides for the buildings being inefficient and insufficient for the Health Department, the condition of the buildings make them difficult and expensive to maintain. This has been compounded by the fact that major equipment renewal and replacement has been limited during the last 10 years as it was known that the buildings were to be demolished.

On April 17, 2001, the Board approved an agreement with the Department of Health and Trustees of the Internal Improvement Fund (Board of Trustees) providing for the donation of 7 acres of land at the County's 45<sup>th</sup> Street Complex for the construction of a new clinic. Included in that agreement was an obligation of the County to contribute \$1,300,000 to the future construction of an Administration Building. That agreement also contemplated that the County would donate an additional 4-6 acres of County-owned property at its 45<sup>th</sup> Street Complex for the Administration Building.

In 2005, the Health Department secured land for the Administration Building on State owned land (Dimick Block) specifically located at the southwest corner of Datura and Tamarind, immediately north of their existing facilities. As a result, the Board amended its donation agreement in January 2006 to contribute a total of \$8,100,000 towards the future construction, which was the deficit identified by the Department of Health at the time of that request.

During the first nine months of 2006, there were extensive discussions regarding alternate sites for the DOH Administration Building including; 1) moving the building to a property held by the County known as the Wedge, 2) privately held land on 45<sup>th</sup> Street, and 3) alternate site plans on the Dimick Block. In approximately September 2006 a concept for using the State owned Dimick Block as a public use block began to gel with the possible tenants being the Department of Health, Department of Children and Family Services, the Health Care District and the County. The first phase of the project would be to construct the DOH Administration Building with surface parking on the balance of the Block. This concept was presented to the BCC on December 5, 2006 and was supported. At the same time, a letter from Secretary Lewis was received acknowledging the State's support for the overall concept.

With the conceptual support of the Board and State, attention shifted to the first phase and the pressing need to move forward with the construction of the DOH Administration Building. At that meeting, the Board directed Staff to:

- determine whether funds were available from the City of West Palm Beach and/or its CRA,
- have the City prepare an explanation of the benefits of relocating the DOH Administration Building to its new mid-block location to support the additional re-design costs and costs associated with the corresponding delay, and
- conduct a review of the proposed construction costs and total project budget.

The following week on December 12, 2006, in a joint workshop of the Board and the HCD, the Board further indicated that it would consider funding the project deficit, estimated at \$3,750,000, providing that:

- the review of the costs supported the amount of funds being requested for the project, and
- the final request for funding be inclusive of all costs and finite so that the Board would know its ultimate funding commitment, that the project was fully funded and therefore could proceed.

The first two items are addressed in a letter from the West Palm Beach CRA dated January 16, 2007. With respect to the funding, the letter indicates that the CRA Staff and Chair (Mayor) is "...prepared to request an allocation of \$350,000 from the CRA Board during their next meeting to assist with the development of the site. The parameters of the use would have to be defined further since the expenditures of CRA funds are limited to certain uses." Since the recommendation has yet to be considered, the allocation will likely not occur until next fiscal year's budget (previous correspondence) and with the funding restrictions that have been previously been delineated; at best the funding would could not be relied upon for award of the contract, is in large part dependant on the progress of the TOD, and may or may not be able to funded at all. As a result, the funding deficit calculations do not reflect the CRA funding, but the Amendment to the Agreement requires the DOH to use good faith efforts to secure this funding and in the event that it materializes, requires DOH to reimburse the County the amount of any CRA contribution.

**Background and Policy Issues (con't)**

Since the December 12 , 2006 workshop, the DOH and its consultants have performed the necessary site and field testing necessary to determine what changes needed to be made to existing design plans to accommodate the new site. In addition, the DOH's contractor, Morganti, updated its August 2006 Preliminary Guaranteed Maximum Price (PGMP) to reflect increased construction costs and the new scope of work described. Since the actual re-design has not taken place at the time of the January 11 PMGP, it contains some contingencies which will turn into hard pricing once the design work is actually completed. Catalfumo, one of the County's annual CM At Risk contractors was tasked with reviewing Morganti's pricing and the contingencies for undesigned work. A summary of their findings is included in the attached E-mail from Ed Meinzinger dated 1/18/07. In general, their conclusions were as follows:

- "We found no significant quantity busts (+or -) nor did we find any CSI categories which were not included in the GMP."
- "We looked a similarly sized projects we have recently completed to do comparison square foot rates on a line by line bases with the GMP provided ....but again no significant discrepancies were found."
- "The original project schedule of 16 months is achievable and the 18 months as shown in the revised January GMP from commencement to CO allowing for phasing would appear adequate as presented."

John Chesher's (Director PBC Capital Improvements Division) review of the Total Project Budget, also indicated that the non-construction line items and project contingencies were reasonable and similar to those that the County would carry and recommend. These conclusions and recommendations address the third and fourth bullet follow-up items identified by the BCC.

The last area to be addressed was with respect to HCD's financial and non-financial participation in the DOH Administration project. HCD's financial participation was approved at \$8,500,000 from two funding sources with an additional \$500,000 approval pending. HCD's participation was documented in a funding agreement and a separate sublease agreement; both of which required re-negotiation to reflect changes to various financial and non-financial terms. On January 23, 2007 the HCD Staff recommended to its Finance Committee that it fund the additional \$500,000, a recommendation which the Committee approved. While the actual agreements have yet to be executed by the HCD and DOH, both Staffs have indicated that they have reached agreement on the key terms of the agreement revisions.

As such the project funding is as follows:

<b>Total Project Cost</b>	<b>\$22,152,451</b>
<b>Current Available Funding</b>	
Health Care District Contribution	(7,500,000)
Health Care District Set Aside 03/04 & 04/05	(1,000,000)
Health Care District Set Aside 05/06	( 500,000)
County Contribution	(8,100,000)
PBCHD Special Project (Tag Fees)	<u>( 300,000)</u>
<b>Balance Remaining to be Funded</b>	<b>\$ 4,752,451</b>

Staff is recommending that the BCC fund the remaining deficit solely in an effort to ensure that the Administration Building moves forward and does not incur additional costs. Amendment #2 to the County's agreement with DOH increases the capital contribution to the Administration Building by \$4,752,451 for a total contribution of \$12,852,451 and provides for; 1) a pre-construction downward adjustment based on final GMP which eliminates contingencies for items currently undesigned, 2) a reimbursement of unspent project funds, and 3) a prohibition against further requests for funding on this project.

The County will transfer the funding within 30 days of the DOH executing a contract for the construction of the new facilities. At that time, the County will have no further capital funding or maintenance obligations for the new DOH facility. In addition, once the DOH occupies the new facility, the existing facilities and land located on both sides of Evernia Street will be the County's to use or dispose of as it chooses.

With regard to proceeding with the Transit Oriented Development, the Board requested that the City provide a time line for amending its codes to allow for such a development and the proposed time frames are identified in a letter from the City of West Palm Beach Planning Department dated January 17, 2007 which has been included in the back-up. In that letter, as well as a letter from Treasure Coast Regional Planning Council, both requested that we begin working on the RFP while the codes are in the process of being amended. Staff does not oppose moving forward with the RFP development at some point when the outcome of code revisions re reasonably predicted, but only after County has reached an agreement with the State on the terms of the ultimate development of the County facilities on the Dimick Block.

