

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

**Meeting Date:** December 16, 2014

☐ Consent    ☒ Regular  
☐ Ordinance    ☐ Public Hearing

**Department:** County Administration

**I. EXECUTIVE BRIEF**

**Motion and Title: Staff requests Board direction:** on whether to make an unsolicited offer to the City of West Palm Beach (City) to exchange the County's 1.8 acres of real estate holdings in the South Block of Government Hill for the 131 acre City-owned property at the Southeast corner of 45<sup>th</sup> Street and Haverhill as well as parking and recreational use rights to approximately 27 adjacent acres of the M-1 Canal Conservation Easement (collectively Haverhill Site) in order to facilitate the development of a two-team spring training facility (Facility) for Washington Nationals and Houston Astros (collectively Teams).

**Summary:** On October 21, 2014, the Board conceptually approved a financing/funding plan (Funding Plan) in an amount not to exceed \$135,000,000 for the development of a Facility subject to the Teams identifying a site for the Facility. Since that time, the Teams have conducted due diligence evaluations on a variety of sites but have not found any that met programmatic, funding and/or timing requirements other than the Haverhill Site. County Staff believes that an offer to exchange the County's 1.8 acres in the TOD South Block currently appraised at \$4,874,000 is what would be necessary for the City to re-consider conveying the Haverhill Site for a Facility. While the Board had conceptually approved moving forward with the sale of its holdings on South Block it was based on development assumptions which are no longer valid. The impact of exchanging the County's 1.8 acres for the Haverhill Site are twofold: 1) the County may no longer have sufficient property on Government Hill to meet the County's projected long term need, and/or 2) the loss of \$4,874,000 in ad valorem value. In addition to the exchange of County property, the Teams will develop an eight (8) acre City park and provide use rights to the 11 acre lake. The Teams will also allow the City to use the athletic fields/parking areas (20 acres) when not being used in support of Spring Training or a Sports Commission use. The City Park will be funded from the Teams share of savings (as described in the future Facilities Use Agreement between the County and Teams) from the Funding Plan as well as additional funds to be contributed by the Teams. No bed tax dollars will be used for the development of the City Park nor will the County's contribution to the Funding Plan be increased. (Administration)Countywide/District 7 (JM)

**Background & Policy Issues:** On October 21, 2014, the Board and the Teams agreed to a conceptual funding plan for the development of the Facility along with the material terms of the Facility Use Agreement, despite a site for the Facility having not been identified. To that end, the Board approved allowing the Teams to redirect a portion of the approved project funding to a land purchase, and directed County Staff to dedicate Staff resources to assist the Teams in evaluating the sites. Since then, the Teams have renewed their efforts to evaluate the use of John Prince Park, South of 6<sup>th</sup> Ave South as well as the numerous other sites identified by County Staff in March 2014. The most significant due diligence was performed on the John Prince Park site.

**John Prince Park**

The back-up to Board Item of October 21, 2014 detail the evaluations performed at John Prince Park prior to October 21<sup>st</sup>. Since October 21<sup>st</sup>, the Teams attempted to re-configure the Facility so that it would fit on 135 acres South of 6<sup>th</sup> Ave South. All layouts considered would require the use of all of the land underlying the Park facilities (excluding the Parks Admin Building), require the filling of the waterway connecting Lake Osbourne to Square Lake, expansion of wetlands, and significant encroachments into navigable waterway of Lake Osbourne. All of these factors preclude John Prince Park from further consideration.

**Attachments:**

1. December 5, 2014 Letter from Alan Ciklin, P.A. to Glen Torcivia, Esq
2. County's Real Estate Holdings in Government Hill
3. Conceptual Haverhill Community Park Master Plan

**Recommended by:** Anthony Wong      12/12/14  
Department Director      Date

**Approved by:** JCBaker      12/12/14  
Deputy County Administrator      Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2015	2016	2017	2019	2020
Capital Expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Operating Costs	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
External Revenues	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Program Income (County)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
In-Kind Match (County)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
NET FISCAL IMPACT	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>

# ADDITIONAL FTE  
POSITIONS (Cumulative)

Is Item Included in Current Budget? Yes No

Budget Account No: Fund Department Unit Object

Reporting Category

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

There is no fiscal impact associated with this item. If the Board approves making the offer to the City, and the City accepts such offer, the exchange of the property will become an obligation of the Board at such time that the County and City enter into an exchange agreement for the property. The current value of the property being exchanged is \$4,874,000.

