

BOARD OF COUNTY COMMISSIONERS

BOARD MEETING  
PALM BEACH COUNTY, FLORIDA

ADDITIONS, DELETIONS, & SUBSTITUTIONS

JULY 24, 2012

| <u>PAGE</u> | <u>ITEM</u> |  |
|-------------|-------------|--|
| 2           | 3B-1        | <p><b><u>REVISED TITLE &amp; SUMMARY:</u></b> Staff recommends motion to approve: the Contract with Professional Probation Services, Inc. (PPS) for misdemeanor probation services from September 4, 2012, to September 3<del>5</del>, 2015 with two (2) - one (1) year options for renewal at the sole discretion of the County. <b>SUMMARY:</b> Following the review of submittals in January 2012 by the selection committee and the posting (RFS No. 800108/LJ) of the award by the Purchasing Department <del>that identified</del> a new misdemeanor probation service provider <u>was identified</u>. On July 2, 2012 Pride was given their 60 day notice pursuant to the contract's transition provisions with the County. The Probation Advisory Board (PAB) and Staff will continue to closely monitor the transition phase ensuring that misdemeanor probation clients and the courts are minimally impacted by the changeover. There is no cost to the County for this contract, since it is a "fee for service contract." Each probation and <del>pre-trial</del> <u>pre-trial</u> intervention client is required to pay PPS a monthly (\$50) supervision fee as ordered by the Court. PPS will pay the County \$5,000 each year to offset CJC costs associated with monitoring the contract and auditing PPS case files. <u>Countywide (DW) (CJC)</u></p> |
| 2           | 3C-1        | <p><b><u>REVISED MOTION &amp; TITLE:</u></b> Staff <u>recommends motion to adopt:</u> <del>requests Board direction</del> regarding adoption of a Resolution of the Board of County Commissioners of Palm Beach County, Florida, supporting the Central Everglades Planning Project for the restoration of the Central Everglades. (Admin/Legislative Affairs)</p>   |
| 5           | 3F-1        | <p><b><u>REVISED TITLE:</u></b> Staff recommends motion to: <b>A) Adopt</b> a Resolution by the Board of County Commissioners of Palm Beach County, Florida, recommending that Pratt &amp; Whitney, ... <del>C) Approve a budget transfer of \$400,000 from the General Fund Contingency Reserves to the Department of Economic Sustainability JGI Program; and D) Approve a Budget Amendment of \$400,000 to the Economic Development Fund to recognize and appropriate the transfer of funds from the General Fund Contingency Reserves.</del> <b>C) Authorize</b> the Office of Financial Management and Budget to <u>administratively process a \$400,000 budget transfer from the General Fund Contingency Reserves to the Department of Economic Sustainability JGI Program and a budget amendment of \$400,000 to recognize the funds in the Economic Development Fund, following approval of the agreement...</u> (DES)</p>  |
| 6           | 3F-2        | <p><b><u>ADD ON:</u></b> Staff recommends motion to: <b>A) Adopt</b> a Resolution by the Board of County Commissioners of Palm Beach County, Florida, approving the program criteria for the Economic Development Ad Valorem Tax Exemption Program; providing for a referendum to be held on November 6, 2012, pursuant to s. 196.1995(1)(a) Florida... (DES)</p>  |

**NOTE:** Items that were revised, added, deleted, or backup submitted and were not listed on the addition/deletion sheet distributed to the Board the prior day are noted with an asterisk (\*).

**ORDER OF BUSINESS  
BOARD OF COUNTY COMMISSIONERS  
PALM BEACH COUNTY, FLORIDA**

**JULY 24, 2012**

**TUESDAY  
9:30 A.M.**

**COMMISSION CHAMBERS**

**1. CALL TO ORDER**

- A. Roll Call
- B. Invocation
- C. Pledge of Allegiance

**2. AGENDA APPROVAL**

- A. Additions, Deletions, Substitutions
- B. Adoption

**3. REGULAR AGENDA**

**TIME CERTAIN 9:30 A.M.** (Pratt & Whitney)

**TIME CERTAIN 2:00 P.M.** (Convention Center Hotel)

**WORKSHOP SESSION**

- 4. 9:30 A.M.** Financially Assisted Agencies (FAA) 2013 Funding Recommendations  
(Community Services)

