

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2009	2010	2011	2012	2013
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>_____*</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget: Yes _____ No _____

Budget Account No: Fund _____ Dept _____ Unit _____ Object _____
 Program _____

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

* In early 2006, it was represented to the Board that participation in the TOD would likely result in revenues to the County including covering the then \$8M investment in the new DOH Admin Building (which was subsequently approved as a \$12M contribution). In December 2006, the projected costs to the County for participation in the TOD were estimated at an additional outlay of between \$2M and \$13M depending on the outcome of a number of assumptions listed identified and considered by the BCC. In addition, the item identified a potential accelerated funding requirement of \$46M again depending on the outcome of assumptions previously delineated.

C. Departmental Fiscal Review: _____

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:

[Signature] 3-13-09
 OFMB
[Handwritten initials] 3/12/09

[Signature] 3/13/09
 Contract Development and Control
[Handwritten initials] 3/13/09

B. Legal Sufficiency:

[Signature] 3/16/09
 Assistant County Attorney

C. Other Department Review:

 Department Director

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

Background and Policy Issues continued:

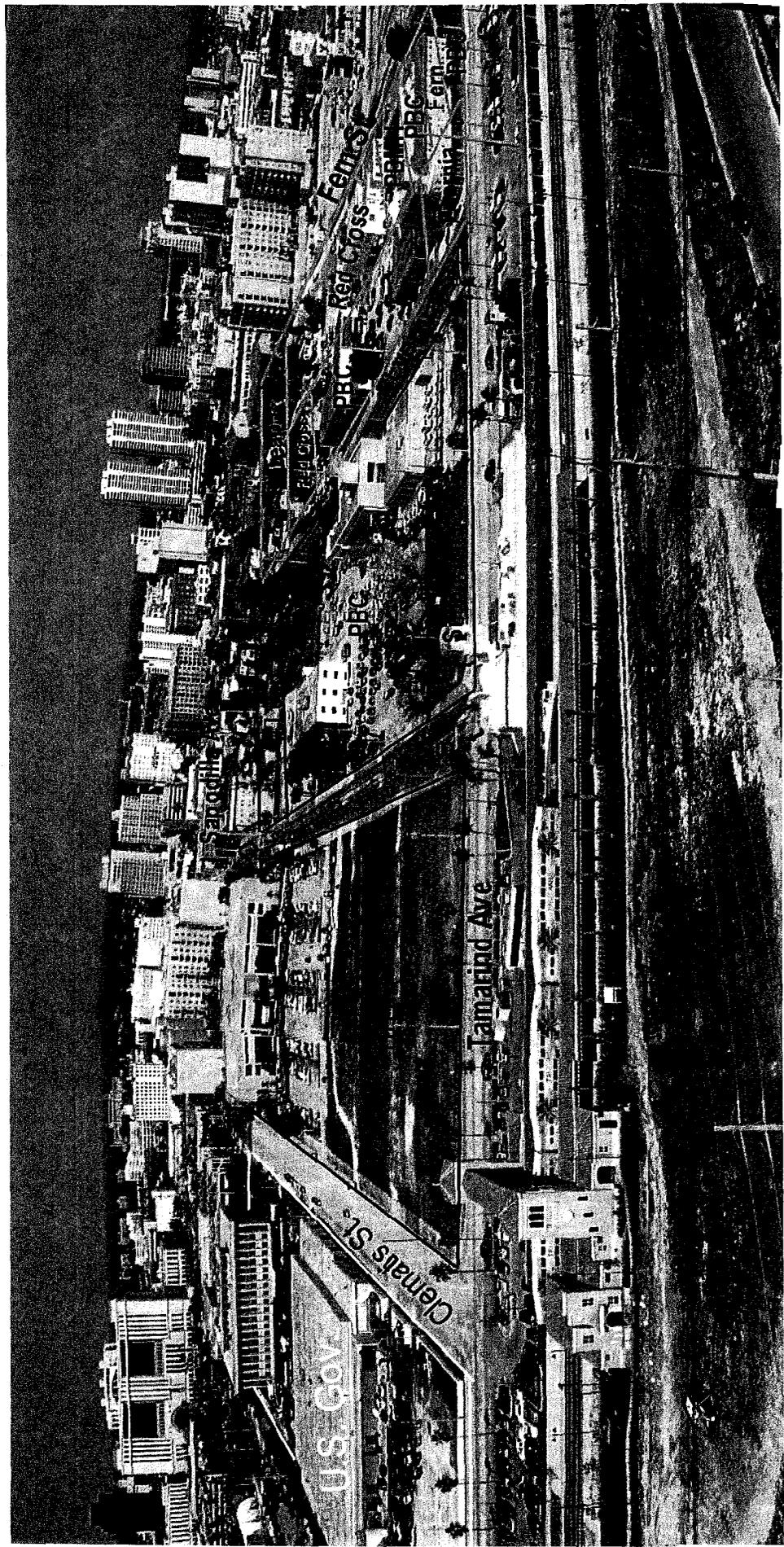
As originally conceived, Staff has been working thru a lengthy process with the State to allow a future County building to be built on State property, making County land available for the TOD project. Our existing Community Services building is also on the site. Due to the time expended with the State and the costs associated with moving Community Services, Mr. Massanoff has requested that the County issue an RFP for the wedge and property that fronts on Tamarind, thereby leaving the more troublesome issues of consolidation on the State block and moving Community Services to be addressed at a later date. Splitting the east Tamarind property is possible but has potential negative impacts on overall planning and development depending upon the extent of the split. The land swap allows the adjacent property owner and the County to each have a more beneficial sized and shaped property for development purposes, irrespective of how the TOD proceeds.

