



BOARD OF COUNTY COMMISSIONERS

DATE: July 21, 2015
AGENDA ITEM NO. 16

Consent Agenda ☐

Regular Agenda ☒

Public Hearing ☐

 **County Administrator's Signature:**

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 CONTIGENT 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

01/24/2015

NON-PURCHASING CONTRACT REVIEW TRANSMITTAL SLIP

PROJECT: Indian Rocks Beach Property - Antitrust Surplus and Sale of Property Contingent upon New Valuation Approval	
CONTRACT NCL number	ESTIMATE NUMBER: 1507251-100,000 (This estimate number is for reference only.)

In accordance with Contract Administration and its Review Process, the attached documents are submitted for your review and comment. Please complete this Non-Purchasing Contract Review Transmittal Slip below with your assessment, and forward to the next Review Authority on the list, indicating any authority marked "YES." Indicate suggested changes by noting those in "Comments" column, or by revising, in ALL, the appropriate section(s) of the document(s) to reflect the exact wording of the desired change(s).

OTHER COMMENTS RELATIVE TO THE CONTRACT				
Indian Rocks Beach Property - Antitrust Surplus and Sale of Property Contingent upon New Valuation Approval				
REVIEW REQUEST	DATE	INITIALS/REMARKS	COMMENTS (OPTIONAL)	COMPLETION DATE APPROVED BY (DATE)
Original Draft Andrew Puplin	01/04/15	AP		
Check Jim Abramo	01/08/15		Per Attached CLAS Contract Review	
MSB Gregory Holmberg	6/9/15	VEN	SEE CLAS comments	1MB 01/01/15
Legal Richard Bui	6/9/15	17200		
Antitrust County Administrator or Executive Director: Paul Bucci	6/10/15	PSB		

Please return to Andrew Puplin.
All signatures should be made to Andrew Puplin ext. 41347.

cc See Contract Review Process

Revised 02/28/14

OMB Contract Review

Contract Name	Surplus and Sale of County-owned Property		
CATS#	47428	Contract #	NA

Mark all Applicable Boxes:

Type of Contract									
CIP		Grant		Other	X	Revenue		Project	

Contract information:

New Contract (Y/N)	Y	Original Contract Amount	
Fund(s)	3001	Amount of Change	
Cost Center(s)		Contract Amount	
Program(s)		Amount Available	Total:
Account(s)		Included in	
Fiscal Year(s)	FY16	Applicable Budget? (Y/N)	N

Description & Comments

(What is it, any issues found, is there a financial impact to current/next FY, does this contract vary from previous FY, etc.)

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/does not support that plan. Since the County owns the property, it does not produce ad valorem tax revenue, and incurs maintenance costs for Parks & Conservations 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.

Analyst: **Jim Abernathy**

Ok to Sign: ☒

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





City of Indian Rocks Beach

1507 Bay Palm Boulevard • Indian Rocks Beach, Florida 33785 • www.indian-rocks-beach.com

Administrative
(727) 595-2517
(727) 595-4627 (Fax)

City Clerk
(727) 517-0204
(727) 595-4627 (Fax)

Public Services
(727) 595-6889
(727) 593-5137 (Fax)

Building
(727) 517-0404
(727) 596-4759 (Fax)

Planning & Zoning
(727) 517-0404
(727) 596-4759 (Fax)

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

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- 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 renourishment 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,

A handwritten signature in black ink, appearing to read "Brently Gregg Mims", with a long horizontal flourish extending to the right.

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