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MEMO

Public Works Department
Phone 872-3015 Fax 872-3077
nfravel@pcgov.org

OFFICE

To: Jeff Brown, City Manager
From: Neil H. Fravel, P.E., Public Works Director 
Subject: Compressed Natural Gas (CNG) Station Sites
Date: March 18, 2015

This memo summarizes actions taken to find a new home for the proposed CNG Filling station that we have been working on for the past year. It also makes recommendations to move this process forward.

Since the early January meeting with the Glenwood residents, we have been investigating alternative sites for constructing this filling station. The sites shown on the attached map were identified as potential sites meeting the following criteria:

- One to two acres in size.
- Location convenient to both the City Departments and the public.
- Easy in/easy out for truck traffic.
- Preference given to vacant land.

The seven sites chosen for further examination were:

1. 1200 15th St W – 1.3 acres, the old Panda Restaurant
2. 1318 15th St W – 2.3 acres, the old Rooms-to-Go store
3. 1400/1450 15th St W – 0.8 acres the northwest corner of Lisenby Ave and 15th Street
4. 1904 Lisenby Ave – 2.3 acres at the northeast corner of Lisenby Ave and 19th Street
5. 2015 23rd St W – 1.0 acre at the southeast corner of Frankford Ave and 23rd Street
6. 2713 Hwy 77 – 2.0 acres at the northwest corner of Hwy 77 and 27th St
7. 600 27th St E – 2.0 acres at the southwest corner of Hwy 77 and 27th St

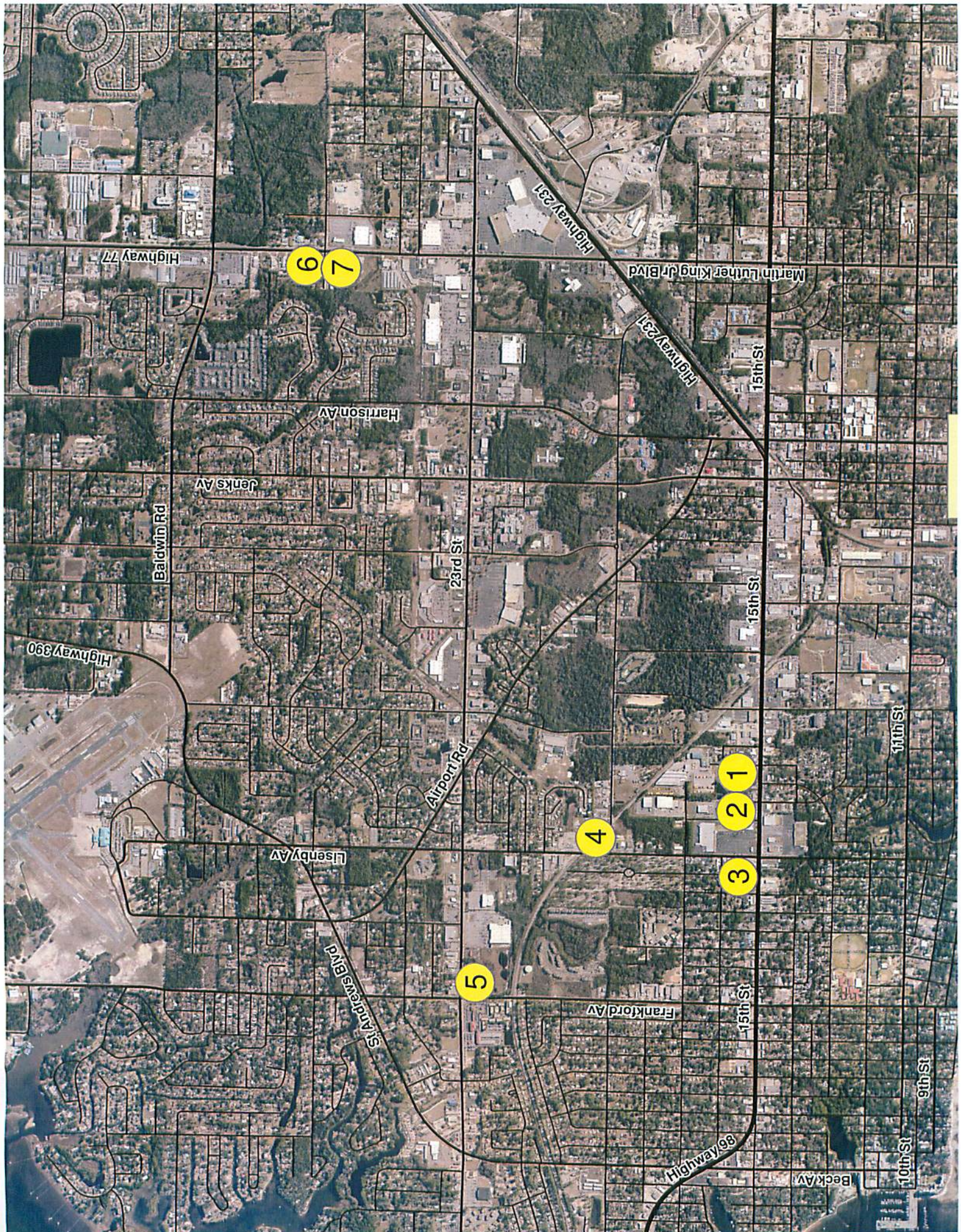
We have attempted to make contact with owners to determine if properties are available and, if so, the initial asking price. Results are as follows:

1. 1200 15th St W – for sale – asking \$1.1 million
2. 1318 15th St W – for sale – asking \$975K
3. 1400/1450 15th St W – not currently listed – no response from owners
4. 1904 Lisenby Ave – not for sale
5. 2015 23rd St W - not currently listed – no response from owners
6. 2713 Hwy 77 – for sale – asking \$850K
7. 600 27th St E – for sale – asking \$700K, including parcel with building (2.0 acres)

TECO Gas was contacted to evaluate the availability of natural gas service for each location. Their response was that site number #5 could be served from a major line on Hwy 390. Sites #6 and #7 could be served by running a new line approximately 4 miles from one of their major gateways and looping it into their line on Baldwin Road which serves Panama City Beach. Because this helps TECO with their pressure problems in serving the Beach and represents a major improvement of their distribution system, they would share the cost of constructing this line. All other sites are problematic for TECO providing a large gas line at a reasonable cost.

Recommendations:

Considering cost, vehicular accessibility, and natural gas availability, Staff recommends pursuing the acquisition of site #7. Request the Commission authorize Staff to obtain appraisals on this property and make a tentative offer, if deemed in the best interest of the City. That offer would be brought back to the Commission for ratification prior final execution. Staff will also contact TECO Gas and begin discussions about cost sharing the expense of extending a natural gas line to serve this site.



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