

West Palm Beach Transit-Oriented Development



Presented by Treasure Coast Regional Planning Council
in cooperation with TOD Advisors LLC

Commissioner Jeff Koons



SFRTA, Chair

Palm Beach County Commissioner

Palm Beach County MPO, Chair

Treasure Coast Regional Planning Council, Vice-Chair

Shared Public Policy GOALS...

- Create a mixed use transit oriented village
- \$50 Million In Equity for 500 Residential Units for HIPP (Housing Implemented by Public Policy)
- A Public Sector Emergency Management/Health Services and Educational Campus at little or NO cost to the Public Sector
- New public infrastructure paid by Private Developers
 - Roads, Sidewalks, Utilities, Landscaping and Parks
- Increased Transit Ridership and Pedestrian Traffic
 - Intermodal transfer facility

Financial GOALS

- Compensate the State, County and Red Cross for their land
 - \$21 Million to Palm Beach County
 - Construction contribution to the American Red Cross
- Return \$26 Million in construction costs to HCD and PBC
 - HCD and DOH receive buildings
- Transfer \$16 Million State DOH building to the Internal Improvement Trust Fund
- Increase ad valorem tax base
- Eligibility for State and Federal Grants

Project Supporters

- ALL Adjacent Private Land Owners
- Palm Beach County
- City of West Palm Beach
- City of West Palm Beach Community Redevelopment Agency
- SFRTA
- Educational Center
- FDOT
- MPO
- Treasure Coast Regional Planning Council

Mayor
Lois Frankel



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West Palm Beach TOD Charrette Overview



TREASURE COAST REGIONAL PLANNING COUNCIL

Without multi-party collaboration:



Neighborhood
& Community
Groups



Local Property
Owners & Residents



Palm Beach
MPO



West Palm
Beach CRA



...this would not be possible

General Charrette Goals

- Create a mixed-use Transit Oriented Development (TOD)
- Address the need for workforce housing
- Increase transit ridership & pedestrian circulation
- Design a project that is financially feasible using appropriate funding mechanisms

What is a Transit-Oriented Development?

An Urban Neighborhood

- Mixed-use development within a quarter-to a half-mile of a transit station
- Pedestrian friendly & walkable
- Significant amount of housing, especially workforce housing
- Shared &/or structured parking
- 18 hours of activity (mix of residential, retail, office, institutional/civic uses)
- Ties into local transit (buses, trolleys)



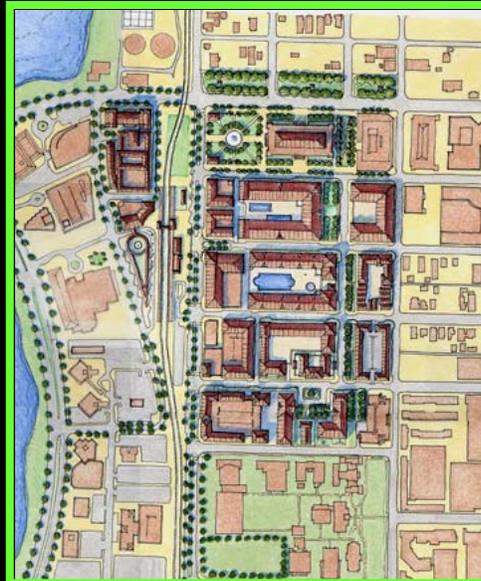


To This ...



