

PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS  
AGENDA ITEM SUMMARY

Meeting Date: October 8, 2024

Consent  
 Ordinance

Regular  
 Public Hearing

Department: Facilities Development and Operations

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to:

- A) **receive and file** Staff's report regarding the status of the negotiations with Vanderbilt University (VU) towards the execution of a Development and Conveyance Agreement (DCA) for the development of an educational campus which will include approximately 5.03 acres of County-owned property (Properties) located in the City of West Palm Beach; and
- B) **authorize** staff to revoke the License Agreement for the Use of County-owned Property (License Agreement)(R2023-0359 and R2023-0360) granted to Transit Village, LLC for the use of a portion of the Properties.

**Summary:** On July 17, 2024, the Board of County Commissioners (BCC) directed staff to meet with VU representatives and to coordinate a presentation by VU representatives to be given during the August 20, 2024 BCC regular meeting. Staff met with VU representatives on July 24, 2024 and coordinated the presentation as directed. On August 20, 2024, representatives from Vanderbilt University provided the BCC a presentation entitled *Vanderbilt in Palm Beach County* as supported by an economic impact study (prepared by TXP, Inc. for VU) entitled *The Potential Economic Impact of Vanderbilt University in West Palm Beach*. Following the presentation by VU and discussion by the BCC, staff was directed to negotiate the potential conveyance of the Properties (located on Government Hill) for the planning, development, design, permitting, construction, operation and maintenance of an educational campus by VU in the form of a final agreement to be considered by the BCC during its October 8, 2024 regular meeting. In negotiating a DCA, the BCC directed staff to use as the base document the agreement previously executed with University of Florida (UF) for a similar purpose (R2022-0891). Staff was further directed to provide a report on the status of the negotiations with VU to the BCC during its September 17, 2024 regular meeting. Staff proceeded as directed and on August 29, 2024 delivered to VU a first draft of a proposed DCA. Although based on the UF DCA, the proposed first draft reflected modifications resulting from: 1) the inherent differences between UF and VU (i.e., the former is a public entity, the latter is private), 2) the statutory provisions controlling the corresponding DCA (i.e., Section 125.38, Florida Statutes for UF and Section 125.045, Florida Statutes for VU), and 3) the direction provided by the BCC during its August 20, 2024 regular meeting. On September 17, 2024, staff provided the BCC a report on the status of negotiations and, jointly with VU representatives, reported that additional time was needed to successfully achieve a DCA that could be considered by the BCC. As such, staff was authorized to work towards submission of the final DCA for consideration by the BCC during its October 22, 2024 regular meeting, and directed to provide an update regarding the status of negotiations during the October 8, 2024 regular meeting. On December 2, 2022, following BCC direction, staff executed the License Agreement granting to Transit Village LLC (TV) use of a portion of the Properties for temporary storage, construction activities and temporary parking, in connection with the Agreement for Purchase and Sale (PSA) as amended (R2012-1158, R2018-0956, R2020-0517, and R2021-1587) entered between TV and the County for the development of the Wedge Property. **(Summary continued on Page 3)**

**Background & Policy Issues:** This agenda items serves to fulfill BCC direction as provided on August 20, 2024 and September 17, 2024.

**Attachments:**

- 1. Location
- 2. Staff's Report
- 3. Letter from TV (dated August 22, 2024)

Recommended By:  10/17/24  
 Department Director Date

Approved By:  10/17/24  
 County Administrator Date

## II. FISCAL IMPACT ANALYSIS

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

Fiscal Years	2025	2026	2027	2028	2029
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
<b>NET FISCAL IMPACT</b>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<b># ADDITIONAL FTE POSITIONS (Cumulative)</b>	<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 _____	Yes <u>X</u>	
Is this item using Federal Funds?		Yes _____	No _____	Yes <u>X</u>	
Is this item using State Funds?		Yes _____	No _____	Yes <u>X</u>	

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. Departmental Fiscal Review:

Karyn Sykes

Digitally signed by Karyn Sykes  
DN: cn=Karyn Sykes, o=San Diego County, ou=OFMD, ou=Legal, email=K.Sykes@sdco.net  
Reason: I am approving this document.  
Location:  
Date: 2024.10.07 12:11:16-0400  
Size: 2018 bytes

## III. REVIEW COMMENTS

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

Lana Carter 10/7/2024  
OFMB  
JA 10/7  
ESW 10-7-24

Brenda Marshall 10/7/24  
Contract Development and Control

### B. Legal Sufficiency:

[Signature] 10/7/24  
Assistant County Attorney

### C. Other Department Review:

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

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

**(Summary – Continued)**

To enter into a DCA with VU, the Properties must be free from encumbrances, licenses and/or obligations. In March 2024, TV sued the County requesting specific performance under the PSA; litigation remains active. On August 22, 2024, TV sent a letter to staff notifying of its willingness to work with the County and VU to incorporate the License Agreement into a DCA with VU. Given the active litigation between the County and TV, the timeline for development of the Wedge Property is uncertain, and staff's ability to simultaneously engage with TV and VU is limited by the constraints resulting from the legal proceedings. Therefore, if the BCC wishes to pursue a DCA with VU, staff recommends it be authorized to revoke the License Agreement.

