



Land Purchase Decision

Council Decision

What is the Decision?

Potential Council action:

- 1) **Authorize** the Village Manager to **proceed with the purchase of the Estero River property for 24,562,500**, which is at the **northeast corner of the intersection of US-41 and Corkscrew Road**
- 2) **Do not authorize** the purchase of this property, but **request that the Village Manager continue discussions with the property owner**
- 3) **Do not authorize** the purchase of this property and **request that the Village Manager do not continue discussions with the property owner**
- 4) **Alternative Council action**

Community Input

Why are we here?

Estero residents have indicated that land preservation and recreation are priorities

- **Six independent community studies** have shown this (further details to come)

Village Council has indicated a desire to pursue land preservation and recreational opportunities

- Purchase of this land (“Land Purchase A”) was approved in the **Fiscal Year 2018-2019 Capital Improvement Plan**
- **Three previous land purchase proposals were denied** by the Village Council, though Council stated **interest in continuing to pursue land purchase opportunities** (further details to come)

Community Input

Feasibility Study

- August 2013

Community Plan

- August 2014

Community Needs & Assets Study

- November 2015

Village Center Master Planning Survey

- January 2016

Capital Improvement Program Workshop

- May 2016

Comprehensive Plan Kick-off Meeting

- January 2017



Community Input

Previous Property Purchase Decisions

Pinewoods Property

- Property offered to the Village for **\$4 million** in **January of 2017**
- Village declined to purchase at the time, citing **interest in larger, regional parcels**

Village Partners Property (current property under consideration)

- Property offered to the Village for **\$36 million** in **June of 2017**
- Village declined to purchase at the time, citing **concern about cost of property**

River Oaks Park Property

- Property offered to the Village for **\$1.9 million** in **January of 2018**
- Village declined to purchase at the time, citing **interest in larger, regional parcels**

Purchase Description

Owner

- Village Partners LLC

Location

- Corkscrew Road north to the Estero United Methodist Church and U.S. 41 east to the railroad tracks (including a **significant portion of the Estero River**)

Parcel Size

- **62.2 acres**

Zoning

- **Mixed Use** (commercial and residential)

Cost

- **\$26 million** (\$24,562,500 purchase price plus closing and design/development alternatives cost)



Purchase Description

What Is This Purchase?

This property consists of 62.2 acres, located at the northeast corner of Corkscrew Road and South Tamiami Trail (US-41)

- Including approximately ¼ of a mile of **Estero River frontage** on the north & south
- Opportunity to connect with Koreshan State Park for **330 acres of public land**
- Adjacent to the railroad, this could connect to a future **“Rails to Trails”** bike path

Alternatively, the Village could allow the property to be developed, in accordance with the vested Mixed Use zoning on the site

