Agenda Item #___3K-5____

PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS AGENDA ITEM SUMMARY

Meeting Date: December 4, 2012

Consent [x] Public Hearing [] Regular []

Department: Water Utilities Department

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: A First Amendment to the Standard Potable Water and Wastewater Development Agreement and an Indemnity/Restoration Agreement with KRG/Atlantic Delray Beach, LLC (Property Owner).

Summary: The County and Property Owner entered into a Standard Potable Water and Wastewater Development Agreement for a property on August 27, 2007. The County and Property Owner also entered into a Reclaimed Water Development Agreement on September 11, 2007, as this property is located in the "Mandatory Reclaimed Water Service Area". Reclaimed water service is not presently available to the site, but is anticipated to be available within one (1) year. The Property Owner has built its irrigation system to use reclaimed water in accordance with the Reclaimed Agreement. This Amendment permits the use of potable water for irrigation on the property until such time as reclaimed water is available. The Property Owner will connect to reclaimed water for landscape irrigation within 30 days of notification that reclaimed water is available. The Property Owner will obtain necessary approvals to use potable water for irrigation as the unavailability of reclaimed water to the subject property is caused by circumstances outside the control of the Property Owner. The Water Utilities Department recommends the temporary provision of potable water for irrigation at the temporary wholesale rate, which is currently \$1.40 per 1,000 gallons and deference of Impact Fees until reclaimed water is made available to the customer.

Additionally, the County is requiring the Property Owner and its successors to memorialize certain obligations related to maintenance and/or replacement and hold the County harmless from and against any and all damages related to maintenance of the Utility facilities. <u>District 5</u> (MJ)

Background and Justification: The Property Owner is developing the Delray Marketplace commercial site at the corner of Atlantic Avenue and Lyons Road. The First Amendment along with the Indemnity/Restoration Agreement will assist in the timely completion of the project. The County will provide potable water for irrigation purposes at the temporary wholesale rate until December 31, 2013, or until such time that Reclaimed Water is available, whichever occurs first.

Attachments:

- 1. Two (2) Original First Amendment to the Standard Potable Water & Wastewater Development Agreement
- 2. One (1) Original Indemnity/Restoration Agreement

Recommended By:	Beng Beauty Department Director	1/2/12		
, , , , , , , , , , , , , , , , , , ,	Department Director	Date		
Approved By:	Stann R. By Assistant County Administrator	112912 Pate		

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2013	2014	2015	2016	2017	
Capital Expenditures External Revenues (see part B)	<u>0</u> 0	<u>0</u> 0	<u>0</u> 0	<u>0</u> 0	<u>0</u> 0	
Program Income (County) In-Kind Match County	<u>0</u> 0	<u>0</u> 0	<u>0</u> 0	<u>0</u> 0	<u>0</u> 0	
NET FISCAL IMPACT	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
# ADDITIONAL FTE POSITIONS (Cumulative)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Budget Account No.: Fund	d 4001 C	Dept. 720	Unit 420	0 Rev Sou	rce 4370	

Is Item Included in Current Budget? Yes ____ No X___

Reporting Category N/A

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

This item defers impact fees until Reclaimed Water is made available to the customer.

Delua movest **Department Fiscal Review:** C.

III. REVIEW COMMENTS

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

100((2ontract Development and

Legal Sufficiency Β. 12 Assistant County

C. Other Department Review:

Department Director

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

FIRST AMENDMENT TO STANDARD POTABLE WATER AND WASTEWATER DEVELOPMENT AGREEMENT

THIS FIRST AMENDMENT, made and entered into this _____ day of _____, 2012, by and between PALM BEACH COUNTY, a subdivision of the State of Florida, hereinafter referred to as "Utility," and KRG/ATLANTIC DELRAY BEACH LLC, hereinafter referred to as "Property Owner."

WITNESSETH

WHEREAS, Utility and Property Owner entered into a Standard Potable Water and Wastewater Development Agreement ("Agreement") on August 27, 2007 (SDA # 03-01024-001), as recorded in Official Records Book 22109/Page 795 of the Official Records of Palm Beach County; and

WHEREAS, Utility and Property Owner wish to amend the Agreement in order to allow for the temporary provision of Potable Water to the Property for irrigation purposes and associated terms and conditions.

NOW, THEREFORE, for and in consideration of these premises, the mutual undertakings and agreements herein contained and assumed, Property Owner and Utility hereby covenant and agree as follows:

- 1. The foregoing statements are true and correct and are incorporated herein by specific reference.
- 2. Section 15, "Additional Conditions" is hereby amended to read:
 - A. Property Owner and Utility previously entered into a Reclaimed Water Development Agreement (DA # 03-90007/County Resolution No. R2007-1528)(the "Reclaimed Agreement"). In accordance with the Reclaimed Agreement, Property Owner has installed facilities to utilize Reclaimed Water (as that term is defined in UPAP) for irrigation purposes on the Property. Property Owner is now in need of Reclaimed Water to provide for irrigation on the Property. However, due to the inability to complete an offsite pipeline, for reasons outside the control of the Utility and the Property Owner, Reclaimed Water is currently unavailable to the Property. The Utility hereby consents to the temporary use of Potable Water for irrigation purposes on the Property until Reclaimed Water is available to the Property, or December 31, 2013, whichever occurs first. There shall be no Service Initiation Fees (as that term is defined in UPAP) for the connection of

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Attachment #_

the Property's irrigation system to the Utility's Potable Water System. A separate meter shall be utilized for the Potable Water irrigation connection, and Property Owner shall pay the Utility's temporary wholesale rate for Potable Water (\$1.40/thousand gallons) for irrigation Potable Water.

- B. If Reclaimed Water is still unavailable to the Property following December 31, 2013, Property Owner shall be required to pay all applicable Potable Water Service Initiation Fees for the Potable Water irrigation connection. Said Potable Water Service Initiation Fees shall be applied as a credit for any Reclaimed Water Service Initiation Fees due at the time of a later connection to the Utility's Reclaimed Water system. In addition, following December 31, 2013, the temporary wholesale rate for Potable Water shall no longer apply, and the Utility's standard non-residential Potable Water Commodity Fee shall apply to the irrigation Potable Water. At the time that Property Owner connects its irrigation system to the Utility's Reclaimed Water system, Property Owner shall disconnect the irrigation system from the Utility's Potable Water system, with all costs of said disconnection to be borne by the Property Owner.
- C. Property Owner acknowledges and agrees that Utility has no direct control over the completion of the offsite pipeline, and, for itself and its successors, heirs, and assigns, hereby indemnifies, releases, and holds the Utility harmless from and against any and all liabilities, damages, penalties, claims, costs and expenses whatsoever, including attorneys' fees at all levels, related to the continued unavailability of Reclaimed Water to the Property.
- 3. All other provisions of the Agreement, dated August 27, 2007, are hereby confirmed and, except as provided herein, are not otherwise altered or amended and shall remain in full force and effect.
- 4. Palm Beach County has established the Office of the Inspector General in Palm Beach County Code, Section 2-421-2-440, as may be amended. The Inspector General's authority includes but is not limited to the power to review past, present and proposed County contracts, transactions, accounts and records, to require the production of records, and to audit, investigate, monitor, and inspect the activities of the Property Owner(s), its officers, agents, employees, and lobbyists in order to ensure compliance with contract requirements and detect corruption and fraud.

[THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Property Owner and Utility have executed or have caused this First Amendment to be duly executed in several counterparts, each of which counterpart shall be considered an original executed copy of this First Amendment.

ATTEST:

SHARON R. BOCK, CLERK AND COMPTROLLER

PALM BEACH COUNTY, FLORIDA BY ITS BOARD OF COUNTY COMMISSIONERS

Chair

By:

Deputy Clerk

By: _

[SEAL]

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

By:_

County Attorney

APPROVED AS TO TERMS AND CONDITIONS

eard By: Department Director

WITNESSES:

lau

ADAM GALICH Type or Print Name

ligns 5 W

Type or Print Name

PROPERTY OWNER:

By: Signature Manager moject Title L'Erre Strickland Typed or Printed Name

Corporate Seal

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NOTARY CERTIFICATE

STATE OF FLORIDA COUNTY PALM BEACH

The	foregoing	instrument							11	++0	n	day	of
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corporation, c	on behalf	of the corp	oration.	He/she	is	personally	known	to	me	or	has	produ	ced
US PASE	SPOVT	\underline{JD} as	identific	ation.								-	
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				10-	$\overline{\mathbf{T}}$								
			Signatur	ofNotar	y								
		MMY TRAGAS	078586										
÷.	EX Bond	pires April 12, 2 ed Thru Troy Fain Insurar	Hyped P	tinted, or	Stam	ped Name							

Notary Public

Serial Number

4

Prepared by and return to: Palm Beach County Water Utilities Department P.O. Box 16097 West Palm Beach, Florida 33416-6097

INDEMNITY/RESTORATION AGREEMENT

THIS AGREEMENT made and entered into this ______ day of ______, 2012, by and between KRG/ATLANTIC DELRAY BEACH, LLC, a Florida limited liability company (hereinafter referred to as "Property Owner") whose address is c/o Kite Realty Group, Attn: Vice President of Property Operations, 30 South Meridian, Suite 1100, Indianapolis, Indiana 46204, and PALM BEACH COUNTY, (hereinafter referred to as "County"), whose address is c/o Palm Beach County Water Utilities Department, P. O. Box 16097, West Palm Beach, Florida 33416-6097.

WITNESSETH

WHEREAS, Property Owner holds title to that certain parcel of real property ("Property") more particularly described in Exhibit "A", which is attached hereto and incorporated herein; and

WHEREAS, Property Owner is in the process of developing the Property, and has entered into a Standard Development Agreements with the County regarding the provision of potable water and wastewater service to the Property (recorded at ORB 22109 Page 795 of the Official Records of Palm Beach County) and reclaimed water service to the Property (recorded at ORB 22131 Page 395 of the Official Records of Palm Beach County), including the installation of potable water, wastewater, and reclaimed water pipelines and appurtenant facilities (hereinafter collectively referred to as the "Facilities") on the Property; and

WHEREAS, the previously-approved design plans for the Property included the use of asphalt pavement for certain areas of the Property (the "Hardscaped Areas") and had a portion of the Facilities being installed under the Hardscaped Areas (a depiction of the Hardscaped Areas is attached hereto as **Exhibit "B"**); and

WHEREAS, the Facilities have been installed in accordance with the previously-approved design plans, however, Property Owner now wishes to utilize concrete material instead of asphalt pavement for the Hardscaped Areas; and

WHEREAS, pursuant to the Standard Development Agreements, following completion of the installation of the Facilities, Property Owner will be required to convey ownership of the Facilities and utility easements containing the Facilities (the "Easements") to the County to permit the County to access the Facilities and to install, operate, maintain, service, construct, reconstruct, remove, relocate, repair, replace, improve, expand, tie into, and inspect the Facilities (the "Work"); and

WHEREAS, the installation of the Facilities under concrete material will hinder the access of the County to the Facilities and will materially affect the time, cost, equipment and expertise required to perform the Work; and

WHEREAS, as a condition of approving the use of concrete material for the Hardscaped Areas, the County is requiring Property Owner, for itself and its successors, heirs, and assigns, to enter into this Agreement in order to memorialize certain obligations related to the Work, and to indemnify, release, and hold the County harmless from and against any and all damages related to the Work.

NOW THEREFORE, for and in consideration of the covenants set forth herein, Property Owner and County hereby agree as follows:

- 1. The foregoing recitals are true and correct and are incorporated herein by reference.
- 2. The parties agree and understand that the continued effectiveness of this Agreement is a prerequisite to the County's approval of the location of the Facilities, and that the foregoing approval shall be revoked should this Agreement, for any reason, become ineffective during the period of time that the Facilities are operating. Any obligations of the Property Owner under this Agreement shall inure to the Property

Attachment #_

Owner's successors, heirs, or assigns, regardless of whether said successors, heirs, or assigns are specifically identified herein.

