

TOWN OF PALM BEACH

Information for Town Council Meeting on: December 8, 2020

TO: Mayor and Town Council

FROM: Kirk W. Blouin, Town Manager

RE: Resolution to Approve Authorizing an Extension of Time for Environmental Reviews for the Property Located at 5976 Okeechobee Boulevard with Okeechobee Boulevard LLC (AHS), **Resolution No. 146-2020**

DATE: November 25, 2020

STAFF RECOMMENDATION

Town staff recommends that Town Council approve Resolution No. 146-2020. The resolution authorizes an extension of time for the environmental inspection period. Delays in environmental due diligence push back, in turn, the dates when Okeechobee Boulevard LLC (AHS) can get site plan approval, and the construction start date.

Town staff recognizes the efforts made by AHS to actively address environmental reviews. Town staff has granted monthly extensions to accommodate on-going environmental surveys of the property to include soil borings.

GENERAL INFORMATION

Okeechobee Boulevard LLC (AHS) is AHS is asking to extend the environmental inspection period and corresponding dates for site plan approval and the rent commencement date under the Lease as outlined in the schedule below in response to environmental assessments received to date that disclose conditions that, without further remediation, would be inconsistent with AHS's intended residential use of the property. AHS is devoting what they understand to be considerable resources (in excess of \$100,000) to test the site and determine probable costs for required remediation. Delays in environmental due diligence push back, in turn, the dates when AHS can get site plan approval, the construction start date, and the rent commencement date.

When Resolution No. 15-2019 was approved on October 10, 2019, it was noted that there were potential issues regarding environmental review.

AHS proposes the following:

1. Execute another amendment to the ground lease extending the environmental review period to April 2, 2021. AHS expects to have the final opinion of probable cost the second week of January. After they review they will deliver to Akerman, LLC and the Town of Palm Beach for discussion. During this period AHS would negotiate another amendment to the lease covering the matters below and any other changes deemed

necessary.

2. Agree to file application with Palm Beach County to designate the site as a brownfield and enter into a brownfield designation agreement with the State of Florida. The foregoing to be accomplished at AHS' cost.
3. Below is the new development timeline from AHS consultant. Provided no changes to the site plan are necessary based on the information disclosed in final environmental report and probable cost statement, AHS will restart the land use process as soon as possible in January. The current deadline to obtain the development approvals under the lease is April 27, 2021 and AHS are requesting an extension through November, 2021.

FUNDING/FISCAL IMPACT

There is no fiscal impact for the extension of the ground lease environmental studies.

ATTORNEY FOR GROUND LEASE REVIEW

This item has been proffered by Barbara J. Ferrer on behalf of CRE Fund at Okeechobee Boulevard LLC (AHS) and reviewed by Janis Cheezem, partner of Akerman LLP on behalf of the Town.

cc: Jay Boodheshwar, Deputy Town Manager
Paul Brazil, P.E., Director Public Works Department
Dean Mealy, CPPO, Purchasing Manager