

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

Meeting Date: August 31, 2021

Consent Regular
 Ordinance Public Hearing

Department: Facilities Development & Operations

I. EXECUTIVE BRIEF

Motion and Title: Staff requests Board direction: Regarding a real estate and planning collaboration with the University of Florida and City of West Palm Beach towards the development of an urban educational campus on Government Hill.

Summary: On August 24, 2021, the mayors of the City of West Palm Beach (City) and Palm Beach County (County) held a joint press conference to announce a potential economic and educational initiative for the region. The initiative provides for the conveyance of real estate owned by the City, County and third parties within the area historically known as Government Hill in West Palm Beach to the University of Florida (UF) for the planning, design and construction of an urban educational campus focused on graduate, professional and executive programs. The County's current holdings on Government Hill (approximately 5 acres) have been slated to support potential future County facilities for general government operations, and represent the only remaining County holding of significant size in downtown West Palm Beach that could provide for development of additional County facilities to accommodate future growth. The assessed value of the County's real estate holdings on Government Hill, as reported by the Property Appraiser's Office, amounts to \$12,853,662. In preparation for a possible conveyance action, Staff will have the properties appraised. The County's holdings on Government Hill continue to support the Community Services department at this time. A replacement building is planned to be located at the County's 45th Street Complex funding for which is approved under the Infrastructure Sales Tax (IST) project plan starting in FY2025. Staff is seeking direction from the Board of County Commissioners (Board) on whether it intends to pursue the urban campus initiative. If the Board decides to pursue the initiative then Staff is recommending it be authorized to initiate conversations with UF and City representatives to develop the necessary agreements to allow for development of the urban campus while ensuring the County's ability to provide for its projected future county facilities needs at alternate locations within West Palm Beach. These agreements should at a minimum provide for: 1) limitation of property use for educational purposes only, 2) reversionary rights, 3) closing costs to be borne by the grantee, 4) development timeline for the urban campus, and 5) future rezoning of the County's 45th Street Complex property to achieve appreciable flexibility resulting from allowances for increased building height and floor area ratio, subject to compliance with the City's Zoning and Land Development Regulations. If the Board decides to support the urban campus initiative, then Staff recommends it also be authorized to present a revised schedule, including appropriation of the required funding, for design and construction of the Community Services replacement building to be located at the County's 45th Street Complex. **FDO Admin (District 7/Countywide) (HJF)**

Background & Policy Issues: The County's current holdings on Government Hill amount to approximately 5 acres as detailed on the table that follows. The assessed value of the County's real estate holdings on Government Hill, as reported by the Property Appraiser's Office, amounts to \$12,853,662. In preparation for a possible conveyance action, Staff will have the properties appraised. The City's holdings amount to approximately 2.2 acres. At this time, Staff is unaware of the approximate acreage of the other holdings that could potentially be conveyed to UF as part of this initiative.

Continued on Page 3

Attachments:

1. Location Map
2. Aerial Photograph
3. Joint Press Release dated August 24, 2021

Recommended By:	<i>Emmi C. Ayala Colley</i>	8/26/2021
	Department Director	Date
Approved By:	<i>W. Baker</i>	8/27/21
	County Administrator	Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

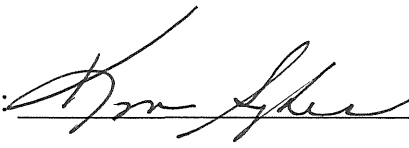
Fiscal Years	2021	2022	2023	2024	2025
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
# ADDITIONAL FTE POSITIONS (Cumulative)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Is Item Included in Current Budget? Yes _____ No X
 Does this item include use of federal funds? Yes _____ No X

Budget Account No: Fund Dept. Unit Object

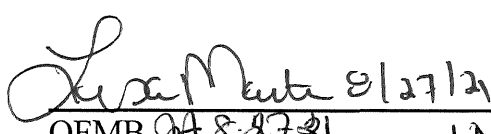
B. Recommended Sources of Funds/Summary of Fiscal Impact:

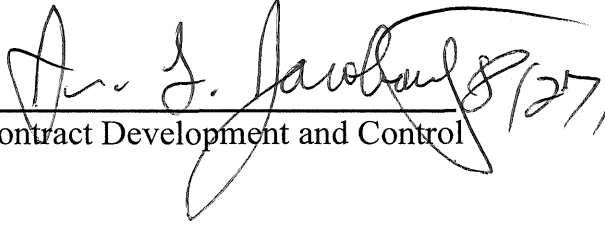
There is no fiscal impact associated with this item.

C. Department Fiscal Review: 

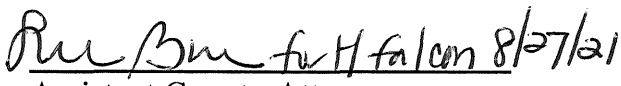
III. REVIEW COMMENTS

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

 8/27/21
 OFMB QA 8-27-21 LM 8/27

 8/27/21
 Contract Development and Control

B. Legal Sufficiency:

 8/27/21
 Assistant County Attorney

C. Other Department Review:

 Department Director

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

Background & Policy Issues (Cont.):

Address	Parcel Control Number (PCN)	Acreage	Assessed Value (2021 – Preliminary)
810 Datura Street West Palm Beach	74-43-43-21-01-042-0010 (2 parcels)	0.95	\$1,993,326
	74-43-43-21-01-035-0041 (2 parcels)	0.86	\$4,208,380
801 Evernia Street West Palm Beach	74-43-43-21-01-035-0021 (2 parcels)	1.16	\$2,443,223
723 Evernia Street West Palm Beach	74-43-43-21-01-035-0081	0.17	\$365,921
Datura Street (number unassigned) West Palm Beach	74-43-43-21-01-042-0020 (2 parcels)	0.54	\$1,141,645
901 Evernia Street West Palm Beach	74-43-43-21-01-042-0081	0.61	\$1,286,181
909 Evernia Street West Palm Beach	74-43-43-21-01-042-0070	0.46	\$960,204
220 S Tamarind Ave West Palm Beach	74-43-43-21-01-042-0060	0.21	\$454,782
Total		4.96	\$12,853,662

The County’s current holdings on Government Hill are the subject of the Government Hill Master Plan, which was originally approved by the Board in 1994 and later reconfirmed in 2006. To fully garner the scope and intent of the Government Hill Master Plan, review of the same requires concurrent analysis of the Downtown, Judicial and Airport Center master plans. A historical overview of these master plans is provided for context.

In the 1980s, the Board made three key decisions that to date continue to steer County facilities planning efforts: 1) siting of the Main County Courthouse (MCCH) in downtown West Palm Beach; 2) siting of the Governmental Center (GC) in downtown West Palm Beach; and 3) the provision of countywide general government services out of the Airport Center complex. The previously referenced master plans were drafted by Staff and approved by the Board based on said foundations.

The Government Hill area consists of three blocks on the east side of Tamarind Avenue, from Clematis Street to the north to Fern Street to the south. Each block is currently owned in large part by the State, County and City governments, respectively. Most of the City ownership on the south block (between Evernia and Fern streets) resulted from a land exchange associated with the development of the Ballpark of the Palm Beaches (1.8 acres transferred under Interlocal Agreement R2015-1070). The Government Hill Master Plan called for a high-density development of the State block (between Clematis and Datura streets) accommodating County and State uses, including combined parking accommodations. The intent following full development of State and County facilities was to eventually dispose of surplus County property for private uses on the middle and south blocks, including the provision of additional parking for those County and State uses on the State block. The phased disposition was expected to help fund construction costs of the new County facilities. The interrelation amongst the Government Hill, Downtown, Judicial and Airport Center master plans can be summarized as follows:

- judicial facilities and operations were to remain collocated in Downtown West Palm Beach;
- additional space needs for judicial operations were to be provided for through: 1) construction of a new judicial facility on Block D (located between Dixie Highway to the west and Olive Avenue to the east, 3rd Street to the south and 4th Street to the north), and 2) repurposing of the GC for judicial support operations;
- Board and Constitutional Officers’ offices operations unrelated to judicial functions would relocate from the GC to a new building to be constructed on the State Block on Government Hill; and
- the balance of required space for the County’s general government operations would be provided out of a new building to be constructed at Airport Center.