- 3. If, at any time, it is necessary for County to access the Facilities located under the Hardscaped Areas to perform Work, County will promptly notify the Property Owner of the necessity for the removal of certain sections of the concrete material. Notification shall be made to Eric Strickland, P.E., Sr Project Manager @ (317) 578-5165 or estrickland@kiterealtv.com. Following receipt of notification, Property Owner shall either: (a) remove, at Property Owner's sole cost, the sections of concrete necessary for the County to access the Facilities; or (b) notify the County that the County should have the concrete removed in order to access the Facilities. Said notification to the County shall be made to the Water Utilities Department representative that initiated the access request. Should Property Owner select to have the County remove the concrete, Property Owner shall be responsible for all costs involved in said removal. County shall provide Property Owner with an invoice for said costs, and the failure of Property Owner to reimburse County for said costs shall be a breach of this Agreement and grounds for termination of this Agreement and revocation of the County's approval of the location of the Facilities if such failure continues for thirty (30) days after written notice of such breach is delivered to Property Owner. The notice provisions of this paragraph shall be waived should the County be required to immediately perform any Work in order to avoid a detriment to public health, safety, and welfare. In such case, County may immediately remove the sections of concrete necessary to access the Facilities, and Property Owner shall be responsible for reimbursing to County the costs of said removal in accordance with this paragraph.
- 4. In lieu of the process set forth in Paragraph 3 above, following notice of the County's necessity to access the Facilities, Property Owner may request that it perform the Work with its own forces. County, in its sole discretion, may accept or reject such a request. Any Work performed by Property Owner shall be performed by individuals/companies which possess all required licenses/certifications to perform the Work. All Work shall be done in accordance with all applicable laws, statutes, ordinances, and regulations including, but not limited to, the Palm Beach County Water Utilities Department's Minimum Design and Construction Standards.
- 5. Following the County's performance of any Work, County's restoration obligation shall be solely to fill in the repair area up to grade. County shall have no obligation to repair, replace, or otherwise restore the concrete material to its condition prior to the performance of the Work.
- 6. As further consideration of the County's consent to the location of the Facilities within the Hardscaped Areas, unless caused by the negligence or willful misconduct of the County, its employees, agents or contractors, Property Owner, its successors, heirs and assigns, hereby agrees to indemnify, release, and hold County harmless from and against any and all liabilities, damages, penalties, claims, costs and expenses whatsoever, including attorneys' fees at all levels, caused by the Work, including, but not limited to, any and all liabilities, damages, penalties, claims, costs and expenses whatsoever, including attorneys' fees at all levels, costs and expenses whatsoever, including attorneys' fees at all levels, costs and expenses whatsoever, including attorneys' fees at all levels, costs and expenses whatsoever, including attorneys' fees at all levels, costs and expenses whatsoever, including attorneys' fees at all levels, costs and expenses whatsoever, including attorneys' fees at all levels, costs and expenses whatsoever, including attorneys' fees at all levels, costs and expenses whatsoever, including attorneys' fees at all levels, costs and expenses whatsoever, including attorneys' fees at all levels, costs and expenses whatsoever, including attorneys' fees at all levels, costs and expenses whatsoever, including attorneys' fees at all levels, costs and expenses whatsoever, including attorneys' fees at all levels, costs and expenses whatsoever, including attorneys' fees at all levels, costs and expenses whatsoever, including attorneys' fees at all levels, costs and expenses whatsoever, including attorneys' fees at all levels, costs and expenses whatsoever, including attorneys' fees at all levels, costs and expenses whatsoever, including attorneys' fees at all levels, costs and costs and expenses whatsoever, including attorneys' fees at all levels, costs and costs at all levels, costs and costs at all levels, costs at allevels, costs at all level
 - (a) the interruption of potable water, wastewater, or reclaimed water service to any customer of the County, including the Property Owner and their tenants, due to the malfunction of the Facilities, delay in County's access to the Facilities, and/or the performance of the Work;
 - (b) Any claims of business loss due to the malfunction of the Facilities, delay in County's access to the Facilities, and/or the performance of the Work;
 - (c) the interruption or limitation of vehicular or pedestrian access across the Property due to the malfunction of the Facilities, delay in County's access to the Facilities, and/or the performance of the Work; and
 - (d) Any damage to the Hardscaped Areas due to the malfunction of the Facilities, delay in County's access to the Facilities, and/or the performance of the Work.
 - (e) Any Work performed by Property Owner's own forces.

- 7. This Agreement shall be binding upon the Property Owner and its successors, heirs, and assigns. This Agreement will run with the land and shall be recorded in the Public Records of Palm Beach County, Florida. This Agreement shall remain effective for as long as the Facilities are located on the Property.
- 8. Pursuant to Ordinance No. 2009-049, as amended, Palm Beach County's Officer of Inspector General is authorized to review past, present and proposed County contracts, transactions, accounts, and records. The Inspector General's authority includes, but is not limited to, the power to audit, investigate, monitor, and inspect the activities of entities contracting with Palm Beach County, or anyone acting on their behalf, in order to ensure compliance with contract requirements and to detect corruption and fraud.

THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the Owner and County have executed this Agreement as of the date first above written.

