



# CITY OF MARCO ISLAND

To: Marco Island City Council

From: Alan L. Gabriel, City Attorney and Casey Lucius, Assistant City Manager

Date: December 6, 2021

Re: Update on the Sale of City Surplus Properties

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## Background

On July 29, 2021 the City posted the bidding documents to receive bids on four surplus properties. Two of these properties are known as Marco Shores and are located at 1955 and 1825 Mainsail Drive. The City received a bid on both of these Marco Shores properties on September 2, 2021.

The City did not receive any bids on the Rapid Infiltration Basin (RIBS) RIBS property at Fiddler's Creek or the vacant residential lot located at 239 Tahiti Road. As a result, the City reposted the bidding documents for 239 Tahiti Road and received one bid on November 10, 2021.

This Report will provide a status update on the potential sale of the Marco Shores properties and the 239 Tahiti Road bid.

## 239 Tahiti Road

This residential lot is zoned RSF-4 and consists of 0.20 acres and was appraised in June 2021 for \$170,000. A sealed bid was received on November 10, 2021 to purchase the property for \$201,227.00. The buyer provided a 10% deposit. The buyer will pay for all closing costs. The closing date will be prior to February 9, 2022.

## Marco Shores

Marco Shores consists of two parcels on Mainsail Drive.

- 1955 Mainsail Dr: 2.63 acres zoned PUD – Marco Shores, Section VII – Utility. Based on highest and best use (residential), the appraised value: \$1,410,000.
- 1825 Mainsail Dr: 1.41 acres zoned PUD – Marco Shores, Section VII – Utility. Based on highest and best use (residential), the appraised value: \$750,000

On September 2, 2021, the City received a bid from SK Holdings Real Estate to purchase the two properties for the appraised value but with a condition to allow 12 months to obtain permits and entitlements to design, construct, develop and operate the property for its intended highest and best use. The market value conclusion was based on an alternative “highest and best use” for residential multi-family development based on a density of 25 dwelling units for 1825 Mainsail Dr. and 47 dwelling units for 1955 Mainsail Dr.

SK Holdings Real Estate has been communicating with the new owner of the Hammock Bay development, Missark Naples 3, LLC, which owns excess density units in the Planned Unit Development (PUD). SK Holdings is negotiating the purchase of density units to be allocated and used at Marco Shores. The amount paid for the density units may impact the amount SK Holdings is willing to pay for the two City properties.

As a result, Staff has initiated a new appraisal on both Marco Shores properties based on the current zoning and current condition of the property. Based on the updated appraisal, Staff will return to City Council with options to either repost the bidding documents to sell the property, renegotiate with SK Holdings, or continue to maintain the property under City ownership.

### **Recommendation**

- 1) There is no action required by the City Council on the Marco Shores properties at this time.
- 2) City Council accept the 239 Tahiti Road property bid as submitted and authorize and direct the City Manager and City Attorney to proceed to closing pursuant to the terms and conditions of the bid documents.