



MEMORANDUM TO VENICE CITY COUNCIL

THROUGH CHARTER OFFICER: Edward Lavallee, City Manager

E-SIGN:

FROM: Javier A. Vargas, MPA, Utilities Director

A handwritten signature in black ink, appearing to read "JAV", is placed over the printed name of the sender.

DEPARTMENT: Utilities Department

DATE: September 21, 2023

MEETING DATE: October 10, 2023

SUBJECT / TOPIC: Water Treatment Plant Relocation
Approval of Commercial Contract for 1795 E. Venice Avenue

BACKGROUND INFORMATION:

On January 31, 2023, the City held its 2024 Strategic Planning and Utilities staff introduced a new initiative, the relocation of the City's Water Treatment Plant. During the presentation, City Council was briefed regarding the reasons for the relocation, preferred general location (not on the island or East of I-75), relative location with respect of existing infrastructure, project schedule and preliminary cost range. At that session, Council directed staff to begin a site search and selection.

The existing facility is in a flood zone. In fact, during Hurricane Ian the facility received approximately 20" of rainfall causing extensive street flooding (see attached pics) putting potable water services for the entire city at risk. The successful relocation of the water treatment facility requires several important conditions. The actual geographic positioning of the facility is vital and essential. The new location must meet certain requirements related to its proximity to existing utility infrastructure and central positioning within the city.

Following the Strategic Planning session, considering the current economic trends and related high demands for property by area developers, staff initiated an immediate search for the best available property and with the assistance of Ian Black Real Estate identified a parcel located at 1795 E. Venice Avenue. This parcel is 7.9 Acres and provides a very desirable location. Consequently, an offer consistent with the City's purchasing rules and state statutes was made for the site. The average of the two appraised market values was calculated to be \$2,990,000 and the original listing price for the property was \$3,990,000. After negotiations, the final contract price for the property is \$3,400,000.

The selected property offers the following unique benefits;

- Great proximity to existing raw water and drinking water distribution systems resulting in budgetary savings due to reduced future infrastructure needs.
- Due to a better geographical location, hydraulic conditions should enhance operational efficiencies of the water system citywide.
- Site is large enough to accommodate the necessary treatment units, Utilities administration staff, Utilities operations staff, and potential future expansion if needed.
- Will allow for proper planning as this project was recommended by the recent ASCE Utilities

Report Card Study.

- Premium real estate location should the city decide to use the property for other purposes in the future.
- Strategically located in the central part of the city, out of the flood zone, and nearby the existing Police, Fire and Public Works facilities.
- No other suitable properties in the central Venice area were identified during the site selection process.

Due diligence work has been performed on the property and the property was found to have no issues related to lien and title search, site survey and an environmental phase 1 assessment. There is a small wetland located in the northwest corner, however it can be accommodated during design or mitigated.

The property purchase cost is included within the adopted FY24 Budget and Utilities Operating Revenues will be utilized for the purchase. Pending City Council approval, the closing for the contract and purchase of the property is currently scheduled for November 17, 2023.

SUPPORTS STRATEGIC PLAN: Goal Six: Preserve the Venice Quality of Life through Proper Planning

COUNCIL ACTION REQUESTED: Approval of Commercial Contract for 1795 E. Venice Avenue in the amount of \$3,400,000, plus closing costs.

Attachments:

Exhibit "A" - Commercial Contract

Exhibit "B" - Appraisal Report #1 – prepared by Hettema Saba

Exhibit "C" - Appraisal Report #2 – prepared by Bass Fletcher & Associates, INC.

Exhibit "D" – Proposed Location Map

Exhibit "E" - 1785 E. Venice Ave. Parcel Aerial

Exhibit "F" - Photo of Water Treatment Plant Area (normal day)

Exhibit "G" - Photo of Water Treatment Plant Area during Hurricane Ian

ec:

Linda Senne, Finance Director

James Clinch, Assistant City Manager

Review of Contract Routing Tracker:

(Initial or Signature to indicate your Review/Approval)

N/A

Finance Department Reviewed: [s]

Risk Management Reviewed: [s]

City Attorney Reviewed: [s]

City Manager Reviewed: [s]

Funds Availability (account #):

Project #:
