



City of Gainesville Agenda Item Report

File Number: 2025-662

Agenda Date: October 23, 2025

Department: Office of the City Manager

Title: 2025-662 GRACE Marketplace Property Discussion (B)

Department: Office of the City Manager's Office

Description: Staff and City Commission discussion on the potential transfer of City-owned Tax Parcel # 08197-009-000 and a portion of Tax Parcel # 08197-011-000 as Surplus Property Not Designated for Affordable Housing for the purpose of conveyance to GRACE Marketplace.

Fiscal Note: Pursuant to the proposed terms, the City would transfer the referenced tax parcels to GRACE Marketplace for a nominal sum of \$1 with a perpetual reverter clause limiting the use of the property for a Continuum of Care facility. An appraisal completed by the City in October of 2024, determined the value of the land and improvements at \$4.6 million. The City incurs ongoing maintenance and capital expenses which would shift to GRACE Marketplace as a result of the property transfer.

Explanation: In March of 2025, the City received a request from GRACE Marketplace ("GRACE") to transfer Tax Parcel # 08197-009-000 and a portion of Tax Parcel # 08197-011-000 to the organization to support the ongoing operations of the facility. City staff and GRACE representatives met on several occasions to discuss details of the transfer and at the direction of the City Manager, a Purchase & Sale Agreement has been drafted and submitted to GRACE for their review prior to potential City Commission action. The portion of the parcels to be conveyed consists of approximately 30 acres. The purpose of the proposed transfer of the parcels would be to further assist GRACE with their mission of supporting homeless services to enhance the general health, safety and welfare of the citizens of Alachua County.

An appraisal was completed by Emerson Appraisal Company on October 29, 2024 which estimated the property's "as is" market value at \$4,600,000. The property consists of 15 single-story buildings containing a total of approximately 77,327 square feet of building area situated on a 27.097 acre parcel of land. The property was originally developed in 1991 as a State of Florida correctional institute, which was declared as surplus property by the State in 2013 and sold to the City. GRACE opened in 2014 and has been operating at the facility since that time. The land value of \$775,000 represents 16.8% of the total value, and the improvements were estimated at

\$3,825,000 which is 83.2% of the total value.

City departments have been informed and have no objection to the surplus of the parcels. The City expends significant resources to maintain the facility and the transfer of the property will allow the facilities department to shift resources to the maintenance needs of other City properties. Operating and Maintenance costs for the property spanning from Fiscal Year '20 through Fiscal Year '25 total \$1,534,596.71.

In accordance with the Real Property Policies ("Policies") adopted by the City Commission on April 1, 2021 (Resolution No. 200961), this item requests the City Commission adopt a Resolution finding and declaring Tax Parcel # 08197-009-000 and a portion of Tax Parcel # 08197-011-000 as Surplus Property Not Designated for Affordable Housing. As defined in the Policies, surplus means "property which no longer serves a public purpose, or is in excess of the City's needs, or the sale of which would serve a greater public purpose than the retention of the property." If the Commission adopts the Resolution, the City Manager or designee may transfer ownership of this parcel to GRACE pursuant to Section X.C., which allows for the non-competitive disposition of surplus property in order to serve as consideration in a contract in the public interest or to otherwise achieve specific objectives that serve a public purpose.

Terms:

Purchase Price: \$1.00

Due Diligence Period: 60 days

Closing Date: Within 30 days after Due Diligence Period

Sold "As-Is"

Buyer to pay all closing costs

Reverter: The conveyance of the property is subject to and upon the condition that the same must be perpetually held and used solely and only as a continuum of care facility as provided by City of Gainesville Ordinance No. 121031, adopted on July 18, 2013. A Continuum of care facility is a multi-faceted center contained on a single location the purpose of which is to organize and deliver housing, meals, and services to meet the specific needs of people who are homeless or who are about to become homeless as those persons move to stable housing and maximum self-sufficiency. This use may include, but is not limited to: emergency, transitional, and permanent housing; meals; health services including behavioral, mental, medical, dental and rehabilitative; counseling; entrepreneurial programs, including agricultural, retail, restaurants, business and personal services; agricultural uses and sales; camping facilities; day care facilities; veterinary services; social services; and recreational services. If this use were to cease operations, the fee simple title to the property will revert to and become vested in the City of Gainesville.

Northeast 28th Drive: Seller to retain ownership of Northeast 28th Drive and a predefined area for an RTS bus bay. Buyer shall accept maintenance responsibilities of mowing and litter/debris removal of Northeast 28th Drive. These responsibilities do not include pavement management. A license agreement or easement may be required to memorialize these duties until there is another use/entity on the access roadway.

Strategic Connection:

- Goal 1: Equitable Community
- Goal 2: More Sustainable Community
- Goal 3: A Great Place to Live and Experience
- Goal 4: Resilient Local Economy
- Goal 5: “Best in Class” Neighbor Services

Recommendation: The General Policy Committee discuss and provide staff direction.