



# AGENDA

## Special Call

Community Redevelopment Agency (CRA) Meeting

Wednesday, March 21, 2007 at 7:30 p.m.

Lake Park Town Hall

535 Park Avenue

<b>Paul Castro</b>	—	<b>Chair</b>
<b>Edward Daly</b>	—	<b>Vice Chair</b>
<b>G. Chuck Balius</b>	—	<b>Board Member</b>
<b>Jeff Carey</b>	—	<b>Board Member</b>
<b>Patricia Osterman</b>	—	<b>Board Member</b>
<b>Christiane Francois</b>	—	<b>Board Member</b>
<b>Michelle McKenzie-Suiter</b>	—	<b>Board Member</b>
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<b>Maria V. Davis</b>	—	<b>Executive Director</b>
<b>Vivian Mendez</b>	—	<b>Town Clerk</b>

PLEASE TAKE NOTICE AND BE ADVISED, that if any interested person desires to appeal any decision of the Town Commission, with respect to any matter considered at this meeting, such interested person will need a record of the proceedings, and for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. *Persons with disabilities requiring accommodations in order to participate in the meeting should contact the Town Clerk's office by calling 881-3311 at least 48 hours in advance to request accommodations.*

- A. **CALL TO ORDER**
- B. **PLEDGE OF ALLEGIANCE**
- C. **ROLL CALL**
- D. **ADDITIONS/DELETIONS-APPROVAL OF AGENDA**
- E. **DISCUSSION AND POSSIBLE ACTION:**  
Request authorization to negotiate incentives with Florida Power Utilities to move their headquarters to the Town of Lake Park.
- F. **ADJOURNMENT**

**Town of Lake Park  
Community Redevelopment Agency (CRA)  
Agenda Request Form**

Meeting Date: March 21, 2007

Agenda Item No.

- |  |   |
|--|---|
| <input type="checkbox"/> PUBLIC HEARING                      | <input type="checkbox"/> RESOLUTION     |
| <input type="checkbox"/> Ordinance on Second Reading         |   |
| <input type="checkbox"/> Public Hearing                      | <input type="checkbox"/> DISCUSSION     |
| <input type="checkbox"/> ORDINANCE ON FIRST READING          | <input type="checkbox"/> BID/RFP AWARD  |
| <input checked="" type="checkbox"/> GENERAL APPROVAL OF ITEM | <input type="checkbox"/> CONSENT AGENDA |
| <input type="checkbox"/> Other:                              |   |

**SUBJECT:** Florida Public Utilities (FPU)

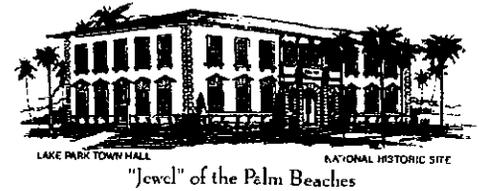
**RECOMMENDED MOTION/ACTION:** Motion to authorize staff to proceed with negotiations with FPU.

Approved by CRA Executive Director *W. Davis* Date: 3/14/07

Name/Title	Date of Actual Submittal	
<b>Originating Department:</b> Executive Director	Costs: \$ N/A  Funding Source:  Acct. #	
<b>Department Review:</b> <input type="checkbox"/> City Attorney _____ <input type="checkbox"/> Community Affairs _____ <input type="checkbox"/> Community Development _____	<input type="checkbox"/> Finance _____ <input type="checkbox"/> Fire Dept _____ <input type="checkbox"/> Library _____ <input type="checkbox"/> Marina _____ <input type="checkbox"/> PBSO _____	<input type="checkbox"/> Personnel _____ <input type="checkbox"/> Public Works _____ <input type="checkbox"/> Town Clerk _____ <input type="checkbox"/> Town Manager _____
<b>Advertised:</b> Date: _____ Paper: _____ <input type="checkbox"/> Not Required	All parties that have an interest in this agenda item must be notified of meeting date and time. The following box must be filled out to be on agenda.	Yes I have notified everyone _____ OR Not applicable in this case _____:  Please initial one.