**5. ADJOURNMENT**

3. REGULAR AGENDA

A. CLERK & COMPTROLLER

1. **Staff recommends motion to approve:** Warrant List.
2. **Staff recommends motion to approve:** Contracts (regular) and claim settlements list as submitted by various departments to the Clerk & Comptroller's Office. Countywide

B. CRIMINAL JUSTICE COMMISSION

1. **Staff recommends motion to approve:** the Contract with Professional Probation Services, Inc. (PPS) for misdemeanor probation services from September 4, 2012, to September 35, 2015 with two (2) - one (1) year options for renewal at the sole discretion of the County. **SUMMARY:** Following the review of submittals in January 2012 by the selection committee and the posting (PBC RFS No. 800108/LJ) of the award by the Purchasing Department, ~~that identified~~ a new misdemeanor probation service provider was identified. On July 2, 2012, Pride was given their 60 day notice pursuant to the contract's transition provisions with the County. The Probation Advisory Board and Staff will continue to closely monitor the transition phase ensuring that misdemeanor probation clients and the courts are minimally impacted by the changeover. There is no cost to the County for this Contract, since it is a "fee for service contract." Each probation and ~~pre-trial~~ pre-trial intervention client is required to pay PPS a monthly (\$50) supervision fee as ordered by the Court. PPS will pay the County \$5,000 each year to offset CJC costs associated with monitoring the contract and auditing PPS case files. Countywide (PGE)

C. ADMINISTRATION

1. **Staff recommends motion to adopt:** ~~requests Board direction:~~ regarding ~~adoption~~ of a Resolution of the Board of County Commissioners of Palm Beach County, Florida, supporting the Central Everglades Planning Project for the restoration of the Central Everglades. **SUMMARY:** The Everglades Ecosystem is a critical habitat for South Florida. Although several restoration plans have been in place, the restoration efforts have been slow. The Central Everglades Planning Project seeks to expedite certain restoration projects within the Central Region. The South Florida Water Management District and Army Corp of Engineers plan to complete a Project Implementation Report (PIR) over the next 18 months. Through this effort, the goal is to significantly reduce planning times and deliver a finalized plan containing a list of restoration projects. Ultimately, it is anticipated these projects will result in an improvement to water resources, improved water storage capabilities and a healthier Everglades ecosystem. Countywide (DW)

3. REGULAR AGENDA

C. ADMINISTRATION

**TIME CERTAIN 2:00 P.M.**

2. Staff recommends conceptual approval: of the Terms and Conditions of the following agreements/documents for the development of a 400 room Convention Center Hotel subject to successful negotiations of a replacement agreement to the Settlement Agreement with the City of West Palm Beach:

A) Payment, Performance and Construction Guaranty (Guaranty);

B) Development Agreement;

C) Hotel Lease;

D) Hotel Room Block Agreement; and

E) Garage Easement (collectively the Agreements).

**SUMMARY:** On April 12, 2011, the Board of County Commissioners (Board) conceptually approved a County subsidy in the amount of \$27 Million for the development of a 400 room Hilton Convention Center Hotel (Hotel) to The Related Companies, L.P. (Related) and directed staff to begin negotiations with Related concerning the necessary Agreements to facilitate the development and operation of the Hotel. The Agreements require the County to provide a \$27 Million subsidy, which will be required beginning no sooner than October 1, 2013, and will be distributed after Related has expended their \$20 Million in developer equity and proportionately with the funds borrowed from third party lenders. In the event the cost of the construction of the Hotel is less than the budgeted amount, then the developer and the County will share in any savings in the same proportion that the sum of developer's equity and the third party debt bears to the sum of the subsidy and New Market Tax Credits. The County will provide a guarantee limited to 40% of the senior debt to a maximum of \$20 Million, which guarantee shall expire no later than seven (7) years after the Hotel opening and contingent upon Related Companies, L.P. providing the mortgagee an unconditional, absolute, irrevocable, and continuing guarantee of payment and performance of the senior debt. Under the ownership arrangement, the County will own the Hotel and CityPlace Hotel, LLC will be the Lessee. The Property Appraiser has determined that that the Hotel and real property is owned by the County and will not be subject to real property ad valorem taxation. The Payment, Performance and Construction Guaranty requires Related to post a Letter of Credit or bond in the amount of \$5 Million at the time of execution of the Agreements as the required security for liquidated damages should construction not commence within 18 months. On March 15, 2005, the County, City of West Palm Beach (City), West Palm Beach Community Redevelopment Agency, City Place Retail, LLC, and City Place Partners entered into a Settlement Agreement to resolve litigation regarding the acquisition of the Convention Center Hotel site. The Settlement Agreement required the construction of 100 condominiums, which is no longer practical or economically feasible. The successful negotiation of a replacement agreement to the Settlement Agreement is required prior to the execution of the Agreements. Upon successful negotiation of a replacement agreement with the City, Staff will bring the Agreements back to the Board for final approval and execution. Attachment A to the Agenda Item highlights the key terms in each of the Agreements. Countywide (JM) (HJF)