After much coordination, the State, City and County agreed on the foundational basis of the development maximization plan for Government Hill. The County assisted the Department of Health in its relocation, and the relocation of the PBC Health District, from the County Block to the State Block. These actions were in perseverance of, and consistent with, the agreements reached by all parties as of that time. Eventually, the construction of the Fourth District Court of Appeals (DCA) on the State Block in 2018 and at the location where the County building was planned to reside resulted in a significant deviation from the approved Government Hill master plan.

Background & Policy Issues (Cont.):

The Judicial Facilities master plan was updated in 2017, the data for which shows that repurposing of the GC is no longer required, as projected judicial needs could be effectively met through the buildout of the seventh and eight floors of the MCCH, the use of existing satellite courthouses, and the construction of a new judicial building on Block D. Securing of the development conditions required to accommodate the judicial programmatic needs on Block D was one of the subjects included in a recent interlocal agreement with the City (R2020-1400). With Block D committed for said purposes, Government Hill is the only remaining County holding of significant size in downtown West Palm Beach that could provide for development of additional County facilities to accommodate future growth while keeping in line with the Board's historical underlying policy decision of retaining centralized county operations. Although the projected growth considered in the Downtown, Airport Center and Government Hill master plans was negatively impacted by several factors, most notably the 2007-2008 economic recession, additional space will still be required to fully support county operations into the future. If the County's Government Hill holdings were not available for future development of County facilities, Staff has identified its current property at the 45th Street Complex (southeast corner of 45th Street and Australian Avenue in West Palm Beach) as a suitable alternate site for development.

Staff is seeking direction as to the Board's intent to pursue the economic and educational joint initiative that would result in the construction of an urban campus by UF in West Palm Beach, and which would entail the conveyance (at no charge) of the County's Government Hill holdings. If the Board decides to support said initiative then it is Staff's recommendation that it be authorized to initiate conversations with UF and City representatives towards reaching a mutual understanding and the necessary agreements that will at a minimum provide for:

- limitation of property use for educational purposes only;
- reversionary rights;
- closing costs to be borne by the grantee;
- development timeline for the urban campus; and
- future rezoning of the County's 45th Street Complex property to achieve appreciable flexibility resulting from allowances for increased building height and floor area ratio, subject to compliance with the City's Zoning and Land Development Regulations.

It must also be noted that the County Block on Government Hill continues to support the Community Services department at this time. A replacement building is planned to be located at the County's 45th Street Complex funding for which is approved under the Infrastructure Sales Tax (IST) project plan starting in FY2025. If the Board decides to support the urban campus initiative, then Staff recommends it be authorized to present at a later date a revised schedule for design and construction of the Community Services replacement building to be located at the County's 45th Street Complex. Expediting of the replacement building for Community Services, along with appropriation of the required funding, might be necessary to mitigate possible negative impacts to the development timeline of the urban campus initiative.

ATTACHMENT 1

Location Map



ATTACHMENT 2
Aerial Photograph



ATTACHMENT 3
Joint Press Release dated August 24, 2021



For immediate release

Contact:

DAVID BERNHARDT

Chief of Staff to Mayor Dave Kerner, Palm Beach County
561.355.2203

KATHLEEN WALTER

Director of Communications, City of West Palm Beach
561.545.2042

Palm Beach County and City of West Palm Beach Mayors Engage With University of Florida in Exploratory Conversations Around Innovative Academic Opportunities in West Palm Beach

WEST PALM BEACH, FL (August 24, 2021) -- Building on the continued increase in companies relocating to West Palm Beach and calling the region home, county and city leaders have begun conversations on how to amplify this success by accelerating the region's academic offerings for graduate students, professionals, and executives. To help inform these conversations, officials have turned to Florida's flagship public university – the University of Florida – whose breadth and depth of expertise in academic programming and statewide impact make it an ideal choice for a potential partner.

