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Vanderbilt project advances as Palm Beach County commission gives a 'conceptual' approval

Details still need to be worked out but staff and Vanderbilt have agreed on a tentative deal to bring a business school to West Palm Beach



Mike Diamond – October 10, 2024

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The Vanderbilt University project moved forward this week after Palm Beach County commissioners voted to "conceptually approve" a plan to bring a 1,000-student graduate business school to downtown West Palm Beach.

As a result, county staff will continue negotiating with the Nashville-based private university with the goal of presenting a contract on Oct. 22 for the commission to approve. Eight meetings were held with Vanderbilt representatives during the six-week period ending Oct. 4, resulting in a tentative agreement that was advanced Tuesday.

The memo to county commissioners disclosed that Callaway & Price Inc., an appraisal company, valued the land at \$46 million, a figure that had been previously reported by The Palm Beach Post. Because of time constraints, the county opted to obtain only one appraisal as opposed to the two that would normally have been sought. The \$46 million figure represents a 9% increase over the one obtained in 2021 when the University of Florida was looking to locate a campus on the five-acre parcel near downtown West Palm Beach.

Vanderbilt has made it clear that it expects the county to donate the land to the university. The county property is adjacent to two acres of land owned by the city of West Palm Beach that the university needs for its campus. The city has already donated its parcel to Vanderbilt. If Palm Beach County commissioners give the school its adjacent five acres, the university could own seven downtown acres worth nearly \$60 million. The properties are along South Tamarind Avenue, from Datura Street south to Fern Street, in a section of the city dubbed Government Hill.

Final contract proposal expected to come before county on Oct. 22

There is still an issue that needs to be resolved, however. Staff called on the commission to revoke an agreement with Transit Village LLC that allows the firm to store equipment on a small portion of the property that would be conveyed to Vanderbilt. County Mayor Maria Sachs said it was wrong to take any action without giving Transit Village adequate notice. The move to revoke was

part of an add-on to the agenda. By putting off the matter until Oct. 22, Sachs said Transit Village will have time to react to the staff request.

The proposed Vanderbilt West Palm Beach campus is estimated to cost \$520 million and would feature 300,000 square feet of academic buildings, student housing and parking. The school would provide graduate degrees geared to the finance, data and technology industries.



Vanderbilt University wants to build a 300,000-square foot graduate campus in downtown West Palm Beach between South Tamarind Avenue, top, and bordered by Fern Street, left, and Datura Street, far right, August 21, 2024 in West Palm Beach, Florida. *GREG LOVETT/THE PALM BEACH POST*

According to a study prepared by Vanderbilt, the campus would generate \$7.1 billion in economic activity over the next quarter century. Vanderbilt's Owen School of Management is No. 27 in the nation, according to U.S. News & World Report. The annual cost to attend its business school is about \$103,000. Vanderbilt has a \$10 billion endowment, and many wealthy alumni and donors live in the Palm Beach County area.

Some business experts have said Vanderbilt, with its large endowment, should pay something for the publicly owned land. West Palm Beach officials said during recent meetings that they had no problem donating the land because the new campus will be a major boost to the city. The Vanderbilt economic-impact study says that the \$7,1 billion figure doubles to over \$14.2 billion when stretched out for 50 years.

The final plan that comes back to the commission for approval later this month is expected to contain a reverter clause that returns the land to the county if the plan is not carried out within a certain period of time. West Palm Beach included such a clause in its agreement.

John Boyd, a principal with the Boyd Company, a Boca Raton-based firm that specializes in economic development consulting, told The Post that "the gifting of land is the low-hanging fruit for the naysayers voicing their opposition to the Vanderbilt project."

Boyd said "the economic impact statement does not reflect some of the more subtle but substantial ancillary economic development benefits, chief among them being a unique academic asset that will help Palm Beach County attract new high-paying jobs, set the stage for new tech start-ups planting their roots locally as well as providing continuing education opportunities to current and future companies locating in Palm Beach County."

Boyd said providing free land is one of the most common forms of economic incentives used by cities and states to attract new corporate investment and jobs. He believes that the business school will also serve as an added anchor tenant providing a stimulus to nearby projects like CityPlace and other businesses in the downtown business district.

"Remember, the 80s and 90s weren't that long ago when that area in and around the planned campus was under great stress. Drugs and crime were rampant and the area was in dire need of redevelopment. Not many people around that time envisioned this type of high-end development centered around a world-class university like Vanderbilt."