

# REQUEST FOR CITY COUNCIL CONSIDERATION

Meeting Date: April 7, 2008

Agenda Item: 7(C)	Prepared By: A. Rony Joel, Public Works Director Date: March 10, 2008
Agenda Section: Business - Discussion	
Subject: Acquisition of Vacant Lot at 773 East Elkcarn Circle	Department: Public Works

## **BACKGROUND:**

City Council is asked to authorize staff to meet with the property owner to evaluate the feasibility to purchase a 0.56 acre vacant lot located at 773 East Elkcarn Circle (MBU:4, Block: Tract C, Lot 3.4) for the expansion of the water/wastewater treatment facilities. Prior to authorizing a purchase, City Council must have two appraisals, a contract for sale, and a public hearing following a 30-day advertised public notice.

The City of Marco Island owns property on Elkcarn Circle (see figure 1) for the operation of the wastewater treatment plant, a drinking water treatment plant, finish water storage tanks, reuse storage tanks, the Collection & Distribution Division and the Utility Maintenance Division. The subject property is adjacent to the utility and it would be beneficial for the Utility Operations. The subject property will significantly improve the flexibility to design and construct planned utility facilities, including expansion of the water treatment capacity, a reuse water storage tank, laboratory, material storage, and distribution/collections office and locker room.

At the December 3, 2007 City Council meeting, some Councilors expressed concern regarding the declining real estate market. Appraisals from Carroll and Carroll, Inc. and Integra Realty Resources were obtained. The market value estimates submitted by the appraisers are \$985,000 and \$1,020,000, respectively. These estimated values are subject to the results of an environmental site assessment report to determine if evidence exists to suggest the impact or potential impact of hazardous substances and/or petroleum hydrocarbons on the subject property.

To reduce dependence on drinking water for irrigation, the Master Plan developed by MWH recommended the addition of reuse storage. The acquisition of this land allows us the opportunity to locate facilities currently planned for the existing site to be located at the new lot, making space available for an additional reuse tank. In addition, the permanent location of the Collection & Distribution Department can be incorporated at this new site rather than at the other utility facility.

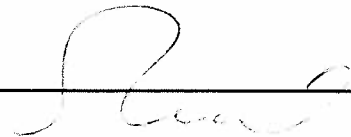
Funding for the acquisition may come from the funds recently received from Collier County for the grant of an easement along SR 951 at the Marco Lakes facility. Of the original \$960,000 paid by the County for the easement, \$35,000 was used to repair the existing fence at the Marco Lakes facility. Legal expenses and closing costs for this purchase (including the property appraisals and environmental site assessment report) are estimated to be \$16,000 - \$20,000. A remaining balance of \$905,000 is available for the acquisition.

Should City Council authorize the City Manager to enter into negotiations for the purchase of the vacant lot, it is advisable to consider that the "opinions of value" provided by the appraisers were developed utilizing historical data that may not fully reflect what a buyer may be willing to pay given the current market conditions. Should the seller be unwilling to negotiate an agreeable price, staff is prepared to design and construct the planned utility expansion utilizing only the property currently owned by the City.

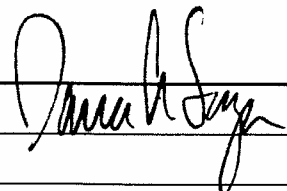
**RECOMMENDED ACTION:**

Authorize staff to meet with the owner and negotiate price, terms and conditions and report back to council for further direction.

Reviewed by Department Director



Reviewed by City Manager



Council Action:

Motion by:

Second by: