

REQUEST FOR CITY COUNCIL CONSIDERATION

Meeting Date: January 7, 2008

Agenda Item: 6 (C)	Prepared By: Rony Joel, Public Works Director Date: December 20, 2007
Agenda Section: Business - Discussion	
Subject: Acquisition of Vacant Lot at 773 East Elkcam Circle	Department: Public Works

BACKGROUND:

City Council is asked to consider making an offer to purchase a 0.56 acre vacant lot located at 773 East Elkcam Circle 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.

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.

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.

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.

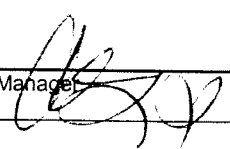
RECOMMENDED ACTION:

Authorize negotiations for contract for sale and public hearing to consider the acquisition.

Reviewed by Department Director



Reviewed by City Manager



Council Action: Motion by:

Second by: