



COUNTY ATTORNEY'S OFFICE
MEMORANDUM

TO: Board of County Commissioners

THROUGH: Stephen P. Lee, Deputy County Attorney

FROM: Henry M. Brown, Assistant County Attorney Ext. 5736 *HMB*

CONCUR: Pam Hastings *PH* Administrative Manager/Public Works Department
Kathleen Myer, Principal Engineer/Engineering Division *KM*

DATE: October 10, 2003

SUBJECT: Binding Offer of Judgment Authorization
Airport Boulevard, Phase III
Parcel Nos. 115 and 116
Seminole County v. Centrex Corp., et al
Case No. 02-CA-1653-13-G
Owners: Centrex Corporation Ltd.

This Memorandum requests authorization by the Seminole County Board of County Commissioners (BCC) to make offer(s) of judgment as to Parcel Nos. 115 and 116 in an amount not to exceed \$270,000.00.

I PROPERTY

A. Location Data

The parcels are located along the north side of Country Club Road near the intersection of Country Club Road and Airport Boulevard. A location map is attached as Exhibit A and a parcel sketch as Exhibit B.

B. Street Address

The property is vacant and has not been assigned a street address.

II AUTHORITY TO ACQUIRE

The BCC adopted Resolution No. 98-R-77 on April 14, 1998, finding that the Airport Boulevard, Phase III Project was necessary and serves a County and public purpose and is in the best interest of the citizens of Seminole County.

III ACQUISITIONS/REMAINDERS

The fee simple acquisition consumes 2.625 acres out of a total tract of 4.162 acres leaving a remainder of 1.537 acres.

IV APPRAISED VALUES

The County's appraisal report was prepared by Diversified Property Specialists, Inc., and opined full compensation to be \$152,200.00. The opinion is based upon the existing future land use of low density residential use.

The owner's appraisal report was prepared by C. B. Richard Ellis, Inc., and opines full compensation to be \$511,000.00. The opinion values the property as commercial based on speculation that the land could have been annexed into the City of Sanford, with a future land use amendment to commercial and zoning changed to commercial.

V MEDIATION IMPASSE

Mediation was held on October 7, 2003, and an impasse occurred as a result of the great disparity in valuation opinions. Mediations are held under confidentiality orders. As a result, specific discussion of the positions of the parties, basis for those positions and the monetary amounts of the negotiations that occurred during the mediation cannot be disclosed.

VI ANALYSIS

The case will be set for trial in early 2004.

The requested not-to-exceed offer of judgment authorization amount is significantly greater than the County's appraised value of \$152,200.00 and significantly less than the owner's appraised value of \$511,000.00. The offer of judgment amount of \$270,000.00 represents the staff's analysis of the County's exposure at trial. The trial issue is whether the residential character of Parcel Nos. 115 and 116 with its low density residential future land use and zoning would have been maintained on the 2002 date of value. At trial, a jury would determine the reasonable probability of future land use changes and the impact of those probabilities on the market value. The County appraisal position is that Parcel Nos. 115 and 116 are not within the transition zones for the City of Sanford and County's anticipated future land use changes under the 1991 Joint Planning Agreement nor the present draft 2003 Joint Planning Agreement.

The owner's appraisal position is that a potential future land use change to commercial and zone change to commercial was almost a certainty regardless of the joint planning agreements. The owner's appraisal position is that the market in 2002 would have recognized a high speculative value based upon future land use change and rezoning probabilities.

Considering how a jury may or may not consider the probabilities of rezoning and future land use changes, the \$270,000.00 represents the highest value that staff can support in view of the probability questions that would be presented to a jury.

The requested not-to-exceed offer of judgment at \$270,000.00 if accepted would resolve the case with the attorney fee reimbursement capped at \$34,419.00. Costs would still be outstanding.

If not accepted, the impact is that expert costs are not reimbursed for time expended after rejection of the offer of judgment if a verdict or settlement is less than the offer of judgment amount. Also, the issuance of the offer of judgment exposes the owner's experts to a risk of not being paid additional costs. This results in the owner's experts being somewhat restrained in their work effort time between mediation, later settlement, or trial. If the BCC does not authorize the offer of judgment, then the experts will run up the bill between mediation, later settlement or trial. Thus, the issuance of the offer of judgment at this time potentially settles the case at \$270,000.00, and if not settled places the experts at risk and results in some limitations on the run-up the bill strategies of the owner's experts.

