Subject:
Declare County-Owned Properties Surplus and Authorize sale contingent upon new valuation appraisal.
Parcels:
01/30/14/42030/043/0010
01/30/14/42030/043/0030
01/30/14/42030/043/0040

Department: Real Estate Management
Staff Member Responsible: Andrew W. Pupke, Director

Recommended Action:
I RECOMMEND THE BOARD OF COUNTY COMMISSIONERS (BOARD) DECLARE COUNTY-OWNED PROPERTIES SURPLUS AND AUTHORIZE SALE CONTINGENT UPON A NEW VALUATION APPRAISAL.

Summary Explanation/Background:
Board approval is required, by State Statute, for staff to surplus and sell County-owned property. The Town of Indian Rocks Beach (Town) has requested the County to consider selling the property in the interest of economic development.

These three contiguous properties were purchased in 2006 in an effort to increase available beach parking with the development of a public access parking lot. The purchase price was $2,800,000, which included the land and two businesses (a convenience store and a gas station) that occupied the land at the time. The buildings were subsequently demolished and the environmental clean-up was completed. The land/business purchase and the clean-up were funded from the County’s Capital Improvement Program (CIP) Penny for Pinellas Infrastructure Sales Tax.

In 2007, the Town withdrew its support for the County’s proposed beach parking lot development plan. Since that time, the property has remained unimproved. In its current state, the property is a grass lot surrounded by a split rail fence. The Real Estate Management Department (REM) ordered and received a property appraisal in October 2014, which valued the property at $670,000. The appraiser stated that a 15% multiplier could be used if the property was marketed longer than ninety (90) days, which would increase the property valuation to $770,000.

The total land area is 0.8264 acres. The land use designation is Commercial General and the zoning designation is Business District. The Planning Department opines high density temporary residence would be the highest and best use for the property. Current zoning would provide for 12 units on this property.

According to the Property Appraiser’s database, the 2006 combined land value for the parcels was $1,055,000. Considering the Property Appraiser’s property valuation is typically 85% of market value, it can be assumed that the estimated 2006 market value for the combined land was $1,235,000. The land value gap between the original land purchase price and the October 2014 appraisal is $465,000.
REM opines that the October 2014 appraisal was undervalued. It is known that beach property values have increased since the appraisal and will continue to increase. Given the age of the appraisal, an update or a new appraisal is statutorily required before the property is advertised for sale.

Staff recommends the Board approve the surplus and sale of the property based on the following:

- The Town will not support any beach access development plan.
- The land has remained unimproved for eight years, which requires site maintenance and insurance.
- Given REM's opinion that the 2014 appraisal was undervalued and coupled with the continued trend of increasing beach property values, REM expects the new land valuation to approach $1,000,000.
- When sold, the land would be developed and restored to the ad valorem tax roll.
- When sold, the sale proceeds would be directed to the CIP Fund and could be used for other beach parking access opportunities or reallocated to other infrastructure projects, at the Board's discretion.
- City to memorialize, by resolution, parking located in all beach accesses shall be free to the public.

Other County departments were queried for possible real estate needs, and have no objection to the property being declared surplus. There is no current or foreseeable County use of the property.

Florida Statutes, §125.35(1)(a) grants the Board authority to sell and convey any real property belonging to the county, whenever the Board determines it is in the best interest of the county to do so, to the highest and best bidder. Any subsequent sale as authorized herein will comply with Florida Statutes §125.35.

**Fiscal Impact/Cost/Revenue Summary:**

REM will order an update or new appraisal upon Board approval to surplus and sell the property. REM expects the new property valuation to approach $1,000,000. However, the valuation from the updated or new property appraisal will be used to establish the minimum bid for the sales process.

Property sale proceeds would be returned to the CIP Fund.

**Exhibits/Attachments Attached:**

- Contract Review Transmittal
- Fact Sheet
- Location Map
- Letter from Indian Rocks Beach City Manager
**NON-PURCHASING CONTRACT REVIEW: TRANSITIONAL RCP**

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>Indian Rocks Beach Property - Authorize Surplus and Sale of Property</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONTRACT RCP NUMBER</td>
<td>ESTIMATED IMPROVEMENTS/RENOVATIONS</td>
</tr>
</tbody>
</table>

In accordance with Contract Administration and the Review Process, the attached documents are submitted for your review and comment. Please complete the Non-Purchasing Request Review Form below with your assessment, and forward to the next Review Authority on the listed items and any authority noted “RCP.” Indicate suggested changes by noting same in “Comment” column, or by revising the appropriate section of the document(s) to reflect the most recent version of the desired changes.

**OTHER SPECIFIC RELATIVE TO THE CONTRACT**

| Indian Rocks Beach Property - Authorize Surplus and Sale of Property | Developer Letter from 01/22/16 |

<table>
<thead>
<tr>
<th>DOCUMENT</th>
<th>DATE</th>
<th>NOTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Agreement</td>
<td>04/07/16</td>
<td></td>
</tr>
<tr>
<td>Addendums</td>
<td>04/07/16</td>
<td>See attached OCP Addendum</td>
</tr>
<tr>
<td>Sales</td>
<td>09/15</td>
<td></td>
</tr>
<tr>
<td>SAS</td>
<td>09/15</td>
<td>See CAFS in memo 104015</td>
</tr>
<tr>
<td>Label 12/13</td>
<td>12/12</td>
<td></td>
</tr>
<tr>
<td>Assistant Contract Administrator</td>
<td>10/15</td>
<td></td>
</tr>
</tbody>
</table>

Please return to Andrew Pupke.
All changes should be made to Andrew Pupke OIT 03/21/17.

**For Contract Review Process**

Review: 03/28/17
Pinellas County owns three contiguous parcels of vacant property in Indian Rocks Beach, originally purchased in 2006, totaling approximately 0.8264 acres. The county planned to develop it as public beach parking, but the City of Indian Rocks Beach did not/do not support that plan. Since the County owns the property, it does not produce ad valorem tax revenue, and incurs maintenance costs for Parks & Conservation Resources staff to mow the grass. The cost to do an appraisal will be done within the current FY15 budget. Estimated sales price ranges from $670,000 to more than $1.0M. All proceeds will be returned to the Capital Improvement Program Fund (F3001), which provided the initial funding to purchase the property in 2006.

Instructions/Checklist

1. Upon receipt of a contract and notification in County Admin Tracking System (CATS) review the Agenda and Contract for language and accuracy. Make sure there are available funds, the dept is not overextending itself, was it planned, etc.
2. Complete the form above using the contract document and the County accounting & budgeting systems.
3. Use the “Description & Comments” section to give a brief summary of the contract and include your thoughts and pertinent information.
4. Print the form, initial, and leave folder on the Director’s desk.
FACT SHEET

Reference: Declare County-owned properties surplus and authorize sale contingent upon new valuation appraisal.

Parcels:
01/30/14/42030/043/0010
01/30/14/42030/043/0030
01/30/14/42030/043/0040

All Located in Indian Rocks Beach.

- This package includes 3 parcels of vacant land adjacent to one another totaling 36,000 square feet or .8264 acres
- The Zoning is (B) Business and the Zoning is (CG) Commercial General
- These properties were purchased in 2006 for $2,800,000 improved with a gas station and convenience store in an effort to provide beach parking for the public. The purchase was funded from the County's Capital Improvement Program (CIP) Penny for Pinellas Infrastructure Sales Tax.
- An appraisal performed by Chris A. Finch of Fogarty & Finch, Inc. on October 17, 2014 valued the property at $670,000 and a new appraisal will be performed. The appraiser stated that a 15% multiplier could be used if the property was marketed longer than ninety (90) days, which would increase the property valuation to $770,000.
- REM expects the new land valuation to exceed $1,000,000.
- The Town will not support any beach access development plan.
- The land has remained unimproved for eight years, which requires site maintenance and insurance.
- When sold, the land would be developed and restored to the ad valorem tax roll.
- When sold, the sale proceeds would be directed to the CIP Fund and could be used for other beach parking access opportunities or reallocated to other infrastructure projects, at the Board's discretion.
- Other County departments were queried for possible real estate needs, and have no objection to the property being declared surplus.
Potential Surplus Properties
Indian Rocks Beach
November 5, 2014

Mr. Mark S. Woodard
Pinellas County Administrator
315 Court Street, Room 601
Clearwater FL 33756

Dear Mark,

RE: County-owned property located in Indian Rocks Beach; situated on the east side of Gulf Boulevard, between 23rd and 24th Avenues.

Pursuant to our conference call this morning, the following is offered:

The City Indian Rocks Beach would request, based on the following factors and considerations, that the Board of County Commissioners declare the property, located on the east side of Gulf Boulevard between 23rd and 24th Avenues, as surplus and place it on the open market:

- The redevelopment of the property would comply with the spirit of the Indian Rocks Beach Special Area Plans, “A Vision for Growth and Development”, May 2009, as developed by the Florida Center for Community Design, University of South Florida, Uptown Commercial Area. (see attachment)

- The City of Indian Rocks Beach is aware of the County’s original plan to develop this property as beach parking, however, the majority of residents and elected officials do not support additional beach parking.

- The sale of the property and proper development would generate needed retail services and provide additional tax dollars for both the County and the City.
November 5, 2014
Page Two

- The City of Indian Rocks Beach has a large inventory of free parking at numerous beach accesses and is committed to maintaining it as such. In fact, the City of Indian Rocks Beach exceeds the number of spaces required by beach renourishments standards.

- The City of Indian Rocks Beach provides free on-street parking on many city streets near beach accesses and is committed to maintaining it as such.

The City of Indian Rocks Beach appreciates your willingness and spirit of cooperation to review this opportunity with your staff and the Board of County Commissioners. We look forward to your feedback and response.

If you have any questions, please contact me.

Sincerely,

Brently Gregg Mims, ICMA·CM
City Manager
City of Indian Rocks Beach

BGM/de
Att (1)
cc: City Commission, City of Indian Rocks Beach
     Management Team, City of Indian Rocks Beach