Agenda Item #:

3H-5

Agenda Item is more than 50 pages; may be viewed in Administration.

PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS AGENDA ITEM SUMMARY

Meeting Date:	May 6, 2008	[X] Consent	[] Regular
Department:	Facilities Develo	[] Ordinance pment & Operations	[] Public Hearing
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I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve:

A) a Deposit Receipt and Contract For Sale and Purchase with National Land Company, Inc. for the sale of 4.85 acres of vacant land adjacent to Lake Ida Park for \$1,600,000; and

B) a County Deed in favor of National Land Company, Inc.

Summary: The County owns 4.85 acres of surplus vacant land at the north end of Lake Ida Park. This property is separated from the rest of the Park by a canal and currently has no legal access. It is adjacent to the old B.E. Aerospace property recently purchased by National Land Company, the principal of which is David Paladino. National Land Company is proposing a new residential development on its adjoining property, and desires to include this property into its development plans. Several appraisals of the property were obtained over the years, indicating values ranging between \$92,000 and \$2,400,000. The most recent appraisal valued the property "as is", without legal access, at \$1,237,000, and at \$1,994,000 assuming legal access. The property was advertised for sale and a Request For Bids (RFB) was issued in September 2007 with a minimum bid of \$1,500,000. National Land Company was the sole bidder on this RFB in the amount of \$1,600,000. The property is being sold "as is" without contingencies. National Land Company will be obligated to create and maintain shoreline enhancement and littoral zones at its sole cost and expense. Closing is to occur within 30 days of Board approval. The County will retain mineral and petroleum rights in accordance with Florida Statutes Section 270.11, but will not retain rights of entry and exploration. (**PREM**) **Districts 3 & 4** (**HJF**)

Background and Justification: The Lake Ida Park property was acquired by Tax Deeds on May 7, 1945 and October 22, 1946. The Park property lies between I-95 and Lake Ida. Somewhere around June 1950, the LWDD constructed a canal which separated this 4.85 acre parcel from the rest of the Park. The only current means of access to this property is through the adjacent property owned by National Land Company. While the Parks Department could construct a bridge across the canal to connect to the Park, this would cost between \$300,000 - \$500,000.

National Land Company is proposing a single family residential development on its property and has submitted its site plan to the City of Boynton Beach, but has not pursued getting a final approved pending acquisition of the County's property. Staff contacted the City and requested that the City include a condition on National Land Company's site plan approval that access be provided to the County's property, which the City indicated it would do.

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Attachments:

- 1. Location Map
- 2. Deposit Receipt And Contract For Sale And Purchase
- 3. County Deed
- 4. Disclosure of Beneficial Interests

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Recommended By:	Zett AMMWOLF	4/14/08	
	Department Director	Date	
Approved By:	Ander	4/23/08	
	County Administrator	Date /	

II. FISCAL IMPACT ANALYSIS

A.	A. Five Year Summary of Fiscal Impact:								
Fisca	l Years	2008	2009	2010	2011	2012			
Opera Exter Progr In-Ki	cal Expenditures ating Costs rnal Revenues ram Income (County nd Match (County) bursement	(\$1,600,000)							
NET	FISCAL IMPACT	$\left(\underbrace{\$1,600,000}\right)$							
	DITIONAL FTE TIONS (Cumulative	e)	····						
	m Included in Curro et Account No:	ent Budget: Yes Fund Dept Program			· ·				
В.	Recommended Sou	rces of Funds/Sumn	nary of Fisca	al Impact:					
C. Departmental Fiscal Review:									
III. <u>REVIEW COMMENTS</u>									
A.	OFMB Fiscal and/o	or Contract Develop	1	Pact Develop		4)21/08			
В.	Legal Sufficiency: Assistant County	4/22/08 Attorney		This item con County police	mplies with currer ies.	it			
C.	Other Department	Review:							
	Department Dire	ctor							

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

Background and Justification, continued

Staff has had the property appraised several times over the years. In 1995, when there were still significant questions as to legal access to the property, the property was appraised at \$92,000. In 2005, another appraisal valued the property at \$840,000 without legal access, and at \$2,400,000 assuming access could be obtained. A third appraisal was obtained in January of 2008, which valued the property at \$1,237,000 without legal access, and at \$1,994,000 assuming legal access could be obtained. Staff believes the greatest emphasis should be placed on the third appraisal with a range of values between \$1,237,000 to \$1,994,000.

While Staff believes that National Land Company would ultimately be required to provide legal access to the County's property through National Land Company's subdivision, there are no assurances that National Land Company will ultimately finalize its site plan approvals. At a minimum, National Land Company could delay such approvals indefinitely. National Land's bid price is only \$394,000 (20%) less than the appraised value with legal access. Staff believes this is a reasonable deduction for the fact that the property does not currently have legal access. In addition, due to economies of scale gained by including this property in their larger development, National Land's bid price of \$1,600,000 is likely more than would be received from bidders in the future one access is obtained.

The RFB was advertised in the Palm Beach Post on August 26, 2007 and September 2, 2007. The RFB included a minimum bid purchase price of \$1,500,000. National Land will be required at Closing to enter into a Restrictive Covenant Agreement and a Management Plan with the County that obligates National Land Company to create and maintain shoreline enhancement and littoral zones at its sole cost and expense. ERM required this shoreline restoration project to be performed on the property as a condition of agreeing to the sale. This project is estimated to cost between \$100,000 - \$150,000. The Restrictive Covenant Agreement and a Management Plan must be satisfactory to the County's Department of Environmental Management, and agreed to prior to Closing. Under Florida Statutes Section 286.23, a Disclosure of Beneficial Interests is required to be provided in connection with any purchase of property by the County. Such Disclosure is not required in connection with the sale of land by the County. Staff is requesting such Disclosures for all transactions with private entities. National Land Company, Inc. provided the Disclosure attached as Attachment 4, which identifies the ownership interest of National Land Company, Inc. as 100% owned by Victoria Paladino and David C. Paladino, II.