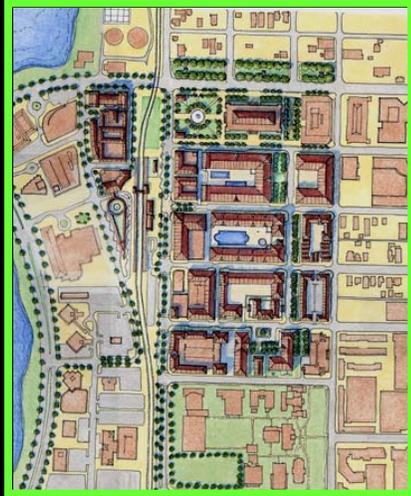
Charrette Master Plan

Urban
Design



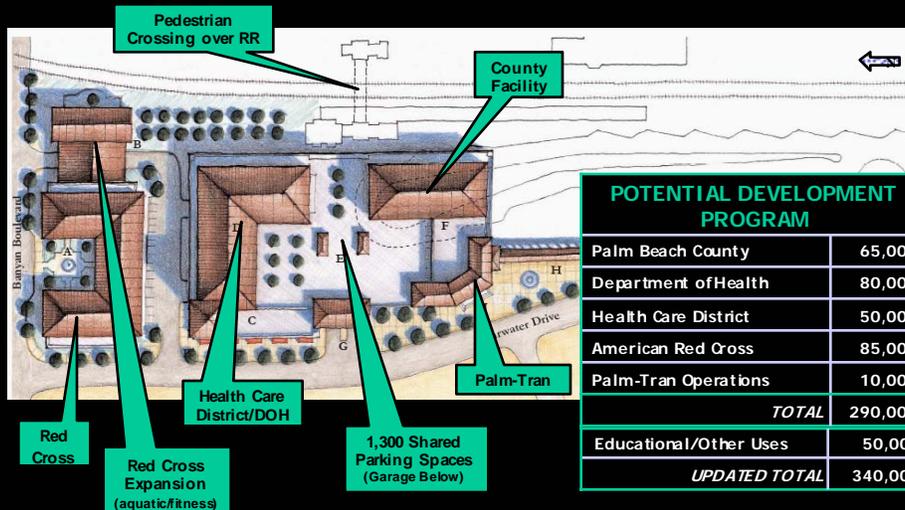
Financial
Analysis

Initial Charrette Recommendations



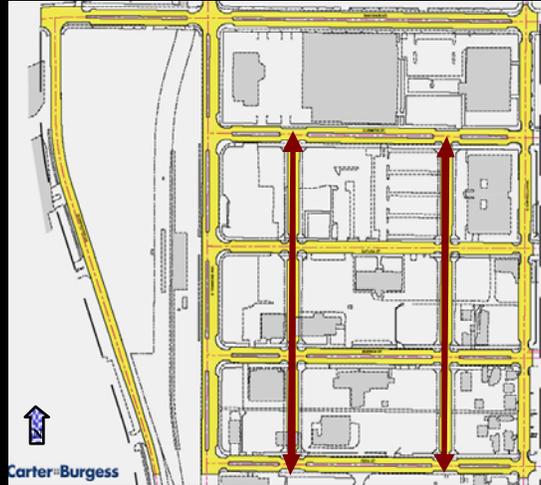
- **2,000 New Residential Units**
Min. 20% workforce = 400 units
- **1 Million SF Non-Residential Uses**
Federal Block: New Courthouse & Plaza
Other Blocks: Mixed-Use
 - Ground Floor Retail at Key Locations
 - Upper Stories – mostly Residential
- **Improve Tamarind**
Streetscape, Building Placement, Uses
- **Create new North/South Street**
- **Increase Private Ownership**
From 90% public to 90% private
- **5,000 Parking Spaces**

Charrette Plan Refinements



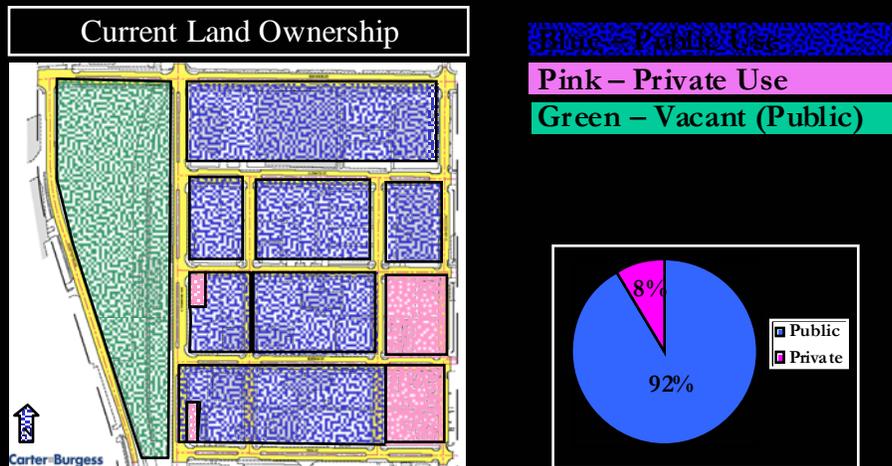
(1) Develop Health, Emergency & Education Campus

Charrette Plan Refinements



(2) Reconfigure Western Alley as Second North/South Street & Consolidate Utilities into New Streets

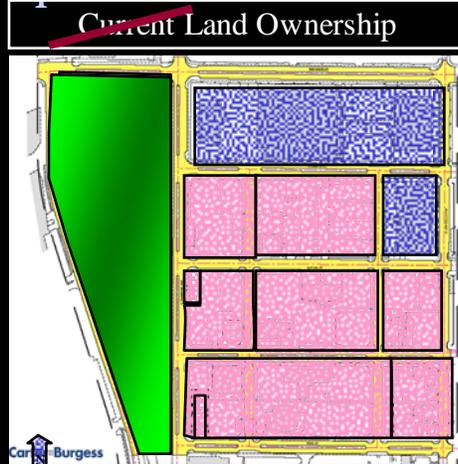
Charrette Plan Refinements



(3) By Consolidating Public Uses,
Increase to 2,500 Residential Units (min. 20% workforce)

Charrette Plan Refinements

Proposed

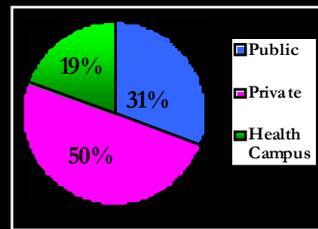


~~Blue - Public~~

Pink - Private Use

~~Green - Vacant (Public)~~

Gradient - New Health,
Emergency and
Educational Campus



How Can We
Make This Happen?