Upon receipt of Board direction, Staff will pursue negotiations with Mr. Massanoff regarding the swap and the RFP as applicable.

Property Ownership in TOD Area



Map 3 - Government Hill Properties



Property to be Exchanged



Proposed Alternative Phase 1 of TOD



Subject to RFP

BANYAN BOULEVARD

CLEMATIS STREET

TAMARIND AVENUE

SAPODILLA AVENUE

ROSEMARY AVENUE

DATURA STREET

EVERNIA STREET

FERN STREET

Private owned
after exchange

PALM BEACH COUNTY
FACILITIES DEVELOPMENT & OPERATIONS

August 15, 2008

To: Addie L. Greene, Chairperson, and Members of the Board of County Commissioners

From: Audrey Wolf, Director 
Facilities Development & Operations

Re: *Status of West Palm Beach Transit Oriented Development (TOD) Project*

The purpose of this correspondence is to respond to a request from the Board for an update on the status of the West Palm Beach TOD Project. The last update was provided to the Board on March 11, 2008 and the action items that need to be completed prior to the issuance of a Request for Proposals (RFP) were identified. In summary, while progress has been made, the project is approximately six months behind the previously reported dates.

It was originally reported that Tasks #2 and #3 (together the Development Analysis) could be completed in late March, but are not anticipated for completion until late September.

The delay to the pre-RFP tasks is a result of the revised delivery date of the development analysis (Tasks 2 and 3) required under Lease 4478 between the State and the Health Care District. The delay in completion was a result of a series of factors, with the primary factors being: 1) the conflicting work load of the DOH Staff and consultants who are also working on the construction of the new Health Department Building (which is now approximately 33% complete), 2) the internal coordination at the State level required between the Department of Health and the Department of Management Services to establish the long term objectives of both agencies for the Dimmick Block and ensure that the alternate HCD site and the TOD inspired exchange with the County of a portion of the Dimmick Block are consistent with the long term objectives, and 3) general time constraints arising out of the this year's budget and legislative session.

