



Legislation Text

File #: 160148., **Version:** 3

Purchase of 2.462 Acres Adjacent to Kanapaha Wastewater Treatment Plant (B)

In 1973 the City acquired a 510+/- acre parcel of land for the construction of the Kanapaha Wastewater Treatment Plant. Included in the 510-acre parcel was a three bedroom residential home. In 1977, the City began leasing the home to the Sexual and Physical Abuse Resource Center, now known as Peaceful Paths, Inc. (Peaceful Paths), for use as an emergency shelter for domestic abuse victims. In consideration for their continued maintenance and improvements to the property and facility the City deeded the 2.46-acre property to Peaceful Paths in 1989. Transferring the property to Peaceful Paths allowed them to use the property value as an in-kind match for grant funding needed to finance their expansion and operating costs. The property was transferred to Peaceful Paths with the provision that in the event the property is not used as a sexual and physical abuse resource center the title would revert back to the City.

Over the years Peaceful Paths continued to renovate and expand the facility. Grants as well as mortgages were obtained to facilitate their efforts. In order to better serve the needs of the community, Peaceful Paths completed the construction of a new facility in Northwest Gainesville in 2015. The new site is fully functional and all operations have been relocated there. As a result, Peaceful Paths no longer needs the 2.46-acre subject property.

Peaceful Paths has asked that in consideration for the improvements made to the property over the years, there be compensation in exchange for the improvements. In an effort to maintain a buffer surrounding the Kanapaha Plant and to allow for future expansion of plant facilities if needed, Staff negotiated to purchase the improvements from Peaceful Paths for an amount equal to the balance of an existing mortgage on the property secured by Peaceful Paths in 2010. It is estimated that the mortgage balance is less than \$225,000. A complete copy of the Contract for Purchase and Sale outlining the agreement has been included in the backup materials for this agenda item.

To ensure that the parcel is maintained as either a buffer or used for future expansion of facilities at the Kanapaha Plant, GRU desires to have the property asset transferred from General Government to GRU.

This item was presented to the Utility Advisory Board on June 29, 2016 and was discussed on July 6, 2016. The Utility Advisory Board voted 6-0 to recommend to the City Commission that GRU not purchase this property asset.

The total purchase price of the property will depend on the closing date and corresponding final payoff amount of the mortgage; however, as outlined in the Contract, the amount is not expected to exceed \$225,000.00, plus closing costs. Funds are available to purchase the improvements from Peaceful Paths in GRU's approved FY16 wastewater system capital budget. Necessary funds will be included in GRU's proposed FY17 budget for the purchase of the real property from General Government.

The Commission: 1) Authorize the General Manager or his designee to execute all documents necessary to

complete the purchase in accordance with the Contract, subject to approval of the City Attorney as to form and legality, and 3) authorize the transfer of the property asset from General Government to GRU.