

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Meeting Date: June 7, 2011 [] Consent [X] Regular
[] Ordinance [] Public Hearing
Department: Facilities Development & Operations

I. EXECUTIVE BRIEF

Motion and Title: Staff requests Board Direction: regarding implementation of the Town of Lake Park's Marina Project pursuant to the Interlocal Agreement with the Town.

Summary: On November 16, 2010, the County and the Town entered into an Interlocal Agreement (R-2010-1943) which provided the Town with \$2.4 Million for acquisition of .8 acres of land adjacent to the Marina for expansion of boat trailer parking. The Town closed on the acquisition in December 2010 using the County's grant funding. The Interlocal Agreement required the Town to complete the boat trailer parking lot renovation within 24 months. The Interlocal Agreement also requires that the Town close the southernmost section of Lake Shore Drive and construct a pedestrian promenade within 60 months. Recently, Staff has been informed that the Town Council, in response to complaints raised by neighboring residents, may be reconsidering its commitment to closing Lake Shore Drive and constructing the pedestrian promenade as required by the Interlocal Agreement. While Staff has not received a request from the Town to modify the Interlocal Agreement and the Town has up to 60 months to complete the pedestrian promenade phase of the project, Staff believes that it would be helpful to clarify the Board's position on this issue prior to the Town committing to a position on the issue with the objecting neighbors. **(PREM) District 1/Countywide (HJF)**

Background and Policy Issues: Attached is a copy of the November 16, 2010 Agenda Item recommending approval of the Interlocal Agreement. At the time the Interlocal Agreement was submitted for approval, Staff was under the impression that the overall project, including the boat trailer parking lot expansion, closure of Lake Shore Drive and construction of a pedestrian promenade and private sector development of a restaurant on adjoining land had been thoroughly vetted with the public. The Town Manager has confirmed that the project had been discussed in several Town Council meetings and the Interlocal Agreement was approved first by the Town prior to submitting it to the board for approval.

Recently, residents within the adjacent condominium have raised objections to closing Lake Shore Drive to develop a pedestrian promenade, claiming that they were unaware of the requirements of the Interlocal Agreement. Their attorney has contacted Staff and Commissioner Marcus to make us aware of the neighbors' concerns. The neighbors currently have access to a traffic light on US-1 and Lake Shore Drive which would be lost when the road is closed. The residents have alternate access to US-1 over a street which abuts their condominium; however, the nearest traffic signal would be one block north. Staff believes that the real concern is most likely with the developer's plans for a restaurant on the adjoining property which may include an open air Tiki Bar. While Staff understands how the residents might object to the developer's proposal, the pedestrian promenade and development of a restaurant looking out onto the Marina were key factors in recommending approval of the Interlocal Agreement, in that those uses attract people to the waterfront and increase public access.

The requirement to close Lake Shore Drive and construct a pedestrian promenade is subject to the Town obtaining further grant funding. The Town has previously identified grants which are potentially available for this purpose. A formal decision by the Town at this time to not pursue the promenade would constitute an anticipatory breach of the Agreement. The County has the right to terminate the Interlocal Agreement for non-compliance with any of the terms and conditions of the Agreement. If the non-compliance is not cured within ninety days of notice, then the County may require reimbursement of the grant funds.

Attachments:

- 1. Location Map
- 2. November 16, 2010 Agenda Item

Recommended By: [Signature] Department Director Date: 6/1/11
Approved By: [Signature] County Administrator Date: 6/6/11

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2011	2012	2013	2014	2015
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u><u>-0-</u></u> * See below	_____	_____	_____	_____
# 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:

C. Departmental Fiscal Review: _____

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:

* No additional fiscal impact. If agreement is terminated, the County may request reimbursement of grant funds.

