

Agenda Item:

3.d

Meeting Date:

July 17, 2025

MEMORANDUM

To: City Commission

Through: Jennifer K. Bramley, City Manager

From: Jorge Quintas Deputy City Manager

Date: 2025-07-10

Subject: Agreement to Donate Real Estate between The Coca-Cola Company and the City of Dunedin for approximately 1.6 acres of vacant land located at 427 San Christopher Drive, Dunedin, FL.

Presenter(s): Jennifer Cowan, City Attorney, BMO; Frank L. Hearne, Esq., Chairman - Environmental Practice Group, Mechanik, Nuccio, Hearne & Wester, P.A.; and Clayton "Clay" Watkins, P.E., Director of Utilities | City Engineer

Staff Recommendation: Motion to authorize the execution of an Agreement to Donate Real Estate between The Coca-Cola Company and the City of Dunedin for approximately 1.6 acres of vacant land located at 427 San Christopher Drive, Dunedin, FL.

Strategic Themes: Infrastructure, Planning and Growth

Boards & Committees: N / A

Budget Impact: None

Past Action: N / A

Next Action: Boundary Survey & Legal Description to be ordered by Coca-Cola following execution of the "Agreement to Donate Real Estate", and prior to Closing.

Attachments: [SUPPLEMENT: A. Donation Agreement - TCCC and City of Dunedin \(Final Unsigned Copy\).pdf](#)
[B. Exhibit C - \(DRC 2024-12-13\) - Declaration of Restrictive Covenant \(DRC\) setting forth Engineering & Institutional Controls.pdf](#)
[C. Property Appraisal 1.6 acres - Coca Cola Food Service Land Dunedin FL \(Report Excerpt\).pdf](#)
[D. Land Donation Parcel - Conceptual Site Plan Layout.pdf](#)
[E. Summary of Pollution Liability Insurance Policy Coverage.pdf](#)

[F. Parcel ID's Designation Aerial Maps.pdf](#)

Background:

The Coca-Cola Company (Coke) has offered a donation of real estate to the City of Dunedin as they divest their orange juice processing facility in Dunedin. Presently, the juice processing plant has ceased operations and selective demolition and salvaging of valuable assets have begun. The 1.6-acre parcel offered to the City is a portion of the greater 29.65-acre property owned by Coke at 427 San Christopher Drive. The subject parcel is located along the southeastern portion of Coke's property, and has an appraised value of \$870,000 as of May 5, 2025. The parcel is vacant and abuts the City's Wastewater Treatment Plant (WWTP) to the south.

The City hired Mechanik, Nuccio, Hearne & Webster P.A., (MNH&W) as environmental attorneys to work as co-counsel with BMO, to negotiate the terms and conditions of the real estate donation agreement, and to prepare the associated legal documents, to navigate the regulatory processes associated with Coke's site environmental issues as it pertains to the City of Dunedin, and to safeguard the City's interests in both.

Uses of the Proposed Donation Parcel:

Coke has been an excellent community partner aligning its goals and values with the community for decades. In 2009, Coke contributed \$135,000 over a 5-year period to offset the cost of Weaver Park maintenance. In FY 2015, the City accepted a donation of 0.689 acres of property from Coke adjacent to the City's WWTP. That property was subsequently used by the City for construction of a 2-million-gallon reclaimed water ground storage tank and associated pump station. This latest proposal for donation of real estate is the second such donation Coke has offered the City. Potential uses for this 1.6-acre donation parcel include, but are not limited to, a second reclaimed water storage tank, a biosolids processing building, and an injection well for managed aquifer recharge. The WWTP is bordered by private development with very limited opportunity for plant expansion. Securing approximately 1.6 acres adjacent to the WWTP is prerequisite to meeting future regulatory obligations as they arise, and to further optimize wastewater treatment processes. This land donation is a fortuitous opportunity to cost effectively meet those future needs. The aforementioned capital project initiatives will be refined and discussed as part of a phased approach and will be presented in the City's Municipal Business Plan & Capital Improvement Plan as part of the budget process. Until that time, the donation parcel will be land banked for future use.

