



Legislation Text

File #: ID#18-5309, **Version:** 1

SUBJECT/RECOMMENDATION:

Authorize the partial reimbursement to the United States Department of Housing and Urban Development (HUD) of \$130,000 for Fiscal Year 2000 Economic Development Initiative-Special Project Grant for the City of Clearwater, Number B-00-SP-FL-0088. (consent)

SUMMARY:

In 2000, the City procured a Fiscal Year 2000 Economic Development Initiative-Special Project Grant, Number B-00-SP-FL-0088 issued by the United States Department of Housing and Urban Development (HUD). The total grant amount was \$1,295,000 and was used to purchase property for the purpose of constructing a regional stormwater pond. The project is complete, and Prospect Lake now serves as a significant stormwater feature in the downtown area. The City was able to complete the project on less land than originally expected resulting in excess land encumbered by grant restrictions. To use this land for redevelopment, the respective prorated portion of the grant needs to be reimbursed to HUD. In 2014, the City reimbursed a portion of the grant to allow land to be used for the construction of the Nolen Apartment Complex. There is one remaining portion of excess land subject to grant restrictions. The property lies on the southwest corner of Park Street and S Prospect Avenue and is 18,100 square feet.

The HUD grant represented 50% of the original acquisition cost. To reimburse the grant, the City must pay to HUD 50% of the current market value of the property. An appraisal was performed on the property by James Millspaugh and Associates, Inc. The appraised value was \$260,000 with a valuation date of June 7, 2018. This results in a reimbursement amount of \$130,000.

HUD guidelines for calculating the initial reimbursement in 2014 allowed for the deduction of expenses associated with preparing the land for sale to the developer. City staff documented \$47,225.32 in deductions; however, they were not applied to the initial reimbursement. HUD has agreed to apply those deductions to the forthcoming reimbursement. This reduces the \$130,000 reimbursement to a net expenditure of \$82,774.68.

At a later date, staff intends to recommend to the City Council and the Board of Trustees of the City of Clearwater Community Redevelopment Agency (CRA) approval of a proposal whereby the CRA purchases the property from the City. The CRA will then be free to seek redevelopment opportunities for the site.

APPROPRIATION CODE AND AMOUNT:

\$130,000 is available in cost code 419-01365-580000, Payment to Agencies.

USE OF RESERVE FUNDS:

N/A