

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: August 14, 2012 Consent Regular
 Public Hearing

Department: Administration

Submitted By: Legislative Affairs

Submitted For: Administration and Facilities

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion for conceptual approval: of negotiation terms regarding a proposed land exchange agreement with the South Florida Water Management District for the Mecca Farms site in Palm Beach County to be brought back to the Palm Beach County Board of County Commissioners for review and approval.

Summary: On May 23, 2012, the South Florida Water Management District submitted a letter of intent to Palm Beach County confirming their interest in negotiating with the County for the acquisition of the Mecca Farms site (See Attachment 1). The District is requesting fee title to the approximately 1,919 acre property less an agreed amount of County right of way. In exchange for this property, preliminary negotiations would transfer approximately 1,495 acres in District land with an assessed value of approximately \$24.66 million (see Attachment 3 for a detail of those locations) to the County plus a cash payment of \$30 million. Additionally, existing leases on the District property will generate \$305,000 in income per year and it is possible some parcels could be sold.

Mecca Farms currently costs the County approximately \$250,000 a year to secure and maintain, in addition to debt service payments. The debt payment is approximately \$6.5 million per year from 2012-2015, approximately \$3.8 million per year for the ten years of 2016-2025, and approximately \$610,000 per year for the remaining three years of debt service. Proceeds from this sale would be used to offset future debt service requirements.

Although the County still owes about \$45 million in principal on the Mecca Farms acquisition and other costs associated with its purchase under the terms of the bond obligation, the debt would not need to be paid off before swapping the land.

The County has begun the due diligence process of appraising the land included within this exchange. Countywide (HF)

Background and Policy Issues: In 2004, the County purchased Mecca Farms for \$60 million as a potential site for The Scripps Florida Research Institute (TSFRI). Another site was eventually selected for Scripps' biotech operations, and since that time, Mecca Farms has remained in County ownership.

Since 2006, when the alternate site was selected for TSFRI, the County has explored several proposed uses for the Mecca site. Proposals for the site have included building a water park and multiple hotels on the site, a 192 home development with a 40-acre

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact: N/A

Fiscal Years	<u>20 13</u>	<u>20 14</u>	<u>20 15</u>	<u>20 16</u>	<u>20 17</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	(\$30,305,000)	(\$305,000)	(\$305,000)	(\$305,000)	(\$305,000)
In-Kind Match (County)	(\$24,661,348)	_____	_____	_____	_____
NET FISCAL IMPACT	(\$54,966,348)	(\$305,000)	(\$305,000)	(\$305,000)	(\$305,000)
No. ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included In Current Budget? Yes _____ No X
 Budget Account No.: Fund _____ Department _____ Unit _____
 Object _____ Reporting Category _____

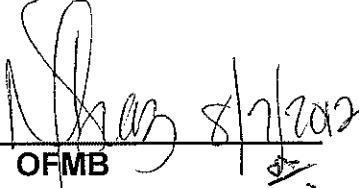
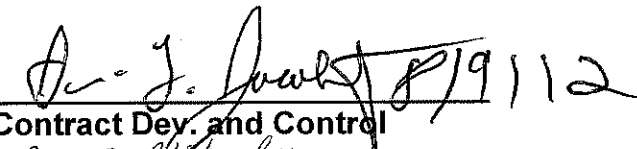
B. Recommended Sources of Funds/Summary of Fiscal Impact:

In 2013, \$30,000,000 will be paid in cash to the County, and title will be transferred to the county for SFWMD land currently assessed at \$24,661,348. Leases on some of the transferred land will provide an income to the county of \$305,000 per year.

C. Departmental Fiscal Review:

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

 _____ OFMB	 _____ Contract Dev. and Control 8-9-12
--	--

B. Legal Sufficiency:



 Assistant County Attorney

C. Other Department Review:

 Department Director

ATTACHMENT 1



SOUTH FLORIDA WATER MANAGEMENT DISTRICT

May 23, 2012

Mr. Robert Weisman
County Administrator
Palm Beach County
301 N. Olive Avenue
West Palm Beach, FL 33402

Dear Mr. Weisman:

**Subject: Letter of Intent
Acquisition of Palm Beach County Biotechnology Research Park**

This letter confirms discussions with respect to engaging in negotiations between South Florida Water Management District (District) and Palm Beach County (County) for the acquisition of Palm Beach County Biotechnology Research Park, under the following principles:

1. The District will acquire fee simple title to the approximately 1,919 acre parcel, located in Palm Beach County, Florida, as generally depicted on attached Exhibit "A" ("County Property").
2. In exchange, the County will receive fee title to District lands and cash, as follows:
 - District property comprising approximately 1653 acres (including 570.77 acres currently in joint ownership with Palm Beach County), as generally depicted on attached Exhibit "B" ("District Property").
 - Cash in an amount that roughly equalizes the estimated values of the transaction parcels, subject to budget approval and appropriation of funds by the Governing Board of the District, approval by the Governor, and approval by the Legislative Budget Commission.
3. At the time of entering into a binding written contract for the transaction as required in paragraph 7, each party will grant to the other party a right of entry to use the applicable transaction property for its purposes and at its expense prior to closing on that property.
4. There shall be a preliminary due diligence period of 120 days after execution of this Letter of Intent ("Due Diligence Period"). During such period, each party shall allow the other to examine its real estate records, including surveys, appraisals, environmental assessments, and other information pertaining to the

Mr. Robert Weisman
May 23, 2012
Page 2

transaction. Additionally, each party grants to the other a right for its employees and agents to enter the transaction property to undertake preliminary testing and inspections. Any extension of the Due Diligence Period requires the consent of both parties.

5. No later than 14 days prior to the expiration of the Due Diligence Period, either party may notify the other party in writing that it does not intend to proceed further with the transaction without any further recourse by the other party.
6. In order to induce the parties to commit the resources to properly evaluate this transaction, neither party may sell, lease, or otherwise encumber any portion of the transaction property during the Due Diligence Period.
7. This letter of intent creates no binding legal obligations. The parties recognize in signing this letter that if negotiations and due diligence are successfully completed, the parties will need to formally memorialize the terms and conditions of the transaction into a legally-binding written contract. Binding obligations of the parties may only be created upon the execution of such contract in form satisfactory to the parties and approved by the Florida Department of Environmental Protection, Florida Legislative Budget Commission, District Governing Board, United States Government, and the County Commission. Until such contract is approved and executed by the parties, neither party has any financial or legal obligation to the other with respect to the subject matter of this letter of intent.

Please acknowledge your consent to these principles by signing the concurrence below and returning the signed letter to me.

Sincerely,



Ernie Barnett
Director, Everglades Policy and Coordination
South Florida Water Management District

EB/pv

Concurrence: _____ Date: _____

EXHIBIT A

COUNTY PROPERTY LEGAL DESCRIPTION

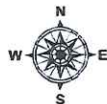
ALL OF THE PLAT OF PALM BEACH COUNTY BIOTECHNOLOGY RESEARCH PARK
AS RECORDED IN PLAT BOOK 103, PAGE 108 OF THE PUBLIC RECORDS OF PALM
BEACH COUNTY, FLORIDA.

EXHIBIT
B

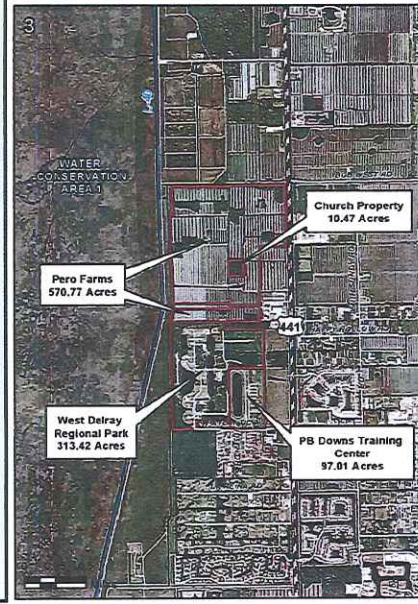


Legend

Lands in Palm Beach County



IMPORTANT! DISCLAIMER
This map is a conceptual or planning tool only. The South Florida Water Management District does not guarantee or make any representation regarding the information contained herein. It is not self-executing or binding, and does not affect the interests of any persons or properties, including any present or future right to use of real property.