Attachment 1

DOH/PHU-FRONT

R2001 0587

APR 17 2001

AGREEMENT

between

PALM BEACH COUNTY  
a political subdivision  
of the State of Florida, as Donor

and

THE BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT FUND  
of the State of Florida, as Donee

and

DEPARTMENT OF HEALTH  
of the State of Florida, DOH

- Lease Attachment  
Exhibit "A" - Real Property  
Exhibit "B" - Site Plan  
Exhibit "C" - Permitted Exceptions

*[Handwritten signatures and initials]*

DOH/FHU-FRONT

R2001 0587

**AGREEMENT**

This Agreement, is made and entered into as of this 17 day of APR 17 2001, 2001 by and between PALM BEACH COUNTY, a political subdivision of the State of Florida ("Donor") and THE BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND of the State of Florida, on behalf of the State of Florida Department of Health, Palm Beach County Health Department ("Donee") and DEPARTMENT OF HEALTH of the State of Florida ("DOH").

**WITNESSETH:**

1. **DEFINITIONS.** The following terms as used herein shall have the following meanings:

1.1 **"Agreement"** - this instrument, together with all exhibits, addenda and proper amendments hereto.

1.2 **"Closing Date"** - the meaning ascribed thereto in Section 8.2 of this Agreement, unless extended by the terms of this Agreement, or by mutual consent of the parties.

1.3 **"Effective Date"** - the Effective Date of this Agreement shall be the date upon which the Palm Beach County Board of County Commissioners shall have approved the execution of this Agreement at a formal meeting of the Board, and all parties have signed the agreement.

1.4 **"Inspection Period"** - that certain period of time commencing upon the Effective Date and terminating one hundred and twenty (120) days thereafter.

1.5 **"Permitted Exceptions"** - those exceptions to the title of the Property as set forth in Exhibit "C" attached hereto, together with any other title matters that may be waived in writing by the Donee.

1.6 **"Real Property"** - The real property legally described in Exhibit "A" attached hereto and made a part hereof, together with all improvements situate thereon.

1.7 **"Site Plan"** - The Aerial View Site Plan attached hereto as Exhibit "B" and made a part hereof.

2. **BACKGROUND.** The purpose of this Agreement is to provide the Department of Health, Palm Beach County Health Department ("DOH") sufficient land upon which DOH will be able to construct a clinic facility to house all of the medical programs it currently operates in various facilities in West Palm Beach, Florida. Donor owns 49.3 acres of property which comprises the Donor's 45<sup>th</sup> and Australian Avenue Complex. Donor has agreed to provide the Real Property to Donee which consists of approximately 7 acres of property fronting Australian Avenue and 45<sup>th</sup> Street as depicted on the Site Plan for this purpose. In addition, Donor shall contribute \$1,500,000 to DOH pursuant to Section 12 of this Agreement.

Donee acknowledges that the Palm Beach County Health Care District currently leases from Donor approximately 8.2 acres within the Donor's Australian Avenue Complex which is adjacent to the Real Property for the purpose of operating the "County Home". At or before closing, Donor shall obtain a release from the Palm Beach County Health Care District of all rights under the terms of the lease for the Real Property including the release of all options to purchase or rights of first refusal to the Real Property.

3. **DONATION.** In consideration of the mutual covenants herein contained, and various other good and valuable consideration, Donor agrees to convey the Real Property to Donee and Donee agrees to accept title to the Real Property from Donor on the terms,

DOH/PHU-FRONT

covenants and conditions hereinafter set forth; provided however, that Donor understands and agrees that Donee shall not be liable for any provisions under this Agreement required of DOH.

4. INSPECTION OF PROPERTY. During the Inspection Period, Donee and its engineers, surveyors, agents and representatives shall have access to the Property for purposes of survey, testing and inspection thereof. All surveys, testing and inspections shall be conducted by Donee at DOH's expense, and shall be performed by licensed persons or firms dealing in the respective areas or matters tested. All testing shall be done in the least intrusive manner reasonably practicable in accordance with all agreements governing the current uses of the Real Property, including the County Home Lease, as hereinafter defined. Donee agrees that it shall provide Donor and the Palm Beach County Health Care District not less than forty-eight (48) hours prior notice by telephone of Donee's proposed entry upon the Real Property. Donee shall be responsible and shall promptly reimburse Donor for any and all loss, damage, cost, expense and/or liability of whatsoever nature arising from or out of Donee's its agents, contractors, employees and invitees entry upon and inspection of the Property for which it is found legally responsible. Nothing contained herein shall constitute a waiver of sovereign immunity beyond the limits provided by Florida Statutes §768.28. In the event that such inspections shall reveal a deficiency in the Property, as determined by Donee in its sole and absolute discretion, Donee shall have the right to terminate this Agreement at any time during the Inspection Period by giving written notice thereof to Donor, whereupon the parties shall be relieved of all further obligation hereunder. Notwithstanding the foregoing, Donor shall be responsible for any hazardous or toxic substances, wastes or materials existing upon the Real Property as of the Closing Date and shall remediate same in accordance with applicable law, all at Donor's cost and expense.

5. EVIDENCE OF TITLE.

5.1 Within thirty (30) days after the Effective Date of this Agreement, Donor shall deliver to Donee an owner's title insurance commitment issued by a title insurance company acceptable to Donee agreeing to issue to the Purchaser upon the recording of the County Deed conveying Donor's interest in the Real Property, an owner's marketability title insurance policy insuring the marketability of the fee title of the Donee to the Real Property, subject only to the Permitted Exceptions. The title commitment and policy shall be issued in an amount determined by Donee, not to exceed the fair market value of the Real Property. The cost of said commitment and policy and any premium therefor shall be borne by Donor.

The Donee shall have until the later of thirty (30) days after receipt of the title insurance commitment, or the end of the Inspection Period, whichever is later, in which to review same. In the event the title insurance commitment shall show as an exception any matter other than the Permitted Exceptions, Donee shall notify Donor of Donee's objection thereto, and Donor shall act with reasonable effort to remove such exception(s), which exceptions shall be deemed to constitute title defects. The Donor shall be entitled to ninety (90) days from the date of notification by Donee (with adjournment of the Closing Date if necessary) within which to cure such defects or to make arrangements with the title insurer for the removal of any such objections from the commitment. Notwithstanding the foregoing, Donor shall have the option of discharging any such matters at closing out of the closing proceeds. If the defect(s) shall not have been so cured or removed from the commitment by endorsement thereto at the termination of the said ninety (90) day period, Donee shall have the option of: (a) accepting title to the Property as it then exists; or (b) terminating this Agreement, by giving written notice thereof to Donor, in which event the parties shall be relieved of all further obligation hereunder.

5.2 Donor shall deliver to Donee prior to the Closing an endorsement of the commitment making it effective to within five (5) days of the Closing Date. At closing, the title insurance commitment shall be endorsed to remove any and all requirements or preconditions to the issuance of an owner's marketability title insurance policy, and to

DOH/PHU-FRONT

delete any exceptions for: (a) any rights or claims of parties in possession not shown by the public records; (b) encroachments, overlaps, boundary line disputes and any other matters which would be disclosed by an accurate survey and inspection of the Property (provided Donee obtains a survey pursuant to Section 6 hereof); (c) unrecorded easements and claims of easements (provided Donee obtains a survey pursuant to Section 6 hereof); (d) unrecorded and mechanics liens or claims of liens; (e) taxes for the year of closing and all prior years; (f) matters arising or attaching subsequent to the effective date of the commitment but before the acquisition of record of the fee simple title to the Real Property by the Donee.

5.3 From and after the Effective Date of this Agreement, Donor shall take no action which would impair title to any portion of the Property, and shall record no documents in the Public Records which would affect title to the Real Property, without the prior written consent of the Donee.

6. SURVEY. Donee, at DOH's expense, shall have the right, within the time period provided in Section 5 for delivery and examination of Title Evidence, to obtain a current survey of the Real Property and all improvements thereon. Said survey shall be prepared in accordance with the minimum technical standards for surveys within the State of Florida. If the survey reveals any encroachments, overlaps, boundary disputes or other defects, other than the Permitted Exceptions, which affect marketability of the Property, the same shall be treated as title defects as described in Section 5 of this Agreement and Donee shall have the same rights and remedies as set forth therein.

