

STAFF REPORT WORK SESSION

AGENDA DATE: January 22, 2024

DEPARTMENT: Community Sustainability

TITLE:

Discussion of an unsolicited offer to purchase six (6) vacant, unimproved, City surplus lots

SUMMARY:

Mr. Ronen Fishman, Contract Purchaser for Centreville Homes, submitted an unsolicited offer to purchase the City's vacant, unimproved lots located at 304 South F Street, 732 South C Street, 1526 Wingfield Street, 1527 South Douglas Street, 725 Latona Avenue, and 1702 Lake Worth Road for a lump sum of \$360,000, which is based on current 2023 PAPA values. If a sale of one or more of the properties is supported by the City Commission, additional required independent appraisals will be sought for each and the proposed sales prices adjusted accordingly to meet the requirements of the City's Code.

BACKGROUND AND JUSTIFICATION:

On September 8, 2023, Mr. Ronen Fishman, representing Centreville homes, submitted a signed Vacant Land Contract for Sale and Purchase to purchase, the vacant, unimproved lots located at 304 South F Street, 732 South C Street, 1526 Wingfield Street, 1527 South Douglas Street, 725 Latona Avenue, and 1702 Lake Worth Road for a lump sum of \$360,000. He intends to develop the parcels with single family and/or two-family dwelling units that will either be affordable or workforce housing. Provided as an attachment is an offer letter outlining the intent of the purchase and background on the company and Mr. Fishman.

The City's Code of Ordinances allows for the submission of unsolicited proposals, contracts and/or offers for purchase of City property. The Code stipulates that the minimum purchase price must net to the City no less than the appraised value of the property or the current market value of the property as shown on the Property Appraiser's website (PAPA). The six (6) properties of interest under the unsolicited proposal have the following values per the preliminary market values as posted on PAPA.

304 South F Street - \$35,000 (2023 Value)

732 South C Street - \$21,200 (2023 Value)

1526 Wingfield Street - \$87,308 (2023 Value)

1527 South Douglas Street - \$36,800 (2023 Value)

725 Latona Avenue - \$83,108 (2023 Value)

1702 Lake Worth Road - \$89,761 (2023 Value)

Total PAPA 2023 value for all lots is \$353,177, and the lump sum offer is \$360,000.

The attached spreadsheet provides information on each parcel regarding address, PCN, dimensions, zoning, size, status, PAPA values for both 2022 and 2023, whether buildable or not and whether in the CRA or not. The six (6) being considered here are highlighted in yellow.

The provisions of the Code also stipulate that appraisals are needed for all of the properties in question as well as two independent appraisals each for 1526 Wingfield Street and 1702 Lake Worth Road as each has a PAPA value that exceeds \$50,000. To facilitate the discussion private appraisals were requested and provided, which demonstrated a total appraised value of \$1,761,000 for the six (6) properties under consideration.

A non-refundable, good faith deposit of \$1,000 was provided in the form of a check. The proposed contract provides that all costs associated with the purchase will be borne by the buyer, and the City will net the minimum of at least \$353,177 based on the current PAPA value. Should the purchase(s) of any of the lots be approved to move forward, the additional required appraisals will be ordered and the minimum required sales prices for each will be adjusted accordingly. In addition, the purchaser will be apprised of any changes in value and will be afforded the opportunity to choose to move forward with an updated contract to purchase one or more of the lots authorized for sale. Again, the City must net the appraised value of the properties.

Once the required appraisals are received, any potential contract(s) updated and the purchaser agreeing to move forward with the adjusted values, the item will be brought back before the City Commission at a future date. If the sale(s) of one or more of lots is approved at that meeting, the properties will transfer to the purchaser through a series of quit claim deeds with proceeds likely coming to the City later in this Fiscal year. For the any properties moving to final sale, the purchaser will be required to reimburse any expenses for the appraisals associated with that property(s)

Lastly, the purchaser is requesting that the signed contract be assignable to a development entity that is yet to be established that will undertake the actual entitlement and construction of the homes.

DIRECTION:

Provide consensus direction to move forward with the Fishman offer to purchase one or more of the City owned, vacant lots at 304 South F Street, 732 South C Street, 1526 Wingfield Street, 1527 South Douglas Street, 725 Latona Avenue, and 1702 Lake Worth Road and to bring the final sales contract(s) back before the Commission for consideration following the receipt of the required appraisals.

ATTACHMENT(S):

Fiscal Impact Analysis
Fishman Proposal Contract
Fishman Proposal Letter
Check Deposit
City Surplus List
Offer Memo

FISCAL IMPACT ANALYSIS

Five Year Summary of Fiscal Impact:

Fiscal Years	2023	2024	2025	2026	2027
Inflows					
Current Appropriation	0	0	0	0	0
Program Income	0	\$360,000	0	0	0
Grants	0	0	0	0	0
In Kind	0	0	0	0	0
Outflows					
Current Appropriation	0	0	0	0	0
Operating	0	0	0	0	0
Capital	0	0	0	0	0
Net Fiscal Impact	0	\$360,000	0	0	0
No. of Addn'l Full-Time Employee Positions	0	0	0	0	0

New Appropriation Fiscal Impact:		
	Revenue Source	Expenditure
Department		
Division		
GL Description		
GL Account Number		
Project Number		
Requested Funds		

Budget Transfer Impact		
	Revenue Source	Expenditure
Department		
Division		
GL Description		
GL Account Number		
Project Number		
Requested Funds		

Contract Award - Existing Appropriation	
	Expenditure
Department	
Division	
GL Description	
GL Account Number	
Project Number	
Requested Funds	