



## MEMORANDUM

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TO: Mark S. Woodard, County Administrator

THROUGH: Jacob Stowers, Assistant County Administrator

FROM: Rachel Booth, Principal Planner

CC: Renea Vincent, Planning Director

DATE: June 6, 2016

SUBJECT: Authorization to Acquire One Property located in the Lealman CRA

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### PURPOSE:

Approval to authorize Pinellas County Community Development Division (Planning) to acquire one property located within the Lealman target area and more particularly, within the Lealman Community Redevelopment Area (Lealman CRA) using unallocated, unencumbered General Funds and accept title to the property as Owner.

### BACKGROUND:

Property Description: The following is a summary description of the subject property (Property):

1. 5000 Main Street North, St. Petersburg, Florida, Unincorporated Pinellas County

The Property is an improved industrial site located on the western side of Main Street North, just south of the intersection with 52<sup>nd</sup> Avenue North. Total site area is reported to be approximately 51,875 s.f. or approximately 1.19 acres. The land parcel is approximately 415 feet in length and 125 feet in width. Unpaved roadway access is located on the eastern frontage of the property (Main Street North). Existing site improvements include the following:

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- a. One (1) - 3,155 s.f. steel constructed building comprising of ten (10) enclosed work bays with doors (approximately 2,800 s.f.) and attached open 'shed' area (approximately 750 s.f.). Current use for the building includes **storage and occasional auto maintenance and/or repair.**

Current Occupancy: Per the Seller, there are one to three business tenants occupying the existing building; Current tenants do not have written leases and are on a verbal month-to-month basis.

Zoning: M-1 for the north 0.47 acres and M-2 for the south 0.73 acres; Heavy Manufacturing and Industry District. Note: Uses specific to the M-2 zoning classification (i.e. concrete manufacturing; fiberglass processing) are not permitted in the IL FLUM category; therefore, only M-1 permitted uses are currently allowed.

Land Use: Industrial Limited (IL)

Appraised Value: Per an appraisal, prepared through American Government Services Corp. by OMNI Realty Group; Gregory Johnson, MAI; dated April 27, 2016, the appraised value is \$195,000.

Listing History: The subject property (Property), Parcel ID # 03/31/16/51048/046/0150, was originally listed for sale by Jack Grayson of Seminole Realty, Inc. on behalf of the Seller, for \$299,000 and subsequently reduced to \$235,000 during negotiations and then again to \$195,000.

Sales Contract Price: On May 10, 2016, a Sales Contract for \$195,000 was signed by the Seller, dated May 10, 2016

\* The final funding amount to complete the acquisition portion for this property includes standard closing costs and detailed on the closing statement.

Associated Acquisition Costs: Additional associated acquisition costs for the Property include the completion of standard environmental studies and building demolition. Real Estate Management (REM) recommended a due diligence and demolition budget of \$82,600, which includes 'rough' estimate costs based on previous similar projects, and includes the following items:

1. Phase I - \$2,600.
2. Phase II - \$40,000 (Phase II cost dependent on Phase I findings. Phase II estimate allows for industrial site level soil and groundwater testing. Soil removal and/or treatment is not included in this estimate)
3. Demolition - \$40,000 (Based on comparable metal building demolition)

Total Estimated Due Diligence and Demolition Budget - \$82,600 or approximately 42% of the sales contract price.

## **JUSTIFICATION:**

The Property is located in unincorporated Pinellas County in the Lealman target area and more particularly within the established Lealman CRA boundary. The Property is adjacent to the delineated Lealman Innovation District, CSX rail line, and the 54<sup>th</sup> Avenue commercial corridor, which has been identified for future consideration for a Complete Streets revitalization project in partnership with Forward Pinellas, formally, Pinellas County Metropolitan Planning Organization. Planning is requesting authorization to acquire the Property using unencumbered general funds, to begin land banking efforts within the Lealman Target Area for future use(s) to be determined.

