

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

Meeting Date: March 27, 2025	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Regular
	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Public Hearing

Department: Facilities Development & Operations

I. EXECUTIVE BRIEF

Motion and Title: Staff requests Board direction: regarding a potential text amendment to the County's Comprehensive Plan to allow for the development of the Brookside property in light of the restrictions that currently encumber the same.

Summary: The Brookside property was originally acquired by the County in 2003 as part of the Agricultural Reserve Acquisition program. The property was sold in 2006, without development rights and with restrictions for conservation, agricultural and equestrian uses. The selling price reflected said limitations, resulting in approximately \$2M less in revenue when compared to the amount the County paid to acquire the property. The removal of development rights and the imposition of a conservation easement were deemed as guarantees to ensure attainment of the goals of the Agricultural Reserve Acquisition program. On November 15, 2022, the Board of County Commissioners (BCC) directed staff to provide a report on the history of the County's acquisition of the Brookside property and the required actions to proceed with a text amendment to the County's Comprehensive Plan (Comp Plan) to allow for development of the real estate holding, and the potential consequences of same. On December 6, 2022, County staff requested Board direction regarding a potential text amendment to the County's Comprehensive Plan to allow for the development of the Brookside property in light of the restrictions that currently encumber the same. The BCC directed County staff to return at a later date, during a BCC Workshop meeting, to further consider the item concurrently with an overview of the Agricultural Reserve and conservation easements. On March 28, 2023, staff provided the BCC the requested overview, and the BCC gave the property owner an opportunity to provide a presentation summarizing its intent to submit Comp Plan amendments that would have resulted in a 856-unit residential development including 25% workforce housing. Following deliberation by the BCC, the Mayor inquired if any Commissioner had an interest in directing County staff to proceed with the required text amendments; none was expressed. On February 27, 2025, the BCC directed County staff to return at the March 2025 BCC Zoning meeting to further consider policy matters related to the Brookside property. Pursuant to BCC direction, this item provides an overview of the Brookside property. **(FDO Admin) Countywide (HJF)**

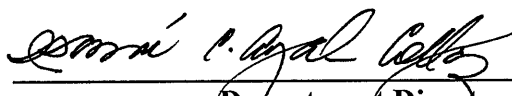
Background & Policy Issues: In March 1999, Palm Beach County voters approved the Agricultural Reserve bond referendum which provided \$150M towards the establishment of a land acquisition program to protect environmentally sensitive lands, greenways, land for water resources, agricultural lands and open space. In May 2003, the BCC approved the acquisition (through The Conservation Fund) from Brookside Tree Farm Limited Partnership of approximately 78 acres under the Agricultural Reserve (Ag Reserve) Acquisition program at a cost of \$5,163,432 (R2003-0199). Of the total acreage, 3 acres were acquired for the Lyons Road right-of-way with the remaining acreage going to the Ag Reserve program. At the time of acquisition, the property was being used as an in-ground nursery and it was County staff's intent to continue to lease it for nursery operations. However, as the Ag Reserve bond program progressed, a decision was made against leasing the property. Consistent with the 1999 bond referendum and to fund the Ag Reserve Acquisition program, the County issued two (2) tax-exempt general obligation bonds (GO bonds). The tax exempt status imposed limitations on the amount of revenue that could be derived from private parties and the rent payments were considered Private Activity Revenue. Hence, the decision not to lease the property was made as proceeding otherwise would have resulted in

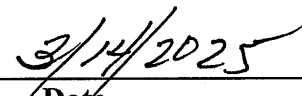
CONTINUED ON PAGE 3

Attachments:

1. Location Map
2. Summary of Ownership Interests
3. Environmental Assessments

Recommended By:


Department Director


Date

Approved By:

County Administrator

Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2025	2026	2027	2028	2029
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	=====	=====	=====	=====	=====
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget:	Yes	<u> x </u>	No	<u> </u>
Does this items include use of federal funds?	Yes	<u> </u>	No	<u> x </u>
Does this items include use of state funds?	Yes	<u> </u>	No	<u> x </u>

Budget Account No: Fund Dept Unit Object

B. Recommended Sources of Funds/Summary of Fiscal Impact:

There is no fiscal impact associated with this item.

