

1/09/2020

Finance Division Comments – Baypointe Golf Course

Finance Division inquired about the difference in purchase price of \$1,200,000 and release of liens totaling \$500,000 vs the appraised value of \$800,000. Andrew Pupke responded: “A conservative cost/benefit analysis was performed on the purchase price to determine if the price would still yield a cost beneficial regional stormwater park. The analysis demonstrated that the purchase price would fall within the high level of return when comparing industry costs of the cost to treat nitrogen and phosphorus. When assessing cost-benefit for stormwater-water quality projects, the cost per pound of pollutants removed is estimated. The Southwest Florida Water Management District utilizes the cost-benefit analysis to rank projects for funding. The seller’s asking price is \$1.2M, inclusive of the satisfaction of the liens. Based on the anticipated benefits, the cost-benefit analysis indicates that at this asking price, this project falls into the high value category. Satisfaction of the special magistrate liens is a common administrative process.”