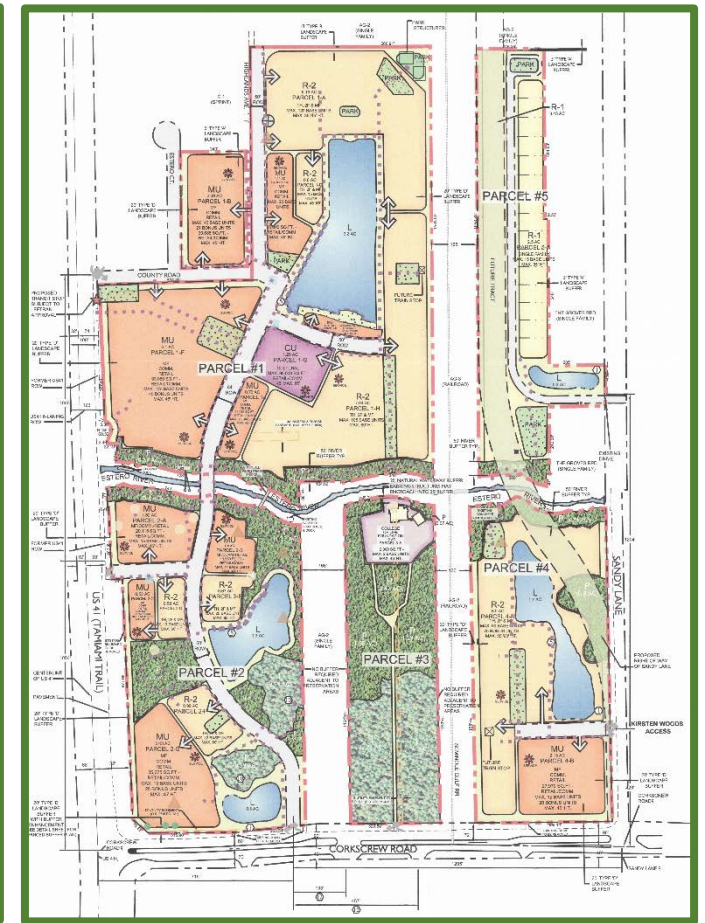
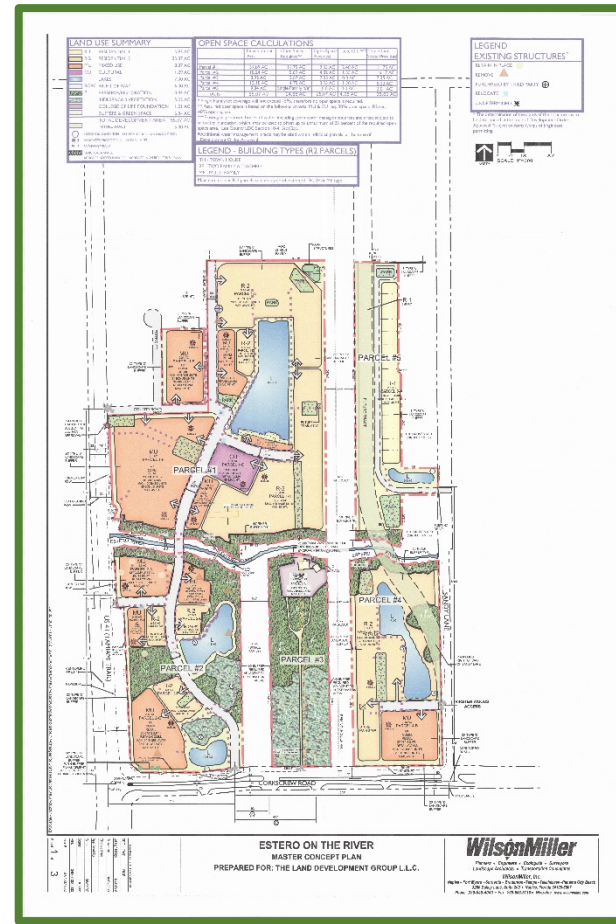
- **Rezoned from largely agricultural to mixed use** in 2007 by Lee County
- **530 units** and **300,000 square feet of mixed use development** is allowed (including on the parcel to the east of the railroad tracks)

Purchase Description

Zoning Map

The development zoning currently approved on site is shown to the right.

- **530 units** and **300,000 square feet** of total development (**residential and commercial**) across all parcels (including smaller parcel to the east of railroad)



Purchase Description: Slide 8

Can We Afford This?

This property will cost \$24,562,500 million to purchase, plus closing and design/development alternatives expenses (total budgeted cost is for \$26 million)

- Option A: Payoff in **30 years, \$4 million down payment, \$1.6 million annually**
- Option B: Payoff in **7 years, \$9 million down payment, \$2.7 million annually**
- **Both calculations are based on the Village retaining the entire property**

Prior commitments made to fiscal prudence will remain

- **Operating Reserve** Build-up, **Capital Improvements**, and **Disaster Response** will not be affected by purchase (more details to come)

Opportunity to purchase land and sell a portion, to reduce cost, remains

- **Public access to the Estero River** would be preserved

Can We Afford This?

How Was Proposed Purchase Price Determined?

- Appraisal #1: completed by **Hanson Real Estate Advisors** for the **Trust for Public Land**
 - Determined Market Value: **\$25,225,000 million**, at a cost of \$0 to the Village of Estero
 - Site Description: *“This location is in **close proximity** to some of Southwest Florida’s **most heavily traveled destinations.**”*
- Appraisal #2: completed by **Carlson, Norris and Associates** for the **Village of Estero**
 - Determined Market Value: **\$21,000,000 million**, at a cost of \$6,000 to the Village of Estero
 - Site Description: *“This site is a combination of old growth pine flatwoods, oak hammocks and Estero River frontage, it is very desirable and picturesque to say the least. This site has **tremendous development and/or preservation potential.**”*
- Appraisal #3: completed by **C. Michael Polk & Associates** for the **Village of Estero**
 - Determined Market Value: **\$23,900,000 million**, at a cost of \$7,000 to the Village of Estero
 - Site Description: *“The subject site is well located... and has **good access**, as well as **direct ingress/egress.**”*