7. CLOSING. The parties agree that the Closing upon the Property shall be consummated as follows:

7.1 Place of Closing. The closing shall be held at the Property and Real Estate Management Division office, 3323 Belvedere Road, Building 503, West Palm Beach, Florida.

7.2 Closing Date. The closing shall take place within thirty (30) days following the expiration of the Inspection Period, or at such earlier date as is mutually agreed upon by the parties.

7.3 Closing Documents. Donor shall be responsible for preparation of all closing documents. Donor shall submit copies of same to Donee no less than five (5) working days before scheduled closing. At closing, the parties shall deliver or cause to be delivered, the following documents, each fully executed and acknowledged as required:

7.3.1 County Deed. County shall deliver a County Deed in the form prescribed by Florida Statutes Section 125.411.

7.3.2 Release of Evernia Street Property. A release of any and all interest of Donee and/or DOH in and to the County's Evernia Street property currently occupied by DOH and acknowledgment by DOH that DOH shall vacate the facilities as provided in Section 11 hereof.

7.3.3 Additional Documents. The parties shall also execute and deliver such other instruments as are necessary or reasonable to consummate the transactions herein contemplated.

7.4 Possession. At closing, Donor shall deliver full, complete and exclusive possession of the Real Property to the Donee.

8. EXPENSES.

8.1 DOH shall pay the following expenses at closing:



DOH/PHU-FRONT

8.1.1 The cost of recording the deed of conveyance.

8.2 Donor shall pay the following expenses at closing:

8.2.1 All costs and premiums for the owner's marketability title insurance commitment and policy.

8.2.2 All costs necessary to cure title defect(s) or encumbrances, other than the Permitted Exceptions.

8.3 Donor, Donee, and DOH shall each pay their own attorneys' fees.

9. DEVELOPMENT PLANS. Donor and DOH acknowledge and agree that they are attempting to subdivide and redevelop an existing governmental complex into three properties as depicted on the Site Plan which will be independently developed by the Donor, the Palm Beach County Health Care District and DOH. As such, the provision of utilities, access and other infrastructure to the properties will need to be carefully coordinated and the Donor and DOH agree to cooperate with each other in this regard.

Prior to commencing any construction upon the Real Property, DOH shall prepare a conceptual plan for its proposed development upon the Real Property which shall show proposed access points to the Real Property, location of buildings, utility easements and other required infrastructure. DOH shall submit said conceptual plan to Donor for Donor's review and written approval thereof. Donor shall not unreasonably withhold said approval provided that:

- a) Adequate provision has been made for utility service to the Donor's current and proposed future facilities on the Donor's adjoining property, as determined in Donor's sole and absolute discretion.
- b) The plan shall include a 40' access easement along the east boundary of the Real Property extending south from 45<sup>th</sup> Street to Donor's property, the location of which is generally depicted on the Site Plan. The purpose of this access easement will be to provide access from 45<sup>th</sup> Street to Donor's adjoining property.
- c) No access to the Real Property shall be provided from any point along Australian Avenue through Donor's adjoining property.
- d) A fence shall be erected along the entire South boundary line of the Real Property as shown on the Site Plan.

Donor shall reserve at closing or Donee shall subsequently grant Donor such easements as may be required to legally establish Donor's and/or the applicable utilities access to Donor's adjoining property and to provide water, sewer, electrical and other utility service to the Donor's adjoining property. All development of the Real Property shall be performed in substantial conformity with the conceptual plan approved by Donee.

10. USE RESTRICTIONS. The Real Property shall be used for the public purpose of conducting programs which serve the residents of Palm Beach County and are the direct responsibility of the Palm Beach County Health Department. The Department of Health may also provide programs from this facility under the same terms identified above providing that the Palm Beach County Health Department is the majority occupant of the building and in the event of a conflict between programs, programs by the Palm Beach County Health Department shall have precedence. In the event that the DOH ceases to use the Real property for said purposes or in the event that the Real Property is used for purposes other than those permitted pursuant to this Section 10, title to the Real Property shall automatically revert to Donor, and Donee and DOH shall execute and deliver to Donor a deed conveying all of Donee's and DOH's right, title and interest in the property

DOH/PHU-FRONT

to Donor to evidence the reversion of title. The County Deed conveying title to the Real Property shall contain a reverter clause reflecting the foregoing.

11. EVERNIA STREET PROPERTY. The County will maintain the Evernia Street facilities until January 1, 2004, at which time County will no longer provide any maintenance or services whatsoever to said facilities. As consideration for the donation of land, DOH shall vacate the County's facilities on Evernia Street and deliver exclusive possession thereof by January 1, 2005. DOH shall remove all its personal property and equipment and deliver said facilities in broom clean condition. DOH shall remain responsible for any and all hazardous or toxic waste, substances or materials existing on the property on the date of delivery of possession thereof, and shall remediate same in accordance with applicable law at DOH's cost and expense.
12. CASH CONTRIBUTION. In consideration for the DOH vacating the County owned property and buildings on Evernia Street, Donor shall provide DOH a \$1,500,000 cash contribution towards the cost of DOH's development of Replacement Facilities for the Evernia Street property. DOH may elect by written notification to the Donor to reduce the \$1,500,000 to \$1,300,000 in exchange for the Donor agreeing to not seek payment by the DOH of \$200,000 for intersection improvements at 45<sup>th</sup> Street and Australian Avenue. The DOH is still responsible for the cost of any other roadway improvements made necessary by its development. Donor shall pay DOH \$1,500,000 in cash within thirty (30) days of DOH executing a construction contract for the Replacement Facilities. DOH covenants and agrees that the funds contributed by Donor shall be used solely for the design and/or construction of Replacement Facilities. Upon acceptance of the cash contribution by DOH, the County has no further obligation to maintain the Replacement Facilities or contribute any further capital funding.
13. RADON GAS. Radon is naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon testing may be obtained from your County Health Department.
14. CONDEMNATION. In the event that all or any part of the Property shall be acquired or condemned for any public or quasi-public use or purpose, or if any acquisition or condemnation proceedings shall be threatened or begun prior to the closing of this transaction, Donee shall have the option to either terminate this Agreement, and the obligations of all parties hereunder shall cease, or to proceed, subject to all other terms, covenants, conditions, representations and warranties of this Agreement, to the closing of the transaction contemplated hereby and receive title to the Property, receiving, however, any and all damages, awards or other compensation arising from or attributable to such acquisition or condemnation proceedings. Donee shall have the right to participate in any such proceedings.
15. REAL ESTATE BROKER. Donor and Donee each represents and warrants to the other that it has not dealt with any broker, salesman, agent or finder in connection with this transaction.
16. NOTICES. All notices and elections (collectively, "notices") to be given or delivered by or to any party hereunder, shall be in writing and shall be (as elected by the party giving such notice) hand delivered by messenger, courier service or Federal Express, or alternatively shall be sent by United States Certified Mail, with Return-Receipt Requested. The effective date of any notice shall be the date of delivery of the notice if by personal delivery, courier services or Federal Express, or if mailed, upon the date which the return receipt is signed or delivery is refused or the notice designated by the postal authorities as non-deliverable, as the case may be. The parties hereby designate the following addresses as the addresses to which notices may be delivered, and delivery to such addresses shall constitute binding notice given to such party:

DONPHU-FRONT

16.1 Donor:

Palm Beach County  
Property & Real Estate Management  
3323 Belvedere Road  
Building 503  
West Palm Beach, Florida 33406

With copies to:

Howard J. Falcon III, Esq. Assistant County Attorney  
Palm Beach County Attorney's Office  
301 North Olive Avenue  
Suite 601  
West Palm Beach, Florida 33401

Jean Creamer, Assistant County Administrator  
301 N. Olive Avenue, 11<sup>th</sup> Floor  
West Palm Beach, Florida 33401

16.2 Donee:

Board of Trustees of the Internal Improvement Trust Fund  
of the State of Florida  
c/o Division of State Lands  
Department of Environmental Protection  
Marjory Stoneman Douglas Building  
3900 Commonwealth Boulevard, Mail Station 115  
Tallahassee, Florida 32399-3000

16.3 DOH:

Robert Brooks, M.D., Secretary  
Department of Health  
4052 Bald Cypress Way  
Tallahassee, Florida 32299-1703

Any party may from time to time change the address to which notice under this Agreement shall be given such party, upon three (3) days prior written notice to the other parties.

