

Value Justification Analysis

North Lee County Wellfield Expansion, Project No. 7619 Parcel No. 105

The Department of County Lands has negotiated a purchase agreement in the amount of \$77,000 for the acquisition for Parcel 105, consisting of ± 3.27 -acres. This purchase represents a partial acquisition from a ± 16.58 acre, improved residential tract located at 6230 and 6350 Nalle Grade Road, North Fort Myers. The property is owned by 6350NGR, LLC.

Lee County Utilities is expanding the North Lee County Wellfield, which supplies raw water to the Durrance Road water treatment plant. Based upon the County's geologic and hydrologic analyses, the subject property is a preferred location for a future raw water well. The site has frontage on a County right-of-way that provides a necessary corridor for the water main connection.

County Lands staff reviewed area sales and listings, including a 4.9-acre tract in close proximity to the subject property, which recently sold for \$23,000/acre. The purchase price for Parcel 105 (3.27-acres), at \$23,547/acre, is within a reasonable and justifiable range considering the road frontage, environmental conditions and subdivision of the parent tract.

In addition to a significant time savings due to a voluntary purchase, the County benefits from the following cost avoidance associated with a formal acquisition of the 3.27-acre, partial fee interest:

1. Estimated cost of County's appraisal.....	\$3,000 - \$4,000
2. Estimated cost of feasibility analysis.....	\$3,500 - \$4,000
3. Potential acquisition costs (additional).....	\$6,000 - \$7,500
4. Estimated costs of owner's appraiser.....	\$4,500 - \$7,500
5. Estimated costs for owner's feasibility consultant.....	\$4,500 - \$6,500
Total Estimated Range of Costs:	
\$21,500 - \$29,500	

(Note: Estimated expenses do not include land costs.)