Transit Oriented Development
at
Government Hill



IMPLEMENTATION PLAN OVERVIEW

TODADVISORS, LLC

TODADVISORS, LLC

Michael D. Masanoff

Chairman, TOD Advisors LLC

TODADVISORS, LLC

How Do We Accomplish our GOALS?

- Public “How?”
- Private “How?”

Public How?

- Consolidate public uses to the Campus Site
 - Compensate government/institutional land owners \$3 Million per acre.
 - Finance the Health and Emergency Management Service Campus by annualizing the DOH & HCD construction budgets over 20 years.
 - Relocate the American Red Cross from a residential site to the Campus
 - Construct a 65,000 sq. ft. facility for PBC using TIF bond proceeds.
 - Construct an Intermodal Transit Facility for the SFRTA, Palm Tran, and other users with \$5.4 Million of FDOT transit funds.
 - Incorporate a 50,000 sq. ft. Educational user.
 - Create synergy between similar uses, who will benefit from access to Transit, Shared Parking, Shared Stand-by Generator, etc.

Department of Health (DOH)

Relocate DOH's Land Lease site to the Campus

Benefits:

- Building payable from interest on current construction funding and TIF
- Returns County and HCD Investment
- Synergetic Campus Environment with Shared Parking Garage, and other features.
- Schedule will be met
- HIPP Housing Priority for employees



Current Plan:

Constructs a 5 story building in a 10 story zone, and street level parking on \$3 Million per acre land

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Health Care District (HCD)

Construct HCD Building on Campus Site

Benefits:

- Building payable from interest on current construction funding and TIF
- Refund of DOH investment (\$8 Million)
- Return of HCD building fund (\$10 Million) after 20 years.
- Synergetic Campus Environment with Shared Parking Garage, and other features.
- Adjacent to Helipad
- HIPP Housing Priority for employees



Current Plan:

Current Site plan requires construction of a sizeable parking garage for HCD and DOH users, at a cost of an additional \$15 Million.

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American Red Cross (ARC)

Construct ARC Building on Campus Site

- Benefits:
 - Compensation for difference in land value
 - Completion of Facility without interruption of existing site.
 - Gymnasium and Aquatic Complex available for Emergency Management



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Palm Beach County (PBC)

Benefits:

- Compensation for excess land (\$21 Million)
- TIF Financed 65,000 sq. ft. Facility on Campus site.
- A vibrant self-sustaining transit oriented development in a currently underutilized area.
- HIPP Housing Priority for employees

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City of West Palm Beach (WPB)

- \$50 Million in Housing Implemented by Public Policy (HIPP)
- Increased Tax Revenues
- A vibrant self-sustaining transit oriented development in a currently underutilized area.

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Private How?

- Developers trade their fee-simple interests for larger land lease interests to construct residences, commercial, and retail space.
 - Developers will provide 20% HIPP Housing
 - Developers will construct streets, transit infrastructure, sidewalks, utilities, and parks.
 - Developers' lease payment will create millions of dollars in eligible matching funds for the SFRTA
 - Developers will pay SFRTA \$50 Million in year 30

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Adjacent Land Owners Commitment

Committed Developers

- All adjacent Private Land Owners/ Developers have provided letters of interest trading their fee-simple interest for a lease on a larger parcel to implement the Charrette Plan.



Privately Held Property

Signed Letter of Interest

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\$ Financing \$ Government Hill

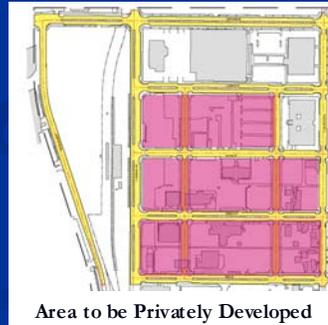
Programs:

- Financing the Development
 - Tax Increment Financing
 - Bond Issue
 - Uses of Bond Issue
- State and Federal Matching

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Private Developers

- Private Developers will construct approximately 2,500 residential units (including 500 HIPP Units), with retail and commercial space. Developers will be subject to a lease on a Buildable Square Foot (“BSF”) basis providing approximately \$4 Million per year in revenues.
- Responsible for related development infrastructure
- Provide \$50 Million for HIPP Subsidy



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Private Developers Land Leases

Total Square Footage	3,000,000
-Currently Allocated SF	-600,000
-Design Loss Factor	-400,000
Net Buildable Sq. Ft.	2,000,000
x Buildable Sq. Ft. Value	\$25
=Total Due at Year 30	\$50,000,000
Annual Lease Payment (8%)	\$4,000,000.00

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Financing the Development

- The development of Government Hill will be financed using:
 - \$10M/year of Tax Increment (“TIF”) allocated to the SFRTA
 - \$1.3M/year in lease revenues from DOH/HCD
 - \$4M/year in Private Developer Land lease revenues with a buyout in year 30 for \$50 Million
- Allocated TIF and DOH/HCD (\$11.3M) Revenues will finance tax exempt bonds.
- Developer revenue will be used to pay other costs.