17. ASSIGNMENT. Neither Donee nor Donor shall assign this Agreement or any interest herein without the prior written consent of the other party.

18. DEFAULT. In the event any party hereto fails or refuses to perform any term, covenant, or condition of this Agreement the same shall constitute a default hereunder, and the non defaulting party shall, in addition to any other remedies provided at law or in equity, have the right of specific performance thereof.

19. GOVERNING LAW & VENUE. This Agreement shall be governed by, construed and enforced in accordance with, the laws of the State of Florida.

20. BINDING EFFECT. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective legal representatives, successors and assigns.

DOWPHU-FRONT

21. NO RECORDING. Neither this Agreement, nor any memorandum or short form hereof, shall be recorded in the Public Records of Palm Beach County, Florida.

22. TIME OF ESSENCE. Time is of the essence with respect to the performance of each and every provision of this Agreement where a time is specified for performance.

23. INTEGRATION. This Agreement constitutes the entire understanding and Agreement between the parties with respect to the subject matter hereof, and may not be modified or amended, except in a writing signed by all of the parties hereto.

24. EFFECTIVE DATE OF AGREEMENT. This Agreement is expressly contingent upon the approval of the Palm Beach County Board of County Commissioners, and shall become effective only when signed by all parties and approved by the Palm Beach County Board of County Commissioners.

Rest of page intentionally left blank.

DOH/PHU-FRONT

25. HEADINGS. The paragraph headings or captions appearing in this Agreement are for convenience only, are not part of this Agreement, and are not to be considered in interpreting this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their respective names, on the dates set forth below.  
Signed, sealed and delivered  
in the presence of:

ATTEST:  
Board of County Commissioners  
DOROTHY H. WILKEN, Clerk

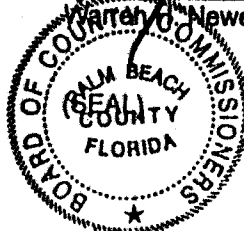
R2001 0587 APR 17 2001

PALM BEACH COUNTY, a political  
subdivision of the State of Florida

BOARD OF COUNTY COMMISSIONERS

By: *Dorothy H. Wilken*  
Deputy Clerk

By: *W. J. Newell*  
Chairman



APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY

*[Signature]*  
Assistant County Attorney

*Virginia B. Yerty*  
Witness

Virginia B. Yerty  
Print Name

*[Signature]*  
Witness  
*Acly Stinson*

BOARD OF TRUSTEES OF THE  
INTERNAL IMPROVEMENT TRUST FUND  
OF THE STATE OF FLORIDA

By: *[Signature]*  
~~Robert J. Lovern, A.D.D.~~  
Division of State Lands, Department  
of Environmental Protection, as agent  
for and on behalf of the Board of Trustees  
of the Internal Improvements Trust Fund  
of the State of Florida

6/5/01  
Date Signed

Approved as to Form and Legality

By: *[Signature]*  
6-5-01

DOH/PHU-FRONT

DEPARTMENT OF HEALTH OF THE  
STATE OF FLORIDA

Vickie-Jean Sohn  
Witness

By: Robert Brooks  
Robert Brooks, Secretary  
Department of Health

VICKIE-JEAN SOHN  
Print Name

Bloscile T. Williams  
Witness

Bloscile Williams  
Print Name

3/13/01  
Date signed

Approved as to Form and Legality

By: SM Jones

DOH/PHU-FRONT

**EXHIBIT "C"**

**PERMITTED EXCEPTIONS**

1. Plat of Palm Beach County Poor Farm, Plat 3, Page 48
2. Easement in favor of Florida Power & Light as recorded in ORB 1066, Page 309, ORB 1860, Page 223, and ORB 3924, Page 1873.
3. Covenant in perpetuity running with the lands, there shall be no exploration or mining or drilling for gas, oil or minerals as recorded in ORB 265, page 219, which covenant is not enforceable against the State of Florida so long as the property is used for a public purpose.

All recorded documents referenced above are from the Public Records of Palm Beach County, Florida.

A PARCEL OF LAND IN SECTION 5, TOWNSHIP 43 SOUTH, RANGE 43 EAST, PALM BEACH COUNTY, FLORIDA, IN THE PLAT OF PALM BEACH COUNTY POOR FARM, RECORDED IN PLAT BOOK 3, PAGE 48 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHEAST CORNER OF SAID SECTION 5;  
THENCE ALONG THE EAST LINE OF SAID SECTION 5, N04°13'58"E FOR 597.74 FEET TO THE POINT OF BEGINNING;  
THENCE N89°56'32"W FOR 359.86 FEET; THENCE S00°26'05"W FOR 115.17 FEET;  
THENCE N89°29'36"W FOR 90.33 FEET; THENCE N79°32'17"W FOR 62.33 FEET TO THE BOUNDARY OF A SCHOOL BOARD OF PALM BEACH COUNTY PARCEL RECORDED IN OFFICIAL RECORD BOOK 1967, PAGE 1804 OF SAID PUBLIC RECORDS;  
THENCE ALONG SAID BOUNDARY, N89°46'59"W FOR 23.85 FEET;  
THENCE CONTINUE ALONG SAID BOUNDARY, N29°21'59"W FOR 99.49 FEET;  
THENCE DEPARTING SAID BOUNDARY, N56°56'05"E FOR 190.68 FEET;  
THENCE N33°03'55"W FOR 70.00 FEET; THENCE N56°56'05"E FOR 46.33 FEET;  
THENCE N00°26'05"E FOR 78.00 FEET;  
THENCE N67°32'34"E FOR 45.07 FEET TO A NON-TANGENT CURVE, CONCAVE TO THE WEST, HAVING A RADIUS OF 110.00 FEET, WHERE A RADIAL LINE BEARS N49°36'33"W;  
THENCE NORTHERLY, ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 64°58'06", FOR 124.73 FEET;  
THENCE N24°32'10"W FOR 104.18 FEET; THENCE S67°32'34"W FOR 51.10 FEET;  
THENCE N22°27'26"W FOR 176.17 FEET TO THE SOUTH RIGHT-OF-WAY OF 45th STREET AS SHOWN ON PALM BEACH COUNTY ENGINEERING DEPARTMENT RIGHT-OF-WAY MAP DRAWING No.3-77-438;  
THENCE ALONG SAID SOUTH RIGHT-OF-WAY FOR THE FOLLOWING COURSES:  
  
THENCE S89°07'22"E FOR 7.55 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTH, HAVING A RADIUS OF 11,513.16 FEET;  
THENCE EASTERLY, ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 00°32'45" FOR 176.66 FEET TO A POINT OF TANGENCY;  
THENCE N89°59'53"E FOR 286.04 FEET TO THE WEST RIGHT-OF-WAY OF C.S.X. RAILROAD, BEING A NON-TANGENT CURVE, CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 2814.93, WHERE A RADIAL LINE BEARS S37°50'32"W;  
  
THENCE SOUTHEASTERLY, ALONG SAID CURVE AND RIGHT-OF-WAY TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 2°27'32" FOR 120.80 FEET TO THE SAID EAST LINE OF SECTION 5;  
THENCE ALONG SAID EAST SECTION LINE, S04°13'58"W FOR 546.26 FEET TO THE POINT OF BEGINNING.

