

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Meeting Date: November 22, 2016

Consent

Regular

Ordinance

Public Hearing

Department: Facilities Development & Operations

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to: Authorize the Director of Facilities Development & Operations to approve purchase orders in any amount, for personal property associated with the BallPark of the Palm Beaches, which have been procured through a competitive or alternate source procurement pursuant to the Purchasing Ordinance, and have been requested by HW to be County procured with or without the payment sales tax.

Summary: HW Spring Training Complex, LLC, (HW) has requested that the County procure, for the BallPark of the Palm Beaches, various items of personal property which were included in the project budget for the Facility in order for it to secure the most favorable pricing available through existing local, State and Federal contracts (commonly known as piggyback contracts). Purchase orders which contain personal property that is located or primarily used in areas not considered Public Use Improvements pursuant to the Sports Facility Use Agreement (R2015-1523), may include the payment of sales tax. The payment of sales tax at this time of purchase will; 1) protect the County for claims of any misuse of the County's tax exempt status for items used primarily or solely by a private entity, and 2) relieve the County of the administrative burden associated with ensuring that sales tax is paid in the future when an item purchased with a sales tax exemption is disposed of to a private property prior to the end of its useful life. HW concurs with the payment of sales tax on these certain items as it will allow HW to reduce a large portion of the administrative burden associated with the renewal/replacement monitoring and asset tracking pursuant to the Sports Facility Use Agreement. These purchases are to be initially funded from the Public Improvement Taxable Revenue Bond for Professional Sports Facility and will be ultimately allocated to HW's equity contribution to the project. There is no fiscal impact to this item as all purchase orders will be funded from the monies already contractually committed to HW. **(FDO) Countywide (MWJ)**

Background and Policy Issues: Staff and HW have been working together to identify the remaining personal property which is most cost effectively purchased directly by the County. Examples of such items are concession and kitchen equipment, stadium furniture, clubhouse appliances, laundry equipment, and grounds maintenance equipment. The Developer Agreement (R2015-1522) effectively caps the cumulative amount of purchases which can be made pursuant to the delegation to the Director of FDO, since:

- the Developer Agreement caps the amount of funding the County is contributing to the project;
- the Developer Agreement gives HW the ability to procure the personal property it needs to operate the Facility up to the funding cap; and
- HW must request in writing that the County directly procure the personal property to be procured.

Staff and HW are also working on a future amendment to the Sports Facility Use Agreement, which will among other things, clarify several aspects of the renewal/replacement program and streamline the fixed asset management programs.

Regardless of whether the items purchased are sales tax exempt or not, there are still significant financial benefits that are offered to governmental entities through the contract which can further be expanded depending on the magnitude of the order.

Attachments:

Recommended By: Asmy Wolf 11/18/16
Department Director Date

Approved By: [Signature] 11-18-16
County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2017	2018	2019	2020	2021
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT					
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____
Is Item Included in Current Budget:	Yes	<u>XX</u>	No	_____	
Budget Account No:	Fund	Dept	Unit	Object	

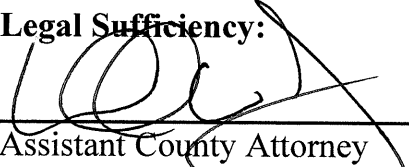
B. Recommended Sources of Funds/Summary of Fiscal Impact: There is no fiscal impact to this item as all purchase orders will be encumbered and funded from the monies already contractually committed to HW.

C. Departmental Fiscal Review: _____

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:

 _____ OFMB Ex 11/18	 _____ Contract Development and Control
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B. Legal Sufficiency:


 Assistant County Attorney 11/18/16

C. Other Department Review:
