

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

Meeting Date:	February 4, 2014	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Regular
		<input type="checkbox"/> Ordinance	<input type="checkbox"/> Public Hearing

Department: Facilities Development & Operations

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: 1) Staff issuing a joint Request for Proposal (RFP) with the County, City of West Palm Beach (City) and PBC Mental Health Association (MHA) for the sale of 2.48 acres within the City's Transit Oriented Development (TOD) District; and 2) a conceptual agreement to release a reverter encumbering the MHA property.

Summary: The City is attempting to promote redevelopment within its TOD District. The City, County and MHA (collectively "Parties") each own underutilized parcels of property within the south block of the TOD District between Evernia and Fern Streets totaling approximately 2.48 acres. This property is ideally situated for assemblage with other properties within the south block to form a larger parcel for redevelopment. Developers have recently expressed interest in acquiring this property. By jointly issuing a single RFP for all of the Parties' property within the south block, the Parties will make it easier for developers to assemble the properties, which should in turn increase the price which a buyer/developer would pay for the land and expedite redevelopment. Staff proposes that proceeds from the sale be distributed amongst the Parties on a prorata basis based upon the square footage owned by each party. Prior to issuance of the RFP, there is one issue that needs to be addressed relative to the MHA parcel. In 1963, the County donated .31 acres to MHA for construction of a 3,300 sf building which houses MHA's administrative offices. This donation was subject to a reverter in the event MHA sells the property or ceases to use it for public purposes. MHA will require replacement offices in order to sell its property, and will not sell without the County agreeing to release the reverter and allowing MHA to keep the sales proceeds. Staff recommends that the Board agree to release the reverter upon the closing of a sale of the MHA property, conditioned upon MHA using the proceeds for acquisition and renovation of a replacement facility and the reverter being transferred to the new facility. Staff projects that the proceeds of a sale of the MHA property will be approximately enough to cover acquisition of a new facility, however, it is possible that there may be a funding shortfall. Staff recommends that the County require the City/CRA to cover any shortfall as the City/CRA will be the beneficiary of tax revenues derived from redevelopment. Staff has reviewed the proposed approach to the project with MHA and City/CRA Staff, all whom have expressed their support for this approach. Upon approval of this item, Staff will issue the RFP. **(PREM) District 7 (HJF)**

Background and Policy Issues: On Page 3

Attachments:

- 1. Location Map
- 2. Parcel Map

Recommended By:	<i>[Signature]</i>	<u>1/16/14</u>
	Department Director	Date
Approved By:	<i>[Signature]</i>	<u>1/22/14</u>
	County Administrator	Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2014	2015	2016	2017	2018
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
# 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:

* No fiscal impact directly associated with this item. Should a sale result from this RFP, fiscal impact will be reported at the time a sales contract is approved.

C. Departmental Fiscal Review: _____

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:


 OFMB 1/14

 Contract Development and Control 1/15/14

B. Legal Sufficiency:


1/21/14
 Assistant County Attorney

C. Other Department Review:

 Department Director

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

The attached Parcel Map (Attachment 2) depicts the current ownership of parcels within the south block of the TOD District.

Recently, development entities controlled by Jeff Green have been assembling properties within this block, including the old Red Cross property and the LEAP/Sappodila Mortgage Holders property. Mr. Green is also interested in acquiring the properties to be included within this RFP.

In light of the fragmented ownership of property within this block, Staff approached the City/CRA and MHA to enlist their support in conducting a joint RFP of the Parties' holdings within this block. Staff believes that the ability to acquire a larger parcel of land in a single transaction will create a higher value than if a purchaser had to deal with individual owners separately and will expedite the assemblage and redevelopment process.

Pursuant to this RFP, County Staff will have responsibility for administration of the RFP process. The RFP is structured to sell the properties of all 3 Parties totaling 2.48 acres on an all or nothing basis. The intent is that proceeds from the sale will be split amongst the Parties pro rata based upon the square footage of land area owned by each Party.

