



**II. FISCAL IMPACT ANALYSIS**

**A. Five Year Summary of Fiscal Impact:**

Fiscal Years	2013	2014	2015	2016	2017
Capital Expenditures	\$15,000				
Operating Costs					
External Revenues					
Program Income (County)					
In-Kind Match (County)					
<b>NET FISCAL IMPACT</b>	<b>\$15,000</b>				
# ADDITIONAL FTE POSITIONS (Cumulative)					

Is Item Included in Current Budget: Yes  No

Budget Account No: Fund 3804 Dept 411 Unit B423 Object 6101  
 Program \_\_\_\_\_

**B. Recommended Sources of Funds/Summary of Fiscal Impact:** The source of funds is a line established to fund due diligence, appraisals, planning and consulting services to assist in Staff efforts in evaluating potential land acquisitions, land disposals and property leases.

**C. Departmental Fiscal Review:** \_\_\_\_\_

**III. REVIEW COMMENTS**

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

OFMB *[Signature]* 5/16 5/13  
 Contract Development and Control *[Signature]* 5/9/13  
5-9-13 B. Wheeler

**B. Legal Sufficiency:**

*[Signature]* 5/13/13  
 Assistant County Attorney

**C. Other Department Review:**

\_\_\_\_\_  
 Department Director

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

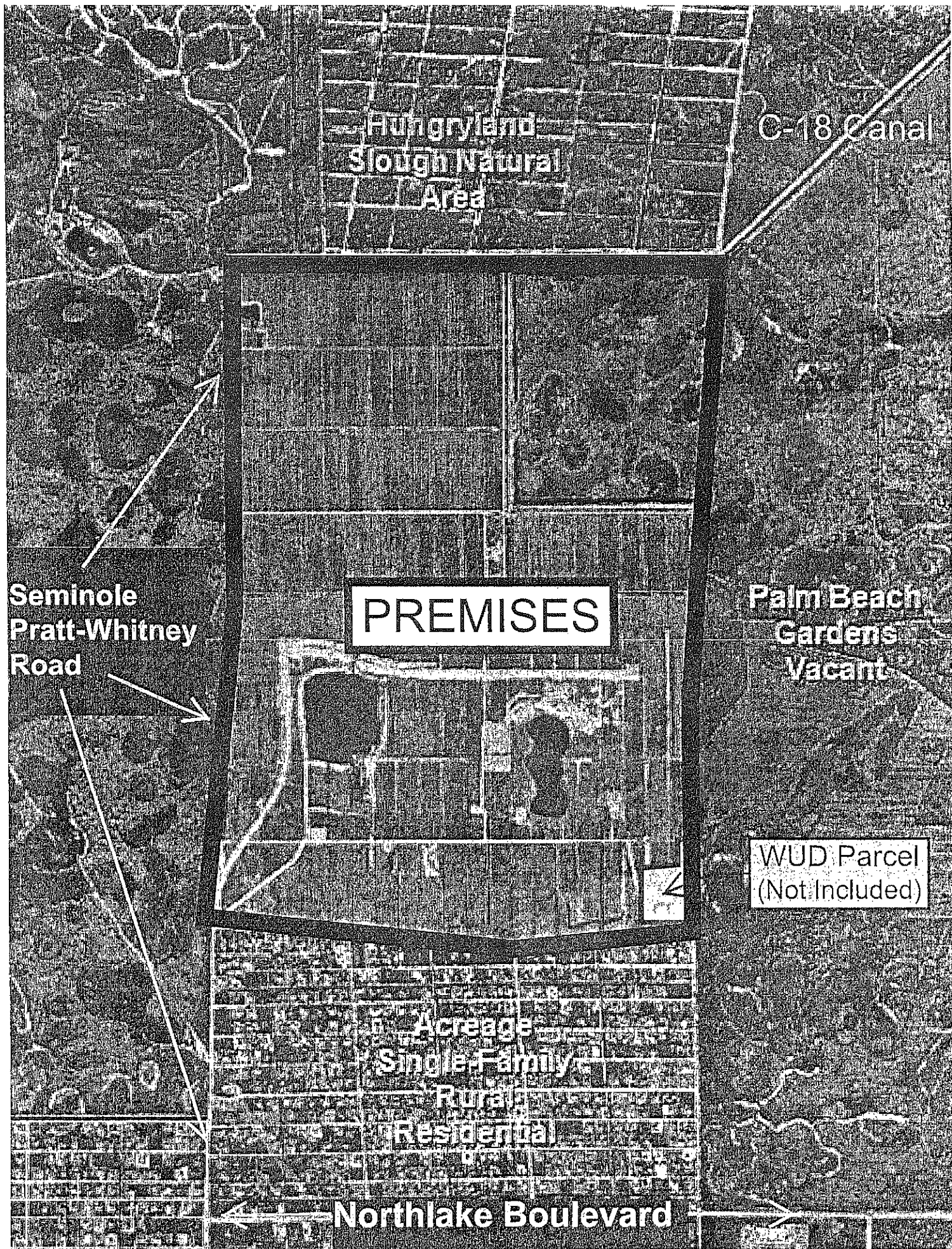
**Page 3**  
**Background and Policy Issues Continued**