C. Departmental Fiscal Review:

_____

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:

OFMB

Contract Development and Control

B. Legal Sufficiency:

Assistant County Attorney

C. Other Department Review:

Department Director

Background & Policy Issues (Cont'd.):

exceeding private activity bond limitations by year 2012. Refunding of the bonds with taxable bonds (i.e. not subject to Private Activity Revenue limitations) was identified as a feasible alternative, and County staff proceeded to draft a strategy towards implementation of a refunding plan. After several iterations with the participation of the County Land Acquisition Selection Committee (CLASC), bond counsel and County staff, among others, a refunding plan was agreed to by all parties which entailed entering into agreements that would cause the County to receive more revenue than allowed under the Private Activity Revenue limitations, after which the County would then have 90 days to issue taxable refunding bonds (as per United States Internal Revenue Service (IRS) regulations).

In May 2006, County staff presented to the BCC several agenda items all of which needed to be approved concurrently in order for the refunding program to be successfully implemented. One of said items was an agreement to sell the 75-acre Brookside property.

As per statutory requirement, the agreement to sell the Brookside property stemmed from a competitive process. The property was competitively advertised for purchase twice. A first request for proposals (RFP) was issued in November 2005 to sell the property to a qualified buyer for nursery or row crop production, and received only one proposal for \$1.05M which was deemed insufficient to accomplish the bond refund program. A second RFP was issued in April 2006 which incorporated into its proposal scoring framework the following three preferential uses as recommended by the CLASC: 1) nursery, 2) row crops and 3) equestrian. In order to generate interest in the property and receive proposals at prices which would exceed the revenue limitations, the RFP also established a minimum bid at the appraised value of \$3M and allowed any use permitted in the AGR zoning district, with the previously detailed preferences taken into consideration. Three (3) proposals were received, and on May 16, 2006 (agenda item 5E-4), County staff requested Board direction on the selection of the most responsive one. The three proposals were fairly close in the financial offer (i.e. \$75,000 separating the highest and lowest offers), the main difference was the uses proposed. The BCC selected the proposal submitted by Richard Bowman, Steven Wolf, Jeff Snow and Scott Niebel (collectively the Bowman Group).

Approval of the agreement to sell was based on two key considerations: 1) all development rights were to be removed, and 2) the property would be subject to a conservation easement limiting its use to agricultural uses. The appraisals on which the minimum bid were based took into consideration said restrictions. As a result, in 2003, the County acquired the property from Brookside Tree Farm Limited Partnership for approximately \$5.2M and sold it three years later to Brookside States, LLC and Smith Sundry Estates, LLC (entities controlled by the original owner of the Brookside property) for approximately \$3.2M. That is, an approximately \$2M discount. The removal of development rights and the imposition of a conservation easement were deemed as guarantees to ensure attainment of the goals of the Agricultural Reserve Acquisition program.

During the December 6, 2022 BCC meeting, questions were raised as to the ownership interests of the companies that sold to the County, and later acquired from the County, the Brookside property. Attachment 2 to this agenda item provides a summary of the corresponding ownership interests as reflected on the Florida Department of State, Division of Corporations' website (i.e., SunBiz). At the same meeting, questions were raised as to the environmental conditions of the Brookside property at the time of acquisition and its then adequateness for inclusion as part of the Ag Reserve. Prior to the acquisition of the Brookside property, County staff conducted a Phase I and Limited Phase II Environmental Site Assessments (ESAs). Attachment 3 to this agenda item includes copies of the relevant sections of each assessment. The Limited Phase II ESA concluded "based on the results of the Limited Phase II ESA, significant environmental impacts were not detected in soil, sediment, or groundwater collected at the areas identified as Area B-3-3 and Area-4, on Brookside Tree Farm. It is therefore URS' opinion that, with continued use of the property for agricultural purposes, no additional assessment is warranted at these two areas this time."

For development on the Brookside property to be feasible, the conservation easement would need to be at least partially released, development rights would need to be assigned through a text amendment to the County's Comp Plan, and in County staff's opinion, additional compensation should be required from the current owners as their ability to acquire at a discounted price (back in 2006) was the result of the restrictions imposed on the property (which the owners now seek to remove).