3. REGULAR AGENDA

D. FACILITIES DEVELOPMENT & OPERATIONS

1. Staff requests Board direction: regarding the request from the Boynton Beach Community Redevelopment Agency (CRA) to amend the Declaration of Covenants and Restrictions encumbering the Boynton Marina to allow the CRA to demolish an existing building formerly housing the dive shop. **SUMMARY:** After the July 10, 2012, BCC meeting, the CRA met and voted to withdraw this request, and to continue to follow their master plan. They also indicated that they would not contribute towards the purchase of space for the dive shop. There is approximately \$485,000 in unencumbered Waterfront Access Bond funds remaining that could be used to assist the dive shop, but staff recommends their use for other waterfront development priorities. (FDO Admin) Countywide (HJF)

E. TOURIST DEVELOPMENT COUNCIL

1. Staff recommends motion to approve: A Convention Center Operating Agreement (“Agreement”) with Global Spectrum, L.P. (“Global”), a Delaware limited partnership, qualified to do business in Florida, for the operation and management of the Palm Beach County Convention Center (“Convention Center”) located at 650 Okeechobee Boulevard in West Palm Beach for an initial operator fixed fee of \$191,640.00, plus the potential for Global to earn an initial incentive fee not to exceed \$47,910. **SUMMARY:** The Convention Center is currently operated and managed by Global, pursuant to the terms of the Convention Center Operating Agreement {Private} (R2007-1626), as amended by the Amendment to Convention Center Operating Agreement (R2010- 1466), whose term expires on September 30, 2012. In March 2012, the County’s Department of Facilities Development & Operations advertised a Request For Proposals (RFP) No. 2012-101-SJC for the provision of operation and management services at the Convention Center. Global was the only respondent. This Agreement provides for Global to have the authority over the day to day operation of the Convention Center, provided however, Global shall not be responsible for: (i) the provision of food and beverage services nor for the management of long term sales (18 months or more in advance). The Agreement provides for the County to pay Global an annual fixed fee (“Annual Fixed Fee”) of \$191,640 to be paid in monthly installments of \$15,970 which will be adjusted annually as of October 2013, based on the percentage change in the CPI; provided however, the annual adjustment will not increase or decrease by more than 3%. In addition to the Annual Fixed Fee, Global has the potential to earn an annual incentive fee (“Incentive Fee”), which will not exceed: (i) \$100,000 or (ii) 25% of the Annual Fixed Fee, whichever is less, if key performance measures are met in the areas of financial, SBE achievement, marketing, sales and customer service. The initial term of the Agreement is for five (5) years to September 30, 2017, with one (1) option to extend the term for a period of five (5) years. As a financial guaranty of Global’s performance, Global has delivered to the County a surety bond in the amount of One Million Dollar (\$1,000,000). This Agreement was unanimously approved by the Tourist Development Council (“TDC”) on June 14, 2012. (TDC) Countywide (DW)

3. REGULAR AGENDA

F. ECONOMIC SUSTAINABILITY

TIME CERTAIN 9:30 A.M.

1. Staff recommends motion to:

**A) Adopt** a Resolution by the Board of County Commissioners of Palm Beach County, Florida, recommending that Pratt & Whitney, a division of United Technologies Corporation, be approved as a Qualified Target Industry Business with a High Impact Sector Bonus pursuant to s.288.106, Florida Statutes; providing for Local Financial Support for the Quick Action Closing Fund in the form of an Ad Valorem Tax Exemption not to exceed \$1,000,000 over a seven (7) year period, and a Job Growth Incentive Grant not to exceed \$400,000 over a four (4) year period; and providing for an effective date;

**B) Conceptually approve** a Job Growth Incentive (JGI) Grant with Pratt & Whitney as the local match for the State Qualified Target Industry Program with a High Impact Sector Bonus; and

**C) Authorize** the Office of Financial Management and Budget to administratively process a \$400,000 budget transfer from the General Fund Contingency Reserves to the Department of Economic Sustainability JGI Program and a budget amendment of \$400,000 to recognize the funds in the Economic Development Fund, following approval of the agreement.

