



CITY OF TARPON SPRINGS, FL

CITY MANAGER

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MEMORANDUM

To: Honorable Mayor and Board of Commissioners

From: Mark LeCouris, City Manager

Date: May 2, 2024

Subject: Direction on Purchase of Stamas Property (Spoil Site)

I am requesting the Board's direction on proceeding with the execution of a property sale agreement for the Stamas property Parcel ID 01-27-15-00000-230-0100. This property has most recently been leased by the City for the dewatering of Anclote River dredge property sediments.

In discussion with the Stamas family, the City has been given one last opportunity to purchase this property for five and a half million dollars contingent that it be put to referendum in the November election. The Stamas family have already begun work to develop the property when the lease is up in September of this year. This would be put on hold if the City wanted to put the property sale on the November referendum.

For background, the property has been used on two separate occasions over the last 25 years to dewater and store dredged sediment for the Anclote River. On both occasions the property was leased by the private property owner to the City. The property is ideal due to its proximity to the Anclote River, favorable elevation for per collation and dewatering, and adequate property size. Prior to the most recent dredge, the City worked with a consultant to prepare a site feasibility study to look at other options with this property being the most favorable.

Because the dredge work was primarily focused on the federally maintained Anclote River Navigation Channel, the dredge work was the responsibility of the United States Army Corps of Engineers (USACE). As the local project sponsor (the public entity requesting the dredge work), the City of Tarpon Springs is required to secure an upland site for dewatering of the spoils before the USACE will engage in any preliminary design or engineering work related to dredging. As such, the period during which the City must maintain control (in this case, lease) the property must begin at a very early stage in the project and must continue throughout the life of the project, spanning several years.

For the most recent dredge work, the City leased the subject property for more than seven (7) years at a cost of approximately \$770,000. While over 80% of those funds were reimbursed to the City through a State grant, the cost is still clearly significant, and future grant funding for leasing property is not guaranteed. Dredging of the Anclote River Navigation Channel has been required roughly every 15-20 years. Projecting the lease cost forward over 15-20 years, assuming a 3% inflationary factor equates to potential lease cost of nearly \$1.4M in 2044 dollars.

Aside from the use of this property for a spoil site, the additional acres could be used for future expansion of the Water Plant including a second main water tank which is anticipated around the same time as the next dredge project. Other future uses could be as follows; (1) Public Works Yard Expansion (2) Utility Storage Yard (3) Future Well (4) Other City Usages.

There is another piece of property at 240 Anclote Road owned by Denami Holdings LLC that is a possible future spoil site. The property owners have indicated to me that they would be open to negotiation with the City on purchase of the property. There has only been preliminary analysis of this property which I will have Bob Roberston update you on at the meeting.

In summation, staff needs the Board of Commissioners direction on pursuit of a permanent spoil site.