

**SEMINOLE COUNTY GOVERNMENT
AGENDA MEMORANDUM**

SUBJECT: Natural Lands Program—Clifton Springs Acquisition Update

DEPARTMENT: Planning & Development **DIVISION:** Community Resources

AUTHORIZED BY: Donald Fisher **CONTACT:** Colleen Rotella **EXT.** 7351

Agenda Date <u>03/25/03</u> Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Work Session <input type="checkbox"/> Briefing <input type="checkbox"/> Public Hearing – 1:30 <input type="checkbox"/> Public Hearing – 7:00 <input type="checkbox"/>
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MOTION/RECOMMENDATION:

Request Board action regarding the acquisition of Clifton Springs.

(District: 2 : Morris)

BACKGROUND:

The Natural Lands Advisory Committee recommended, and the Board authorized, staff to pursue the acquisition of approximately 7.3 gross (5.5 net) acres known as Clifton Springs which is located on the south side of Lake Jesup in the vicinity of the County's Hiley's Fish Camp/Overlook Park. The parcel is noted for its natural mineral springs, including six major springheads which are estimated to produce more than one million gallons a day. The acquisition was recommended not only for the protection of the springheads but also as a scenic expansion to Overlook Park.

Seminole County applied for and received funding from the Florida Communities Trust Program (FCT) during the 2000-2001 funding cycle for fifty percent of the project cost allowable under FCT acquisition rules. In accordance with FCT guidelines, the State sets a maximum purchase price based from two appraisals which remain confidential until Board action. Acquisition is permitted above the State maximum offer limit if the local jurisdiction believes it is in the public's interest and will cover the additional costs.

Staff has been in negotiations with the property owner for several months. An initial offer of \$445,500, (\$61,027 per acre), for the approximate 7.3 (5.5 net) acres was made by the County in consultation with the State FCT Office in December 2002. The offer represented the maximum offer in accordance with State FCT guidelines. The owners rejected this offer and have discussed a number of counter proposals with staff over the course of the past few months including partial sale of the properties.

Reviewed by: Co Atty: _____ DFS: _____ Other: _____ DCM: _____ CM: _____ File No. <u>-rpd02</u>
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At present, the County and FCT staff has not been able to reach an agreeable purchase price with the property owners. Staff has also been notified by the FCT Office that action regarding this project must be taken or funds will be moved to other projects on the State FCT waiting list. Given State funding limitations, additional project extensions will not be made.

The owner has requested that their final counter offer be presented to the Board for consideration. Staff has summarized the owner's most recent offers which include purchase of the entire site and a partial acquisition.

1) Offer for Partial Acquisition: \$510,000: Lots 1 & 8 less a portion of the west bank of the spring runs. This offer includes an estimated 4.54 acres at approximately \$112,335 per acre.

Important considerations in this offer include the extra survey costs involved in lessing out a portion of the west stream bank and possible access limitations should the County desire to restore the stream and springheads.

2) Offer for Entire Property Purchase: \$776,300: Includes acquisition of entire 7.3 acres including Lots 1, 3, 4, 5, 6, 7, 8.

This counter offer is an increase of \$330,800 over the maximum State offer price.

Should the Board wish to consider a purchase price greater than the maximum purchase price set by State guidelines as was made in December 2002, the County will be required to cover the added costs. Should the Board approve moving forward, staff will work with FCT to draft a contract for Board authorization.

Staff requests Board direction regarding acquisition of Clifton Springs.

Attachments:

Hiley's/Clifton Spgs Aerial



Clifton Springs



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CLIFTON SPRINGS CORPORATION

03-03-03 A10:47 IN

February 27, 2003

Ms. Colleen Rotella
Community Resource Manager
Planning & Development Dept.
1101 E. First Street
Sanford, Florida 32771-1468

RE: Seminole County / Florida Community Trust Offer to Purchase Property

Dear Ms. Rotella:

The Clifton Springs Corporation owners have recently discussed the referenced property purchase negotiations, with Mr. Steven Triece. In that conversation, Mr. Triece provided additional information developed by the County staff and Committees related to the two proposals offered by CSC in our February 12, 2003 letter. That information included a verbal price (offer) developed by the staff for all the properties discussed and requested our evaluation of that offer. As agreed our position is provided in writing to facilitate further review by other decision makers, in this matter.

CSC's previous offer was for sale Lots 1 & 8, less a small portion of the West Bank, for \$510,00.00. This proposal, with considerable effort, received the unanimous support of the ownership provided that the transaction was accomplished with dispatch. It is our understanding that the County found some favor with that proposal; however, the West Bank issue was discussed with no acceptable resolution achieved, at that time. That offer remains our principal and best alternative. In consideration, of the removal of Lot 1 from this proposal we reduce that price to \$470,000.00.

You again requested whether CSC would entertain the sale of all the property in our extended ownership, for a lower price than that previously stated. This has become an un-attractive option for CSC and time is not the ally of that proposition. CSC is currently investing tens of thousands of dollars in the street-lot properties, including remodeling and refinancing. Additionally, CSC has obligations to various stake-holders which makes this option considerably more expensive.

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Ms. Colleen Rotella
February 27, 2003
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On January 8, 2002, I forwarded an offer at your request that offered the entire CSC property for sale at a price of \$750,000.00. This was specifically contingent upon the County "moving with dispatch to Contract and then to culmination of the purchase." This offer did not include Ms. Moore's lots (6 & 7) and to the best of our knowledge, the FCT grant application was not for the purchase of these properties. Recently, the revised price for all real property of Clifton Springs Corporation was increased to \$775,000.00 to reflect a portion of the holding costs, as well as sunken development planning and design costs. Ms. Moore agreed to inclusion in that offer for a limited time, at a price of \$80,000.00.

In fact that there is a substantial divergence of our respective valuations of all of these properties, especially the street front lots. Since the street lots represented potential favored retirement homesteads for several CSC stakeholders is also reflected in our offers. It is not helpful that the County appraisal attempts to value some of these properties lower than their purchase price! In the interest of further attempt at reconciliation of our valuations CSC will agree to reduce its price under this scenario by redacting a portion the interest and development costs for an offer price of \$695,000.00 for the CSC holdings. CSC will also redact the land enhancement costs to Ms. Moore for Lots 6&7, allowing Ms. Moore to offer those lots for \$70,000.00.

To date, the County has only negotiated price and terms and has made no written offer. Any acceptance of this offer, or counter-proposal should be tendered in writing. We are also requesting to be informed of the County staff position and recommendation to the BCC. Any proposed contract period must be reasonably short (2-months) and the terms must anticipate a substantial additional option payment for failure to close within that period. A minimum of a 15-day notice and irrevocable commitment prior to closing and CSC vacating the property is requested. In addition, the County will assume payment of all purchase costs.

On behalf of the owners of Clifton Springs, I remain available to discuss these proposals.

Sincerely,


Jerry Wood – President

Cc:
Ellen Moore

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