UPDATED
22-MAY-2012

Palm Beach County
Lands
Palm Beach County

[sfwmd.com](http://www.sfwmd.com)
South Florida Water Management District
Land Acquisition Department
GIS SECTION
3381 Glen Clark Road, West Palm Beach, Florida 33406
MAILING ADDRESS: P.O. Box 7480, West Palm Beach, FL 33416-0480



For information on this project, please contact: Mr. Robert J. Berman, Director, Land Acquisition Department, 3381 Glen Clark Road, West Palm Beach, Florida 33406

Hungryland
Slough
Natural Area

JW Corbett
Wildlife
Management
Area

Palm Beach
Gardens
Vacant

Acreage Single-
Family Rural
Residential



EXHIBIT

B



Legend

Lands in Palm Beach County



IMPORTANT DISCLAIMER
 This map is a conceptual or planning tool only. The South Florida Water Management District does not guarantee or make any representation regarding the information contained herein. It is not intended to be used for any purpose that affects the interests of any persons or properties, including any present or future rights or use of real property.

ATTACHMENT 3



UPDA RFD
 22-MAY-2012

Palm Beach County
Lands
 Palm Beach County



South Florida Water Management District
 Land Acquisition Department
 GIS SECTION, 1000 West Palm Beach, Florida 33406
 811-481-8100 • FLWA811-800-432-2644 • www.sfwmd.gov
 MAILING ADDRESS: P.O. Box 2460, West Palm Beach, FL 33416-4600



Map created by the GIS Section, South Florida Water Management District, 1000 West Palm Beach, Florida 33406. User name: upda_rfd_22may2012. File path: \\sfdm\GIS\Map\2012\UPDA_RFD_22-May-2012.mxd

ATTACHMENT 4

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
RESOLUTION NO. 2012- _____**

A RESOLUTION OF THE GOVERNING BOARD OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT CONCEPTUALLY APPROVING A PROPOSED LAND EXCHANGE WITH PALM BEACH COUNTY IN WHICH THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT WILL ACQUIRE APPROXIMATELY 1,920 ACRES OF LAND IN PALM BEACH COUNTY, FORMERLY KNOWN AS THE MECCA FARMS PARCEL, IN EXCHANGE FOR THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT CONVEYING TO PALM BEACH COUNTY APPROXIMATELY 1,495 ACRES IN PALM BEACH COUNTY AND PAYING CASH IN THE AMOUNT OF \$30,000,000; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the staff of the South Florida Water Management District entered into the non-binding Letter of Intent with Palm Beach County, dated May 23, 2012; and

WHEREAS, the Letter of Intent lays out in general terms a proposed land exchange; and

WHEREAS, under the current proposed land exchange, the South Florida Water Management District will acquire from Palm Beach County approximately 1,920 acres of land in Palm Beach County, formerly known as the Mecca Farms Parcel, as identified in attached Exhibit A; and

WHEREAS, in exchange the South Florida Water Management District will convey to Palm Beach County five properties totaling approximately 1,495 acres of land in Palm Beach County, as identified in attached Exhibit B; and

WHEREAS, under the current proposal, the South Florida Water Management District will supplement the land exchange with a cash payment of \$30,000,000 to roughly equalize the estimated values of the exchange parcels; and

WHEREAS, staff will obtain an appraisal of the all the exchange parcels to support the transaction; and

WHEREAS, it is desirable that both the Governing Board of the South Florida Water Management District and the Board of County Commissioners of Palm Beach County conceptually approve the proposed transaction before the parties proceed with the negotiation of a Land Exchange Agreement to be brought back to this Governing Board and the Palm Beach County Commission for review and approval; and

WHEREAS, this proposed land exchange will provide significant benefits to Loxahatchee River Watershed restoration and enable use of the L-8 Reservoir for the Everglades Restoration Project.

NOW THEREFORE,

BE IT RESOLVED BY THE GOVERNING BOARD OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT:

Section 1. The Governing Board of the South Florida Water Management District hereby conceptually approves staff proceeding with negotiating a proposed Land Exchange Agreement.

Section 2. After negotiations have been completed, staff will bring the Land Exchange Agreement back to the Governing Board for review and consideration for approval.

Section 3. This resolution shall take effect immediately upon adoption.

PASSED and ADOPTED this _____ day of _____, 2012.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT, BY ITS GOVERNING BOARD

By:

Chair

ATTEST:

Secretary

Approved as to form:

By:

Office of Counsel