



Office of *Solid Waste Disposal District 03/06/2018*  
**INDIAN RIVER COUNTY**  
**ATTORNEY**

Dylan Reingold, County Attorney  
William K. DeBaal, Deputy County Attorney  
Kate Pingolt Cotner, Assistant County Attorney

**MEMORANDUM**

**TO:** The Board of County Commissioners

**FROM:** William K. DeBaal, Deputy County Attorney *WKB*

**THROUGH:** Vincent Burke, Director of Utilities *VB*

**DATE:** February 27, 2018

**SUBJECT:** MWI Corporation's Offer to Purchase Property

MWI Corporation has been leasing property from the County at 7775 9<sup>th</sup> Street, S.W. (Oslo Road) since 2001. The County purchased the approximately 20-acre site together with all buildings and improvements from MWI back in 2001 for future expansion of the landfill. The purchase price was \$2,798,000 and was made under the threat of eminent domain. The County then entered into a 5 year lease agreement with MWI at a monthly rental rate of \$3,916.67. There was no option to renew the original lease. In December, 2006 the County and MWI negotiated an amendment to the lease providing for another 5-year term with five successive 1-year renewal terms. The amount of rent was set at \$6,000.00 per month with an annual increase or decrease in the rental rate equal to the Consumer Price Index (CPI) adjustment.

In July 2011, staff met with MWI to discuss their request for a long-term lease extension. On August 16, 2011 the Solid Waste Disposal District (SWDD) made a presentation to the Board concerning the MWI property and the District's future plans for expansion. MWI was interested in extending the current lease for a 15-year term. At that time, the Board offered to extend the lease for five years and indicated a willingness to extend the term for a longer period should MWI come forward with a site plan application to expand their facility. Some Board members were reluctant to tie up 20 acres of property in close proximity to the landfill without definite plans to expand. A copy of the minutes from the meeting of August 16, 2011 are attached. A series of 1-year renewals ensued for the next three years in accordance with the 2006 lease amendment.

In 2014 the lease was again extended for 10 years now expiring in 2024 with the same CPI adjustment. The current monthly rental rate for Fiscal Year 2017-18 is \$6,710.15. Over the life of the leases and extensions, the County has received \$1,075,589.02 in rental payments from MWI.

Over the past three years, MWI has expressed an interest in purchasing approximately 12 acres of the 19.88-acre site outright rather than continue to negotiate lease extensions. MWI has secured contracts locally and is planning to expand their current site and provide office space and additional pump repair facilities. MWI is understandably uninterested in making a significant capital investment in property that they do not own. The current MWI facility and its planned expansion would not require more than a 12-acre parcel so they would have no interest in purchasing the remaining 8 acres currently under lease.

The last 17 years have seen significant changes in the landfill permitting process. When the 19.88-acre parcel was originally purchased in 2001, the master plan for the landfill called for the future use of the property at hand. The most recent 2014 master plan along with the 2016 landfill operations permit, maintains future landfill expansion south of the C-5 Canal which excludes all of the northern parcels along Oslo Road including the MWI property. Thus, the current MWI leased premises can be surplus as it is no longer needed for SWDD purposes.

A survey and an appraisal of the property was obtained by MWI in order to help arrive at a purchase price. The survey shows MWI needs 12.46 acres of property (see the attachment to the purchase contract). An appraisal done by Boyle and Drake gave a value of \$916,000 for the 12.46-acre property and its improvements. An offer to purchase the property from the County dated February 6, 2018 (attached) was received and discussed with staff. While the current offer is significantly less than the 2001 purchased price paid by the County, three factors were considered in evaluating the offer from MWI. First, the offer is to buy only 12.46 of the original 19.88-acre tract. All of the improvements – the two warehouses, office and repair structures are located on the 12.46 acres while the remaining 7.42 acres is undeveloped and unimproved. Second, the County has received \$1,075,589.02 in rental payments over the past 16 years from MWI. In return, the County was not obligated to perform any maintenance on the property or repairs on the buildings. Third, MWI has plans to expand this facility due to increasing business in the area. Thus, by selling the property and returning it to the tax rolls, the County provides an economic development benefit to the community while continuing to receive tax revenue with additional employment opportunities for local citizens. Florida Statute §125.045 provides that a county may convey real estate to encourage the expansion of existing businesses. In the case at hand, staff is hopeful that a purchase price of less than the County paid for the property in 2001 will be partially made up as an economic incentive for MWI to expand the existing location. Due to the economic incentive offer by the County, public bidding is not required for sale of this property.

**Funding:** Currently, the monthly lease revenue of \$6,710.15 is deposited into SWDD/Revenue/Rentals –Acct # 411034-347294.

**Recommendation:** Staff recommends the Board approve MWI's offer to purchase the 12.46-acre parcel with all improvements and authorize the Chairman to sign the Contract, County Deed and any other closing documents on behalf of the SWDD Board.

Attachments: August 16, 2011 minutes  
Offer to Purchase dated February 6, 2018

Copies to: Vincent Burke  
Himanshu Mehta  
Bruce Barkett, Attorney for MWI