_____ 6/1/11
 OFMB

_____ 6/2/11
 Contract Development and Control

B. Legal Sufficiency:

_____ 6/6/11
 Assistant County Attorney

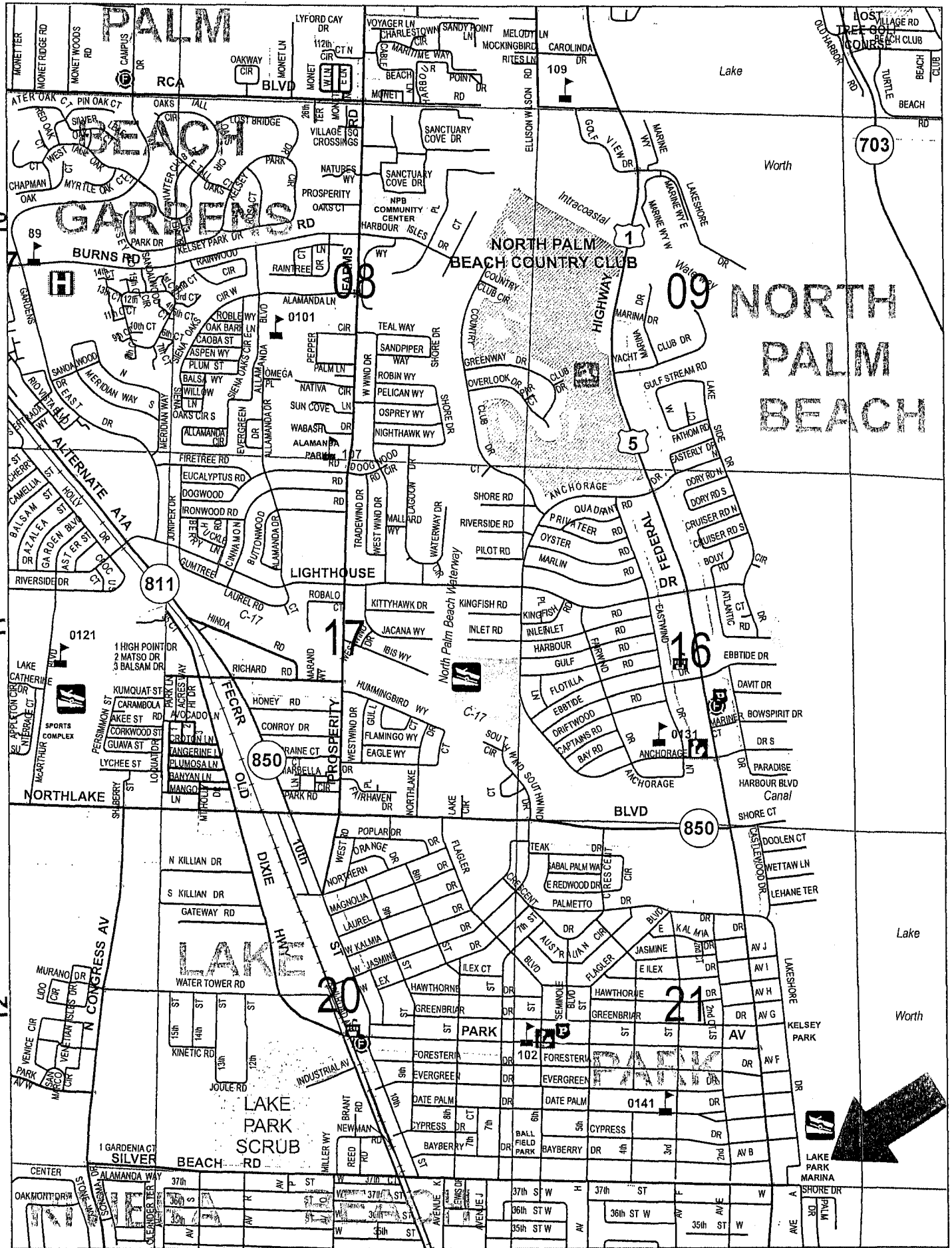
C. Other Department Review:

 Department Director

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

D

C



D

C

LOCATION MAP

ATTACHMENT # 1



II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2011	2012	2013	2014	2015
Capital Expenditures	\$2,400,000	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	\$2,400,000	_____	_____	_____	_____
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget: Yes _____ No X