C. Departmental Fiscal Review:

III. REVIEW COMMENTS:

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

5/10 12/11 12/14  
OFMB  
Contract Dev. and Control  
12/11/14

B. Legal Sufficiency:

Assistant County Attorney

C. Other Department Review

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Background and Policy Issues (Con’t)

In addition to the permitting issues, John Prince Park is encumbered by deed restrictions in favor of State Lands for Park and Forest purposes, and a portion is deed restricted to public park purposes in favor of a private owner. Some portions of the subject property are also restricted to Outdoor Recreation for the General Public in favor of FRDAP. The State deed restrictions will require approval of DEP and TIIF to modify. It is not certain that the East Shore Co. will agree to modify their restrictions.

Ultimately more problematic to the Teams are the permitting challenges associated with the impact to the waterways, grants and wetlands. On December 5, 2014, the Teams sent a letter to the City of Lake Worth (see Attachment 2) stating “...it is our opinion, as well as the opinion of the experts who we consulted, that the necessary changes to John Prince Park to accommodate our plan will require an enormous permitting effort, including permits from the Army Corps of Engineers. This process, as we’ve been advised, will take a minimum of 10-18 months before we know for certain whether the filling of the waterways will even be allowed. Waiting for what could be as long as a year and a half to get all of the approvals necessary to commence construction does not allow us to meet our deadlines. Because of the timing of these issues, the teams have decided that John Prince Park is no longer a viable option for consideration as a spring training site in the timeframe we need(underline added to highlight conclusion).”

Other Sites Evaluated

In additional to John Prince Park, the Teams also evaluated five (5) other sites shown below and ultimately the most challenging obstacles to development of those sites.

Location/Site	Most Significant Challenges
Privately Owned Property Adjacent to Highland Dunes PUD (unincorporated area)	The purchase price for the site, the timing associated with securing land development approvals.
Sansbury Way – County Owned Property (unincorporated area)	The size of the property would require programmatic modifications which are unacceptable to the Teams.
Minto (unincorporated area)	The location of the property is considerable outside of the search area and the timing associated with securing land development approvals.
Aveneer (Palm Beach Gardens)	The timing associated with securing land development approvals.
Boca Raton Golf Course (property owned by City in the unincorporated area)	The purchase price for the site and the access to the property.

Status of Haverhill Site

On October 14, 2014, the West Palm Beach City Commission heard a presentation about a proposed mixed use project to be constructed on the City’s 45<sup>th</sup> and Haverhill property (Site). The Parkside Commons Project was presented by the developer to include a 10 acre City owned park, and access to 27 acres of M-1 Canal Conservation Easement field use, 350,000 sf of Class A Industrial space, 652 residential units and 13,500 in retail development. The developer is offering a purchase price of \$14 million to the City. However, the purchase price would be offset, dollar for dollar, by costs associated with the developer’s landfill remediation and the development of the Park. The City Commission, by a vote 7-0, directed Staff to work with the developers of Parkside Commons over the next 90 days to develop a term sheet. If the Commission is satisfied with the term sheet, then the City Commission would pass a resolution to surplus the property and provide another 30 days for others to make offers for consideration. The City Commission indicated that offers can be submitted at any time.

Components of County’s Offer

A. Conveyance of County’s Real Estate Holdings in TOD South Block

In 2006, the County’s long term need for its real estate holdings on Government Hill was reconfirmed in an updated master plan which was presented to the BCC in a workshop (and in which the City participated). The County’s holdings on Government Hill were acquired over many years between the 1950-1990 through a variety of tax deeds, grants from the City and purchases from private property owners. These County holdings could not be declared surplus without replacement property having equivalent or better development potential, a substantial reduction in future building needs, or abandonment of programs and/or services that generate the need for future space.