~~**C) Approve** a budget transfer of \$400,000 from the General Fund Contingency Reserves to the Department of Economic Sustainability JGI Program; and~~

~~**D) Approve** a Budget Amendment of \$400,000 to the Economic Development Fund to recognize and appropriate the transfer of funds from the General Fund Contingency Reserves.~~

**SUMMARY:** Pratt & Whitney, a division of United Technologies Corporation is a world leader in the design, manufacture and service of aircraft engines, industrial gas turbines and space propulsion systems. The company has approximately 36,000 employees who support 11,000 companies around the world. Pratt & Whitney has been identified as a Target Industry and falls in the high impact sector of Aviation and Aerospace. The Regional Economic Model results estimate that Pratt & Whitney's \$63 Million renovation/expansion of an aircraft engine and facility will have a \$245 Million economic impact over a five (5) year period, and \$442 Million over a ten (10) year period. This conceptual approval is contingent upon the company's construction of a \$63 Million facility, the creation of 230 new jobs over a ten (10) year period at an average annual salary of \$81,110, the retention of 531 current jobs in Palm Beach County, maintenance of the created and retained jobs for five (5) years following the job creation period, and the determination that the project meets the requirements under Florida Statute 196.012 for an Ad Valorem Tax Exemption. The company has been offered a total of \$3 Million in State funding. Staff's recommendation is that in consideration of the high number of jobs that will be created and maintained, and the significant economic impact to be realized from this expansion in a Cluster Industry which is considered to play a key role in the County's economic success and competitiveness, local financial support exceeding the 20% minimum is warranted. **Upon completion of these requirements, the final application will be presented to the Board of County Commissioners for consideration and approval.** District 1 (DW)

3. REGULAR AGENDA

F. ECONOMIC SUSTAINABILITY

ADD ON

2. Staff recommends motion to:

**A) Adopt** a Resolution by the Board of County Commissioners of Palm Beach County, Florida, approving the program criteria for the Economic Development Ad Valorem Tax Exemption Program; providing for a referendum to be held on November 6, 2012, pursuant to s. 196.1995(1)(a) Florida Statutes, to determine whether the Board may grant economic development ad valorem tax exemptions for property of new businesses and expansions of existing businesses under Section 3, Article VII of the State Constitution to encourage economic development and establish new jobs; approving ballot title, summary and question language; authorizing the chair to execute a letter to transmit the ballot question to the supervisor of elections; and providing for an effective date.

Title: ECONOMIC DEVELOPMENT PROPERTY TAX EXEMPTIONS FOR NEW BUSINESSES AND EXPANSIONS OF EXISTING BUSINESSES

Ballot Summary: The Economic Development Ad Valorem Tax Exemption Program provides Palm Beach County with an additional economic development incentive tool to assist new or expanding businesses that will have a positive economic impact on Palm Beach County's economy with the expectation that these businesses will create new, full-time jobs in Palm Beach County.

"Shall the Board of County Commissioners of Palm Beach County be authorized to grant, pursuant to s. 3 Article VII of the State Constitution, property tax exemptions to new businesses and expansions of existing businesses that are expected to create new, full-time jobs in Palm Beach County?"

- \_\_\_\_\_ Yes - For authority to grant exemptions.
- \_\_\_\_\_ No - Against authority to grant exemptions.

**B) Authorize** the Chair to execute the attached letter to transmit the ballot question to Susan Bucher, Supervisor of Elections, no later than 12:00 p.m., August 10, 2012.

**SUMMARY:** The current exemption program was approved by a referendum vote on August 31, 2004, and was implemented by the Board of County Commissioners through the adoption of Ordinance 2005-004. The existing Program will expire on August 31, 2014, by virtue of having reached its tenth year limitation pursuant to Section 196.1995, Florida Statutes. In order to reinstitute the exemption program it is necessary that a new referendum be held on November 6, 2012. All businesses granted an ad valorem tax exemption by the Board will be required to create full-time jobs and to maintain those jobs for a required period of time. The Board has sole discretion on whether it will grant a business more than one economic development program incentive. If approved by the voters, the Program will take effect upon the expiration of the current program on August 31, 2014. Countywide (DW)

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