



Legislation Text

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Update on the Purchase of Surplus DOC Property by the City of Gainesville (B)

The purpose of this item is to provide an update to the City Commission on the status of the negotiations between the City and the State for purchase of surplus Department of Corrections (DOC) property. The City would like to purchase the DOC facility known as the former Gainesville Correctional Institute (GCI) in order to provide a variety of services at the complex for homeless/needy individuals and families in our community. This item is being submitted to the City Commission for their consideration and approval to authorize the City Manager to negotiate the purchase of Phase II of the GCI property, seek Legislative support and assistance in obtaining the GCI property, and identify funds for the purchase of the Phase II portion of the GCI property.

This item supports the City Commission Strategic Initiative 3.1: Continue Implementation of the 10 Year Plan to End Homelessness.

On June 6, 2013, the City Commission authorized the City Manager to terminate the contract with ADC to purchase the site on NW 53rd Avenue, and move forward with the plans to purchase the GCI site from the State. Since that time, the State Department of Environmental Protection (DEP), who is handling the property for the State, has forwarded a tentative contract to the City for the purchase of the 28 acres known as Phase I (See Map A). In addition, the State has included the access road with Phase I at no cost to the City. Based upon the appraised value, the State has agreed to sell the 28 acres with all improvements to the City for \$700,000. The State requires that the City pay all closing costs including, but not limited to, the cost of legal advertisement, appraisal, survey, title insurance, documentary stamp tax, and recording fees. City staff estimates closing costs to be approximately \$53,000. It is anticipated that the City can close on the Phase I property by October 30, 2013; however, the sale is above the DEP approval threshold to execute a contract and will require approval from the State cabinet.

In addition to the tentative purchase contract for the 28 acres known as Phase I, the DEP included the tentative purchase contract for the 105 acre site north of Morningside Nature Park as conservation land (See Map B). The cost to purchase the 105 acre site is approximately \$300,000 excluding closing costs. The total amount for the purchase of Phase I and the 105 acre site is approximately \$1 million, excluding closing costs.

In November 1, 2012, the City Commission directed staff to look at a potential property exchange with DOC in order to gain full control of the site. The DOC had expressed interest to retain ownership of the Gate/Administration Building and the Medical Building on the GCI site as a potential location for the DOC Probation Office. City staff reviewed potential city properties that may be of interest to the State as an alternative location for the DOC probation office. The site identified for a potential property exchange was the City owned property located at 217 NE 1st Street which currently houses the GPD Detective Bureau. The City property met the State needs; however, a Special Use Permit (SUP) was needed to allow social services at this location. On August 22, 2013, the Plan Board denied the application for the SUP for the Probation Office. City staff has been in contact with the DOC throughout the negotiations and Planning process, so DOC staff was aware of the potential that the SUP could be denied.

On Monday, August 26, 2013, City staff received verbal indication from a State DOC official that they may be no longer be interested in the GCI campus buildings and that DOC would recommend to DEP that the City be allowed to purchase the remaining buildings and properties associated with the GCI campus. City staff has requested written confirmation that DOC has withdrawn all interest in retaining any portion of the GCI campus, and is recommending that the City be allowed to purchase the entire GCI campus. City staff is estimating the cost to purchase the remaining properties associated with GCI at \$175,000 excluding closing costs. City staff estimates closing costs to be approximately \$25,000, for an estimated total of \$200,000. The appraisal of the property will have to be modified to exclude the road and other previously negotiated items. Since the cost of Phase II is under the DEP approval threshold, the property acquisition and contract for Phase II does not require approval from the State cabinet. The estimated time to close on Phase II is 90 days.

As the Phase II property was expected to be part of a property exchange, only a minimum cost was anticipated to obtain control of the property; therefore, staff would need to identify funds for the purchase of the property. There are no additional funds for construction and renovation of the property. City staff will continue working with County staff and other service providers to seek funding sources such as grants in order to make the renovations necessary to provide a variety of services at the complex for homeless/needy individuals and families in our community.

There is approximately \$2.3 million of unrestricted funds available for the development of a One Stop Homeless Assistance Center. The purchase agreement for Phase I is \$700,000, estimated closing costs of \$53,000, for a total of approximately \$753,000. The purchase price for Phase II is estimated at \$175,000, estimated closing costs of \$25,000, for a total of approximately \$200,000. The total cost for the complete GCI campus would be approximately \$953,000.

The tentative purchase contract for the 105 acre site north of Morningside Nature Park as conservation land is approximately \$300,000, excluding closing costs. Funds are available in the City's FY13 Acquisition Fund for the purchase of green space/conservation land.

Previous cost estimates for Building Construction/Renovation services for four (4) buildings to begin providing the initial services at the GCI complex were approximately \$1.17 million.

The City Commission: 1) authorize the City Manager to negotiate the purchase of Phase II of the GCI property; 2) authorize the City Manager or his designee to seek Legislative support and assistance in obtaining the entire GCI property; and 3) direct staff to identify funds for the purchase of the Phase II portion of the GCI property.