**Background and Policy Issues (Con't)**

At the City's insistence, the County did agree to aggressively pursue options for modifying the State and County approach to programming so that all the State and county programming could be accomplished on the State and Middle Blocks. The objective of the modified approach was that at some time in the future the County's holdings in South Block could be declared surplus. From 2007 through 2013, the BCC had taken a leadership role in increasing the efficiency of the development of those blocks, as follows:

State Block (Dimick, Clematis St. to Datura St.)

- Appropriated an additional \$4.7M to allow the Department of Health to relocate (at the City's request/requirement) from Tamarind Ave. to a mid-block location on Clematis St., following the completion of design drawings and availability of construction plans for an alternative site.
- Spent \$100,000s in Staff time planning and negotiating new leases and subleases between TIIF, DMS, DOH, and the HCD. This effort was concluded in early 2013 and the County proceeded to begin working with the Mental Health Association and the City of West Palm Beach for a joint RFP for the sale of the property.

**Current Status:** Concurrent with the advertisement of the RFP, the State approved funding and is proceeding with the design and construction of a new Courthouse for the 4<sup>th</sup> District Court of Appeals (DCA) upon the Dimick Block (Tamarind Ave. frontage), which eliminated the ability of the County to utilize the State Block for any future County development.

County Blocks (Middle [Datura St. to Evernia St.] and South [Evernia St. to Fern St.])

- Staff prepared an RFP on behalf of the County, City and Mental Health Association (MHA) which would; 1) provide a vehicle (either through land exchange or cash proceeds) for the County to consolidate its ownership interest onto the middle block (Datura to Evernia) and 2) provide for the disposal of the County's, City's and MHA's holdings in the South Block (Evernia St. to Fern St.) to allow for private redevelopment of that block.
- A recent appraisal of the South Block valued the property at \$60/SF or \$4,725,000. The high bidder offered \$50/SF or \$3,938,000. These values should only increase over time as surrounding properties are developed.

**Current Status:** The RFP was terminated due to the highest responsive bidder offering less than appraised value and insufficient funds to fully fund Mental Health Association's relocation from the South Block.

While the Board had conceptually approved moving forward with the sale of its holdings on South Block is was based upon; 1) being able to construct a 300,000 sf building on the Dimick Block and 2) acquiring the remainder of the privately held properties on the Middle Block using all or a portion of the funds received from the sale of the County's holdings in the South Block.

The impact of exchanging the County's 1.8 acres holdings in the South Block (which does not include Mental Health property that includes a reverter in favor of the County) is: 1) insufficient property on Government Hill to meet the County's projected long term need for the relocation of the Government Center which may lead to the Government Center having to be relocated out of the downtown and possibly out of the City of West Palm Beach, and 2) the loss of \$4,874,000 in ad valorem equivalent dollars from the sale of the property.

**B. Development of City Park**

With an understanding of the City's vision for a community park in the area, the Teams have a revised their proposed development plan for the Haverhill Site to convert a portion of the originally proposed multi-purpose fields into a eight (8) acre City park. In addition, the City would have the use of the 11 acre lake in support of recreational activities which it deems appropriate. The Teams will also allow the City to use of 20 acres of athletic fields/parking areas when not being use in support of Spring Training or the Sports Commission. This adds another 35 acres of potential public use and another 5 acres of parking for events. The total area that could be used by the public outside of the Facility is approximately 48% of the site on the Team's plans.

The City Park would have its own entrance/exit outside of the Facility boundary allowing for year-round City operation and use by the City (see Attachment 4). Sufficient space exists for all or a portion of the following amenities (which the Team is committing to develop): health/bike trail, skate park, splash park, pool, concessions and rentals space, restrooms, fishing piers, volleyball courts, basketball courts, picnic areas, pavilion and shade structures, playground, and pet park. There would also be dedicated parking for the Park.