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Projected Tax Increment Financing

	Units	Square Feet	Low \$/Foot	High \$/Foot	Low	High
Residential	2,500	1,000	\$ 350	\$ 450	\$ 875,000,000	\$ 1,125,000,000
Commercial		200,000	\$ 250	\$ 300	\$ 50,000,000	\$ 60,000,000
Retail		150,000	\$ 300	\$ 400	\$ 45,000,000	\$ 60,000,000
Government Use		600,000	\$ 200	\$ 350	[\$120,000,000]	[\$210,000,000]
				Total Value	\$ 970,000,000	\$ 1,245,000,000
County Millage available for TIF	\$	4.45		-Current Tax Base	\$ (5,300,000)	\$ (5,300,000)
City Millage available for TIF	\$	7.90		-Homestead	\$ (62,500,000)	\$ (62,500,000)
				=Net Tax Base	\$ 902,200,000	\$ 1,177,200,000
				County Tax	\$ 4,014,790	\$ 5,238,540
				City Tax	\$ 7,127,380	\$ 9,299,880
				Total TIF	\$ 11,142,170	\$ 14,538,420
				Max. Available (90%)	10,027,953	13,084,578
				Maximum Bond Amt	117,222,628	152,953,312

Homestead	
Units	2,500
Exemption	\$25,000
Total	\$ (62,500,000)

Average: ~ \$11.5 Million

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Uses of Bond Proceeds

Construction of HCD	\$ 10,000,000
Construction of DOH	\$ 16,000,000
Construction of County Facility	\$ 13,000,000
Purchase Land	\$ 21,000,000
Parking Garage	\$ 20,000,000
Purchase Land (Red Cross) and Misc.	\$ 7,000,000
Admin Costs (3%)	\$ 2,610,000
Total	\$ 89,610,000
Total with 2 Year Interest Carry	\$100,685,796
Not Including FDOT Grant	[\$5,400,000]

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State and Federal Matching

- All payments will be structured so that they can potentially be matched by the SFRTA at the State and Federal Levels under Section 5309 “New Start” Grants Program and other State and Federal Programs

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Dedicated Source of Revenue to SFRTA and Eligible Matching Funds

- Millions in potentially matchable funding

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Bond Financing: Zachary Raymond

Vice President

LEHMAN BROTHERS

Where vision gets built.™

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Bond Issue

- Utilization of \$10 Million annual TIF and \$1.3 Million HCD/DOH annual lease revenue will be leveraged at tax exempt rate.
- \$101,745,000 fully amortized over a 20 year term.

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Estimated
As of 11/29/2005

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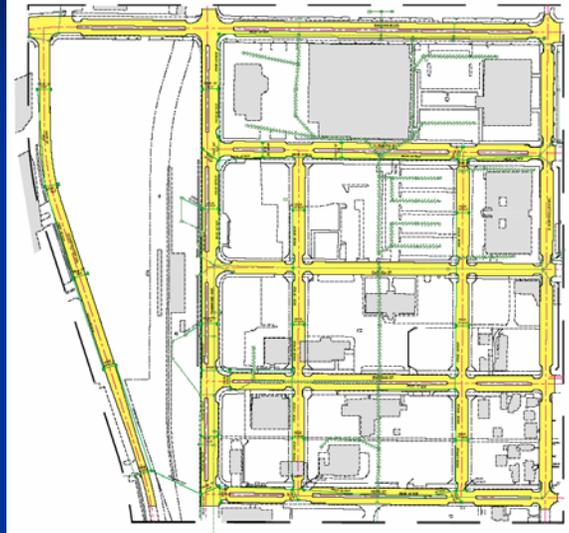
Construction Coordinator: Joe Yesbeck

Vice President

Carter Burgess

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Proposed Infrastructure



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Construction Timeline

- Commencement of construction by March 2006
- Completion of construction by June 2008

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WIN WIN SCENARIO

WIN-WIN SCENARIO

- Provides 500 HIPP Units
- Develops an underutilized area into a cohesive, vibrant, self-sustaining Transit Oriented Development
- Creates a synergistic Health Care and Emergency Management Services Campus