

DATE: August 28, 2017
TO: Mayor and City Commissioners
VIA: Greg Harrison, City Manager
FROM: Suzette Sibble, Assistant City Manager
SUBJECT: Surplus of 1841 N Powerline Road

Revamped Marketing Plan:

The City Commission is aware previously approved the surplusing of 1841 N Powerline Road (see **Attachment 1.1** for pictorial of the site) in May 2017. Unfortunately the City only received one (1) bid for \$300,000. In an attempt to maximize awareness, and hence bids for this property, staff have made a few adjustments as follows, and as such is again requesting Commission approval to surplus the property:

1. Revamped our marketing plan to not only advertise in the Sun sentinel, but also via the following:
 - South Florida Business Journal
 - Wall Street Journal
 - LoopNet.com
 - Landwatch.com
 - City of Pompano website
2. In addition to the minimum legal description for the property per the City Charter, we have now included the actual parcel id no. (folio #) and street address for the site in the "Notice of Sale of Surplus Property".
3. We have extended the amount of time provided the public to submit a bid for this property.

In addition, we will direct notify those who have indicated an interest in the property, once the "Notice for Sale" is published by the City Clerk's Office, as was done previously. Please note that we have received additional calls on the property since May 2017.

Property Background:

In 2010 the City acquired a 1.13 acre industrial property (49,000 square feet), through donation, with the exception of a \$210,000 commission to the realtor who had been handling the sale of the property for the previous owner at the time. The BCPA currently appraises the property at \$1.7 million (see **Attachment 1.2**), which includes \$300k for the land and \$1.4 million for the building. The BCPA appraised value for the building of \$1.4 million most likely is not contemplating the current condition of the building structure on the site, as discussed herein. This site is located at 1841 N. Powerline Road and includes an existing

26,700 square feet steel building. As a consideration for agreeing to acquire the property, there were discussions of the City perhaps having a future use for the site. Over past years, staff has evaluated the City's need for the property and part of that evaluation necessitated formal assessments of the site in order to determine the feasibility of rehabilitating the existing structure or constructing a new facility, as well as determining any environmental impacts (via environmental assessments) that may exist on the site. Although it was determined that there were no negative environmental impacts that existed, a number of site and building deficiencies were identified. Such deficiencies included non-compliant accessible parking, asphalt paving requiring replacement, inadequate drainage, nonexistent landscaping and little-to-no irrigation, fencing requiring replacement, non-existing curbing, as well as extensive structural, mechanical and electrical improvements. Given the condition of the existing structure, it was determined that repairs were not prudent. As such, it was recommended that either extensive alterations to the structure would be necessary or new building construction should be pursued as indicated at **Attachment 2**. It should be noted that the costs indicated at Attachment 2 were from 2011 and it is estimated that if escalated to 2017 these costs would need to be increased by between 20% and 25%.

This site has essentially been sitting idle for the past 7 years and although it had previously been contemplated as a possible storage facility for City records, a more appropriate site (ready for use) has been located by the City within past years, which is also being shared by the Fire Department's Logistics Function. There are plans to locate the Logistics Function to a "more centralized" location in the future, more specifically within a new proposed Fire/Emergency Operations Center, currently being proposed to be located within Old Pompano. In addition, although it is anticipated that within 5-8 years a new Northwest Fire Station might be needed in the City, Chief Jurgle has determined that the 1841 Powerline location is not an ideal site for such a station, as a site much further north, between Copans and Sample Road, would be more appropriate. City staff will continue to scout out such a more ideal location in the future. Given the City's current lack of need for this location, as well as the anticipated high cost to repair or reconstruct the site, the City is seeking direction from the City Commission to declare the property as surplus, "as-is" and sell it through competitive bidding. The site is zoned industrial and a recent appraisal by Allied Appraisal Services (**Attachment 1**), which includes pictures of the site in its current condition, appraised the property at \$950,000. Any proceeds received from the sale of the site would be deposited to the General Fund.

In order to ensure that the property will be developed within a reasonable timeframe from purchase, it is being recommended that the surplus solicitation require the successful purchaser to apply for permits within one (1) year of obtaining title to the site. This will ensure that the property does not get purchased by a private party, only to continue to remain idle for many years, with the potential of becoming a nuisance to our community. Staff's objective is to get the site developed for a productive use and to get the property back on the City's tax roll.