The property and improvements which constitute the City Park would be conveyed back to the City for operation and maintenance following completion of construction.

Attachment 1  
1/2

LAW OFFICES  
**CIKLIN LUBITZ MARTENS & O'CONNELL**  
A PARTNERSHIP INCLUDING PROFESSIONAL ASSOCIATIONS

BRUCE G. ALEXANDER, P.A.  
JERALD S. BEER, P.A.  
JOHN D. BOYKIN, P.A.  
WHITNEY CARROLL  
RICHARD R. CHAVES, P.A.  
PATRICIA M. CHRISTIANSEN, P.A.  
ALAN J. CIKLIN, P.A.  
ROBERT L. CRANE, P.A.  
RONALD E. CRESCENZO, P.A.  
ASHLEY N. CRISPIN  
JOIELLE A. FOGLIETTA  
JEFFREY M. GARBER, P.A.  
MICHAEL J. GORE  
JASON S. HASELKORN, P.A.

CHRISTINE M. HOKE, P.A.  
W. JAY HUNSTON, III, P.A.  
BRIAN B. JOSLYN, P.A.  
GREGORY S. KINO, P.A.  
MELISSA D. LAZARCHICK  
CHARLES A. LUBITZ, P.A.  
RICHARD L. MARTENS, P.A.  
BRIAN M. O'CONNELL, P.A.  
PHIL D. O'CONNELL, P.A.  
CHARLES L. PICKETT, P.A.  
MATTHEW N. THIBAUT, P.A.  
DEAN VEGOSEN, P.L.  
GARY WALK, P.A.

PHILLIP D. O'CONNELL, SR. (1907-1987)

OF COUNSEL

MICHAEL J. KENNEDY, P.A.  
MICHAEL J. MONCHICK, P.A.  
KEVIN D. WILKINSON, P.A.

515 NORTH FLAGLER DRIVE, 20<sup>TH</sup> FLOOR  
WEST PALM BEACH, FLORIDA 33401-4343  
TELEPHONE: (561) 832-5900  
FACSIMILE: (561) 833-4209

December 5, 2014

VIA E-MAIL (glen@torcivialaw.com)

Glen Torcivia, Esq.  
Torcivia, Donlon, Goddeau & Ansay, P.A.  
701 Northpoint Parkway  
West Palm Beach, FL 33407

**Re: John Prince Park**

Dear Glen:

When we last met, your team was going to put together the laundry list of impacts to waterways, grants, and wetlands, etc. so as to understand the myriad of issues needing resolution. Not having received that letter we talked generally with our own experts.

As Giles mentioned to you, it is our opinion, as well as the opinion of the experts who we consulted, that the necessary changes to John Prince Park to accommodate our plan will require an enormous permitting effort, including permits from the Army Corps of Engineers. This process, as we've been advised, will take a minimum of 10-18 months before we know for certain whether the filling of the waterways will even be allowed.

Waiting for what could be as long as a year and a half to get all the approvals necessary to commence construction does not allow us to meet our deadlines.

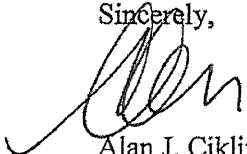
Attachment 1  
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Glen Torcivia, Esq.  
December 5, 2014  
Page 2

Because of the timing of these issues, the teams have decided that John Prince Park is no longer a viable option for consideration as a spring training site in the timeframe we need.

