



**TO:** Honorable Mayor and City Commissioners  
Nicholas Mimms, City Manager

**FROM:** Rebecca Grohall, AICP Planning Director

**RE:** Recommendation to sell City Property located at 505 N. 7<sup>th</sup> Street

**DATE:** March 16, 2017

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505 N 7<sup>th</sup> is the City owned property for sale that is known as the former ALPI center. They offered Head Start programming for neighborhood kids, however this building has been vacant for several years and was declared surplus. This building is ideal for serving younger children as it contains classrooms and even the bathrooms are geared for small children.

The property is currently zoned R4 and the uses allowed are outlined in the Use Table of Section 22-22. Permitted and conditional uses include single family and multi family housing, cultural centers, libraries, fraternal organizations, Adult Day Care and Day Care, Schools, Hospitals or Nursing Homes, Bed and Breakfast, Administrative/Professional or Medical Office, Laundry/Laundromat, and Neighborhood Commercial Services.

This property was identified as surplus property on August 15, 2016 by the City Commission through Resolution 16-R38. The property has been marketed and several offers were received. Prior to the City Commission reviewing the contracts, the Planning Board provided their recommendation on its sale. In late 2016, the City Commission reviewed an offer from the Salvation Army to purchase the building and have homeless services in a jail diversion program. The City Commission turned down that proposal for a variety of reasons. The property appraiser indicates this property has an Assessed Value of \$202,180, an independent appraisal supports the value as \$200,000.

The Planning Board reviewed three proposals and utilized the criteria to form the basis of their recommendation.

- Uses proposed – If the use proposed is a permitted or conditional use within the R4 Zoning District, and if the uses are compatible with the surrounding neighborhood.
- Identification of Renovations and Schedule for those Renovations
- Any economic impact stated through job creation

The three proposals reviewed were from 111 Okeechobee for a Yoga center, Kids Academy for a School and Aegeus Inspired Living for a Homeless Services facility. At the time the Planning Board met a fourth offer, for a Welding School, had not been received. After the Planning Board meeting, Staff received the proposal from Montague Innis for a Welding School and was reviewed by Staff and found to be complete. And seems to be congruent with the Planning Board's recommendation that the property is best suited for a school.

A team comprised of the Communications Manager, the IT Manager, the Urban Redevelopment Manager, the City Clerk and the Planning Director met to review and rank the four proposals. The scored results are as follows:

- Kids Academy, LLC 51.45
- Montague Innis Welding Institute 24.4
- Aegeus Inspired Living 19.9
- 111 Okeechobee LLC 6.05

Staff reached a consensus that none of the proposals offered a fair price. The Kids Academy, LLC offer ranked the highest of the proposals. The Kids Academy offer did score most favorably with the Committee as the Use proposed was compatible with the existing neighborhood and had the most extensive timeframe and proposed renovations. Appraised at \$200,000 most offers were significantly less than that, including Kids Academy offering \$50,000 representing just 25% of the appraised value.

**Planning Board recommendation**

As provided for in the Land Development Code, Section 2-223(4) the Planning Board provided a recommendation that the site is best suited for a school/educational facilities and recommended the Kids Academy proposal. The Planning Board also included in their motion, the Realtor provide the requested information on marketing efforts and that the City Commission should make a counter offer to raise the sales price proposed.

**Staff Recommendation:**

Staff recommends that all offers be rejected for being substantially below appraised value and not approve Resolution 17-R15 authorizing the sale of 505 N 7<sup>th</sup> Street.

If the City Commission wishes to consider an alternative motion, Staff recommends that the City Commission authorize City Staff (City Manager or his designee) to renegotiate a sale price that is closer to appraised value for the highest ranked proposal, Kids Academy LLC. Any amended/offered price would be brought back to the City Commission for final action and approval via the attached Resolution (Resolution 17-R15) at a future meeting.