It should be kept in mind that this is a cooperative effort by multiple parties which all generally concurred and tried to work toward the original schedule. However, in the end, each agency's individual priorities take precedent. Despite the revised estimated delivery date of late September 2008, the DOH is still well ahead of the applicable milestones of Sub Lease 4478. The milestone allows only two (2) years (no later than September 24, 2009) for the DOH to offer an alternate site to the existing HCD site on Tamarind. After 9/24/2009, the HCD is no longer obligated to accept an alternative site with equal development potential. The Development Analysis in Tasks #2 and #3 are the vehicle for making that offer.

*West Palm Beach Transit Oriented Development
Pre-RFP Action Items*

	Task	Lead	Other Parties	Est Start Date	Estimated End Date
1	Confirm State development plan and facility requirements for eastern half of Dimick	DOH	DMS	mid Jan 08	early Feb 08
2	Prepare development analysis required under Lease 4478 and Sublease 4478.01 to finalize HCD's location on Dimick.	DOH	DMS	mid Jan 08	late March , late September 08. The study is 95% drafted and in final State review. Only missing piece is the interim off-site parking plan. (see Task 3 notes). This assumes a delivery of the draft of the interim off-site parking plan to County and City for review the 1 st week in September and a two week review period.
3	Prepare interim and long term parking plan for Dimick and off-site to meet needs of all uses on Dimick Block	DOH	DMS, County and City (City and County's approval required for interim off-site parking plan)	mid Feb 08	late March , late September 08. The most difficult component, the long term parking plan is 95% complete and in final State internal review. The interim off-site parking plans as well as the off-site parking plan during garage construction is being developed and should catch up with remainder of the development analysis by 1 st week in September. The interim off-site parking plans will be transmitted to the City and County for review the 1 st week in September with a two week review period and then will be incorporated into the development analysis.
4	HCD review/acceptance of development analysis ¹	HCD	DOH and DMS (City and County's required in some form)	early April Early October 08	early October 08 ² Early April 09
5	Propose and negotiate options for State addressing County's long term parking credits	PBC/FDO	DOH, DMS	Early April Early October 08 ³	late May , Early January 09.

	Task	Lead	Other Parties	Est Start Date	Estimated End Date
6	Revise TOD development plan	City	DOH, DMS, County	mid Jan 08	late May Early January 09. The land planning component of the development plan is nearly completed. The City has amended its comprehensive plan to allow for the TOD District. The land development regulations are in the final approval stages via amendments to the Downtown Master Plan. The City has prepared a zoning and FAR narrative and vision statement for the TOD and for inclusion in the RFP and same should be transmitted to the County for review by the end of August. The City is in the process of preparing an update to the original findings of marketability and financial feasibility to "test" the new land development regulations. Should be transmitted in September 08, completing this task.
7	Draft exchange agreement between State and County	PBC/FDO	DMS, DOH and State Lands	early June. Early January 09	late September. Late March 09
8	Approval of exchange agreement by County	PBC/FDO			October. April 09
9	Approval of exchange agreement by Trustees	Trustees/S tate Lands			November. May 09

1 The successful completion of this task is critical to furthering the public use block and the TOD. The State must produce an alternate Dimick Block site, meeting the requirements of its sublease, to the HCD in order for the property on Tamarind to be available for exchange with the County.

2 Pursuant to Sublease 4478.1, HCD has up to 180 days to review and accept development study, however depending on the detail and sufficiency of report, review should take substantially less time. The meeting summary contains an accelerated and best case scenario for completing the transaction.

3 The BCC will have to authorize funding in the amount of \$150,000 for consultants to review the technical and constructability aspects of the State's proposal. Staff will prepare and negotiate the agreement in-house. Estimated cost for in-house effort is about \$200,000. In early 2006, it was represented to the Board that participation in the TOD would likely result in revenues to the County including covering the then \$8M investment in the new DOH Admin Building (which was subsequently approved as a \$12M contribution). In December 2006, the projected costs to the County for participation in the TOD were estimated at an additional outlay of between \$2M and \$13M depending on the outcome of a number of assumptions listed identified and considered by the BCC. In addition, the item identified a potential accelerated funding requirement of \$46M again depending on the outcome of assumptions previously delineated.