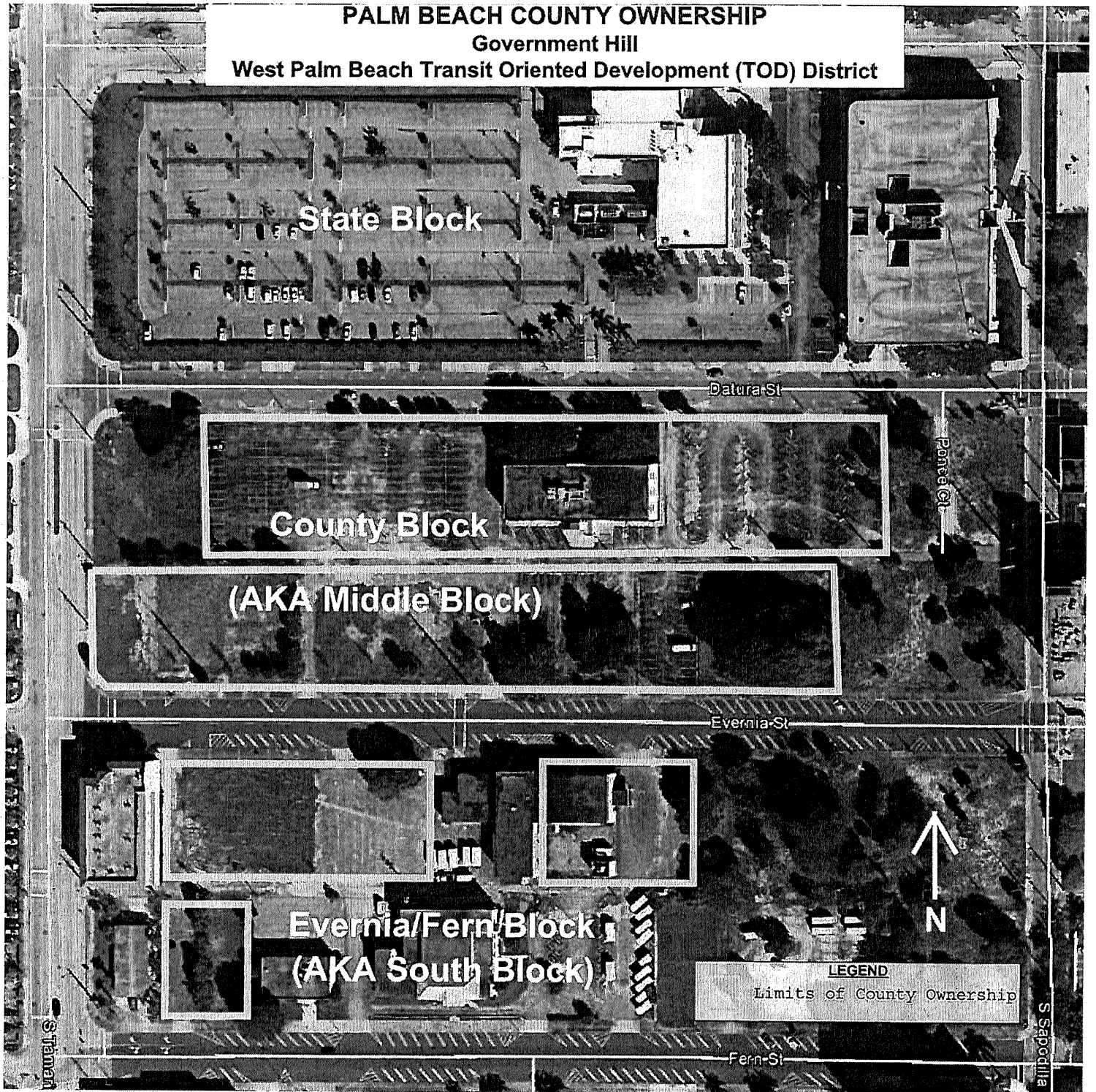
You and your team have been a great pleasure to work with. It is unfortunate that the timing and uncertainty of the ACOE issues will preclude this from moving forward in Lake Worth.