The use of unencumbered general funds to acquire the Property, leave open the ability to use the Property in the future, independently or as part of a land assemblage, for any number of uses as determined to be most beneficial based upon identified facility needs, infrastructure improvements, market demands and/or redevelopment opportunities. Of which such improvements can be governed by the Lealman Community Redevelopment Area Plan and Strategic Action Plan and not by the regulatory funding restrictions and/or spending timelines linked to certain funding sources (e.g. CDBG).

Successful land bank programs or similarly designed property acquisition methods used by CRAs and target areas have proven an effective tool to revitalize blighted neighborhoods and direct reinvestment back into these neighborhoods to support their long-term community vision. Although most properties are typically vacant residential single-family homes or vacant lots, there is recent evidence that land bank programs with diversified portfolios that include multifamily dwellings, commercial and industrial properties, and in some cases, occupied rental properties more impactful and thus becoming more common.

## **CONTINGENCIES AND TIMING:**

Inspections/Investigations Contingency: This Agreement is contingent on the Buyer's satisfaction with all property due diligence (including but not limited to, Environmental Report, Phase I or additional demolition estimates as previously described in the Associated Acquisition Costs portion of this memo). Seller must permit Buyer, and Buyer's representatives and inspectors, reasonable access for inspections, with all utilities in service at Seller's expense.

Associated Costs Contingency: This Agreement is contingent on repair/mitigation costs, as indicated within the Contingencies and Timing Section, not exceed \$95,550 or 49% of the sales contract price of \$195,000.

Tenant Occupancy Contingency: This Agreement is contingent on all tenants vacating the premises prior to closing. Any and all contents not included as part of this purchase, however, not removed prior to closing shall become property of the Buyer, unless otherwise agreed upon.

Board of County Commission Approval Contingency: This Agreement is contingent on the Board of County Commission (BCC) approving the Sales Contract and each of its terms. Contract terms shall be 90 days from BCC approval to closing.

Due Diligence Period: All inspections and investigations must be completed with response to Seller no later than, sixty (60) calendar days after the Acceptance Date.

**COMMENTS:**

**Additional documentation available for review are as follows:**

Appraisal, prepared through American Government Services Corp., April 27, 2016

Internal Staff Report: Stormwater & Vegetation Division, Public Works Dept., May 10, 2016

Internal Staff Report: Ecological Services Unit, Public Works Dept., March 31, 2016

**Attachments:**

Commitment for Title

Settlement Statement (HUD 1)

**5000 Main Street**

**Fact Sheet re: Proposed Property Acquisition**

**Address:** 5000 Main Street, St. Petersburg (Central Lealman)

**Parcel Identification Number:** 03/31/16/51048/046/0150

**Property Owner:** Fred L. Walker, 5565 64<sup>th</sup> Way North, St. Petersburg 33709

**Realtor/Agent for Seller:** Jack Grayson, Seminole Realty, Inc.

**Site Characteristics:** An improved industrial site located on the western side of Main Street North, just south of the intersection with 52<sup>nd</sup> Avenue North. Total site area is reported to be approximately 51,875 s.f. or approximately 1.19 acres. Land parcel is approximately 415 feet in length and 125 feet in width. Access roadway located on the eastern frontage of the property (Main Street North) at this location is unpaved.

**Building Improvements:** A free standing building that contains a total of 2,800 s.f. with an attached open shed that occupies approximately 750 s.f. (total: 3,155 s.f. base building area). The steel building features 10 work bays with 10 doors; the work bays are reportedly used for storage and occasional auto maintenance and/or repair. Per the appraisal, the existing building improvements are not contributory to the property's market value. Per the Seller, there are one to three business tenants; none of the tenants has a written lease and are on a month-to-month basis.

**Zoning:** M-1 for the north 0.47 acres and M-2 for the south 0.73 acres; Heavy Manufacturing and Industry District. Note: Uses specific to the M-2 zoning classification (i.e. concrete manufacturing; fiberglass processing) are not permitted in the IL FLUM category; therefore, only M-1 permitted uses would be allowed.