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Please let me know if you have any questions about this report or whether you would like this topic placed on a future Board agenda for further discussion.

Attachment: March 11, 2008 Status Report

c: Robert Weisman, County Administrator
 Ross Hering, Director Property and Real Estate Management
 Kim Briesmeister, WPB CRA Director
 Kim Delaney, TCRPC
 Ron Walsh, Administrator of Design and Construction, Department of Health
 Dean Izzo, Director Real Estate Management and Development, Department of Management Services

ADD-ON
76-1

Agenda Item #:

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Meeting Date: February 5, 2008

Consent Regular
 Workshop Public Hearing

Department: Facilities Development and Operations

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: Continuing with the approach to the County's participation in the West Palm Beach Transit Oriented Development (TOD) as previously directed by the Board on December 11, 2007 and not provide for a partial disposition of the County's holdings within the TOD prior to the existence of an overall development plan for the TOD and/or approval of a land transaction with the State ensuring land with sufficient development capacity to meet the County's long term facilities requirements.

Summary: On December 11, 2007 the Board directed Staff to meet with representatives of the State (DEP/State Lands, DMS and DOH) to determine the specific structure of an agreement between the State and the County which would result in the County owning sufficient land on the State's Dimick Block to accommodate its future facilities allowing for the sale of the County property for development as part of the TOD. This meeting was held on January 18, 2008. The meeting was successful in terms of identifying; 1) a structure and approach to the transaction and that there are no fatal flaws from the legal or technical real estate perspectives, and 2) the next steps to developing the detailed planning, operational and financial information necessary for DOH and DMS to recommend approval of the business terms that would be contained in the agreement. With the action items identified, a work plan and schedule for the development of the agreement and presentation to the Trustees and the Board for approval has been developed. DOH and DMS have agreed to immediately proceed forward with the steps that are its responsibility in support of the TOD. DEP/State Lands has also assigned staff and legal counsel to the project and the County/FDO will take the lead in the development of the agreement itself. The County and City will also have key roles in the DOH/DMS tasks. This work, combined with the other action items are projected to take until between August and November to complete and includes work required to demonstrate that the County's pre-conditions to successful implementation of the TOD can be met. County Staff therefore recommends that it continue to participate in the manner previously directed including not considering an RFP for the disposal of the Wedge ahead of the TOD as to do so would; 1) jeopardize the County's ability to meet its long term facility requirements at Government Hill, 2) increase the County's financial participation in the TOD, and 3) undermine the long term success of the TOD. (FDO Admin) Countywide/District 7 (HJF)

Background & Policy Issues: On December 11, 2007, the Board reconfirmed its support and approach to participation in the WPB TOD. Since the initial steps (siting and funding of the Health Department's new building and lease and sub-lease amendments to support the DOH move as well as future TOD development) took longer than expected and likely fearing that the remainder of the steps would become protracted and/or result in a fatal flaw; the City requested that the Board reevaluate its approach to participation in the TOD. The new approach would include; 1) development and issuance of the RFP for the sale of the County property prior to the approval of an agreement with the State for land within the Dimick Block for future County facilities, and 2) prioritizing the project for County Staff. The Board considered the City's request and directed Staff to return to the Board on February 5, 2008 with a summary of County Staff's meeting with the State so that it could use that information in determining whether there should be a change in direction on the County's participation on the TOD.