Sincerely,

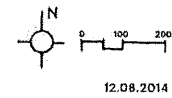
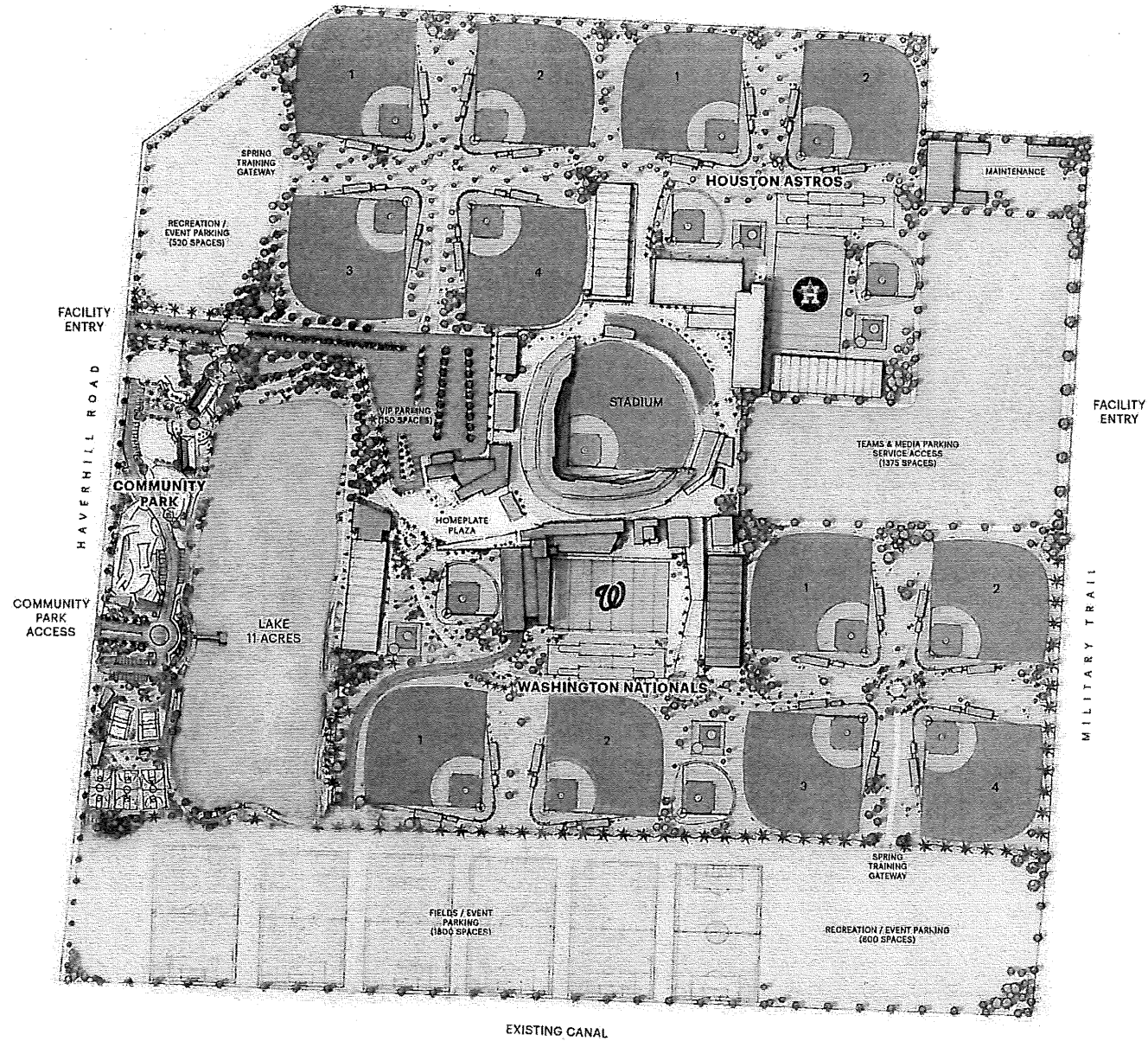


Alan J. Ciklin

Cc: Art Fuccillo (via e-mail)  
Giles Kibbe (via e-mail)  
Verdenia Baker (via e-mail)  
Audrey Wolf (via e-mail)







