



Item: SP: A-1

Tuesday, April 5, 2022

**SUBJECT: APPROVAL OF AN EXTENSION TO THE PALM BEACH STATE COLLEGE
SUBLEASE ON THE BOCA RATON CAMPUS**

PROPOSED BOARD ACTION

Approve a fifty (50) year extension of the sublease with Palm Beach State College (PBSC) for the PBSC Campus located on FAU's Boca Raton Campus, and authorize the President to take such actions with regards to the formalization of final written agreements pertaining to the sublease and related FAU services as deemed appropriate by the administration.

BACKGROUND INFORMATION

FAU subleased a portion of its Boca Raton Campus to PBSC in 1982. That sublease has since been extended through 2045. PBSC has development goals for its Boca campus that include certain capital improvements such as a joint-use science technology building, a multi-story classroom building, and a new parking garage. To successfully accomplish these goals within the statutory requirements for state college improvements on leased property and to secure funding for such projects, PBSC has requested a new fifty (50) year extension of its sublease with FAU. The FAU administration supports such an extension to facilitate and enhance our long-standing relationship with PBSC and our articulation agreements that create a streamlined process for the transfer of PBSC students into FAU programs.

IMPLEMENTATION PLAN/DATE

The sublease extension term was recently approved by the Florida Cabinet on March 29, 2022. The Florida Department of Environmental Protection (DEP), FAU, and PBSC will work together to create a new sublease using the DEP's updated template for state lands leases, and FAU and PBSC will update our related services agreements as needed. The new sublease will become effective upon approval and execution by all necessary parties.

FISCAL IMPLICATIONS

PBSC shall provide compensation for FAU services provided in connection with the sublease (i.e., police, utilities, and library services) and shall be responsible for proportionate concurrency impacts related to their planned development.

Supporting Documentation: Letter to DEP from Palm Beach State College
Presented by: David Kian, Vice President & General Counsel Phone: 561-297-3007

February 23, 2022

Ms. Michele Stevens
Florida Department of Environmental Protection
Division of State Lands
Bureau of Public Land Administration

Dear Ms. Stevens,

Palm Beach State College has a definitive reason for its requests for a 50 year or longer renewal of its lease with Florida Atlantic University due to proposed facility enhancements which require a longer-term as noted and discussed below.

Palm Beach State College is charged with and is dedicated to the post-secondary education and workforce development needs of the residents and businesses of Palm Beach County, (the largest county, in a geographic area, in the state of Florida). Palm Beach State College has only 5 locations to cover this large service area and its campus in Boca Raton is key to that mission. Florida Atlantic University has been a key partner as evidenced by its leasing land to palm beach state college on its Boca Raton campus.

As such, the university and college have been in conversation about additional facility enhancements on the land the college leases from the University including a new joint-use science technology building. The college has also determined that an additional multistory classroom building, as well as a 425 car parking structure, are necessary improvements to the Boca Raton campus if the college is to continue to meet its obligations to the residents of South Palm Beach County. The college and the university were in active conversation about the parking structure in the months leading up to the pandemic. These projects were included in the college's master plan and its 2016 through 2021 five-year Education Plant Survey. This survey was presented to and approved by the College's District Board of Trustees.

The College, like all other public education institutions in Florida, must comply with the State Requirements for Educational Facilities (SREF). The following provisions of that code are relevant to this issue:

1.2.6 Board. A district school board or a Florida College Board of trustees. The term "Board" does not include the State Board of Education, the Board of Governors, Board of Trustees for universities..."

2 Leasing from Persons and Entities. Boards are authorized to lease facilities... Boards must ensure that facilities and sites conform to SREF,...

2 (C) Construction of Permanent Facilities on Leased Land. If a Board constructs permanent facilities on leased property, the term of the lease shall be at least 40 years or the life expectancy of the permanent facilities constructed thereon, whichever is longer.

Additionally, the college is subject to Florida statute 1013.16 "Construction of facilities on leased property; conditions." Subsection 1 of the statute states:

(1) A board may construct or place educational facilities and ancillary facilities on land that is owned by any person after the board has acquired from the owner of the land a long-term lease for the use of this land for a period of not less than 40 years or the life expectancy of the permanent facilities constructed thereon, whichever is longer.

As the College will need funding assistance to construct these improvements, its lease with Florida Atlantic University needs to be in compliance with the above-referenced statutes and regulations.

Thank you for your assistance and please let me know if I can provide any additional information.

Sincerely,

Kevin Fernander

Kevin Fernander
General Counsel
Palm Beach State College
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