WITNESSES:	OWNER:
Signed, sealed and delivered in the presence of:	KRG/ATLANTIC, DELRAY BEACH, LLC, a Florida limited liability company
×IC o	
Witness Signature	By:
L. Eric Stricklond	Printed: Thomas K. McGowan!
Print Name	Title: President & COO
	(SEAL)
Witness Signature	
<u>Jennifer Sheeman</u> Print Name	
STATE OF FLORIDA - Indiana NOTARY CER	TIFICATE
COUNTY OF PALM BEACH Marion	
The foregoing instrument was acknowledged <u>Ihomas K. McGoward</u> , as the <u>Hresiden</u> <u>f</u> <u>C</u> BEACH, LLC, a Florida limited liability company, wh as identification.	before me this 27^{14} day of Sept., 2012 by otherwise of KRG/ATLANTIC DELRAY o is personally known to me or who has produced
My Commission Expires: 9/11/2012	
Sarah E. Kuester	L-L
#553566	Notary Signature
Hamilton County My Commission Expires on:	Sarah E Kvester
September 11, 2014	Typed, Printed or Stamped Name of Notary
ATTEST:	
SHARON R. BOCK, CLERK & COMPTROLLER	PALM BEACH COUNTY, BY ITS BOARD OF COUNTY
	COMMISSIONERS
Ву:	By:
By: Deputy Clerk	, Chair
(SEAL)	
APPROVED AS TO FORM AND LEGAL SUFFICIENCY	APPROVED AS TO TERMS AND CONDITIONS
By: County Attorney	By: Bener Beautic
County Attorney	Director of Water Utilities

EXHIBIT A

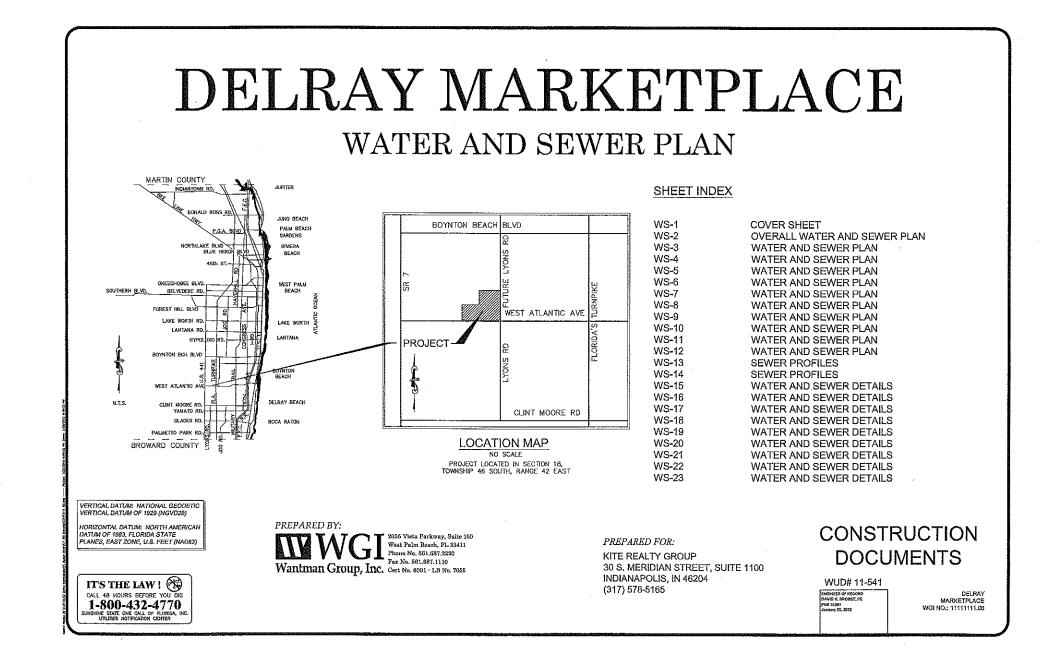
Legal Description of "Property"

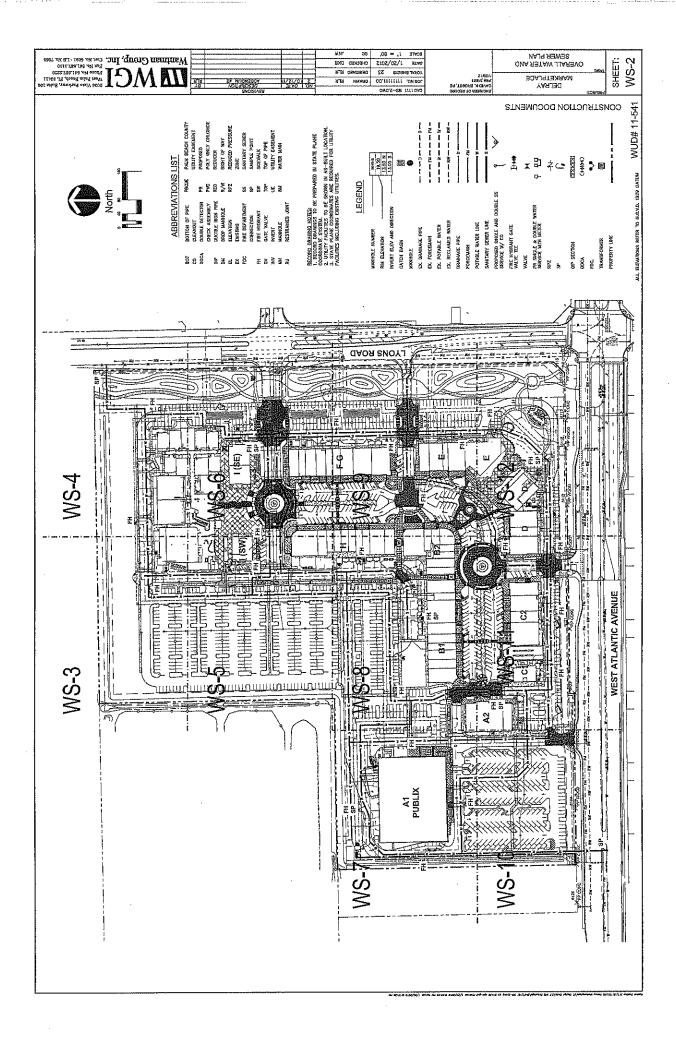
All land that is part of the Delray Marketplace Plat recorded in Palm Beach county Recorder's Office, Place Book 115, Pages 19-26, recorded on February 16, 2012. Legal Description:

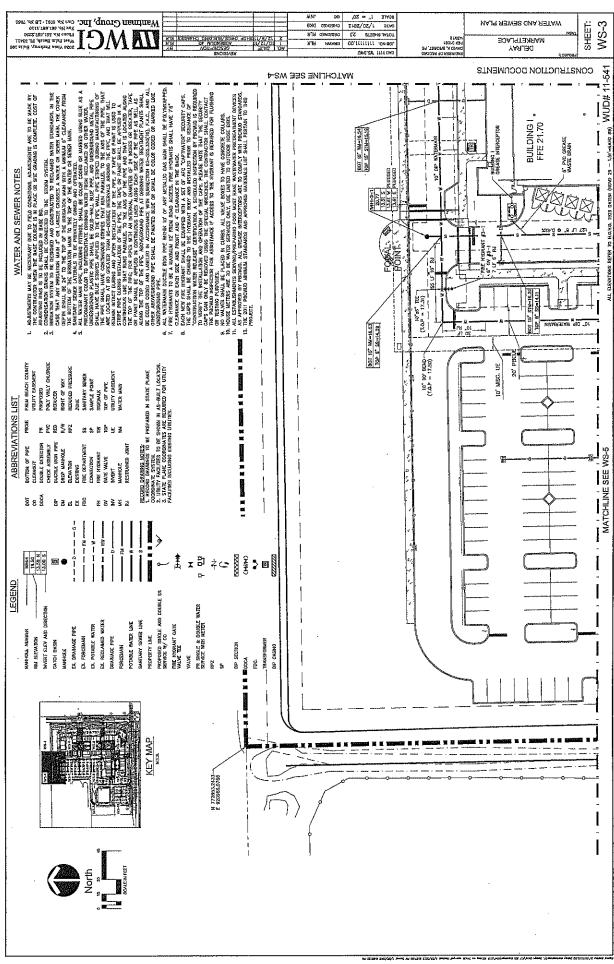
All land that is part of the Delray Marketplace Plat recorded in Palm Beach County Recorder's Office, Plat Book 115, Pages 19-26, recorded on February 16, 2012.