CONTAINING 8.959 ACRES, MORE OR LESS.

BEARING BASIS: N04°13'58"E ALONG THE EAST LINE OF SECTION 5.

THE DESCRIPTION SKETCH AND THE DESCRIPTION TEXT COMPRISE THE COMPLETE LEGAL DESCRIPTION. THE LEGAL DESCRIPTION IS NOT VALID UNLESS BOTH ACCOMPANY EACH OTHER. REPRODUCTIONS OF THIS DOCUMENT ARE NOT VALID WITHOUT THE ORIGINAL SIGNATURE AND THE ORIGINAL RAISED SEAL OF THE FLORIDA LICENSED SURVEYOR AND MAPPER NOTED HEREON.

*John E. Phillips III*  
JOHN E. PHILLIPS III  
PROFESSIONAL LAND SURVEYOR  
STATE OF FLORIDA No. 4826  
DATE: 3/6/01

**B BROWI**  
PROFESSIONAL

CERTIFICATE OF ALIEN Real Property

Exhibit "A"

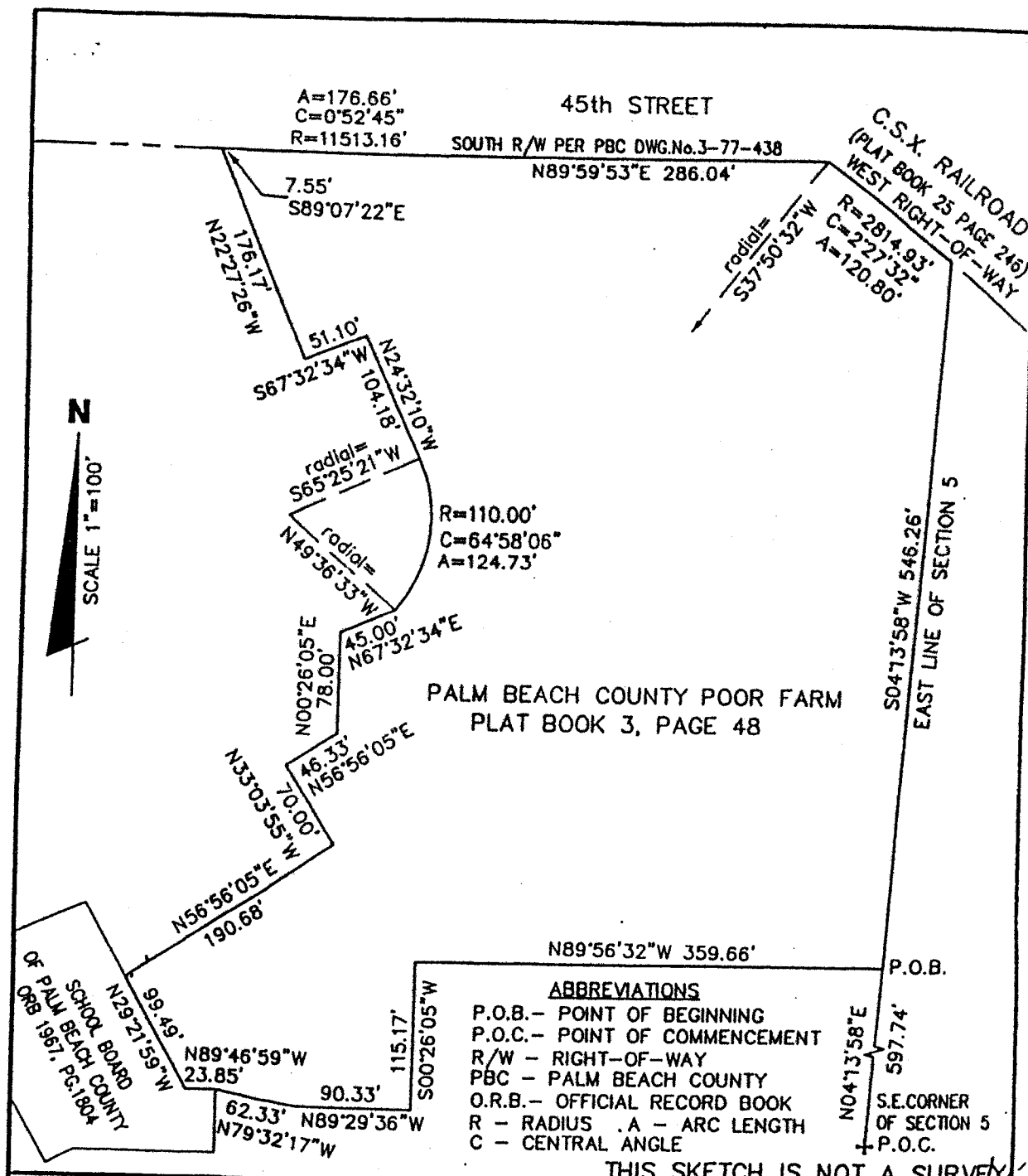
Legal Description of

Real Property

LEGAL DESCRIPTION

DRAWN: MDB PROJ. No. 01-019  
CHECKED: JED SCALE: NONE





**BROWN & PHILLIPS, INC.**  
PROFESSIONAL SURVEYING SERVICES  
CERTIFICATE OF AUTHORIZATION # LB 6473

SKETCH TO ACCOMPANY  
LEGAL DESCRIPTION

DRAWN: MDB PROJ. No. 01-019  
CHECKED: JCB SCALE: 1" = 100'



Attachment 2

R2006 0137 JAN 24 2008

**AMENDMENT #1 TO AGREEMENT**

THIS AMENDMENT #1 TO THE AGREEMENT is made and entered into \_\_\_\_\_ by PALM BEACH COUNTY, a political subdivision of the State of Florida ("Donor") and THE BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND of the State of Florida, on behalf of the State of Florida Department of Health, Palm Beach County Health Department ("Donee") and DEPARTMENT OF HEALTH of the State of Florida ("DOH").

1. All terms of the agreement between the parties dated April 17, 2001, R#2001-0587, shall remain in full force and effect unless specifically modified herein.
2. The last sentence of the first paragraph in Section 2 shall be revised as follows:  
  
In addition, Donor shall contribute \$8,100,000 to DOH pursuant to Section 12 of this Agreement.

3. Delete Section 12, Cash Contribution, in its entirety and replace with the following:

**CASH CONTRIBUTION.** In consideration for the DOH vacating the County owned property and buildings on Evernia Street, Donor shall provide DOH a \$8,100,000 cash contribution towards the cost of DOH's development of Replacement Facilities for the Evernia Street property. DOH elected by written notification to the Donor to reduce the cash contribution by \$200,000 in exchange for the Donor agreeing to not seek payment by the DOH of \$200,000 for intersection improvements at 45<sup>th</sup> Street and Australian Avenue. The DOH is still responsible for the cost of any other roadway improvements made necessary by its development. Donor shall pay DOH \$8,100,000 in cash within thirty (30) days of DOH awarding a construction contract for the Replacement Facilities. DOH covenants and agrees that the funds contributed by Donor shall be used solely for the design and/or construction of Replacement Facilities. Upon acceptance of the cash contribution by DOH, the County has no further obligation to maintain the Replacement Facilities or contribute any further capital funding.

IN WITNESS WHEREOF, the parties have executed this Amendment, or have caused the same to be executed as of the day and year first written above.