In addition, Pope agreed to a prohibition on burning of its sugar cane crops. The foregoing changes were all made subsequent to Pope's selection.

Pope submitted a statement of costs incurred in connection with the RFP. Their cost statement totaled \$23,000. Staff's review of those expenses identified charges for time the owners spent on reviewing the Lease and other documentation which Staff does not feel are appropriate for reimbursement. Staff proposes \$15,000 as reasonable estimate of expenses incurred by Pope Farms in connection with the RFP.

While the RFP clearly provides that the County shall have no obligation for work done or expenses incurred by respondents to the RFP prior to execution of a lease, the circumstances associated with this RFP are somewhat unique. This award of lease was postponed at the request of the SFWMD in order to allow the County and SFWMD to negotiate a sale of the property. This was a change in the County's position and was not the result of any fault with Pope's proposal. The County benefits from active participation in the RFP process. To the extent that participation decreases due to fears that respondents may not be treated fairly, the process may become less competitive. Payment of compensation to Pope Farms will hopefully offset potential negative perception of the County's process and ensure future competitiveness.

# Location Map



40-2

Agenda Item #:

MIBA 5-0  
S.V abs

To include additional discussion at a later date

PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS  
AGENDA ITEM SUMMARY

Meeting Date: March 6, 2012 [ ] Consent [X] Regular  
[ ] Ordinance [ ] Public Hearing

Department: Facilities Development & Operations

APPROVED

BY BOARD OF COUNTY COMMISSIONERS  
AT MEETING OF MAR 06 2012

I. EXECUTIVE BRIEF

*[Signature]* D.C.  
MINUTES & RECORDS SECTION

Motion and Title: Staff recommends motion to approve: selection of the proposal submitted by Pope Farms, Inc. as the most responsive to RFP 2011-102-RCB for the lease of the 1900 +/- acre Mecca Property for agricultural/farming purposes.

Summary: In December of 2011, Staff issued a Request For Proposals (RFP) to lease the Mecca Property for farming and assume responsibility for maintenance of the entire 1900 acre property, less the approximately 10 acre Water Utilities site. Maintenance of the property costs the County roughly \$250,000/year. The initial term was limited to 5 years to preserve options for disposition of the property. Extension options were allowed, subject to County approval. Three (3) responses to the RFP were received: 1) Pope Farms; 2) Harvest Time Market and Hundley Farms; and 3) Mecca Farms. Pope Farms proposed to lease 750 acres for 5 years with 3 options to extend, each for 5 years, with all options subject to County approval. Pope Farms proposes to grow sugar cane and pay rent at the rate of \$200/acre farmed/year (\$150,000/year). Both Harvest Time Market/Hundley Farms and Mecca Farms proposed to pay \$0 in rent during the first 5 years. Due to Pope's rent payment of \$150,000/year during the first five years, Staff determined it to be the most responsive since options potentially resulting in a higher rent over a longer term are not consistent with the County's efforts to ultimately dispose of the property. Staff reviewed the financial structure of this proposal with bond counsel to ensure that revenue received from this lease will not violate any IRS limitations on private activity revenue under the bonds issued for acquisition and development of the property. (PREM) District 1/Countywide (HJF)