Budget Account No:	Fund	<u>3038</u>	Dept	<u>821</u>	Unit	<u>9824</u>	Object	<u>9908</u>	\$740,000
		Program							
Budget Account No:	Fund	<u>3038</u>	Dept	<u>581</u>	Unit	<u>P198</u>	Object	<u>various</u>	\$660,000
		Program							
Budget Account No:	Fund	<u>3038</u>	Dept	<u>581</u>	Unit	<u>P607</u>	Object	<u>6520</u>	\$1M
		Program							
Budget Account No:	Fund	<u>3038</u>	Dept	<u>581</u>	Unit	<u>P732</u>	Object	<u>8101</u>	(\$2.4M)
		Program							

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

A Budget Transfer of \$2.4M within the \$50M GO 05 Waterfront Access Bond Reserve (\$740,000), Light Harbor Marina (\$660,000) and Bert Winters Park Boat Ramp Expansion (\$1,000,000) to Lake Park Marina.

C. Departmental Fiscal Review: _____

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:

Jan Duh
 OFMB
 11/14/10
 11/10/10
 11-10-10
 DM

Jan J. Jacobson 11/12/10
 Contract Development and Control
 11/12/10
 Facilities will be obtaining the required proof of insurance.

B. Legal Sufficiency:

JK 11/15/10
 Assistant County Attorney

C. Other Department Review:

Chelle
 Department Director

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

Background and Policy Issues, continued:

In the last 3-4 years, the owners of South Florida Yachts (SFY) acquired the properties which Staff previously attempted to assemble. SFY now controls the properties fronting U.S.-1 and one parcel extending to Lakeshore Drive as depicted on Attachment 2. SFY has worked with the Town of Lake Park on several iterations of a redevelopment plan for the assembled properties, initially proposing a mixed use project with restaurants, a hotel and retail development. With the protracted downturn in the economy, SFY has significantly downscaled the project and is looking to raise cash by selling a .8-acre parcel at the corner of Silver Beach Road and U.S.-1 to the Town. The Town would use this .8-acre parcel to enlarge their existing boat trailer parking area which will also open up the view of the Marina directly from U.S.-1. SFY will use the cash to pay off debt used to finance acquisition of the properties, enabling SFY to start development of a restaurant now and to expand its redevelopment as economic conditions improve.

The Town has conceptually approved SFY's development concept, including the closing of Lakeshore Drive to create a pedestrian promenade between SFY's properties and the Marina. The Town has entered into a contract with Leasing of South Florida, Inc., an entity controlled by the owners of SFY, to acquire the .8-acre parcel for \$2.4M, contingent upon receiving a grant from the County for the acquisition.

The purchase price requires some explanation and evaluation. Clearly, at \$68/s.f. the price is above current market valuations. However, SFY/Leasing of South Florida paid \$2M for the land and another \$4-500,000 for the business inventory of Kahn's Marine when SFY acquired the property in 2005. This is consistent with Staff's discussions with the owners of Kahn's Marine who were asking for \$2.7M. While the price is higher than current market value, the value to the Town is great. The ability to expand boat trailer parking immediately adjacent to the existing boat ramp is a substantially more cost effective way of providing increased boat ramp capacity than development of a new ramp. Acquisition of this property will also open up a view of the Marina from U.S.-1 at the entrance to the Town, which hopefully will promote increased utilization of the boat ramp and Marina. SFY will also grant the Town a 17' wide access easement to tie into a curb cut on U.S.-1 and improve access and circulation to the property.

The Interlocal Agreement will provide the Town with \$2.4M in funding for the project. Phase I of the project includes acquisition of the .8 acre parcel and the Town demolishing the existing metal building and adding paving and striping so that it can be used for boat trailer parking. Phase I must be completed and open to the public within 2 years. The Town has plans to perform this work within 3 months of closing on the property.

Phase II includes the closing of Lakeshore Drive and creation of a pedestrian promenade and SFY's development of a restaurant. SFY is in the process of finalizing a lease of an adjoining parcel on Lakeshore Drive to a restaurant operator who plans on opening the restaurant by the end of 2011.

The boat trailer parking lot and the pedestrian promenade must be operated as part of the public marina for use by the general public in perpetuity.