Continued on Page 3

Attachments:

Meeting Summary January 18, 2008

Recommended by: _____

Anthony Wolf
Department Director

1/28/08
Date

Approved by: _____

[Signature]
County Administrator

1/28/08
Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2008	2009	2010	2011	2012
Capital Expenditures	\$ 0	0	0	0	0
Operating Costs	0	0	0	0	0
External Revenues	0	0	0	0	0
Program Income (County)	0	0	0	0	0
In-Kind Match (County)	0				
NET FISCAL IMPACT	\$ 0				
# ADDITIONAL FTE POSITIONS (Cumulative)					

Is Item Included in Current Budget? Yes No
 Budget Account No: Fund _____ Dept. _____ Unit _____ Object _____

B. Recommended Sources of Funds/Summary of Fiscal Impact: In early 2006, it was represented to the Board that participation in the TOD would likely result in revenues to the County including covering the then \$8M investment in the new DOH Admin Building (which was subsequently approved as a \$12M contribution). In December 2006, the projected costs to the County for participation in the TOD were estimated at an additional outlay of between \$2M and \$13M depending on the outcome of an number of assumptions listed identified and considered by the BCC. In addition, the item identified a potential accelerated funding requirement of \$46M again depending on the outcome of assumptions previously delineated.

C. Departmental Fiscal Review _____

III. REVIEW COMMENTS:

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

_____ OFMB Budget _____ Contract Development and Control

B. Legal Sufficiency:

_____ Assistant County Attorney

C. Other Department Review:

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

Page 3
Background & Policy Issues Continued

On January 18, 2008, Staff met with representatives of three different State agencies including; 1) DEP/State Lands (both State Lands Staff and from the Office of the General Counsel), 2) Department of Health (DOH), and 3) Department of Management Services. The summary of the meeting and the proposed approach/structure to the exchange agreement are attached to this item. The meeting summary also outlines the action items and key milestones that need to be accomplished. The following table sets forth the next tasks, lead responsibility, other participants and estimated schedule.

	Task	Lead Responsibility	Other Parties	Estimated Start Date	Estimated End Date
1	Confirm State development plan and facility requirements for eastern half of Dimick	DOH	DMS	mid Jan	early Feb
2	Prepare development analysis required under Lease 4478 and Sublease 4478.01 to finalize HCD's location on Dimick.	DOH	DMS, HCD, (City and County's approval required in some form)	mid Jan	late March
3	<i>HCD review/acceptance of development analysis¹</i>	<i>HCD</i>	<i>DOH and DMS (City and County's required in some form)</i>	<i>early April</i>	<i>early October²</i>
4	Prepare interim and long term parking plan for Dimick and off-site to meet needs of all uses on Dimick Block	DOH	DMS, HCD, County and City	mid Feb	late March
5	Propose and negotiate options for State addressing County's long term parking credits	PBC/FDO	DOH, DMS	early April	late May
6	Revise TOD development plan	City	DOH, DMS, County	mid Jan	late May
7	Draft exchange agreement between State and County	PBC/FDO	DMS, DOH and State Lands	early June	late September
8	Approval of exchange agreement by County	PBC/FDO			October
9	Approval of exchange agreement by Trustees	Trustees/State Lands			November

1 The successful completion of this task is critical to furthering the public use block and the TOD. The State must produce an alternate Dimick Block site, meeting the requirements of its sublease, to the HCD in order for the property on Tamarind to be available for exchange with the County.

2 Pursuant to Sublease 4478.1, HCD has up to 180 days to review and accept development study, however depending on the detail and sufficiency of report, review should take substantially less time. The meeting summary contains an accelerated and best case scenario for completing the transaction.

Background & Policy Issues Continued

While no fatal flaws or issues with the legal and pure real estate aspects of the transaction have been identified, the complexity of the business terms and the willingness/ability of the parties to commit their respective agencies to the long term obligations - remain as originally contemplated. Despite the fact that it was initially represented that the County would financially benefit from participating in the TOD, the Board has known since December 2006 and its initial decision to participate in the TOD that it will likely have a funding requirement of between \$2M and \$13M (as well as accelerated costs of approximately \$46M) to participate in the TOD. However, the State agencies' costs and obligations will not be defined in sufficient detail for their Staffs to be able to recommend approval until completion of Tasks 1-6 and will be very much dependent on planning and regulatory decisions/direction of the City which are yet undefined.