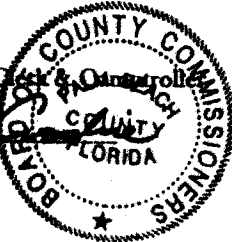
R2006 0137

ATTEST:

PALM BEACH COUNTY, FLORIDA, BY ITS  
BOARD OF COUNTY COMMISSIONERS

Sharon R. Bock, Clerk & Controller

By: [Signature]  
Deputy Clerk



By: [Signature]

Tony Maschouti, Chairman

R2006 0137

JAN 24 2008

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY

By: [Signature]  
County Attorney

APPROVED AS TO TERMS  
AND CONDITIONS

By: [Signature]  
Director, Facilities Dev. & Ops.

BOARD OF TRUSTEES OF THE INTERNAL  
IMPROVEMENT TRUST FUND OF THE STATE  
OF FLORIDA

By: \_\_\_\_\_  
Witness Signature

By: \_\_\_\_\_  
Eva Armstrong, Director  
Division of State Lands, Department of  
Environmental Protection, as agent for and on  
behalf of the Board of Trustees of the Internal  
Improvements Trust Fund of the State of Florida

\_\_\_\_\_  
Printed Name of Witness

APPROVED AS TO FORM AND LEGALITY

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Printed Name of Witness

ORIGINAL DOCUMENT NOT  
RETAINED / RECEIVED BY MINUTES

DEPARTMENT OF HEALTH OF THE STATE  
OF FLORIDA

By: M. François, MD, PhD  
Rony François, Secretary  
Department of Health

John M. Dickens  
Witness Signature

John M. Dickens  
Printed Name of Witness

APPROVED AS TO FORM AND LEGALITY

Jean M. Grinnahan  
Witness Signature

JEAN M. GRINAHAN  
Printed Name of Witness

Jamie D. Shynick

R2006 0137

Attachment 3

**Audrey Wolf - Fwd: PBCounty New Health Department GMP**

---

**From:** John Chesher  
**To:** Audrey Wolf  
**Date:** 1/18/2007 3:13 PM  
**Subject:** Fwd: PBCounty New Health Department GMP

---

>>> Ed Meinzinger <EMEINZIN@Catafumo.com> 01/18/07 12:52 PM >>>  
John:

We are completing the final report as I write, but I wanted to get you the executive summary version as promised.

After reviewing all the documentation which was supplied we focused on two primary objectives: the first was to do quantity verifications of the GMP as supplied and to look for any potential oversights or missed line items. We found no significant quantity busts (+ or -) nor did we find any CSI categories which were not included in the GMP. Secondly we looked at similar sized projects we have recently completed to do comparison square foot rates on a line by line basis with the GMP provided. We have about a dozen line items which we will make observations on, but again no significant discrepancies were found.

Looking at the two major components of the project: sitework and building shell; both the cost per developed sq ft appeared to be within acceptable deviations of our comps. A reasonable range for the GMP would be from \$18.9M to \$19.4M based on our evaluation. For sitework Morganti was at \$7.08 per sq ft vs. our comp at \$7.00; for the building Morganti was at \$186.41 per sq ft vs. our comp at \$185.64. Our estimate of probable cost was 0.5% lower at \$19,172,705 vs. the Morganti GMP of \$19,270,000.

The original Project Schedule of 16 months is achievable and the 18 months as shown in the revised January GMP from commencement to CO allowing for phasing would appear adequate as presented.

We are pleased to have been given the chance to review this project and trust that the full report will meet your needs. As always, please call with any questions which may arise or if we can be of further assistance with this or any other Palm Beach County Project.

**Ed Meinzinger**  
Senior Vice President  
Catafumo Construction and Development

Attachment 4

**From:** Audrey Wolf  
**To:** Internet:Ron\_Walsh@doh.state.fl.us  
**Date:** 1/20/2007 5:10:36 PM  
**Subject:** PBC DOH Admin Building - Review of Morganti's 1/11 GMP and Project Estimate

Ron -

Catalfumo has completed its review of Morganti's GMP and finds it to be reasonable in terms of cost and project schedule. John Chesher has reviewed the project estimate including non-construction items and finds it to be reasonable. As a follow-up, John strongly suggests that Morganti prepare a revised GMP booklet for the Jan 11 GMP similar to the GMP booklet dated Aug 11. The clarifications that you state are included or are not included in the GMP and what will be handled by change order will then be on the record.

As requested by the BCC, I will prepare a Board Item for presentation on February 6 using the referenced documents as the basis for consideration of funding the deficit.

In addition, Nancy Dolan will prepare an amendment to our interlocal agreement that; 1) increases the Board's funding level, 2) adds terms addressing how the GMP will be adjusted prior to construction, 3) refunding of any remaining project funds at completion, 4) related administrative requirements, and 5) committing the DOH to not seek any additional funds from the BCC in conjunction with this project.

I would expect that both will be ready for review around the 29th/30th.

Let me know if you have any questions.

Audrey

**CC:** dchenett@hcdpbc.org; Internet:thomas\_arnedos@do.state.fl.us; John Chesher;  
Nancy Dolan

## Project Budget Worksheet

PROJECT NAME: WEST PALM BEACH CHD ADMINISTRATION BUILDING

PROJECT NO.: DOH 70450100

	Consensus Site GMP JAN 11-07
<b><u>BASIC COSTS</u></b>	
Basic Const. Cost	\$ 17,671,807
Permits, Insp., Impact Fees	221,066
Site Development	1,819,259
Sub-Total Construction Costs	19,712,132
<b><u>PROFESSIONAL FEES - See Summary page for narrative</u></b>	
A/E Fees Base Fee	812,200
Auth. #1 - Boundary & Topo Survey	10,451
Auth. #2 - Soil Borings	6,780
Auth #3 - City of WPB site plan review	1,500
Auth #4-Misc. City Filing Fees	3,000
Auth #5-due diligence w/City & alt.site	17,000
Auth #5A-Due diligence/City & alt site *	15,500
Auth #6-Zoing & Variance-Legal *	50,000
#8 Revised Site Survey to include DMS *	20,400
Auth #9 TOD Re-design, arch, MEP, structural fees *	400,000
Auth #10 New Soil Borings *	7,875
Sub-Total Professional Fees	1,344,706
<b><u>OTHER PROJECT COSTS - See Summary page for narrative</u></b>	
Communications / Data	600,000
Contingency	400,000
Art Allowance	95,613
Moveable Equipment/Furniture	By PBCHD
Sub-Total: Other Proj. Costs	1,095,613
<b>TOTAL: ALL COSTS</b>	<b>\$ 22,152,451</b>

\*Denotes additional fees due to Project Relocation and Escalation Factors



Project Budget Worksheet

PROJECT NAME: WEST PALM BEACH CHD ADMINISTRATION BUILDING

PROJECT NO.: DOH 70450100

		Consensus Site
Project Deficit Summary:		GMP JAN 11-07
Total Project Costs		\$ 22,152,451
Total Funding		<u>16,900,000</u>
Subtotal Project Funding Deficit		5,252,451
Health Care District (HCD) Core Contract set aside FY 05/06 (TBD)		<u>500,000</u>
Project Deficit		<u>\$ 4,752,451</u>

Funding Detail:

HCD	\$ 7,500,000	
HCD set asides (FY 03/04 & 04/05) already transferred	<u>1,000,000</u>	8,500,000
Palm Beach county Board of County Commissioners (BOCC)	6,800,000	
BOCC (45th street clinic project balance)	<u>1,300,000</u>	8,100,000
PBCHD Special Project (Tag Fees)		<u>300,000</u>
		<u>\$ 16,900,000</u>

Attachment b



Come Grow With Us



RECEIVED

Office of the CRA Executive Director

JAN 18 2007

Lois J. Frankel  
Mayor and Chair

James L. Exline  
Commissioner

Kimberly Mitchell  
Commissioner

William Moss  
Commissioner

Geraldine "Jeri" Muolo  
Commissioner

Isaac "Ike" Robinson, Jr.  
Commissioner

Kim Briesemeister  
CRA Executive Director

Tom Harris  
Treasurer

Blane Kauthen  
Secretary

January 16, 2007

Palm Beach County Board of Commissioners  
Robert Weisman, County Administrator  
301 North Olive Avenue  
West Palm Beach, Florida 33401

Secretary Linda South, Department of Management Services  
Dean Izzo, Program Manager, Department of Management Services  
4050 Esplanade Way, Suite 250  
Tallahassee, Florida 32399

Secretary Rony Francois, Department of Health  
4052 Bald Cypress Way  
Tallahassee, Florida 32399

Dwight Chenette, CEO, Health Care District  
324 Datura Street  
West Palm Beach, Florida 33401

RE: Department of Health Building

DIRECTOR'S OFFICE

The purpose of this letter is to provide supplemental information regarding the City's position on the Department of Health (DOH) project as discussed during a joint meeting between the County Commission and the Health Care District on December 12, 2006.