Background and Policy Issues: The County acquired the 1900 +/- acre Mecca Property in 2004 for development of a Bio-Tech Research Park to support the Scripps Research Institute. The property has remained vacant since an alternate site was selected for development of Scripps facilities in 2006. Maintenance of the Mecca Property costs roughly \$250,000/year. The Board recently cut funding for security patrols of the property. Placing the property back in agricultural production until such time as the County is able to sell the property at a reasonable price will transfer the burden of maintaining the property to the farmer and will provide an increased level of security for the property.

(continued on page 3)

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Attachments:

- 1. Location Map
- 2. Disclosure of Beneficial Interests (Pope Farms)
- 3. Proposal Responses:
  - A. Pope Farms
  - B. Harvest Time / Hundley Farms
  - C. Mecca Farms

MAR 13 2012

Recommended By: *[Signature]* Army Wolf Department Director 2/12/12 Date

Approved By: *[Signature]* County Administrator 2/12/12 Date

**II. FISCAL IMPACT ANALYSIS**

**A. Five Year Summary of Fiscal Impact:**

Fiscal Years	2012	2013	2014	2015	2016
Capital Expenditures					
Operating Costs	(\$125,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)
External Revenues	(\$75,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)
Program Income (County)					
In-Kind Match (County)					
<b>NET FISCAL IMPACT</b>	<b>(\$200,000)</b>	<b>(\$400,000)</b>	<b>(\$400,000)</b>	<b>(\$400,000)</b>	<b>(\$400,000)</b>
# ADDITIONAL FTE POSITIONS (Cumulative)					

Is Item Included in Current Budget: Yes \_\_\_\_\_ No  X

Budget Account No: Fund \_\_\_\_\_ Dept \_\_\_\_\_ Unit \_\_\_\_\_ Object \_\_\_\_\_  
 Program \_\_\_\_\_

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

In addition to the external revenues of \$150,000/year, the County will be relieved of approximately \$250,000/year in maintenance costs.

**C. Departmental Fiscal Review: \_\_\_\_\_**

**III. REVIEW COMMENTS**

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

<p>_____ OFMB</p> <p><i>2/16/12</i></p> <p><i>2/14/12</i></p>	<p>_____ Contract Development and Control</p> <p><i>2-21-12 B.L. Hoelker</i></p>
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**B. Legal Sufficiency:**

\_\_\_\_\_  
Assistant County Attorney

*2/24/12*

**C. Other Department Review:**

\_\_\_\_\_  
Department Director

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

**Background and Policy Issues (cont.):** Significant work needs to be done in order to place the property in a condition where it can be farmed. For sugar cane, new ditch work and berming will be required. For row crops, substantially more work will be required, including ditch work, laser leveling and chemical application to adjust the PH of the soil. For any crop, there is only between 750 and 900 acres that can economically be restored to production. Due to the substantial costs that will be incurred in restoring the property for production, the farmers require a minimum of 5 years to recoup their investment, and all of them desire a longer term. However, Staff felt that a term longer than 5 years would unduly restrict the County's ability to market the property for sale.

There were approximately \$175 M in bonds issued in connection with the land, improvements and grant funding for Scripps at Mecca. Of that total amount, approximately \$46 M was attributable to the land acquisition. The bonds currently mature in 2024-2027. The bonds are not secured by the property itself and therefore do not prohibit a sale or lease of the property.