Financing

Two Financing Options

Option A: Default Option

- **\$4 million down** payment, **\$1.6 million annually**
- **30 year payoff**

Option B: Early Payoff Option

- **\$9 million down** payment, **\$2.7 million annually**
- **7 year payoff**

Both Options

- Both protect current Village **reserve, capital improvement, operating expenditure, and disaster response funds**



The Village of Estero

FINANCIAL STABILITY

Lowest Tax Rate
Lowest Staff per Capita Ratio
Highest per Capita Reserves
IN THE REGION

Professional Studies Being Completed for all Functional Areas Dedicated Funds for Five Year Capital Improvement Program Dedicated Funds for Disaster Response

Tax Rate Reduction Every Year Following Incorporation

ABOVE SUCCESSES WILL CONTINUE WITH BOTH FINANCING OPTIONS OUTLINED BELOW....

LAND PURCHASE FINANCING

	BUDGETED ESTIMATE	EARLY PAYOFF OPTION
TOTAL COST	\$25M	\$25M
DOWN PAYMENT	\$4M	+\$5M (\$9M TOTAL)
ANNUAL PAYMENT	\$1.6M	+\$1.1M (\$2.7M TOTAL)
PAYOFF TERM*	30 YEARS	7 YEARS

*actual financing terms subject to change

To learn more, visit <https://estero-fl.gov>