**Summary Explanation/Background:** Florida Public Utilities (FPU) is interested in relocating its headquarters to the Town of Lake Park. Staff is of the opinion that this would be very beneficial for the Town. FPU is interested in discussing incentives to move to the Town. Staff has provided background information and outlined its recommendations in the attached memorandum.

# **Town of Lake Park Community Development Department**



Date: 3-15-07

*Patrick Sullivan, AICP, Director*

To: CRA Board

Re: Florida Public Utilities

Florida Public Utilities is interested in moving their West Palm Beach facility to another site somewhere in the county. As part of that search they are considering a 6.2 acre parcel on Watertower Road in Lake Park. They would move their entire West Palm facility along with 150 jobs to Lake Park. They would be moving the jobs not creating them. Part of the facility would be a yard area for the company's delivery trucks and storage of their propane tanks and other materials integral to the business; the remainder would be offices.

Florida Public Utilities is publicly held: Common stock is traded under the symbol FPU on the American Stock Exchange. The company was established in 1924 and currently serves over 94,000 customers throughout the state of Florida. This is a strong, stable company and would provide the Town of Lake Park with increased tax revenues, future job opportunities, and a good corporate citizen. The potential jobs are above minimum wage positions and provide career options. This type of industrial business helps expand the Town's economic base and provides for long term tax revenues. The proposed building will be approximately 30,000 square feet and as I stated earlier there is 6.2 acres. A conservative estimate would put the potential appraised value at \$7 million which would produce \$65,000+ in yearly tax revenues for the Town.

This is by no means a done deal. The biggest stumbling block is the Town's millage rate. On a \$7 million assessment, taxes can range from \$38,000 (unincorporated rate at 5.4) to \$65,000 (Lake Park rate at 9.3) annually. A less serious issue but one that we have no control over is that Lake Park is at the north end of their service district and they would like to be more centrally located. In our favor is our access to 95 and the lack of congestion that they are experiencing in West Palm.

To encourage FPU to locate in Lake Park the CRA should discuss and consider monetary incentives to help even out the difference in millage rates that tend to discourage businesses from locating in the Town. Direct tax abatements are not an option as Florida Statutes require a referendum of the voters use this method. There are two options that can be considered: (1) the first is waiver of building fees by the Town Commission as was done with One Park Place, this could provide \$30,000 to \$50,000 in relief for FPU; (2) the second method would be a lease-purchase agreement for a twenty year term. The CRA would purchase the land and lease it back to FPU. The method would be to get the money from the League of Cities as a loan available from their semi-annual bond float and purchase the land and provide FPU with a lease rate that reflects a low interest rate (4.07% for this round) available from the League of Cities. The lower interest rate would allow the Town to offer the land to FPU at a savings of \$500,000 ± over the twenty year term of a lease. FPU would also be able to deduct the lease payments as they would be an operating expense. This amount of savings could tip FPU's decision on where to locate in favor of Lake Park. The CRA would own the land until the end of the lease when it would be turned over to FPU for a predetermined amount. This would provide collateral protection to the Town. If FPU defaulted on the lease the CRA would still own a valuable piece of industrial land. Taxes on the property would be paid by FPU as billed by the Town at our regular rates.

The 6.2 acre parcel of land is for sale at \$3,500,000. Applefield-Waxman is the owner of record.

In exchange for the monetary considerations the Town could request a variety of conditions. Examples could be: (1) hiring and recruitment preference to Lake Park residents; (2) a signed franchise agreement which provides additional revenues to the Town; (3) have them commit to a special event such as the Irish Fest and provide annual sponsorship for that event.

Patrick Sullivan, AICP, Director  
Community Development Department  
884-3319 FAX 884-3323

**Details of the lease agreement would be worked out at a later date the purpose of tonight's meeting is to reach consensus on whether or not to move forward with negotiating a lease-purchase agreement with FPU.**

**In addition, staff recommends that we bundle the alleyway project with the lease-purchase program so that the favorable interest rate would be available for both projects. The \$1.5 -\$2 million cost of the alleyways would be part of total loan and the money would be available at the 4.7% interest rate. The Town Commission has already passed a resolution providing for the building of the alleyways and the assessment of abutting property owners. The League of Cities loan would be where the money to do the improvements would come from.**