

TOWN OF PALM BEACH

Information for Town Council Meeting on: May 14, 2024

To: Mayor and Town Council

Via: Kirk W. Blouin, Town Manager

From: Carolyn S. Stone, Deputy Town Manager, Business Enterprise and Culture

Re: Phipps Ocean Park Capital Grant and Operating Agreement
Resolution No. 032-2024

Date: May 8, 2024

STAFF RECOMMENDATION

Staff recommends Town Council approve the Phipps Ocean Park Capital Grant and Operating Agreement via Resolution No. 032-2024.

GENERAL INFORMATION

Town staff has prepared the Phipps Ocean Park Capital Grant and Operating Agreement (CGOA), between the Town and the Preservation Foundation of Palm Beach. The CGOA will govern improvements to Phipps Ocean Park and its operations once the improvements are completed and requires two leases to the Foundation for areas within the Park, each for a 75 year term commencing once the leasehold improvements are completed. The first lease is a new replacement lease for the Little Red Schoolhouse; the second lease is for a Coastal Restoration Center to be included in the Park Improvements. The CGOA reflects feedback received from the Town Council at its April 9, 2024 meeting and in prior Town Council meetings.

PROJECT BACKGROUND

At the September 13, 2022 meeting, the Town Council accepted a \$250,000 donation from the Foundation to establish a project account and allow for the solicitation of a Construction Manager at Risk to perform the Park Improvements. Burkhardt Construction was selected by the RFQ committee and ratified by Town Council at the November 8, 2022, meeting. The renovation project was presented and approved by the Landmarks Preservation Commission for a Certificate of Appropriateness (COA) and nine variances on November 16, 2022. On February 14, 2023, the Town Council was presented the estimated cost of the Park Improvements along with the future operating costs that the Town would incur. On January 9, 2024, the Town Council approved the Site Plan Modifications associated with the Park Improvements and a seventy-five (75) year naming right to a lead donor of the Foundation for the Coastal Conservancy component of the Park Improvements. The project Guaranteed Maximum Price (GMP) from Burkhardt Construction was presented and approved at the March 12, 2024, Town Council meeting. The Town Council received an update on the CGOA and Donor Signage locations at the April 9, 2024 regular meeting. Town Council

provided feedback to Town staff and Preservation Foundation staff, and the CGOA now has a language addressing this input.

The Foundation is reviewing details of the Burkhardt agreement; the CGOA includes a termination right to the Foundation in the event it is not satisfied with these details. Since Burkhardt's pricing expires at month end, Town staff is requesting approval of the CGOA subject to the Foundation's termination right so that if the Foundation does not exercise this termination right the Town will, with the Town Council's approval this month, be able to execute the Burkhardt agreement prior to expiration of its current pricing.

FUNDING/FISCAL IMPACT

The Preservation Foundation of Palm Beach will raise the \$30 million projected project cost and establish an endowment. The CGOA requires that the Town contribute \$100,000 annually, inflation-adjusted, toward the park's landscape maintenance. The following are additional estimated budget requirements for the Town to operate the park after completion of the Foundation's renovation improvements: \$200,000, comprised of \$100,000 for general maintenance, the first \$100,000 of the park's landscape contract, park staffing (3 FTEs at an approximate cost of \$300,000), police (1 FTE at approximately \$120,000), parking enforcement (.5 FTE at an approximate cost of \$40,000), liability and property insurance coverage and claims (cost TBD). Beach renourishment is an already annual budgeted amount separate from this new agreement. Increased parking revenue and park rentals are anticipated to offset some of these costs.

Attachment: Phipps Ocean Park Capital Grant and Operating Agreement with Appendices

cc: Bob Miracle, Deputy Town Manager – Finance and Administration
H. Paul Brazil, P.E., Director of Public Works
Nicholas Caristo, Police Chief
Mark Bresnahan, Director of Recreation
Sean Baker, Fire-Rescue Chief
Wayne Bergman, Director of Planning, Zoning and Building
Dean Mealy, Procurement and Contract Manager
Amanda Skier, Executive Director and CEO of the Preservation Foundation of Palm Beach