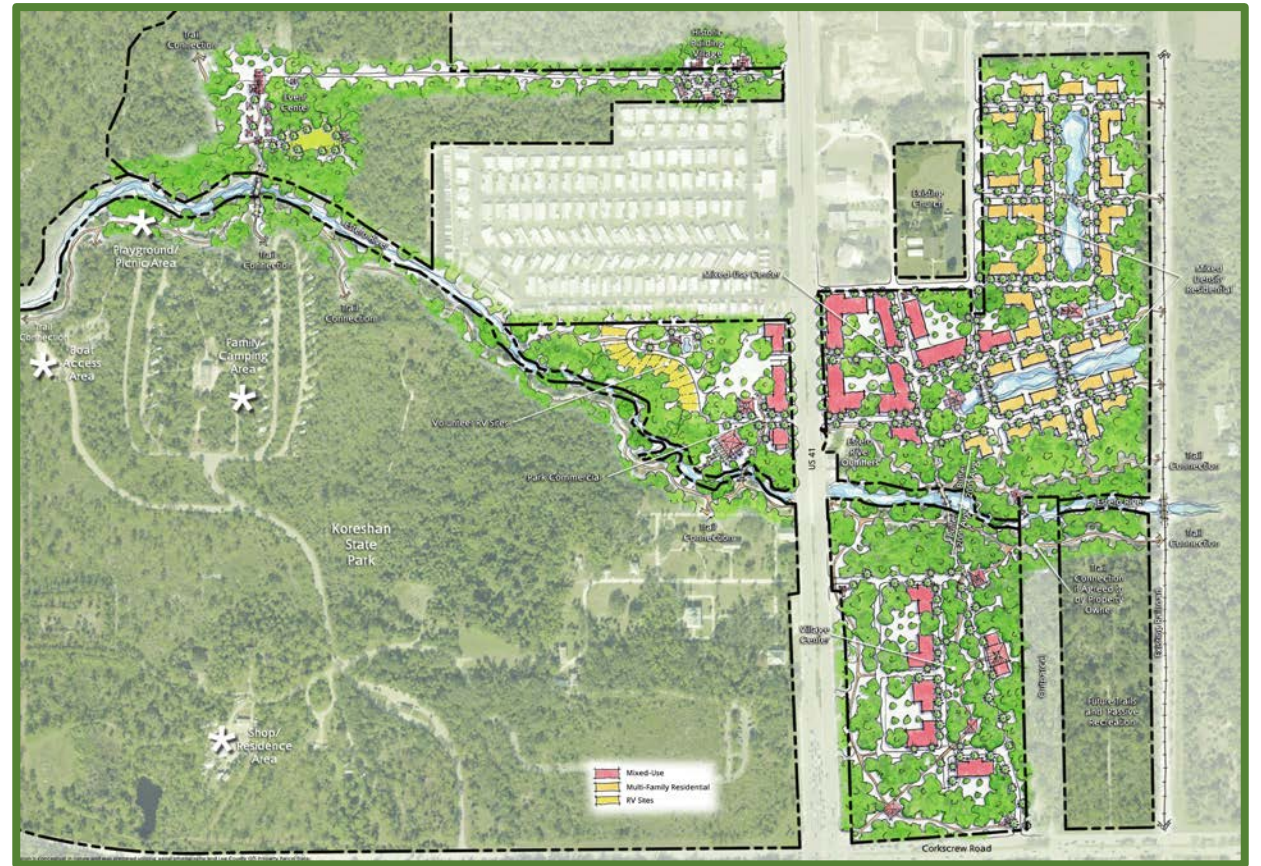
Vision

- **Mixed Use** Development Opportunity
 - 30.85 acres
- **Civic Use** Opportunity
 - 23.00 acres
- **Conservation** Opportunity
 - 8.90 acres



Vision

- Private development to the north
- Public access to the **Estero River**
- **Village Center**
- Connection to **Koreshan State Park**
- Walking paths
- Bike paths



Vision: Slide 13

Vision

Usage Examples



Kayaking

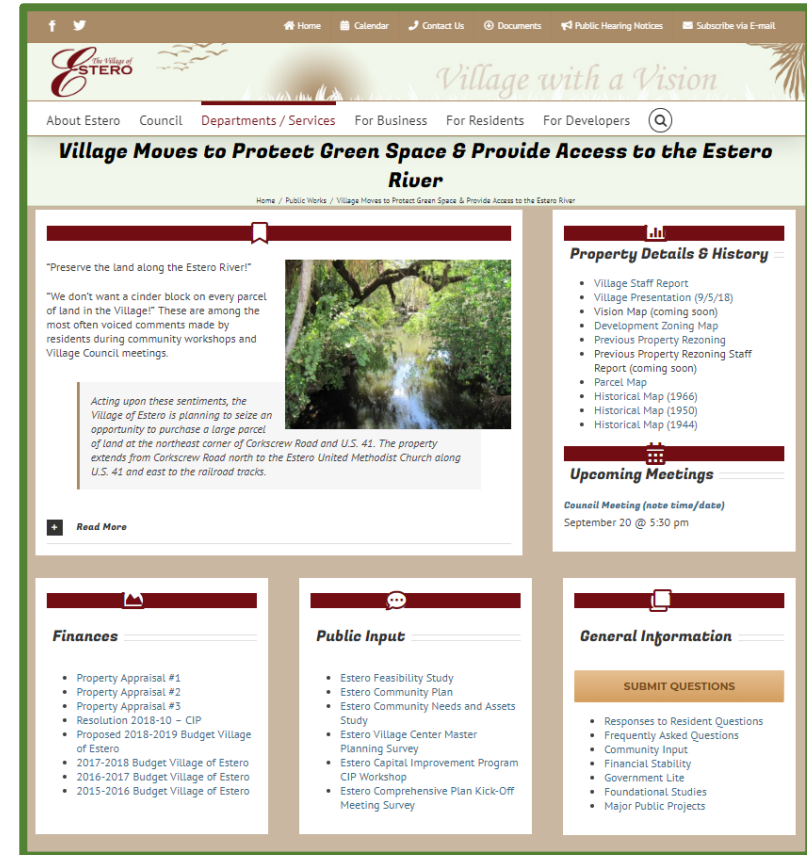


Bike/Ped Trails

Transparency

Information available on website (**dedicated webpage**):

- Staff report
- Council presentation (9/5/18)
- Property map
- Development zoning map
- Meeting date & time
- Question submission tool



Next Steps

If Purchase is Approved

- Finalize **sales terms and timeline**
- Finalize **financing terms**

If Purchase is Not Approved

- Reassessment of **Village priorities**
- Consideration of **alternative opportunities**
- Potential for **re-engagement** on current property

Does Council wish to formally approve this purchase via Resolution 2018-16?

Questions?