Partial Disposition Prior to Agreement with the State and TOD Development Plan

Since the original Board direction to proceed with the agreement with the State and production of a TOD Development Plan; two different approaches to early or re-sequences partial dispositions have been introduced. One included the early disposition of the western third of the County blocks east of Tamarind as well as the Wedge, and most recently one for the disposition of the Wedge alone. The following discussion sets forth Staff's position on early disposition.

Western Portions of County Blocks and Wedge. The purpose of concluding the agreement with the State prior to any disposition is to; 1) assure the County sufficient property for the future development and operation of the Government Center on the Dimick Public Use Block, 2) assure the form of the agreement, timing of pre-conditions, and that the State will be compensated fair market value for the property that is being used solely by the County, 3) maintain flexibility required to address the outcomes of the actions of various other parties over the next 20 years. This is significant to the TOD in that; 1) it is needed to ensure that the County has property to accommodate the relocation of the Governmental Center in the future so that it can offer the Evernia/Datura property for disposal, 2) identify the minimum compensation requirements for land being disposed of by the County for inclusion in the RFP, and 3) identify the minimum parking requirements for the public uses which will have to be incorporated into the TOD, off of the Dimick Public Use Block for inclusion in the RFP.

Wedge Only. The very first direction for the Wedge was to jointly develop an intermodal facility and private building on the triangular property purchased by the County immediately west of the railroad tracks. Several attempts were started and stopped with the City, then the RTA and then back to the County to lead that effort. However, once the concept of the much larger TOD was initiated, encompassing not only the Wedge but also the three blocks east of Tamarind, the need for a development plan for the entire area has been the focus of the City's efforts and the County's approach to its participation. This is particularly important as all of the uses in a successful TOD are co-dependent and share infrastructure.

While the Wedge seems geographically isolated from the remainder of the TOD by the railroad tracks and is an odd configuration, it is for those same reasons that it will likely play a critical role in the ultimate development plan for the overall TOD. For these reasons and since the concept of the TOD was introduced, Staff has been recommending that no disposal (even of just the Wedge) occur until the development plan is in place. Significant changes have occurred to the originally contemplated TOD development plan which include; 1) the introduction of the public use block, 2) the introduction/consideration of new uses into the TOD such as the public market, and 3) undefined highest and best use for the Wedge in support of the TOD, 4) changes in market demand for mix of uses originally contemplated, and 5) the viability of funding sources originally contemplated to offset public infrastructure costs.

Page 5
Background & Policy Issues Continued

Staff believes that offering the Wedge property via RFP prior to an updated development plan will likely prove to be detrimental to the viability and success of the overall TOD and ultimately; 1) change the entire direction of the area by use decisions being made for a portion of the area ahead of and independent from the rest of the TOD, 2) using this property for a use which is certainly higher than the current use but may not maximize its value to the TOD as whole, and 3) ultimately increase the funding shortfall (translating into additional expenditures) to the County to make the TOD viable.

All of that being said, if the Board wants to proceed with a RFP for a portion of the area of the TOD ahead of the rest, the Wedge site is the only alternative that the Board should consider in that it only jeopardizes the overall success of the TOD, but does not lessen the County's ability to meet its own long term facility objectives.

West Palm Beach Transit Oriented Development
Lease 4478 and Sublease 4478-01
Lease 3538
Future Transaction with County

January 18, 2008 Meeting Summary

Attendees: Gary Heiser, Senior Attorney, DEP State Lands
Scott Woolam, Chief, DEP State Lands Bureau of Public Lands Admin
Diane Rogowski, Senior Agent, DEP State Lands
Jere Lahey, Project Director, DMS Real Estate Development & Mgmt
Ron Walsh, Project Manager, DOH
Ross Hering, PBC Director Property and Real Estate Management
Audrey Wolf, PBC Director Facilities Development & Operations