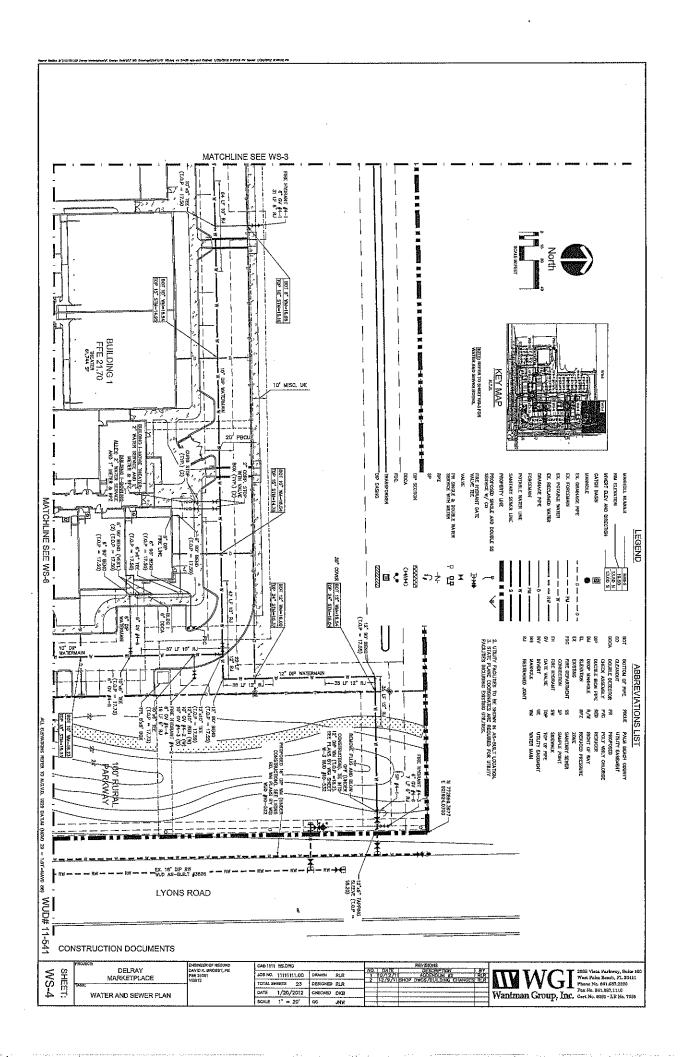
EXHIBIT B

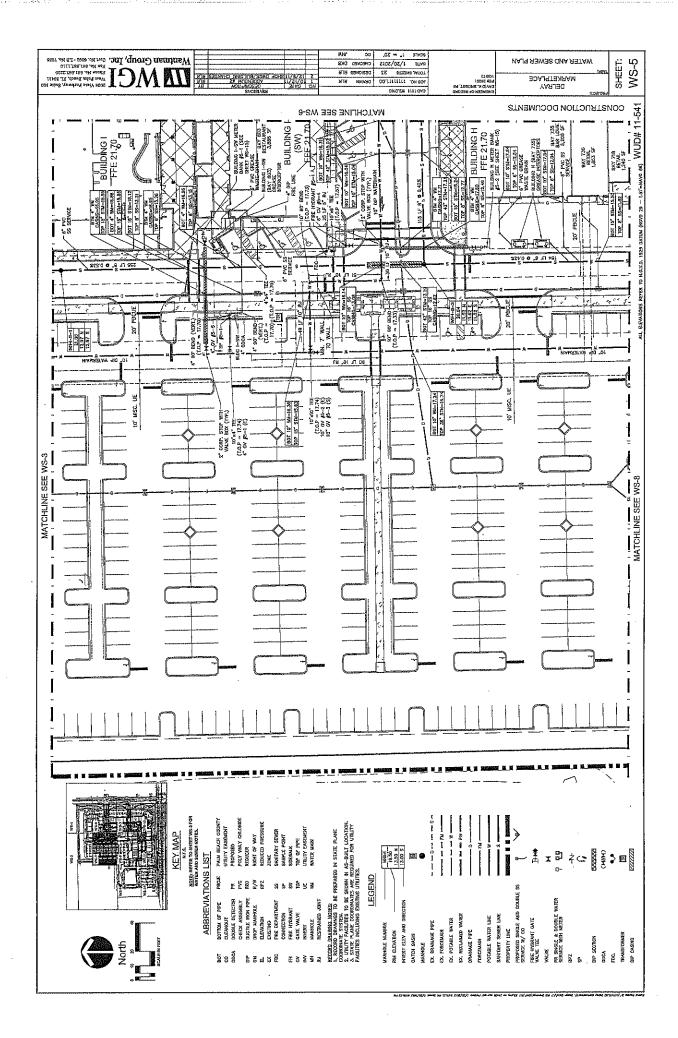
Depiction of Hardscaped Area

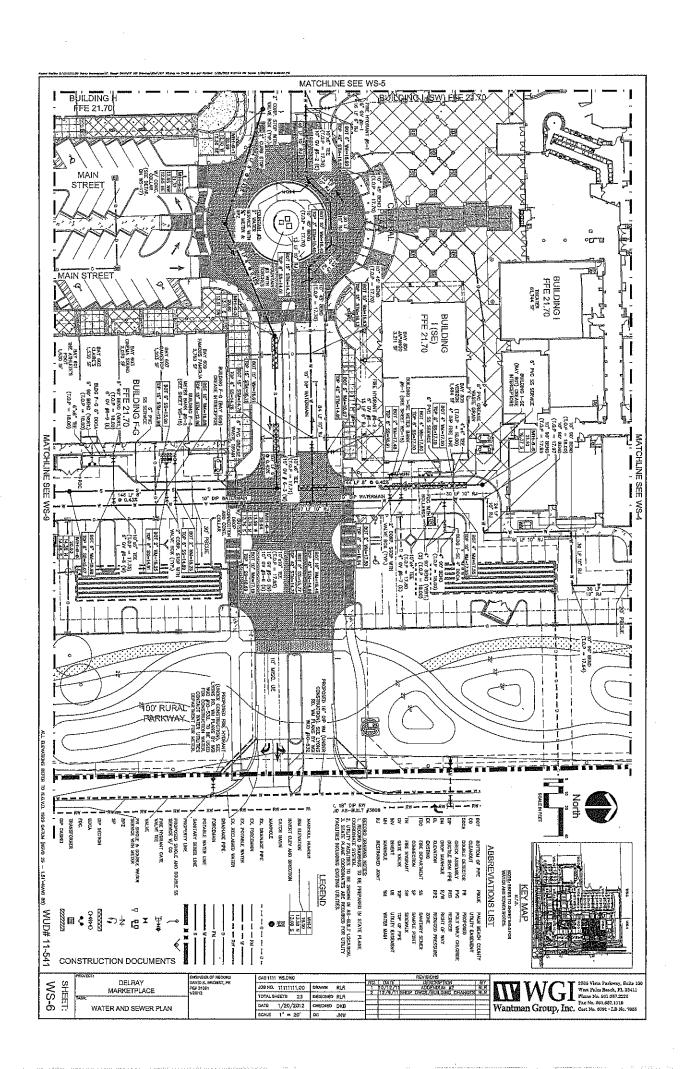


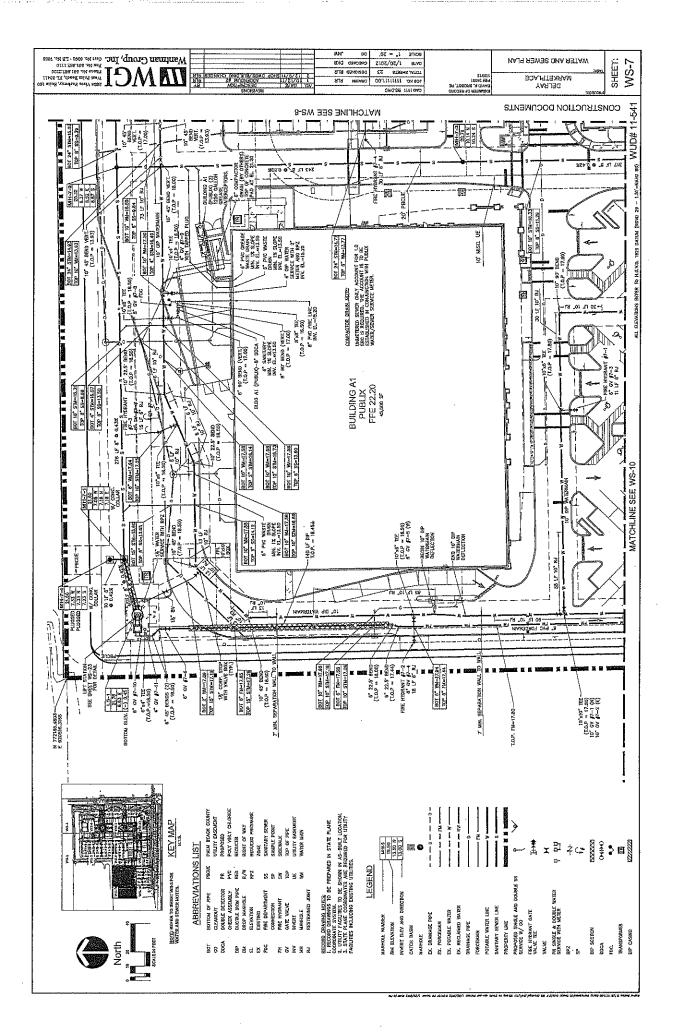


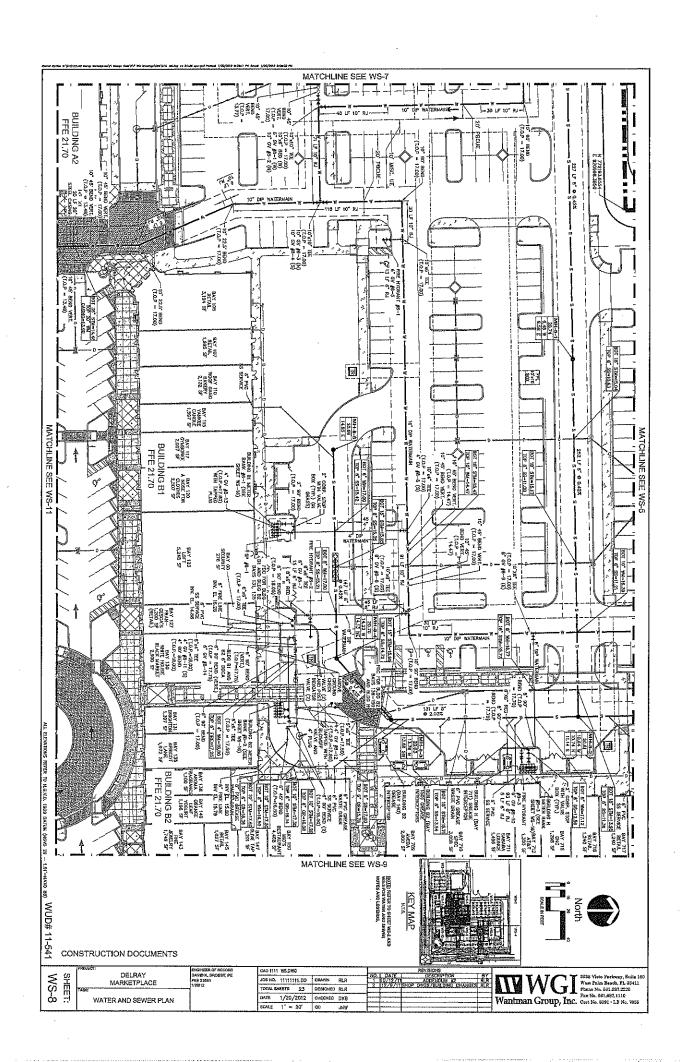


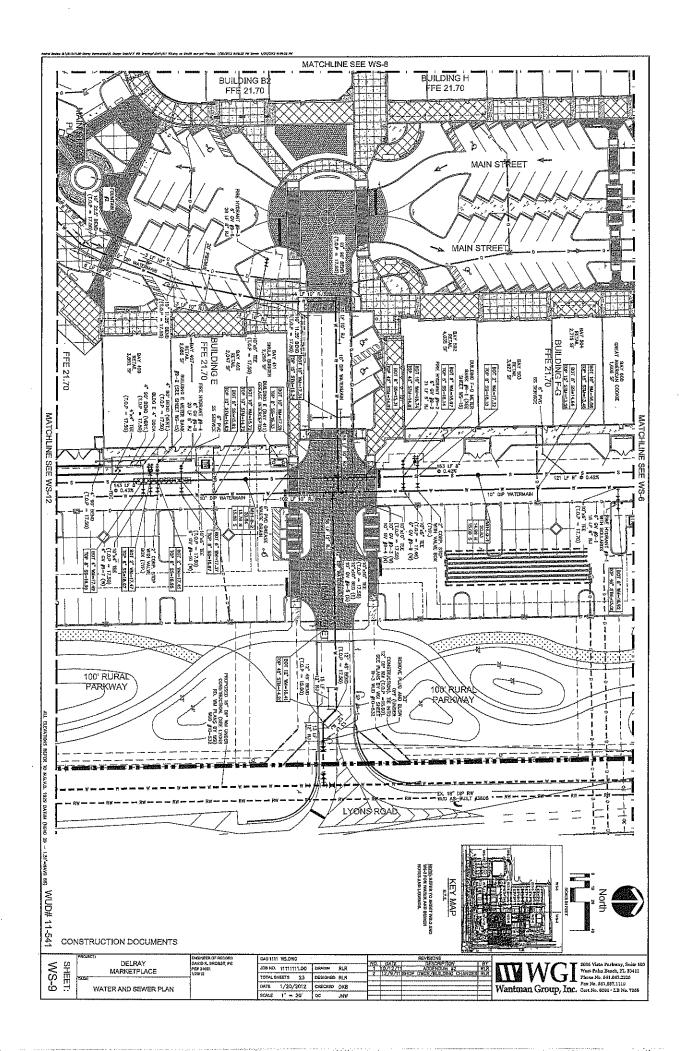


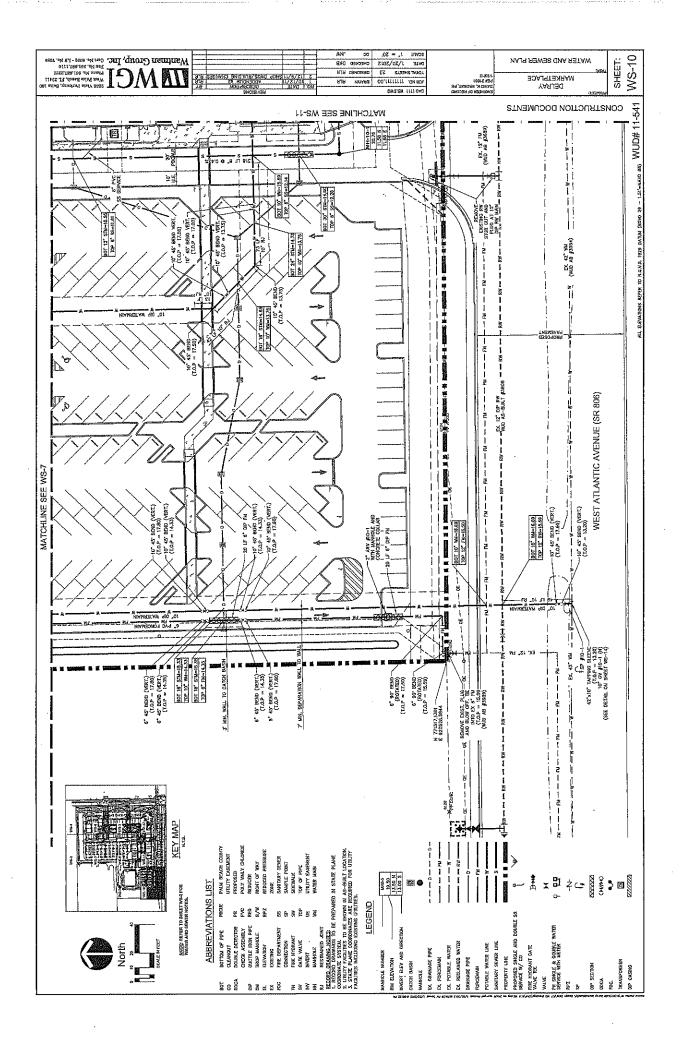


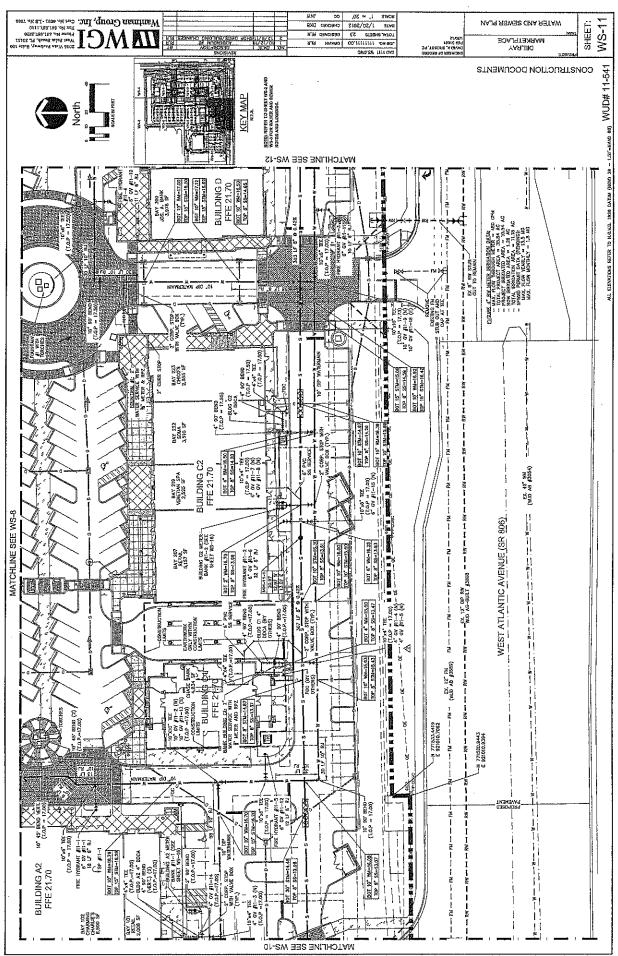


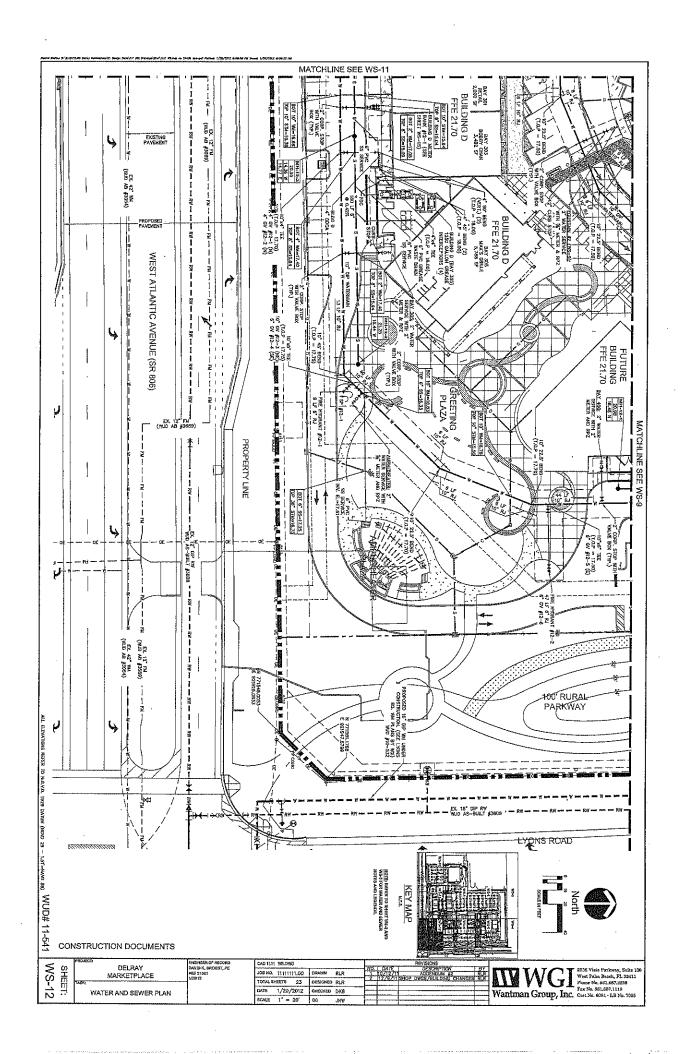












Prepared by and Return to: Palm Beach County Water Utilities Department P.O. Box 16097 West Palm Beach, Florida 33416-6097