**Land Use:** Industrial Limited (IL)

**Original Asking Price:** \$299,000; subsequently revised to \$235,000 during the negotiation phase; ultimately reduced to \$195,000 when the Seller was able to renegotiate two existing mortgages and the Realtor's sales commission

**Appraised Value per Appraisal:** \$195,000

**5000 Main Street Continued**

**Page Two of Two**

**Environmental Report:** Not completed at this time; estimated to take 50 calendar days

**Contract Terms:** 90 days from BCC approval to close

**Bio-geomorphic Description:** Per Stephen Robinson's report, there is an existing 60-inch diameter RCP located just outside the southwest corner of the subject land parcel. The RCP collects stormwater from the east side of the CSX right of way and conveys it under the railroad tracks to a point on the west side of the CSX right of way. It appears this pipe functions to pass stormwater flow under the CSX right of way and ultimately into Joe's Creek. If this proposed site is used for stormwater retention, it will be necessary to determine who owns and maintains the pipe. It is suggested that Pinellas County investigate whether it has rights to the existing pipe. CSX may be an important agency with regard to a proposed stormwater attenuation or treatment pond facility.

**REM Contact:** Elizabeth Lewis, Sr. Real Estate Specialist, P 464-4136

**Planning Dept Contact:** Cheryl Reed, Grants Compliance Manager, P 464-8234

**Available Documents:** Sales Contract for \$195,000 signed by Seller, dated May 10, 2016

Commitment for Title, obtained by REM

Appraisal, prepared through American Government Services Corp. by OMNI Realty Group; Gregory Johnson, MAI; dated April 27, 2016

Property Appraiser Record

**Attached Documents:** Internal Staff Report by Paul Berlage, Stormwater & Vegetation Division, Public Works Dept., dated May 10, 2016

Internal Staff Report by Stephen Robinson, Ecological Services Unit, Public Works Dept., dated March 31, 2016

**Available sites in Central Lealman that are potential pond sites for needed drainage and road improvements.**

Smaller Parcel = 4090 52 Ave N. (PID# 03/31/16/51048/044/0220) .159 Acres

Larger Parcel = 5000 Main Street (PID# 03/31/16/51048/046/0150) 1.2 Acres





## PUBLIC WORKS DEPARTMENT

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### MEMORANDUM

**TO:** Elizabeth T. Lewis, Sr. Real Estate Specialist, Real Estate Management  
**FROM:** Paul N. Berlage, P.E., Sr. Engineer, Stormwater & Veg. Div., Public Works  
**SUBJECT:** Engineering Field Review of 5000 Main Street Parcel (Lealman Area), 04/05/2016  
**DATE:** 10 May 2016

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Dear Elizabeth—

I field reviewed the site on 5 April 2016, and have studied the environmental report prepared by Public Works staff of the Ecological Services Unit. I also have examined Public Works' asset management records for this area. My investigation did not address environmental evaluation of soils or current site usage.

1. I believe that this site would be a good location to create a pond to provide water quality benefits and habitat creation. The site is adjacent to a significant drainage ditch contributing to Joe's Creek. The proximity to this ditch could provide convenient connections to an existing open conveyance system, providing both an opportunity to divert stormwater to a proposed treatment pond, and a positive outfall from the pond. This is significant because it could provide some water quality treatment for stormwater runoff that currently is untreated.
2. This ditch flows west to an existing pipe culvert crossing beneath CSX railroad property. Research showed that this crossing, a 48-inch diameter reinforced concrete pipe (RCP), is maintained by Pinellas County crews. This existing culvert should not need to be altered to accommodate an upstream pond. The pond would not increase the flow rate through this pipe, but would reduce its flow rate by detention.
3. The pipe culvert that crosses Main Street, to the upstream end of the adjacent ditch, is only a 24-inch diameter RCP. That suggests that the existing crossing under the railroad property should be adequate for the current amount of runoff that it receives.
4. In addition to receiving diverted water from the adjacent ditch, a pond at this location could also collect surface runoff from adjacent roadways, or other nearby sources of stormwater which currently receives no water quality treatment.
5. This site could be optimized to create a larger pond if the adjacent existing right-of-way, platted for Main Street, could be vacated. Using County pond design standards, much of the area of the existing site would be needed for maintenance access around the pond. The typical access berms would reduce the usable pond area by fifteen to twenty feet from each edge, consuming much of a relatively small pond parcel. However, vacating the existing Main Street ROW would eliminate access to the private parcel south of this site. If it were possible to use the current right-of-way as both access to the private southern parcel and as maintenance access for the pond, this could significantly increase the useable area for the pond. Creating a larger water quality pond would provide more ecological benefit. I do not know whether this dual usage would be practical, or legally permissible.
6. It is recommended that environmental assessment of the soils and site usage be performed, as discussed. I agree that a Phase I assessment would be required, with an eye to a possible Phase II.



