440-1 Agenda Item #:

# PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS AGENDA ITEM SUMMARY

Meeting Date:	October 4, 2011	[ ] Consent [ ] Ordinance	[X] Regular [ ] Public Hearing
Department:	Facilities Developme	nt & Operations	

### I. EXECUTIVE BRIEF

Motion and Title: Staff requests Board Direction: regarding a request by the City of Boynton Beach to modify a deed restriction on a portion of 17.5 acres donated by the County to the City.

Summary: In 1987, at the City's request, the County conveyed 17.5 acres within the Quantum Park planned development at no cost to the City, subject to a deed restriction limiting the use thereof to park and public purposes. The City has not developed the park and does not expect to have funding to develop the park within the next 10 years. The City is proposing to lease approximately 2 acres of the park property to EWE Warehouse Investments XI, Ltd. for 20 years for construction of 200 parking spaces to serve EWE's adjoining warehouse/office building. EWE is in the process of finalizing a lease with a call center operator to relocate from outside the County to EWE's building, and the tenant requires additional parking. The City is proposing that EWE not be charged rent for this use, but they will be required to construct an additional 30 parking spaces to serve the park at such time, if ever, as the City constructs park improvements. The City believes that this is adequate consideration. Staff has concerns regarding the proposed length of term not being consistent with an "interim use" and has suggested that some level of rent be charged. Board direction is required as to whether the Board desires to modify the deed restriction to permit this use and the terms and conditions, if any, to be placed on that modification. (PREM) District 3 (HJF)

Background and Policy Issues: Palm Beach County acquired title to this property in 1987 from Quantum Associates, the developer of Quantum Park. Simultaneously, the County conveyed the property to the City of Boynton Beach. The deed to the City restricted use of the property to park and public purposes, prohibited transfer of the property without the County's consent, and provided that the property revert to the County in the event the foregoing restrictions were violated.

Since the conveyance to the City, the City has not developed anything more than passive trails through the property. While the City has plans to ultimately develop a park on this property, the City projects that it may be as long as 10 years before the City has funding to do so.

(continued on page 3)

#### Attachments:

- 1. Location Map
- 2. Parcel Boundaries
- 3. City's Justification Statement

Recommended By: 7	- Annuy Wing	9/29/11	
· •	Department Director	Date	
Approved By:	LANUN	9 /20/4	
	County Administrator	Date (	

## II. FISCAL IMPACT ANALYSIS

Fiscal	l Years	2012	2013	2014	2015	201
Opera Exter Progr	tal Expenditures ating Costs rnal Revenues ram Income (County and Match (County	7)		· · · · · · · · · · · · · · · · · · ·		
NET	FISCAL IMPACT	<u>\$0</u>		***************************************		
	DITIONAL FTE TIONS (Cumulative	e)				
Is Ite	m Included in Curr	ent Budget: Yes	1	No		
Budge	et Account No: 1	Fund Dep Program		Jnit	Object	
В.	Recommended Sou	urces of Funds/Sum	mary of Fisca	ıl Impact:		
		No	Fiscal Impact			
C.	Departmental Fisc	al Review:				
		III. <u>REV</u>	EW COMME	ENTS		
<b>A.</b>	OFMB Fiscal and	or Contract Develo	An.	velopment and	Control 3	2/11
В.	Legal Sufficiency:  Assistant County A	9/30/11 ttorney				
C.	Other Departmen	t Review:				
	Department Directo	or				

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

#### Page 3

**Background & Policy Issues (Cont'd):**EWE warehouse Investments XI, Ltd. owns a warehouse/office building in close proximity to the park property. EWE is finalizing negations with a call center operator to lease EWE's building, but the building has insufficient parking to meet the tenant's requirements.

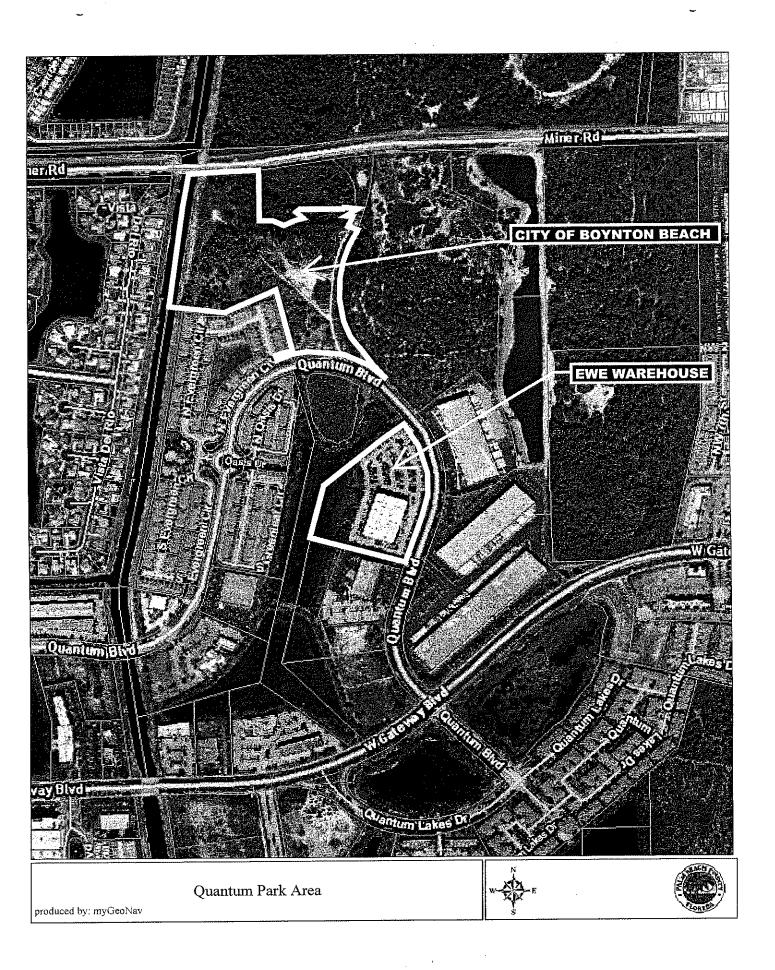
EWE contacted the City to determine whether the City would be willing to lease a portion of this property to EWE to accommodate 200 overflow parking spaces for EWE's tenant's use. City staff negotiated a lease with EWE of approximately 2 acres. The term of the proposed lease is for 10 years, with a 10 year extension option. Rent is \$0, but EWE will be required to construct 30 parking spaces for the City's use at such time as the City completes its Park improvements. At the end of the lease, all of the parking spaces become the City's property. The parking lot is estimated to cost \$400,000.

This use of the property requires the approval of the County pursuant to the deed restrictions.

The City has prepared a justification statement supporting their request for the County's approval of this use of the property, a copy of which is attached as Attachment 3 to this item.

While the purported economic development benefits and the addition of parking spaces to the Park at the end of the term lend support to this use, Staff is concerned with the fact that this transaction was structured as a long term lease, with no conditions ensuring the economic development benefits are realized, termination of the lease in the event that the developer changes tenants which do not produce the same economic benefits, or guaranteeing compensation in the event that the City does not request the construction of the 30 spaces. For all practical purposes this is a land grant without conditions ensuring the economic development benefits and without quantification of the value of the grant. The City and developer argue that the value of the parking spaces and economic development benefits are readily apparent and outweigh the lack of guarantees that would typically be included in an economic development grant.





**Request:** The City of Boynton Beach is requesting Palm Beach County Commission approval of a transaction which would allow the City to transfer by lease an interest in land which is deed restricted for park and public purpose.

**Background:** In 1987, as part of a multi-party transaction, Palm Beach County conveyed a 13 acre parcel of land to the City of Boynton Beach for public and park use. The park site is located in the northeast corner of the Quantum Industrial Park. The Quantum Industrial Park is located on the north and south sides of Quantum Boulevard between High Ridge Road and Congress Avenue.

The County Deed, a copy of which is attached, contains this restrictive language:

- 1. Said land shall be used solely for park and public purposes, all for the general public, without regard to residency.
- 2. Said land shall not be sold, conveyed, hypothecated, encumbered or transferred without approval of the Board of County Commission by resolution.
- 3. Failure of the party of the second party to comply with the afforestated conditions shall cause said described property to automatically revert to Palm Beach County.

The park site is undeveloped and, due to economic restraints, that development will be delayed for the near future. When developed, the City projects that approximately 25 parking spaces would be required to support the park use. Recently the City received a proposal from a nearby property owner whereby the property owner would construct a surface parking lot on the southernmost portion of the park. The parking spaces would be used by a prospective tenant of the building. Absent the proposed lease, there are insufficient available parking spaces to support the tenant's use and the tenant would locate elsewhere.

Contingent on the approval of the transaction of the County Commission, the City has approved a ten year lease, with one ten year renewal option. A copy of the lease is attached.

The City asserts that the proposed lease is a beneficial transaction in the following regard:

- 1. The prospective tenant states that they will bring a minimum of 200 new jobs (with the potential of up to 540 new jobs) to the City of Boynton Beach.
- 2. The property owner's construction of a surface will save the City approximately \$400,000 in park improvement costs.
- 3. The property owner will maintain the parking lot for the term of the lease.
- 4. The preliminary design of the proposed parking area (slightly less than 3 acres-including landscape elements) will serve as an integral element of the eco design theme of the future public park. We hope to demonstrate Best Management Practices to serve as an example for environmentally friendly (LEEDS) construction practices by the private sector in our community.
- 5. The parking lot will include 30 spaces specifically designated for use by park users.
- 6. The construction of the parking lot will not delay, but may advance, development of the park site.

ATTACHMENT 3

**Proposed Motion:** Motion to approve the request of the city of Boynton Beach to allow the City to enter into a Lease Agreement with EWE Warehouse Investment XI, LTD for use of land designated for public and park use and finding that such lease does not trigger the reverter interest described in the August 25, 1987 County Deed recorded in OR B5410 P 1461.