

**DATE:** December 2, 2019  
**TO:** Matt Jordan, General Manager  
**FROM:** Charles H. Carden, Chief Operating Officer *CHC*  
**SUBJECT:** Southern Hillsborough County Supply Expansion - Booster Station Project 01609 - Menachery Mt. Carmel Property - Delegate authority to the General Manager to approve an Option Agreement and Purchase and Sale Agreement – *Approve*

**SUMMARY**

Tampa Bay Water has a project to construct a new potable water booster pump station to increase delivery capacity to the Regional Delivery Point of Connection at the Lithia Water Treatment Plant from the existing Brandon-South Central Transmission Main. Tampa Bay Water has identified a property that meets project requirements and the property owner is willing to sell.

**RECOMMENDATION**

Delegate authority to negotiate and enter into an Option Agreement for \$25,000.00 to be applied to the purchase price, and delegation of authority to complete purchase of property at 1032 Mount Carmel Road for up to \$400,000.00, including closing costs pending an assessment of the property.

**COST/FUNDING SOURCE**

Up to \$400,000.00/Capital Improvement Fund

**DISCUSSION**

As approved by the Board at its June 2019 meeting, Tampa Bay Water desires to increase delivery of regional water supplies from the High Service Pump Station to Hillsborough County's Lithia Water Treatment Plant to meet the County's growing potable water needs in South Hillsborough County. An engineering study evaluated the existing system capacity and provided locational criteria for selecting a site for a new booster station. Net gain in transmission line flow will be approximately 5-7 MGD depending on the selected site.

After reviewing more than 25 properties, staff identified a site that meets project needs and budget, whose owners are willing to sell. Staff has prepared an Option Agreement that will be presented to the Owner to hold the property for 6 months. This will provide time for due diligence prior to purchase and begin the design phase of the project.

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The property owner has expressed interest in selling the property for \$380,000 and willingness to enter into the Option Agreement. A draft of the proposed Option agreement is available for review upon request. The Option Agreement holds the property from being sold to another party until June 30, 2020 and allows us to investigate the site for suitability, complete an updated appraisal, and work out any outstanding issues with the homeowners and the existing tenants. The tenants are on a month-to-month verbal agreement with the Owner. Since the property purchase is being funded through Agency funds, it is not subject to State or Federal relocation requirements.

Staff requests approval for the Board to delegate authority to the General Manager to negotiate and execute the Option Agreement for \$25,000.00. The agreement has been approved as to form by General Counsel.

Staff also requests approval for the General Manager to have delegated authority to complete the Purchase and Sale Agreement for a total price not to exceed \$400,000 including closing costs.

The total approval of up to \$400,000 includes the \$25,000.00 Option Agreement, any required deposits due at the time of execution of the Agreement, closing costs and proceeds due at time of closing.

## **BACKGROUND**

Tampa Bay Water staff and its consultant American Acquisitions Group (AAG) have utilized the locational criteria established by the Juturna Consulting, LLC Evaluation Report to identify suitable parcels for the new potable water booster pump station. The report identifies an area for the ideal location for the Booster Station as yielding up to 7 MGD and identifies less desirable areas that would yield a lesser flow.

This ideal area consists of less than a mile along Durant Road, near the Branson South Central Transmission Main. Staff not only considered parcels directly on Durant Road, but also parcels that could be accessed via an existing right of way or along an easement from adjoining parcels. Purchasing easements would increase the cost of the project and the further from Durant road the higher the connecting pipeline costs. Extending a pipeline from the booster station to the mainline along Durant is a key requirement of the project; thus, the cost of any needed easements and pipeline were also considered in identifying the preferred parcel. In addition, the booster station requires approximately 1.3 acres of land; thus, limiting the suitable parcels to those over an acre.

Because the favorable area is limited, staff extended the search area into the less desirable areas. This expanded the property search area by a little more than a mile in both directions along Durant Road. There were no parcels that met the minimum criteria listed for sale. The property owners of more than 25 parcels were reached either by phone or in person and letters were sent to 4 other parcels where no direct contact was possible.

Three owners expressed interest in selling. The first property consists of 3 acres and the original intention was to purchase a portion of the parcel. Appraisals were ordered and the appraised value was substantially less than the asking price. As a result, staff moved on to other options.

The second property, located at the margins of the search area, expressed interest in selling but since the property's highest and best use is Commercial, the asking price was substantially outside the project budget.

Staff spoke to the owners of third property within our preferred area- this third parcel owners are the same as the first 3 acre parcel. After much negotiations, the Seller is asking \$380,000 for this 1.23 acre parcel located approximately 450' from Durant Road and within the most preferred area.

Staff has been working with an acquisition agent to negotiate an Option agreement and a Purchase and Sale Agreement with the property owner.