**MEMO TO:** Elizabeth Lewis, Sr. Real Estate Specialist  
Real Estate Management  
Real Property Division

**FROM:** Stephen D. Robinson, Sr. Environmental Scientist  
Ecological Services Unit  
Pinellas County Public Works

**THROUGH:** David Brian Brown, Unit Manager  
Ecological Services Unit  
Pinellas County Public Works

**SUBJECT:** Land Parcel ID (03/31/16/51048/046/0150)  
Preliminary Environmental Assessment

**DATE:** March 31, 2016

This document shall serve as Public Works Department's preliminary environmental assessment, and is intended to be a portion of Pinellas County's due diligence process for the possible purchase of the subject land parcel (03/31/16/51048/046/0150). The subject land parcel was field reviewed by the Public Works Ecological Services Unit on March 18th and 30th, 2016.

Site Description

The subject land parcel is (1.206-acres MOL) in size with 0.474 acres zoned as M-1 and 0.732 acres zoned as M-2. The site is bordered by a CSX Railroad Right of Way located to the southwest, Main Street North is located the northeast, a land parcel owned by Heritage Operation Liquid Propane Gas located to the northwest and a (0.959 acre MOL) M-2 Zoned land parcel owned by Province Ludwig located to the southeast. The subject land parcel is approximately 415 feet in length and 125 feet in width and is oriented in a northwest to southeast direction relative to its length. The land parcel appears to be currently used for several light industrial businesses. The land parcel includes a steel building that occupies approximately 2,800 square feet and an attached open shed that occupies approximately 750 square feet. The surrounding open portions of the

subject parcel includes four gasoline powered and diesel powered abandoned busses that are filled with boxes and crates of unknown content. Various derelict automobiles and automobile frames and chassis are located primarily along the south boundary of the land parcel. The immediate area around the steel building is a source of numerous unlabeled plastic and metal buckets and barrel containers that are up to 55-gallon in size by volume. Many of the observed chemical containers appear to contain fluids and are unsecured and are readily available to public contact and interaction. Pinellas County should carefully assess the historic land use of the project area in order to determine the "temporal extent" of chemical use, chemical storage and the chemical disposal history of the subject land parcel. The observed quantity of containerized unlabeled fluids represents a significant concern for public safety. Before Pinellas County proceeds into negotiations for the purchase of the of the subject land parcel, it would be "highly prudent" to conduct a Phase II Environmental Site Assessment, in order to more effectively determine the possible risk and liability resulting from the historic storage, use and disposal of hazardous materials and compounds that may have been associated with the project area.

#### Bio-geomorphic Description

The subject land parcel is relatively flat and has an average elevation of approximately 44-45 feet based on the 1929 NGVD Datum derived from the 1998 United States Geologic Survey (Saint Petersburg Quadrangle Map). The site appears to drain to the southwest, but natural sheet flow patterns have been obstructed by the CSX raised rail road infrastructure located along the southwest perimeter of the subject land parcel. As a result, the sheet flow drainage generated by the subject land parcel is impounded by the existing raised CSX Railroad corridor. Based on the 1972 Pinellas County Soil Survey the soils that comprise the subject site are primarily of Urban Land (Ub) Series. The Urban Land Soil Series designation consists of a soil that has been modified by at least 75% in area. The Urban Land Soils have been altered by filling and cutting to such an extent that the natural soil properties have been overcome. It is possible that a small portion of the subject land parcel has remained as Urban land-Myakka complex (Um). The Urban Land Soil Complex designation indicates that the existing soil profile has been altered by various forms of land development, and as such the natural groundwater elevation has most likely been modified. If the existing soil series has been miss-identified, it is possible the site could retain some of the natural hydrology of a Myakka fine sand soil profile. For purposes of planning, any area within the subject land parcel that may have retained the natural hydrology of Myakka fine sand would support a ground water that would rise to the surface for short periods of time during extended wet periods, and would drop to 30 inches below the surface during the drier periods of the year. Based on a recent field review no hydric soils or hydrophytic plant species were observed within the boundaries of the subject