Brookside property

Historical Overview

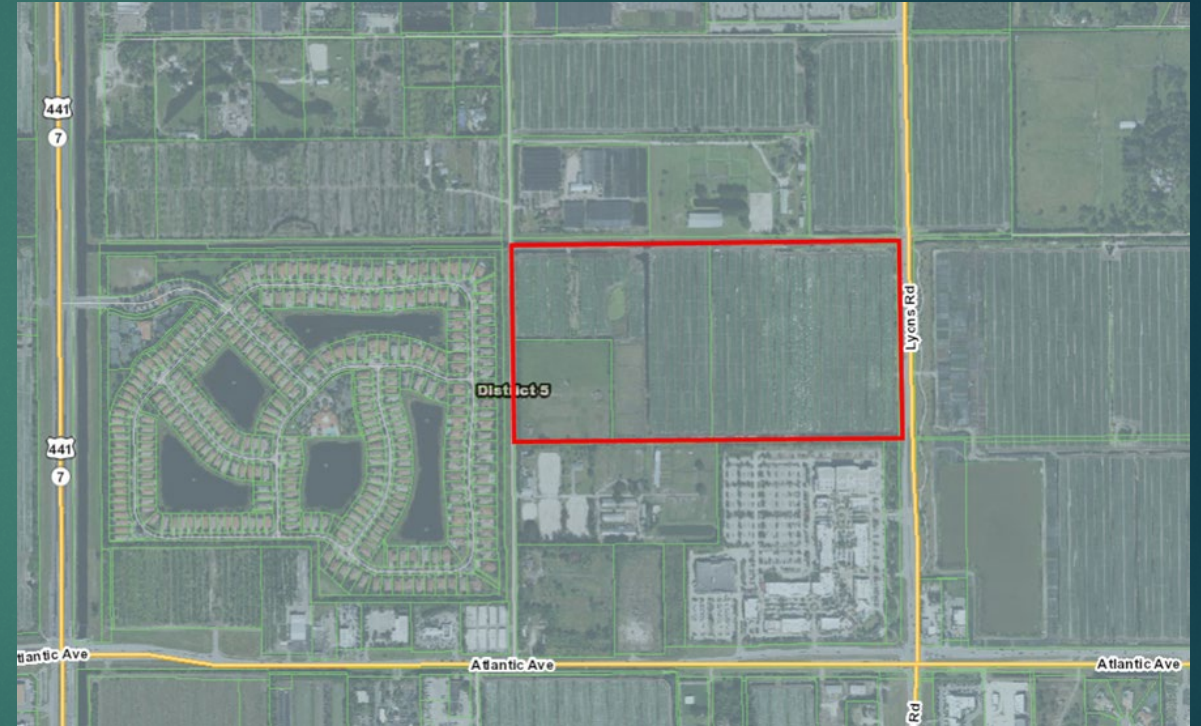
BCC ZONING MEETING

MARCH 27, 2025

Overview

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- ▶ March 1999 – Agricultural Reserve bond (\$150M) referendum approved by voters
- ▶ May 2003 – the Board of County Commissioners (Board) approves acquisition of the Brookside property
 - ▶ 78 acres (3 acres for Lyons Rd ROW)
 - ▶ \$5,163,432
 - ▶ Being used as in-ground nursery



Overview (cont.)

- ▶ Agricultural Reserve (Ag Reserve) bond program
 - ▶ Two tax-exempt bonds issued by the County
 - ▶ Private Activity Revenue limitations resulting from U.S. Internal Revenue Service regulations
 - ▶ A decision was made not to lease the Brookside property as proceeding otherwise would have resulted in exceeding bond limitations by year 2012
 - ▶ A refunding plan was prepared by County Staff

Overview (cont.)

- ▶ The Bond Refunding Plan called for the County to enter into a series of agreements that would cause it to receive more revenue than allowed under the Private Activity Revenue limitations, after which the County would then have 90 days to issue taxable refunding bonds (under IRS regulations).
- ▶ In May 2006, County Staff recommended to the Board, and the Board approved, several agenda items all of which needed to be approved concurrently in order for the refunding program to be successfully implemented.
 - ▶ Included was the agreement to sell the Brookside property (75 acres)

Overview (cont.)

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- ▶ November 2005 – first RFP issued, one proposal received for \$1.05M
- ▶ April 2006 – second RFP issued, three proposals received
 - ▶ Preferential uses: nursery, row crops and equestrian
 - ▶ Minimum bid: \$3M as per appraisals
 - ▶ Special conditions: conservation easement and restricted to agricultural uses
- ▶ May 2006 – the Board selected the proposal submitted by Bowman Group
 - ▶ Purchase price: \$3.2M

Overview (cont.)

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► RFP 2005-107-LJH

E. Special Terms

Respondent must identify any special terms the acceptance of which are a condition of Respondent's proposal.


F. Allowable Agricultural Uses

The permitted land uses for this property are those provided for in the Palm Beach County Unified Land Development Code, AGR Land Use Category. Respondent must specify its intended use of the property. All development rights will be removed and the property will be subject to a conservation easement limiting the use of the property to the agricultural use proposed by the selected Respondent.