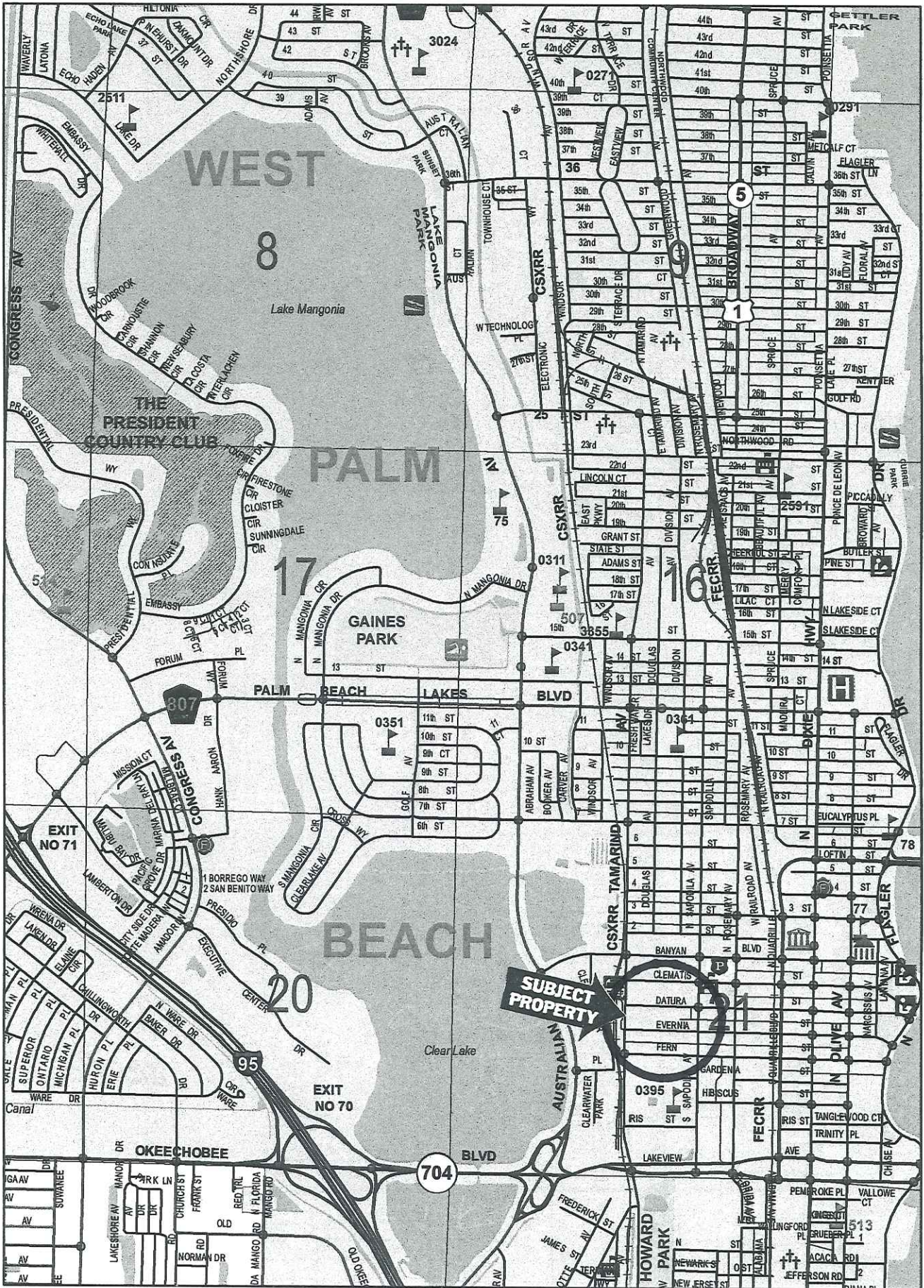
The RFP allows respondents to propose to provide land within the middle block (Evernia/Datura) in partial payment, or to just sell privately owned out parcels within the middle block. This would allow the County to round out its holdings within the middle block. The goal is for the County to assemble the entire middle block for future County development or sale for private redevelopment. Proceeding with the sale of only the south block at this time will allow additional time for the market to absorb the product constructed on the Wedge and south block and for the County, State and Federal Government to clarify their future needs/plans.

Staff obtained an appraisal of the properties owned by the Parties which valued the entire 2.48 acres at \$6,650,000 (\$56/sf). While this likely represents the high end of the valuation range, and may exceed what the respondents to the RFP propose to pay, it supports Staff's belief that the sale will generate sufficient revenue to fund relocation of MHA.

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TWP 43

TWP 43



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RNG 43

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LOCATION MAP