land parcel. Therefore, no SWFWMD or ACOE jurisdictional wetlands are located within the limits of the subject land parcel. If the subject land parcel is proposed for use as a retention/detention pond facility, it would be highly prudent to carefully assess the site to determine the location of the groundwater table during extended wet periods. The site appears to receive periodic mowing, and as a result, the site is relatively free of naturally recruited trees and shrubs. Along the south edge of the subject land parcel both Brazilian Pepper (*Schinus terebinthifolius*) and Lead tree (*Leucaena leucocephala*) create a solid tree and shrub buffer from the adjacent site located to the southeast. The northwest corner of the subject land parcel supports an area of approximately 8,000 square feet of Lead Tree canopy that buffers the project area from the adjacent land parcel located to the northwest.

Due to the rather flat topography of the land profile and the apparent sheet flow obstruction created by the existing CSX Right of Way, Pinellas County was concerned that the subject land parcel may be within a created "closed basin." As a result of this concern, the Ecological Services Unit conducted a second field review on March 30, 2016 to clarify some drainage concerns.

The field review of March 30, 2016 revealed that an existing 60-inch diameter RCP is located just outside of the southwest corner of the subject land parcel. The 60-inch diameter RCP collects stormwater from the east side of the CSX Right of Way and conveys it under the railroad tracks to a point on the west side of the CSX Right of Way. From the west discharge point of the existing 60-inch RCP the stormwater appears to flow southward within an upland cut ditch system to a portion Joe's Creek located to the south. Therefore, it appears that an existing 60-inch diameter RCP functions to pass stormwater flow under the CSX Right of Way and ultimately to Joe's Creek. If Pinellas County intends to construct a stormwater pond within the subject land parcel, it will be necessary to determine who owns and maintains the 60-inch RCP described above. It is suggested that Pinellas County should investigate if it has rights to the existing 60-inch diameter RCP. It is possible that CSX may be a very important agency with regard to any proposed stormwater attenuation or treatment pond facility.

#### Possible Permitting Impediments

Based on the Map Direct System and the Florida Department of Environmental Protection's overview, the subject land parcel is located within a designated "Brownfield Area," and therefore, may be associated with a closed waste clean-up site. In order to conduct additional due diligence, and to test for potential contamination, it would be prudent to pursue a Phase-II Environmental Site Assessment for the subject site.

This preliminary environmental review did not include a Joe's Creek Basin hydrologic review regarding topography, positive outfall hydraulic flow line or cost impediments in order to achieve an adequate positive outfall condition.

It is recommended that the site should first be investigated for possible soil and groundwater contamination in order to assess the cost and risk feasibility for purchase.

### Conclusion

The site could represent a significant risk to the purchaser if the site is not accurately assessed for both (soil and groundwater) contamination based on its current designation as a "Brownfield Area." The larger Lealman area is also a known "Brownfield Area." At this time, it would be "highly prudent" for the due diligence process to investigate the cost feasibility of a Phase-II Environmental Site Assessment. The subject site appears to have a significant possibility of either soil and or groundwater contamination.

If a retention/detention pond is proposed for the subject area it would only further enhance the need for a Phase-II Environmental Site Assessment. Based on the very flat topography of the subject land parcel and the adjacent landscape, it is also suggested that a positive outfall hydraulic flow line investigation should be conducted in order to help determine if a proposed pond facility would have adequate access to a tail-water condition that would support an efficient discharge. A computational hydraulic flow line investigation is beyond the professional scope of knowledge of the ESU Unit.