#### Background

In January 2006, the City of West Palm Beach offered to coordinate the Transit Oriented Development (TOD) project which appeared to have stalled for a variety of reasons. Along with Treasure Coast Regional Planning Council (TCRPC), the City began working with the property owners to devise a site plan that met all the stakeholders' needs including the County.

In March of 2006, the CRA and TCRPC presented a "Consensus Site Plan" for consideration by the stakeholders. The recommended location for DOH building was the northwest corner of the "new street" which is the site the State is currently pursuing for the DOH building.

#### Benefits of the New Location for the DOH Building

- 1) The original location placed the DOH five-story building on Tamarind Avenue. Development potential on Tamarind Avenue allows for a ten-story building therefore the original location underutilized the site. By changing location of the building to a site with less development

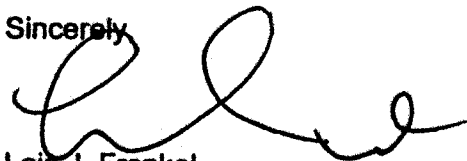
capacity, the State kept the higher valued parcel on Tamarind that it can sell or swap at a premium.

- 2.) Another "value added" for the State, is the City's offer to design and construct a brand new street on the State block. A new street creates a prime corner location for the DOH building that did not previously exist. Since corner locations are generally valued higher than mid block locations, the State would realize additional value from the City's addition of the new street.
- 3.) The largest "value added" to the State, is the development rights the State can sell from the new street. In other words, if the new street provides approximately 75,000 sq. ft. of development rights, the State can sell off those development rights for an estimated \$20 psf, or approximately \$1.5 million. The value of those development rights is market driven. (Note that the County will have the same ability to "sell" development rights when a new street is created on the County blocks as well.)

It is my understanding that the State is now facing a budget deficit for the building; therefore I am prepared to request an allocation of \$350,000 from the CRA Board during their next meeting to assist with the development of this site. The parameters of the use of funds would have to be defined further since the expenditures of CRA funds are limited to certain uses.

The City of West Palm Beach has been a consistent partner in the development of the TOD and has supported the DOH in its effort to construct a new facility. We are confident the remaining issues related to the development of the site will be remedied and look forward to working with the project team during the review and permitting process. Please feel free to contact Kim Briesemeister at 561-822-1436 if we can be of further assistance.

Sincerely,



Lois J. Frankel  
Mayor

Cc:

Audrey Wolf, Director Facilities Development & Operations  
Tim Cerio, General Counsel, Florida Department of Health  
Ron Walsh, Project Manager, Florida Department of Health  
Dr. Jean Malecki, Director, PBC Health Department  
Tom Amedos, Director General Services, PBC Health Department  
Steve Ferst, General Counsel, Florida Department of Management Services  
Tim Diamond, Director Florida Department of Management Services

07 -

0512

BGEX 410020107\*942

BOARD OF COUNTY COMMISSIONERS  
PALM BEACH COUNTY, FLORIDA

Page 1 of 1 pages

BUDGET TRANSFER  
FUND 0001 - GENERAL FUND

Use this form to provide budget for items not anticipated in the budget.

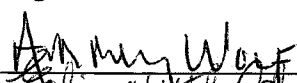
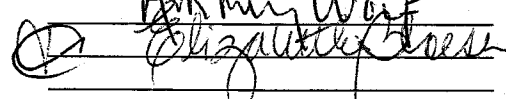
ACCT.NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED AS OF 01/29/2007	REMAINING BALANCE
<u>GENERAL FUND - RESERVES</u>								
820 9900	9901 - Contingency Reserves	20,000,000	19,598,192		4,752,451	14,845,741	0	14,845,741
<u>PUBLIC BUILDING IMPROVEMENT FUND</u>								
820 9100	9204 - Tran to Public Building Fund	45,000,000	45,200,000	4,752,451	0	49,952,451	15,066,668	34,885,783
TOTAL				4,752,451	4,752,451			

FACILITIES DEVELOPMENT & OPERATIONS

INITIATING DEPARTMENT/DIVISION  
Administration/Budget Department Approval

Signatures

Date

  
  
\_\_\_\_\_

1/29/07  
2/1/07  
\_\_\_\_\_

By Board of County Commissioners  
At Meeting of February 6, 2007

Deputy Clerk to the  
Board of County Commissioners

07

05/3

BOARD OF COUNTY COMMISSIONERS  
PALM BEACH COUNTY, FLORIDA

BGEX 410020107\*943  
BGRV 410020107\*269  
Page 1 of 1 pages

BUDGET AMENDMENT

FUND 3804 - Public Building Improvement Fund

Use this form to provide budget for items not anticipated in the budget.

ACCT.NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED AS OF 1/29/2007	REMAINING BALANCE
<u>REVENUE</u>								
<u>PUBLIC BUILDING IMPROVEMENT</u>								
800 9100	8000 - Trf from General Fund	45,000,000	45,200,000	4,752,451	0	49,952,451		
TOTAL RECEIPTS & BALANCES		113,580,000	110,505,540	4,752,451	0	115,257,991		
<u>EXPENDITURES</u>								
<u>Public Health Unit Relocation</u>								
621 M100	8101 Contributions Other Gov Agency	1,300,000	1,300,000	4,752,451	0	6,052,451		6,052,451
TOTAL APPROPRIATIONS AND EXPENDITURES		113,580,000	110,505,540	4,752,451	0	115,257,991		

Facilities Development & Operations

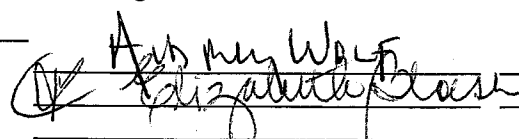
INITIATING DEPARTMENT/DIVISION

Administration/Budget Department Approval

OFMB Department - Posted

Signatures

Date

  
\_\_\_\_\_  
1/29/07  
2/1/07

By Board of County Commissioners

At Meeting of February 6, 2007

Deputy Clerk to the  
Board of County Commissioners

### **AMENDMENT #2 TO AGREEMENT**

THIS AMENDMENT #2 TO THE AGREEMENT, R#2001-0587, dated April 17, 2001, is made and entered into \_\_\_\_\_ by PALM BEACH COUNTY, a political subdivision of the State of Florida ("Donor") and DEPARTMENT OF HEALTH of the State of Florida ("DOH").

