



Legislation Text

File #: 211396., **Version:** 1

Contract for Purchase and Sale of Real Property - Laurel Ridge Acquisitions, LLC (B)

This item seeks City Commission approval of a Contract for Purchase and Sale of Real Property within the City of Gainesville's Airport Industrial Park.

In May, 2022, staff was approached by an agent with a Purchase and Sale Agreement on behalf of Laurel Ridge Acquisitions LLC regarding the acquisition of 6.3 acres of land in the Airport Industrial Park.

The Buyer is planning to build a 25,000 - 30,000 SF warehouse that will serve as a distribution center for wholesale roofing supplies (this is a local roofing supply company currently located in the Northwood Industrial Park).

This location will employ 20-30 people (possibly an additional 10 jobs net) with an average wage of \$20/hr. Monthly sales at the location will be in the range of \$1.5 million of which nearly all will generate additional revenue in the form of sales tax. There may be room to build a second warehouse of similar size on a speculative basis without a current tenant lined up. It would be expected that a similar number of people would be employed at this location as well.

The Gainesville Alachua County Regional Airport Authority (GACRAA) was provided with an initial briefing on the proposed contract at their June 23, 2022 regular meeting.

As is the case with other surrounding properties, the subject property has been signed as available for purchase for several years and per agreement between the City of Gainesville and GACRAA and therefore it has been competitively placed per the City Commission's existing Real Estate policies.

Proposed terms of the Contract are as follows:

- Purchase price of \$244,000 (per appraisal) for 6.3 acre to Gainesville Regional Airport
- \$10,000 initial deposit
- Acceptable Title/Survey by Buyer
- City/Airport approval of proposed development plan and building permits
- 180 day due diligence period (with up to 90 day extension)
- Closing to occur 30 days following the due diligence period
- Reverter language indicating project completion within two years

The subject property will need to be processed through the City's land regulatory process and receive the appropriate development authorizations and building permits.

In terms of background, the Airport Industrial Park represents an economic development partnership between the City of Gainesville and the Gainesville Regional Airport.

Due to prior agreement respecting Airport Industrial Park property the proceeds of the sale go to the Airport with the City benefiting from proceeds derived from increases in ad valorem revenue over time associated with development of the property and the related creation of jobs.

Strategic Connection

Airport Leveraging...Outcomes, Options, Direction and City Actions.

The purchase price offered for the western 6.3+ acres of Lot 2 of the Minor Subdivision Book 2 Page 78 is \$244,000 or \$38,730 per acre which is generally in line with the industrial market for property in this area based upon a recent appraisal by Emerson Appraisal in September, 2021. These proceeds of the sale would go to the Gainesville Regional Airport.

The City Commission direct: 1) the City Manager to execute the Contract for Purchase and Sale of Real Property regarding the western 6.3+ acres of Lot 2 of the Minor Subdivision Book 2 Page 78 and all related documents subject to approval of form by the City Attorney; 2) authorize the Mayor, or designee, to execute and deliver, and the City Clerk, or designee, to attest the Special Warranty Deed conveying fee simple title; and, 3) authorize and direct pursuant to 270.11, Fla. Stat. that the Special Warranty Deeds include a release and discharge of all of the City's oil, gas, and mineral rights on the subject property.