



MEMORANDUM

City of Venice

City Manager's Office

TO: Honorable Mayor and Council Members

THROUGH: Ed Lavalley, ICMA-CM, MPA, City Manager

FROM: James R. Clinch, PE, Assistant City Manager

DATE: February 28, 2022

COUNCIL APPROVAL: Yes

MEETING DATE: March 8, 2022

STRATEGIC PLAN GOAL: Preserve the Venice Quality of Life through Proper Planning

SUBJECT: Habitat for Humanity South Sarasota County – Request to Release Parcel Restrictions at 749 Knights Trail Road

Background: At the February 8th, 2022 meeting, City Council directed staff to report back with an approximate market value of the property, potential City uses for the property and solutions presented by other entities, when appropriate. Staff have confirmed with the City Attorney that the stipulations/obligations as provided on the Portifino CMU Binding Master Plan are specific to development by Habitat for Humanity and will not carry over to any other new owner or developer. Since these commitments would be negated by a sale of the property, the property value may be computed in one manner, as the market value of the 2-acre property exclusive of the neighboring property stipulations.

City Manager staff coordinated with Ian Black Realtors to have a comparative market analysis performed based on recent sales in this area for the 2-acre property located at 749 Knights Trail Road. Ian Black estimates that the market property value will be between \$12-\$14 per square foot, for 85,213 square feet of property, equaling between \$1,000,000 and \$1,200,000 total. This is an estimate based on comparable sales, and assuming a rezone of the property. A Fair Market Value Appraisal would be needed for a more exact calculation of value.

City Manager staff have requested feedback from all Department Directors and have received minimal response on potential future City uses. While this location would be very appropriate for a future public park, the 2 acres property size would limit the ability to fit all the necessary park components and the high property value would be challenging for development at this time. The City has also just recently purchased a 5 acre parcel which is approximately 0.4 miles away on Laurel Road and has started the process of developing a new public park at this location.

The City has not received any proposals from other entities at this time, however Habitat for Humanity would have open opportunity to market the property to other non-profits and affordable housing organizations. Considering the high market value of the property, it is unlikely the site would be a viable opportunity for affordable housing without significant subsidy or incentive.

If Council wishes to approve the request from Habitat for Humanity, the recommended process would be for the City to enter into an agreement with Habitat for Humanity which would detail the requirements for release of the deed restrictions, sale of the property, use of the proceeds, project timeline which is agreeable to Habitat and the City and reversion clauses. The agreement would allow for Habitat to market the property for sale immediately, with removal of the deed restrictions to occur as part of the property transaction process. The proceeds from a sale would be reserved specifically for use by Habitat for Humanity for affordable housing projects within the City of Venice limits. Once a specific project opportunity is identified, Habitat would bring back the detailed proposal for Council approval and authorization to proceed, including project costs and timelines for the achievement of certificates of occupancy.

Requested Action: Authorize staff to negotiate agreement with Habitat for Humanity to allow for the sale of the property located at 749 Knights Trail Road, with all proceeds to be made available for Habitat for Humanity and dedicated to creating affordable housing projects within the City of Venice limits.

If for an agenda item, this document and any associated backup created by City of Venice staff has been reviewed for ADA compliance: Yes

City Attorney Review/Approved: Yes

Risk Management Review: N/A

Finance Department Review/Approved: Yes

Funds Availability (account number): N/A

ORIGINAL(S) ATTACHED: Backup Documents

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