Summary of Ownership Interests

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- ▶ In 2003, the County acquired from Brookside Tree Farm Limited Partnership

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Detail by Entity Name

Florida Limited Partnership
BROOKSIDE TREE FARM LIMITED PARTNERSHIP

Filing Information

Document Number A29709
FEIN Number 65-0196522
Date Filed 02/26/1990
State FL
Status INACTIVE
Last Event REVOKED FOR ANNUAL REPORT
Event Date Filed 09/16/2005
Event Effective Date NONE

Principal Address

5801 CONGRESS AVE
BOCA RATON, FL 33487

Changed: 05/10/2004

Mailing Address

5801 CONGRESS AVE
BOCA RATON, FL 33487

Changed: 05/10/2004

Registered Agent Name & Address

BROOKSIDE TREE FARM, INC.
5801 N. CONGRESS AVENUE
BOCA RATON, FL 33487


Address Changed: 02/25/2002

General Partner Detail

Name & Address

Document Number L48195

BROOKSIDE TREE FARM INC
5801 CONGRESS AVE
BOCA RATON, FL 33487

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Detail by Entity Name

Florida Profit Corporation
BROOKSIDE TREE FARM, INC.

Filing Information

Document Number L48195
FEIN Number 65-0198586
Date Filed 02/07/1990
State FL
Status INACTIVE
Last Event ADMIN DISSOLUTION FOR ANNUAL REPORT
Event Date Filed 09/16/2005
Event Effective Date NONE

Principal Address

5801 CONGRESS AVE.
BOCA RATON, FL 33487

Changed: 03/08/2004

Mailing Address

5801 CONGRESS AVE.
BOCA RATON, FL 33487

Changed: 03/08/2004

Registered Agent Name & Address

MOMBACH, GEOFFREY S.
500 E. BROWARD BLVD.
STE 1950
FT. LAUDERDALE, FL 33394

Officer/Director Detail

Name & Address

Title P

WOLF, STEVEN
5801 CONGRESS AVE.
BOCA RATON, FL 33487

Annual Reports

Report Year	Filed Date
2002	02/11/2002
2003	03/10/2003
2004	03/08/2004

Summary of Ownership Interests (cont.)

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- ▶ In 2006, the County sold to Brookside Estates, LLC and Smith Sundy Estates, LLC

Detail by Entity Name

Florida Limited Liability Company
BROOKSIDE ESTATES, LLC

Filing Information

Document Number L06000056060
FE/EIN Number 20-4974079
Date Filed 05/31/2006
Effective Date 05/31/2006
State FL
Status ACTIVE
Last Event LC AMENDED AND RESTATED ARTICLES
Event Date Filed 08/21/2006
Event Effective Date NONE

Principal Address

5801 CONGRESS AVENUE
BOCA RATON, FL 33487

Changed: 08/21/2006

Mailing Address

5801 CONGRESS AVENUE
BOCA RATON, FL 33487

Changed: 08/21/2006

Registered Agent Name & Address

MOMBACH, GEOFFREY S
100 N.E. THIRD AVENUE
SUITE 1000
FORT LAUDERDALE, FL 33301

Name Changed: 08/21/2006

Address Changed: 10/21/2015

Authorized Person(s) Detail

Name & Address

Title MGRM

WOLF, STEVEN R
5801 CONGRESS AVENUE
BOCA RATON, FL 33487

Detail by Entity Name

Florida Limited Liability Company
BROOKSIDE ESTATES, LLC

Authorized Person(s) Detail

Name & Address

Title MGRM

WOLF, STEVEN R
5801 CONGRESS AVENUE
BOCA RATON, FL 33487

Summary of Ownership Interests (cont.)

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- ▶ In 2006, the County sold to Brookside Estates, LLC and Smith Sundry Estates, LLC

Brookside Estates, LLC Articles of Incorporation

H06000146519

Article V. Distribution of Profits
Unless otherwise provided in the Company's Operating Agreement, there shall not be any distribution of profits unless each separate distribution is approved by the affirmative vote of members who own more than 50% of the voting interest in the Company. The voting members shall have complete discretion on when and if to approve any distribution of profits.

Article VI. Management
This will be a manager-managed company. The name and address of each manager is:

STEVEN R. WOLF
14339 Smith Sundry Rd. Delray Beach FL 33446
RICHARD E. BOWMAN
14339 Smith Sundry Rd. Delray Beach FL 33446

Article VII. Company Existence
The Company's existence shall begin effective as of 5/31/2006.
The undersigned authorized representative of a member executed these Articles of Organization on 5/31/2006.

