

AGENDA ITEM SUMMARY SHEET
VILLAGE COUNCIL MEETING
February 18, 2026

Agenda Item:

Update on the Bonita-Estero-Rail-Trail (BERT) corridor acquisition

Background:

As Council knows, for over a year, the Village has been involved in discussions with the Trust for Public Land (TPL), Seminole Gulf Railway (SGR), Bonita Springs, and Collier County regarding the potential acquisition of a portion of rail line controlled by SGR within these respective jurisdictions. The Estero portion of the line (the Property) lies from the Estero Parkway right-of-way at approximately SGR Milepost AX 979.40 south to SGR Milepost AX 983.5, which is the Village's boundary with the City of Bonita Springs. The total length is approximately 4.1 miles.

After numerous discussions over time at the executive level, legal counsel for TPL has proposed to the three governmental entities two options, one a Purchase and Sale Agreement (PSA) and the other a Lease-Purchase Agreement (LPA).

The Lease Purchase Agreement (LPA)

The Village Attorney and legal counsel for TPL have finalized the language for the Lease-Purchase Agreement and the essential terms of that option are:

- Village would lease the Property for use as a public recreational trail for two years
- Village has the right to cancel the lease at the end of year one or year two only if, the Lessee, in its sole discretion, makes a formal determination that moneys from ad valorem taxes, fees, other taxes or assessments, or from other revenue sources are insufficient to pay the rent or purchase payments
- Village pays a base rent of \$15,000,000.00 on the commencement date. At the end of year one, the Village pays \$2,396,105.00. At the end of year two, the Village pays \$2,396,104.00. The Village would be credited base rent payments when and if it closes on the property.
- Village pays interest on lease payments of \$191,688.36 on the first anniversary, and \$95,844.16 on the second anniversary (representing 4% of outstanding

balances of rent payments. These payments are intended to allow TPL to cover its financing costs during the lease period.

- Village cannot assign, transfer, mortgage or sublease the Property during the lease, but may grant concession agreements during this period.
- Before the LPA takes effect, TPL will collaborate with Village to conduct all due diligence: updated appraisal(s), boundary survey, title, and phase 1, and phase 2 if needed, ESA. This to provide the Village (and TPL) information on and acceptance of the condition of the property before TPL purchases the property and before either the LPA becomes effective or Village is committed to purchasing from TPL.
- Village has the exclusive and irrevocable right and option to purchase the fee simple title to the Property on or at any time before the 60th day prior to the 2nd anniversary of the Commencement Date, with the purchase price being \$19,792,209.00 (prior to base rent payment credits).

The PSA

Turning to the Purchase and Sale Agreement, while as of the date of this memorandum final wording has not been arrived at between legal counsel, the essential terms of that option are:

- Once the Village signs the Purchase and Sale Agreement, an Inspection Period is triggered and the Village would have until September 29th 2026 to make such inspections and investigations as it deems appropriate to assess the condition of the Property.
- During the Inspection Period, the Village may terminate the Agreement if, in its sole discretion, it deems the survey, status of title, or physical or environmental condition to be unacceptable.
- If Village does not terminate during the Inspection Period, closing shall occur on or before October 23rd 2026.
- Village will receive a quit claim deed conveying title and interest to the Property, but subject to all existing roads, fiber optic facilities, public utilities and all licenses, leases and other agreements in effect at the time of execution of the Agreement, as well as all matters of record (easements and such recorded in the public record). These are discussed in the Common Elements section below.
- Deed will include restrictive language confirming that the Village cannot use the Property for housing, growing of food or livestock, hotels, or schools.

Common Elements to Either Transaction

While the obvious difference between the LPA and the PSA is an initial period where the Village would be leasing land owned by TPL, vs the Village's simply taking title right away, both models have the same ultimate purchase price (\$19,792,209.00). Also common to both models:

- Village takes title knowing the trail is railbanked, and thus potentially subject to an order from the Surface Transportation Board reactivating rail service in the future.
- Village pays for various expenses including payment of doc stamps for recording the deed and 50% of certain expenses such as survey and title work.
- SGR will remove all rail, rail fastenings and grade crossing signal equipment within 730 days after Village purchases or exercises its option to purchase.
- Village will assume those leases, licenses, contracts and agreements which SGR had granted over time as to the part of the rail line within Estero. The list of these follows:

AX 981.38_Village of Estero_Xing & Signal_Williams Rd_SGLR 0004

AX 981.39_TECO_ug gas main_Williams Rd_SGLR 0355

AX 981.90_Long Bay_Culvert

AX 981.98_BS Util_ug water main_Falling Leaf Dr

AX 982.22_The Brooks_Culvert & Swale_SGLR 0269

AX 982.36_Sweetwater Ranch_Private Xing_CSX 619662

AX 982.80_Coconut Pt Dev_Signal Synch_Coconut Rd

AX 982.80_Lee County_Xing & Signal_Coconut Rd_SGLR 0391

AX 981.16_Coconut Pt Dev_ug signal wireline_Via Coconut Point

AX 981.16_Coconut Pt Dev_ug wireline_Via Coconut Point_SGLR 0525

AX 981.16_Village of Estero_Xing & Signal_Via Coconut Point_SGLR 0484

AX 981.28_Lee County_ug drainage pipe_Via Coconut Point_SGLR 0456

AX 981.30_Bonita Springs Util_ug water & sewer mains_Via Coconut Point_SGLR 0196

AX 981.30_Comcast_ug wireline_Via Coconut Point_SGLR 0268

AX 981.30_FPL GA_ug wireline_Coconut Rd

AX 981.30_FPL_ug wireline_Via Coconut Point_SGLR 0247

AX 981.30_Hotwire Comm_ug wireline_Coconut Rd_CSX 849005

AX 981.30_Resource Conservation Sys_ug water main_Via Coconut Point_SGLR 0257

AX 981.30_Sprint_ug wireline_Via Coconut Point_SGLR 0243

AX 981.37_FPL GA_oh wireline_Williams Rd

AX 981.37_FPL_oh wireline_Williams Rd_SGLR 0296

AX 981.38_BS Util_ug water main_Williams Rd
AX 981.38_School Board Lee Co_Xing_Williams Rd_CSX 5295
AX 980.60_Comcast_ug wireline_Corkscrew Rd_SCL 35251
AX 980.60_Lee County_Xing & Signal_Corkscrew Rd_SCL 25286 & SGLR 0293
AX 980.60_US Metro Tele_ug wireline_Corkscrew Rd_SGLR 0574
AX 980.61_FPL GA_oh wireline
AX 980.61_Time Warner_ug wireline_Corkscrew Rd_SGLR 0316
AX 980.62_ATT_Land Lease_CSX 5408
AX 980.62_FPL Fibernet_ug wireline_Corkscrew Rd_CSX 675733
AX 980.64_TECO_ug gas_Corkscrew Rd_SGLR 0397
AX 980.65_Lee County Enviro_ug force main sewer_SGLR 0224
AX 980.68_Lee County Enviro_ug water main_SGLR 0204
AX 979.84_Village of Estero_Longitudinal Drainage Swale_SGLR 7036
AX 979.90_FPL Fibernet_ug wireline_Broadway Ave E_CSX 675724
AX 979.90_FPL GA_oh wireline_Broadway Ave E
AX 979.90_Sprint_ug wireline_Broadway Ave E_SGLR 0230
AX 979.90_Village of Estero_Xing & Signal_SGLR 0197
AX 980.11_Jo Bigelow_Land Lease for Fence_SBD 2734
AX 980.34_Koreshan Unity_oh electric_ACL 136
AX 980.39_Koreshan Unity_oh electric ACL 4301
AX 980.59_Coconut Point Dev_Signal Synch_Corkscrew Rd
AX 980.59_Coconut Pt Dev_ug wireline_Corkscrew Rd_SGLR 0524
AX 980.60_Comcast_ug wireline_Corkscrew Rd
AX 979.28_Lee County Enviro_ug force main sewer_Ester Pkwy_SGLR 0132
AX 979.30_Lee County_Xing & Signal_Estero Pkwy_SGLR 0068
AX 979.30_Summit Broadband_ug wireline_Estero Pkwy_SGLR 0693
AX 979.30_Village of Estero_drainage swale_SGLR 0070 & SGLR 0710
AX 979.36_FPL GA_oh wireline_Estero Pkwy
AX 979.37_Cypress Bend RV_Land Lease_SGLR 0519
AX 979.37_Cypress Bend RV_Private Xing & Reconstruction_SCL 35602 & SGLR 0520
AX 979.37_JE Kelly Land Lease Trailer Parking_SGLR 0537
AX 979.51_Banyan Group_Golf Cart Xing_CSX 1179
AX 979.66_Lee County_Enviro_ug water main_Broadway Ave E_SGLR 0021
AX 979.70_Lee County_ug drainage pipe_SGLR 0069

While the Village Attorney is still completing the review of each of these agreements, thus far the agreements do not place any significant recurring expenses on the Village. Certain of these agreements require private entities to pay annual or monthly rent payments. Thus far, the analysis demonstrates that the Village would be entitled to be paid approximately \$20,000 per year.

Copies of all of these known leases are available in a separate binder for review by the Village Council and public. The Village Attorney is completing a review of all known leases and will provide a summary report before any final action by the Village Council.

- The Village can enter into concession agreements or new lease/license agreements, so long as these are not incompatible with either recreational trail use, the restoration of rail service.
- If the Surface Transportation Board ever decided to reactivate rail service, SGR would be required to pay the Village at the time of reactivation the then depreciated value of all trail and related infrastructure improvements made by Buyer, its successors, assigns and Interim Trail Manager and a sum equivalent to the Purchase Price as adjusted by the same percentage of change reflected in the "Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) (1982-84=100) specified for All Items - United States compiled by the Bureau of Labor Statistics of the United States Department of Labor" ("CPI").
- While there has been some discussion during the negotiations regarding SGR's retention of various lease and license payments/revenues paid pre-closing, the draft Agreements presented by TPL do not address this topic and so, as written, the Village would be entitled to receive these revenues upon taking title to the property. The Village understands that in some cases advanced payments have been made by lessees or licensees have been made to SGR covering time the Village would be the new owner. Unless any such payment is of a financially significant amount, the Village plans to simply work with the licensee or lessee to ensure future payments are paid to the Village when those payments next become due.

While final language in the PSA is still being finalized between the TPL and Village, the agreement options are in sufficiently final form so as to seek a consensus from the Council on whether it wishes the Village to continue toward finalization of either the Lease Purchase or the Purchase option.

Action Requested:

While this is a workshop item not subject to formal action, a consensus of the Council as to if and what option the administration should pursue is requested.

Process and Timeline:

The Village Manager will proceed based on feedback provided by Council.

Financial Impact: N/A

Prepared by: Steve Sarkozy, Village Manager & Robert Eschenfelder, Village Attorney

Additional Information:

- Additional relevant documents will be provided in a separate Council Binder titled “Background and Support Documentation”.
- In addition, a separate binder titled “Lease& License Agreements” containing all known agreements that the Village would be assuming (which referenced in this Council Action Memo, are voluminous) but are available from the Village Attorney on request.