Environmental Considerations:

Plant closure efforts have included environmental remediation of site conditions attributable to when arsenical pesticides were

rinsed from citrus fruits arrived in railroad box cars under previous ownership. This activity contaminated immediately adjacent soils and created an elevated groundwater arsenic plume extending down gradient from Coke property to the west, and eventually beneath, portions of J.C. Weaver Park. Coke has been working directly with the Florida Department of Environmental Protection (FDEP) on mitigation measures and to secure an eventual site rehabilitation completion order under Florida cleanup regulations on the arsenic impacts. In cooperation with Coke's counsel, MNH&W has participated in communication directly with FDEP project management concerning the remedial actions undertaken by Coke and plans for site environmental closure.

Strategically placed monitoring wells have shown that the groundwater arsenic plume is both stable and not migrating. Further, the soils on the Coke property have been remediated to the satisfaction of FDEP with placement of Engineering Controls in certain areas and limitations on land use in an area in accordance with a proposed Declaration of Restrictive Covenant (DRC), which will be recorded in the land records. The DRC creates restrictions and requirements regarding soil and groundwater within the boundaries of Coke's property. Soil remediation consisted of limited excavation/removal of contaminated soils followed by installation of an impervious cap (concrete and asphalt) encapsulating the remaining soils. Under the DRC, an area of soils is also prohibited from certain land uses, such as residential use. This limitation does not interfere with the City's proposed plans. Legal counsel for Coke has submitted the draft Declaration of Restrictive Covenant (see Attachment "B") to FDEP for approval.

~ Engineering Controls: The donation parcel in question is outside the boundaries of the engineering controls. As such, the City will not inherit management of these areas in the land donation. However, future owners of the remaining Coke property will have to work with FDEP should they seek to modify and/or otherwise improve the land within the Engineering Controls area in accordance with DRC provisions.

~ Institutional Controls: Institutional Controls will be placed across the entire Coke property including the donation parcel and extending to adjacent and downstream parcels including a portion of J.C. Weaver Park, and other property downstream of the Coke property. These Institutional Controls would impose groundwater use restrictions to potentially eliminate or minimize exposure to arsenic in groundwater by limiting or prohibiting use of the groundwater, regulatory conditions on dewatering in the area, and additional precautions for stormwater management changes and for construction in the area. These Institutional Controls will not be in recorded documents, but will be governed by existing

regulatory permitting rules and listed in or accomplished by the terms of a Conditional Site Rehabilitation Completion Order (CSRCO) to be issued by the FDEP.

It is expected that the City's planned use of the donated parcel for wastewater treatment purposes will be negligibly impacted by the Institutional Controls associated with the contaminated groundwater. Coke has agreed to fund a Pollution Liability Insurance policy outlined in Paragraph 6 of the Agreement to Donate Real Estate, as recourse, should the City and/or general public require such from the unlikely impact from arsenic exposure at Weaver Park or on the donation parcel. The expected coverage of the Pollution Liability Insurance policy is presented in Attachment "E."

Next Steps:

The exact acreage of the donation parcel will be determined upon completion of a boundary survey and preparation of a legal description by Coke following execution of the Agreement to Donate Real Estate and prior to Closing. A Title Search has been performed and no defects were found. The City will secure a Title Commitment upon receipt of the boundary survey and legal description. Closing is contingent upon a CSRCO acceptable to the City being issued by FDEP. The CSRCO will establish Institutional Controls on Weaver Park, the Pinellas Trail, and Alt US 19. The CSRCO is the final FDEP action regarding cleanup activities and follows recordation of the DRC. It is expected that the final CSRCO will take approximately 1-year to be issued. The property will then be conveyed by Special Warranty Deed.

MNH&W retained an environmental consultant, EnSafe, to perform a Phase I Environmental Site Assessment as part of the City's due diligence efforts on the donation parcel. No unforeseen abnormalities were discovered or anticipated for the donation parcel. The Phase 1 will be updated within 90-days prior to the closing to confirm site conditions remain unchanged.

Staff's recommendation is for a motion to authorize the execution of the Agreement to Donate Real Estate between The Coca-Cola Company and the City of Dunedin for approximately 1.6-acres of vacant land located at 427 San Christopher Drive, Dunedin, FL, as detailed herein.