



# City Commission agenda item

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| <b>item type</b> Action Items Requiring Discussion             | <b>meeting date</b> February 24, 2021            |
| <b>prepared by</b> Randy Knight                                | <b>approved by</b> Michelle Neuner, Randy Knight |
| <b>board approval</b> Completed                                |  |
| <b>strategic objective</b> Investment in Public Infrastructure |  |

## subject

Purchase Agreement for 901 W. Fairbanks Ave., Winter Park, FL 32789, and discussion of additional properties along Fairbanks Ave.

## motion / recommendation

Approval of the property & business purchase for \$750k.

## background

The City Commission has discussed the possibility of improving traffic flow on Denning Dr. and Fairbanks Ave., as well as the possibility of expanding MLK Park by investigating the potential of acquiring property along the north side of Fairbanks, from Denning to Ward Ave. Working with the brokerage agency, JLL, city staff has made a number of inquiries to property owners along the avenue to ascertain a willingness and price point for a sale. To-date, staff has received interest from two property owners, 901 W. Fairbanks Ave. (Imperial Dry Cleaners) located at the corner of Denning and Fairbanks, and the larger parcel at 929 W. Fairbanks Ave. where the Vines & Forks business is located. Staff is still in negotiations with the owner at 929 W. Fairbanks to see if there is the possibility of a mutual agreement to sell, while the corner property at Denning is willing to sell and the purchase agreement is attached to this agenda item.

Acquiring the corner piece at Denning and Fairbanks is crucial to any future road project that involves the rest of the properties. It also allows for further enhancement to southbound traffic on Denning Dr. by adding space for a right turn lane onto Fairbanks. This will relieve some of the vehicle stacking at the intersection by allowing approximately four vehicles to queue. If future properties are acquired over time, it will ultimately provide the space for an additional travel lane.

## The following is a summary of the purchase agreement:

Purchase of \$750k. Includes a valuation of \$450k for the land, and \$300k for the business.

Earnest money of \$25k will be fully refundable up till the end of the Inspection Period. Inspection period of 90 days from date of execution of agreement by both parties. Closing will occur within 30 days of the expiration of the Inspection period.

As a side note to the purchase agreement, staff has prepared some sketches of what acquisition scenarios could look like along the north-east side of Fairbanks. One scenario assumes just the acquisition of 901 and 957 and the other assumes we are also able to acquire 919 W. Fairbanks, Both scenarios show the addition of the southbound Denning right-turn lane at the corner. The others show how the land purchases could add parking capacity and pedestrian and bicycle enhancements to the park. Note, parking is just one option for the portion of the property not used for a travel lane. It could also be utilized as active or passive park space.

Kimley-Horn ran a preliminary analysis for the addition of a 100' southbound right-turn lane at the intersection of Fairbanks Avenue & Denning Drive and presented the following findings. The addition of the southbound right-turn lane on Denning Drive would reduce the overall delay at the intersection by two seconds per vehicle. The delay for the overall southbound approach would be reduced by 20 seconds per vehicle (on average). Since the 50th percentile queue for the adjacent southbound through movement is 300 feet in length, the southbound right-turn lane would be blocked at least half of the time. Occasionally, a vehicle making the southbound right-turn lane has the potential to access the southbound right-turn lane and turn right on red and save themselves as much as two minutes.

#### **alternatives / other considerations**

Decline to acquire the property.

#### **fiscal impact**

At a price point of \$750k, the acquisition of the property located at 901 W. Fairbanks Ave., Winter Park, FL 32789, is not inexpensive. In Winter Park, recent sales have been closing in the range of \$3 million to \$4 million per acre. The purchase property is 6,814 SF, or .16 of an acre. Attributing the land value (\$450k) of the purchase agreement, values the property at \$2.9 million an acre or \$66 SF. The additional cost of acquiring the business was a condition of sale for the owner, which adds \$300k to the purchase price and an overall cost per acre valuation of \$4.8 million. As the City Attorneys have explained at the prior Commission Meeting, if a city chose to use eminent domain to acquire a property, it often has to pay a premium, valuing property at its highest and best use. Also, the law requires including the value of business damages in the acquisition when it comes to partial takings. While the city is not utilizing eminent domain in this case and is acquiring the entire site, staff is considering that an acquisition of this property would reasonably entail a premium. It should also be noted that the precedent for paying for a business was only reasonably considered as this is the corner lot and the lynchpin for further right-of-way enhancements.

The CRA had previously budgeted \$1 million to make enhancements to the Denning/Fairbanks intersection for the purpose of traffic and stormwater improvements. With CRA Agency approval, these funds can be utilized for that purpose.

ATTACHMENTS:

[Agreement for Sale and Purchase.pdf](#)

ATTACHMENTS:

[2021.02.03\\_Fairbanks & Denning\\_Conceptual Layout One.pdf](#)

ATTACHMENTS:

[2021.02.03\\_Fairbanks & Denning\\_Conceptual Layout Two.pdf](#)

ATTACHMENTS:

[901 Fairbanks site specific map.pdf](#)

ATTACHMENTS:

[957 W Fairbanks site specific map.pdf](#)