In June, Palm Beach County Mayor Dave Kerner and City of West Palm Beach Mayor Keith A. James traveled together to Gainesville to meet with UF President Kent Fuchs to hear his vision for how a flagship university with a unique focused presence in a large metro area could serve the dual purpose of catalyzing regional growth while extending a university's mission of outreach and service. Fuchs led Cornell University's efforts to build the Cornell Tech Campus in New York City while serving as Cornell's provost. Currently ranked No. 6 among all public

research universities, UF's mission centers on its role as a catalyst for the entire state – a role that requires UF to think beyond Gainesville to the urban centers of gravity like West Palm Beach that make Florida a bellwether state for the nation and world.

“This is a rare opportunity for Palm Beach County to benefit from a second public university – one that complements and enriches our current education ecosystem in ways that will position us to be irresistible to the types of companies that our economic development partners work so hard to attract and support today,” Kerner said. “The potential ripple effect is expansive, and our citizens will benefit greatly if we can bring an esteemed university such as University of Florida to West Palm Beach.”

The rapid economic growth of South Florida and Palm Beach County, in particular, creates a compelling case for consideration. West Palm Beach's urban core and premier coastal location continue to attract residents and companies alike, including corporations representing the state's growth sectors of finance, technology, business, engineering, and law. These companies have indicated a growing need to support their own growth and expansion by having innovative graduate, professional, and executive academic programs in areas such as financial technology, artificial intelligence, data analytics, and cyber security in their own backyard. UF graduates are in increasingly high demand from the nation's leading companies.

“Make no mistake,” said Kelly Smallridge, President and CEO of the Business Development Board of Palm Beach County, “the need to offer innovative degrees in these fields from a leading national university is a very real one. It's a challenge for companies that are already here, who reportedly send their employees out of state for advanced degrees or import people with a higher skill set. That, in turn, puts increased pressure on our housing crisis and gives the out-of-state candidate an advantage to fill that job.”

City, county, and UF leaders believe that a presence from a top-tier public university would help all of the region's institutions of higher education thrive. “There is a vital role for Florida

Atlantic University and other local colleges and universities to partner with us in an effort to advance higher education offerings in the region,” Fuchs said. “We are honored by the invitation from city and county leaders to explore with them the possibility of creating unique, focused graduate academic programs that will respond to the emerging needs of the region while advancing workforce development. We see in West Palm Beach an opportunity for a sustainable model that will build new collaborative bridges that can help all of Florida thrive.”

Mayors Kerner and James noted that city and county leaders are, at this point, engaged only in initial talks to evaluate the full spectrum of requirements and benefits of bringing UF to the region. The potential partnership will require support and approvals from local city and county leaders to move forward into a more robust planning and review phase.

For decades, Palm Beach County parents and business owners have lamented the fact that their children with degrees in science, engineering and business typically leave the state to find the best jobs. A UF presence in West Palm Beach that offers advanced and professional degrees in these fields has every potential to reverse that cycle and attract the best and brightest students from other parts of the country to consider making Palm Beach County home, Kerner noted.

“West Palm Beach is riding a wave of economic expansion and evaluating all opportunities with a careful eye on quality of life,” James said. “We are committed to investing in ways to attract high paying jobs, exciting intellectual capital, financial capital, and enrich our social and cultural fabric while minimizing impact on traffic and the environment. Weaving University of Florida into that strategy will help us achieve our goals in providing the quality of life that we have always hoped to realize in West Palm Beach, and it would be a huge win for the citizens of Palm Beach County and West Palm Beach.”

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