Direction of Business Terms:

1. The structure and form will be a four party (Trustees, DMS, DOH and PBC) exchange agreement with closing occurring; 1) concurrent with the County closing on its transaction for the sale of the County land to the south of the Dimick Block or a time certain date (5+ years to be determined); whichever comes first. Sandra Stockwell is to be the attorney assigned from the Office of the General Counsel. County to draft agreement using State form agreement as starting point. Exchange agreement will require execution by the Trustees.
 - A. Assumes that no other State agency has use for the property or that the Trustees choose to move forward with the exchange regardless of a requested use.

2. The land to be conveyed to the County along Tamarind will be exchanged for structured parking improvements to be constructed on the Dimick Block by PBC. County will construct under a short term sublease or temporary construction easement. The value of the land for the County building to be conveyed will be determined by appraisal of fair market value. The County will not be required to pay for land upon which its structured parking spaces sit but rather addressed via assuming operations and maintenance of the entire garage on behalf of all entities. The value of the structured parking improvements will be determined by post construction appraisal.
 - A. Assumes that DOH is successful in relocating Health Care District sublease from its current location on Tamarind to the East fronting Datura as contemplated by the sublease. Since this must be accomplished to allow for the disposition of the property on Tamarind to the County,

DOH to expeditiously follow-up on same. *DOH will hire MGE to prepare the information necessary to demonstrate developability to HCD as required by sublease including a sub-consultant to opine on the planning/code aspects of the report.*

- 1) *DOH also to work with DMS on confirming; a) the footprint for the Dimick expansion, and b) that the build-out east portion of the Dimick Block is acceptable to DMS.*
 - 2) *County to re-transmit the rough on-Dimick Block parking requirements/approach discussed at the 10/16/06 State/County meeting on the public use block no later than 1/28/08.*
- B. Assumes that DMS, DOH and HCD are successful in agreeing to an interim and long term parking plan as contemplated by the leases and sublease whereby each party agrees to fund the construction costs of the structured parking spaces required by its respective development (and for DOH and HCD whether on or off Dimick Block). *DOH to send County electronic .dwg files of the Phase 1-4 build-out of the Dimick Block and as well as the site plan with surface parking for the initial DOH Building. Using those documents, County to prepare exhibits to the long term parking plan (between DMS, DOH, and HCD) showing the ultimate location and specific assignment of spaces within the phased garage to each entity.*
3. The County will construct the first phase of the parking structure prior to closing. Funds for the first phase of the parking will come from; 1) the value of the land to be conveyed to the County, 2) the funds received from HCD for its required parking, and 3) a "loan" from the County which will be reflected as a "parking credit" in the agreement.
 4. The difference in the value (value of parking improvements assumed to be greater than land value) will be reflected as "parking credits" in favor of the County that will be due upon the either DMS or DOH appropriating the funds for expansion/replacement of its facilities on the Dimick Block. *County to propose alternatives to the parking credits in the event that the County constructs prior to the expansion of the DOH or DMS facilities.*
- A. Assumes that both DOH and DMS Secretaries confirm that this will result in increased expansion project costs in terms of; 1) structured parking in lieu of surface parking, and 2) and having to address (via cash or additional construction), as part of its expansion, its agencies' share of the parking credit due the County. *Both DOH and DMS to confirm with their respective secretaries no later than 2/4/08.*
5. FDO indicated that it will be preparing a status report to the BCC regarding the outcome of this meeting for discussion at its 2/5/08 meeting. The written

report will be distributed to the Board of County Commissioners (BCC) on 1/28/08. It was discussed that DOH and DMS would attempt confirmation with respect to 4A by 1/27/08 so that FDO can eliminate this issue as "open" in its status report being distributed to the BCC.

6. Overall timing for the transaction was discussed as DMS, DOH, & HCD completing 2A and 2B by end of June 2008 with the exchange agreement being presented to the Trustees in July or August.