**(Countywide/District 2) (HJF)**

**ATTACHMENT 1**

**Location Map**



## **ATTACHMENT 2**

### **Staff's Report**

This report serves to summarize the actions taken by staff towards the negotiation of a DCA with VU since direction received by the BCC on August 20, 2024.

#### **Meetings**

Staff contacted VU representative immediately after receiving BCC direction (on August 20, 2024). The first meeting with VU was held on August 21, 2024. Subsequent meetings were held on August 26, 2024, September 3, 2024, September 11, 2024, September 18, 2024, September 24, 2024, September 30, 2024 and October 4, 2024 for a total of eight (8) negotiation meetings in a six (6) week period.

#### **Draft DCA**

On August 29, 2024, staff provided the first draft of the DCA to VU. Following BCC direction, staff used the University of Florida DCA as base document. However, modifications were necessary as UF and VU are two very distinct entities. UF is a public entity therefore, the DCA executed between the County and UF was premised on Section 125.38, Florida Statutes which allows for conveyance of County-owned property to governmental entities. The potential DCA to be executed between the County and VU is premised on the County's economic development powers under Section 125.045, Florida Statutes. Therefore, in providing VU representatives with the first draft of the proposed DCA, staff relied on the DCA executed with UF as the base document but made adjustments as needed as a result of 1) the inherent differences between UF and VU (i.e., the former is a public entity, the latter is private), 2) the statutory provisions controlling the corresponding DCA (i.e., Section 125.38, Florida Statutes for UF and Section 125.045, Florida Statutes for VU), and 3) the comments made by, and direction received from, the BCC during its August 20, 2024 regular meeting.

As of the meeting held on October 4, 2024, staff and VU representatives have reached conceptual agreement on all open topics under consideration. Although drafting remains ongoing, staff and VU representatives continue to diligently work towards attainment of a final DCA that can be submitted to the BCC for consideration during its October 22, 2024 regular meeting.

#### **Updated Appraisals**

The County's current holdings on Government Hill amount to approximately 5.03 acres. In September 2021 while negotiating the UF DCA, County staff obtained two separate appraisals (prepared by Callaway & Price, Inc. and M.R. Ford & Associates, Inc.) which average to a fee simple interest market value for the Properties totaling \$42,072,500. As the appraisals are now three (3) years old, in preparation for the potential execution of a DCA with VU, staff retained professional services for updating the aforementioned appraisals. Due to the time constraints associated with direction provided, only one appraisal was obtained. The same was prepared by Callaway & Price, Inc. and points to a fee simple interest market value for the Properties totaling \$46,000,000. That is, a 9.3% increase in value since last appraised in 2021.

#### **Property Review Committee (PRC)**

Section 22-107(a)(4) of the County's Real Property Acquisition, Disposition and Leasing Ordinance (commonly referred to as the PREM Ordinance) provides that the PRC shall review, evaluate and advise the BCC regarding real estate transactions involving the purchase, sale or exchange of fee simple title to real property, which involves the sale of real property where the price is lower than ninety (90) percent of the fair market value as determined by the appraisal or the average of the appraisals obtained by the County. In preparation for the potential approval of a DCA with VU, staff coordinated a meeting of the PRC to take place at 2:00 p.m. on Thursday, October 17, 2024, for the PRC to discharge its duties under the PREM Ordinance.

**ATTACHMENT 3**  
**Letter from TV (dated August 22, 2024)**

TRANSIT VILLAGE, LLC  
2850 TIGERTAIL AVENUE, SUITE 800  
MIAMI, FLORIDA 33133

Andrew Chesnick  
SVP of Development  
305.460.9900

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August 22<sup>nd</sup> 2024

Ms. Purvi Bhogaita  
Facilities Development & Operations  
2633 Vista Parkway,  
West Palm Beach, FL 33411

Via E-Mail Transmission

Re: Agreement for Purchase and Sale between Transit Village LLC and Palm Beach County;  
Contract No. R2012-1158 (as amended) ("PSA")

Dear Ms. Bhogaita:

On behalf of Transit Village, LLC ("TV"), we are excited to see the County moving forward with the Vanderbilt Campus and fully support this opportunity to enhance the City, County, and our neighboring property. We look forward to working with your team and Vanderbilt.

As the County considers this opportunity, we wanted to be sure that TV's parking arrangements to accommodate the SFRTA and county while the TV project is under construction is included. I have attached the previously executed agreements with the University of Florida that addressed these matters. TV is available to meet, if needed, to ensure this agreement is incorporated into the County's discussions with Vanderbilt.

Thank you again. We look forward meeting as soon as possible.

  
Andrew Chesnick  
Transit Village

Cc:  
Palm Beach County Commissioners  
County Administrator  
Isami C. Ayala-Collazo