THERESA A. BOWMAN
by T. Back as attorney-in-fact

Theresa A. Bowman I FL Bar Member 1139
The Law Office of Theresa A. Bowman, Esq., P.A.
14339 Smith Sundry Road
Delray Beach FL 33446
561-441-1292

H06000146519

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STEVEN R. WOLF
14339 Smith Sundry Rd. Delray Beach FL 33446
RICHARD E. BOWMAN
14339 Smith Sundry Rd. Delray Beach FL 33446

Summary of Ownership Interests (cont.)

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- ▶ In 2006, the County sold to Brookside Estates, LLC and Smith Sundy Estates, LLC

Detail by Entity Name

Florida Limited Liability Company
SMITH SUNDY ESTATES, LLC

Filing Information

Document Number L06000058934
FEI/EIN Number 20-5028301
Date Filed 06/08/2006
Effective Date 06/08/2006
State FL
Status ACTIVE

Principal Address

14339 SMITH SUNDY RD
DELRAY BEACH, FL 33446

Mailing Address

14339 SMITH SUNDY RD
DELRAY BEACH, FL 33446

Registered Agent Name & Address

BOWMAN, RICHARD E
14339 SMITH SUNDY RD
DELRAY BEACH, FL 33446

Authorized Person(s) Detail

Name & Address

Title MGR

BOWMAN, RICHARD E
14339 SMITH SUNDY RD
DELRAY BEACH, FL 33446

Detail by Entity Name

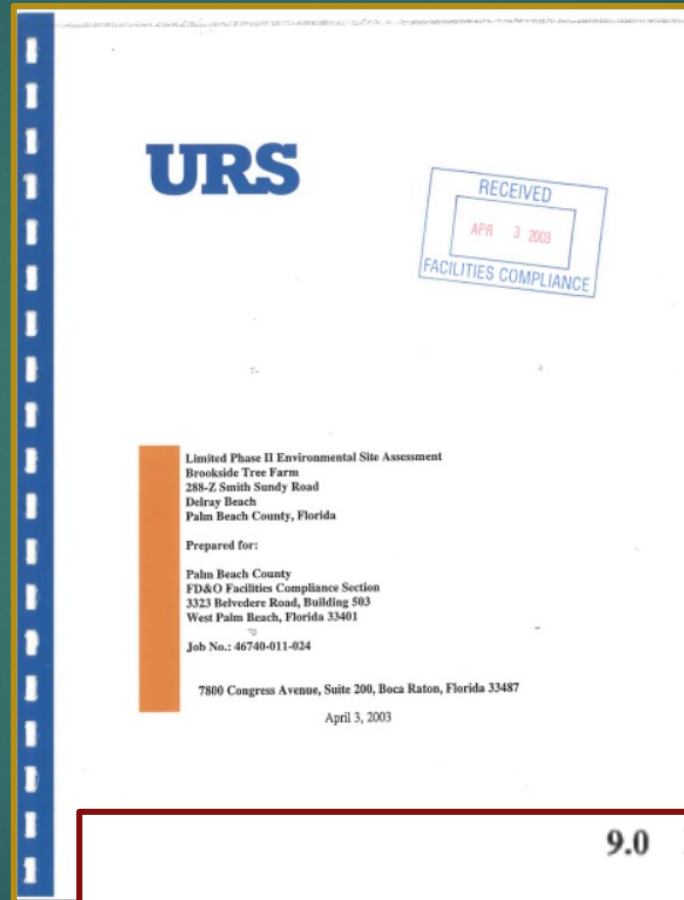
Florida Limited Liability Company
SMITH SUNDY ESTATES, LLC

BOWMAN, RICHARD E
14339 SMITH SUNDY RD
DELRAY BEACH, FL 33446

Environmental Conditions

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- Prior to the acquisition of the Brookside Property, County Staff obtained a Phase I and Limited Phase II Environmental Site Assessments (ESAs).



9.0 RECOMMENDATIONS

Based on the results of the Limited Phase II ESA, significant environmental impacts were not detected in soil, sediment, or groundwater collected at the areas identified as Area B-3-3, and Areas-4, on Brookside Tree Farm. It is therefore URS' opinion that, with continued use of the property for agricultural purposes, no additional assessment is warranted at these two areas this time.

In Closing

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- ▶ If the Board is to consider allowing for the development of the Brookside Property the following relevant variables warrant further assessment:
 - ▶ a partial or total release of the conservation easement would be required;
 - ▶ development rights would need to be assigned; and
 - ▶ a request for additional compensation should be included as the current owner benefited from a discounted price at the time of acquisition.

Questions

Brookside property

Historical Overview

BCC ZONING MEETING

MARCH 27, 2025