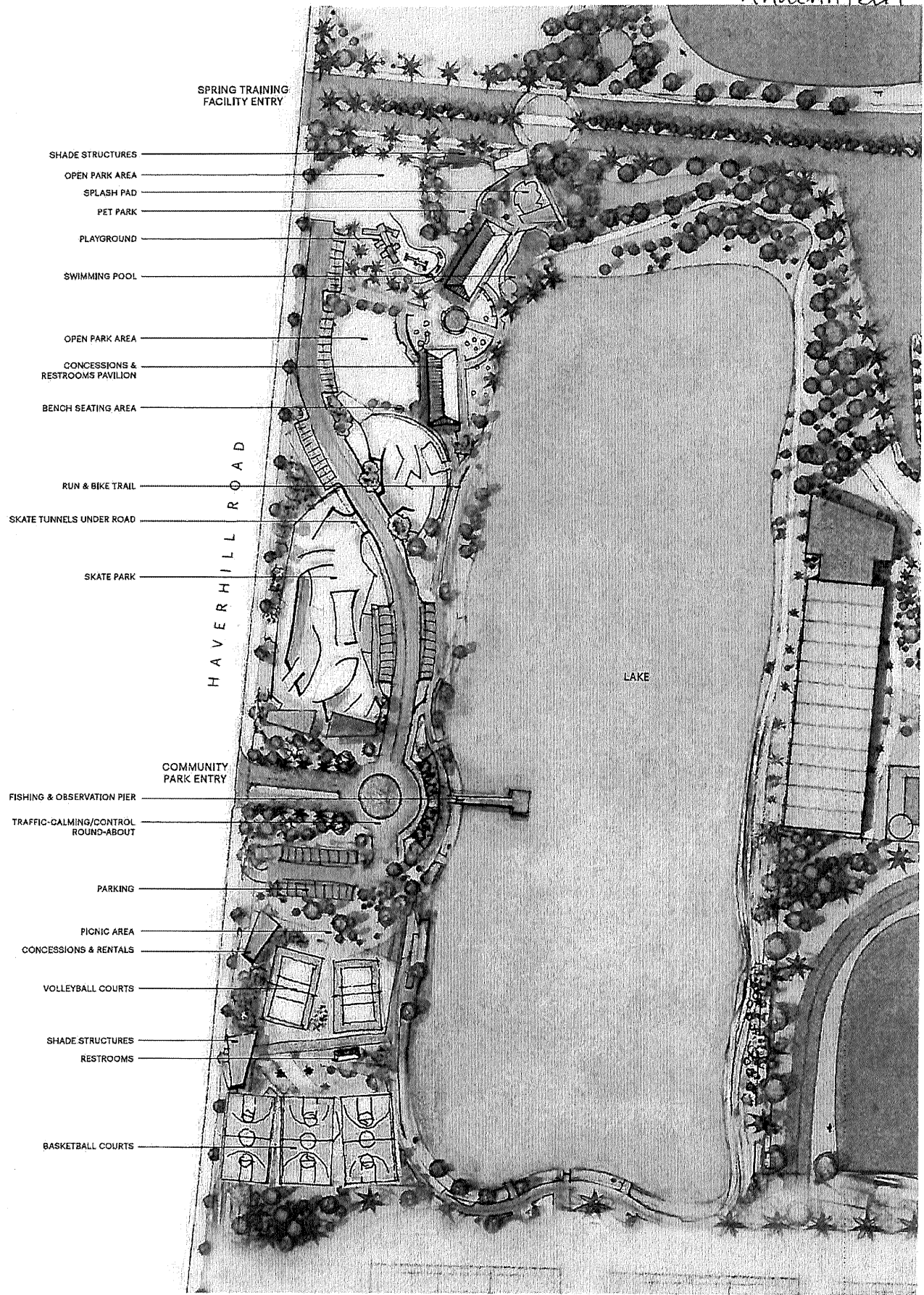
HAVERHILL ROAD SPRING TRAINING FACILITY  
WEST PALM BEACH, FL



HKS sports & entertainment

Attachment 3  
1/2





HAVERHILL ROAD COMMUNITY PARK  
WEST PALM BEACH, FL



HKS sports & entertainment  
12.08.2014 NTS