**WHEREAS**, the Donor agreed in 2001 to contribute \$1,300,000 to the DOH for the construction of Replacement Facilities for the DOH pursuant to R#2001-0587; and

**WHEREAS**, the Donor increased its contribution to the DOH to \$8,100,000 in 2006 pursuant to Amendment #1 R2006-0137; and

**WHEREAS**, a number of changes to the building, site and delays related to the commencement date have all contributed to an increase in costs for the project while the need for the project in terms of physical plant and delivery of service and programs to the residents of Palm Beach County remain and have also grown,

**WHEREAS**, the DOH has received a Preliminary Guaranteed Maximum Price (GMP) dated January 11, 2007 from its Construction Manager At-Risk, which is the basis for a Total Project Budget of \$22,152,451, which equates to a funding deficit of \$4,752,451 for the completion of its Replacement Facilities; and

**WHEREAS**, the Donor is willing to increase its contribution to the DOH in order to alleviate the funding deficit.

**NOW THEREFORE**, in consideration of the mutual covenants, promises and representations contained herein, the parties hereto agrees to the following terms and conditions:

1. All terms of the agreement between the parties dated April 17, 2001, R#2001-0587, as amended, shall remain in full force and effect unless specifically modified herein.
2. The last sentence of the first paragraph in Section 2 shall be revised as follows:

In addition, Donor shall contribute an amount not to exceed \$12,852,451 to DOH pursuant to Section 12 of this Agreement.

3. Delete Section 12, Cash Contribution, in its entirety and replace with the following:

**CASH CONTRIBUTION.** In consideration for the DOH vacating the County owned property and buildings on Evernia Street, Donor shall provide DOH a \$12,852,451 cash contribution towards the cost of DOH's development of Replacement Facilities for the

Evernia Street property. DOH covenants and agrees that the funds contributed by Donor shall be used solely for the design and/or construction of the Replacement Facilities, including contingencies identified in the Preliminary Guaranteed Maximum Price and Total Project Budget as submitted prior to the effective date of this Amendment, but in no instance shall be used for costs associated with legal services, furniture (including, but not limited to, case goods, chairs, modular workstations) and non-fixed equipment. Donor shall pay DOH an amount not to exceed \$12,852,451 in cash within thirty (30) days of DOH submitting to the County its Final Guaranteed Maximum Price (GMP) for the Replacement Facilities and proof of construction authorization.

The actual amount of the cash contribution shall be reduced by the difference between the Final Guaranteed Maximum Price and the Preliminary Guaranteed Maximum Price dated January 11, 2007. The Final Guaranteed Maximum Price shall be submitted to the County in the identical format of the Preliminary Guaranteed Maximum Price with clarifications presented as indicated in an e-mail from County to DOH dated January 20, 2007, 1711 hours. The amount of the reduced cash contribution, if any, will automatically reduce the cash contribution requirement of the County pursuant to this Amendment as well as reduce the Total Project Budget accordingly.

If at any time after the effective date of this Amendment, the DOH receives funds from any source that can be used for the same items for which the Donor made its cash contribution, the DOH will: 1) notify the County by certified mail within 30 days of the receipt of such funding and provide a copy of the terms of the receipt of funding, and 2) amend its Total Project Budget accordingly. DOH shall use good faith efforts to pursue funding available from the City of West Palm Beach and/or the City of West Palm Beach CRA. In the event that DOH receives funding from the City and/or CRA towards specific improvements, the same amount of funding received from the City shall be reimbursed to the County as part of the post project reimbursement contemplated in the following paragraph and shall not be used to fund the project contingency.

Within sixty (60) days of receipt of a certificate of occupancy, the DOH shall submit to the County a Completion Report detailing and comparing all project expenditures against the Total Project Budget, as amended for the purposes of determining the Post Project Reimbursement. After County's review of the Completion Report and any other associated, supporting or related documents reasonably requested, DOH further covenants and agrees that Donor will be refunded any and all balance remaining funds in the Total Project Budget, as amended, regardless of the initial source of the funds.

Upon acceptance by DOH of the cash contribution, the Donor has no further obligation to maintain the Replacement Facilities or contribute any further capital funding.

4. DOH agrees not to seek any further capital funding from the Donor for the Replacement Facilities.

IN WITNESS WHEREOF, the parties have executed this Amendment, or have caused the same to be executed as of the day and year first written above.

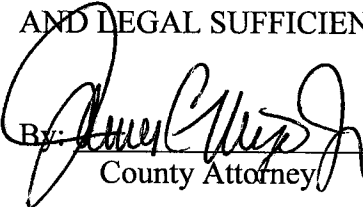
ATTEST:  
SHARON R. BOCK, CLERK &  
COMPTROLLER

PALM BEACH COUNTY, FLORIDA, BY ITS  
BOARD OF COUNTY COMMISSIONERS

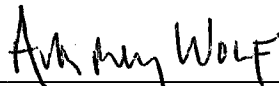
By: \_\_\_\_\_  
Deputy Clerk

By: \_\_\_\_\_  
Addie L. Greene, Chairperson

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY

By:  \_\_\_\_\_  
County Attorney

APPROVED AS TO TERMS  
AND CONDITIONS

By:  \_\_\_\_\_  
Director, Facilities Dev. & Ops. *ND*

DEPARTMENT OF HEALTH OF THE STATE  
OF FLORIDA

By: \_\_\_\_\_  
Ana M. Viamonte Ros, M.D., M.P.H  
Secretary, Department of Health

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Printed Name of Witness

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Printed Name of Witness

APPROVED AS TO FORM AND LEGALITY

\_\_\_\_\_



Attachment 10



PLANNING DEPARTMENT  
P.O. Box 3366  
West Palm Beach, Florida 33402  
Telephone: 561/822-1435  
Fax: 561/822-1459 • 561/822-1460

RECEIVED

JAN 19 2007

DIRECTOR'S OFFICE

January 17, 2007

Mr. Robert Weisman  
County Administrator  
301 N. Olive Avenue, Suite 1101  
West Palm Beach, FL 33401

RE: West Palm Beach Transit-oriented Development

Dear Mr. Weisman:

In a letter dated January 2, 2007, addressed to Dean Izzo from the Department of Management Services, you mentioned it is the Board of County Commissioners desire to continue to participate in the transit-oriented development-TOD providing that the parties withhold the development, issuance and evaluation of an RFP for the TOD style development until, within other issues, the City has adopted a new Comprehensive Plan, and the zoning and land development regulations that support a TOD-style development.

The City is currently working on an amendment to the City's Comprehensive Plan to update the Downtown Master Plan (DMP), including a specific policy to encourage the development of the area around the Seaboard Train Station as a transit - oriented development area. The Comprehensive Plan Amendment is scheduled for transmittal to the Department of Community Affairs (DCA) on March 26, 2007.

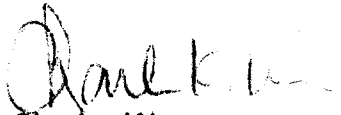
In addition to the Comprehensive Plan amendment, the City is also working on the changes to the Zoning and Land Development Regulations (ZLDR) necessary to implement the Comprehensive Plan amendments. The amendments to the ZLDR are expected to be ready for adoption by the end of the summer, once the Comprehensive Plan amendments are found in compliance by DCA.

As the development of the ZLDR are still a work in progress, it is fundamental to actively include the County and the State in the development of the regulations for the TOD area, assuring the proposed regulations allow for the success of the TOD and the achievement of its goals.

Weisman letter  
January 17, 07  
Page 2

Considering this timeframe, the Planning and Zoning Department recommends the development of the TOD RFP concurrently with the development of the ZLDR.

Sincerely,



Charles Wu  
Planning and Zoning Director

C:   Palm Beach County Commissioners  
      Audrey Wolf, Palm Beach County Director of Facilities Development & Operations  
      West Palm Beach City Commissioners  
      Lois Frankel, Mayor  
      Ed Mitchell, City Administrator  
      Kim Briesemeister, CRA Executive Director  
      Ana Maria Aponte, City Urban Designer