CONSENT AND SUBORDINATION OF MORTGAGEE FOR INDEMNITY/RESTORATION AGREEMENT

The undersigned mortgagee does hereby consent to this Indemnity/Restoration Agreement, across the lands herein described, and agrees that its mortgage, which is recorded in Official Record Book 24866, Page 0459, of the Public Records of Palm Beach County, Florida, shall be subordinated to this Indemnity/Restoration Agreement.

IN WITNESS WHEREOF, the Grantor/Mortgagee has hereunto set its hand and affixed its seal as of the date first above written.

WITNESSES: Signed, sealed and delivered in the presence of:

Signature

JA14

Witness Signature

Amanda Print Name

GRANTOR/MORTGAGEE:

BANK OF AMERICA, N.A., a national banking association, as Agent for Lenders

Signature

Title

(SEAL)

NOTARY CERTIFICATE

STATE OF INDIANA COUNTY OF MARION

The foregoing instrument was acknowledged before me this $2\sigma^{2}$ day of $\underline{foremh}_{2012}$ by <u>AMERICA, N.A.</u>, a national banking association, who is personally known to me or who has produced $\underline{Dr/ver's'}$ <u>identification</u>.

My Commission ک *ال*حرز ا

Notary 4

PEGGY A HAUSTEIN Conversion Stamped Instantion of No Typed, Prin My Commission Expires January 28, 2016