VII RECOMMENDATION

This office recommends that the BCC authorize the issuance of offer(s) of judgment not-to-exceed \$270,000.00.

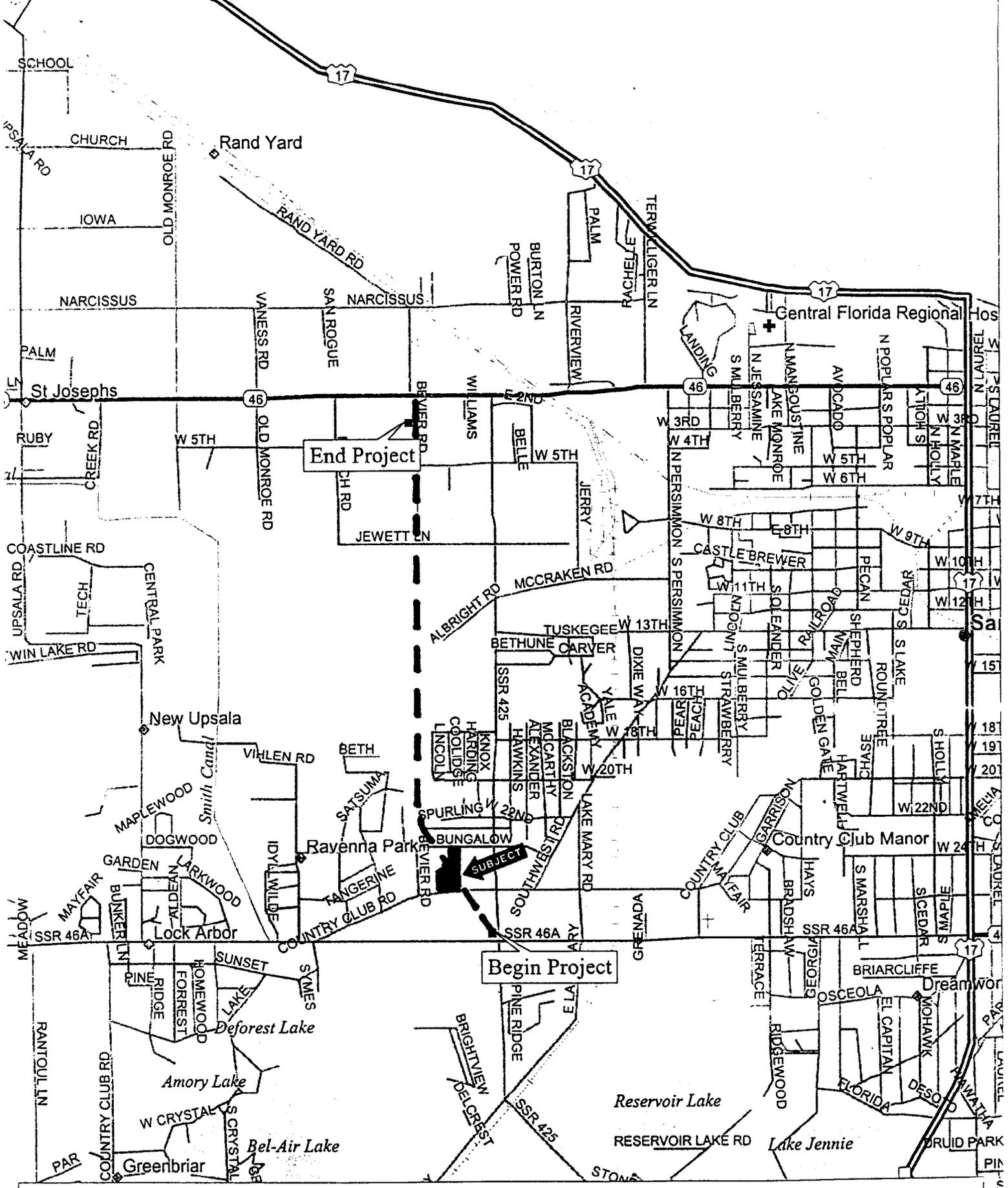
HMB/sb

Attachments:

Location Map (Exhibit A)

Sketch (Exhibit B)

P:\USERS\CASB01\MY DOCUMENTS\MEMO\AGENDA ITEM CENTREX 115 AND 116.DOC



LOCATION MAP

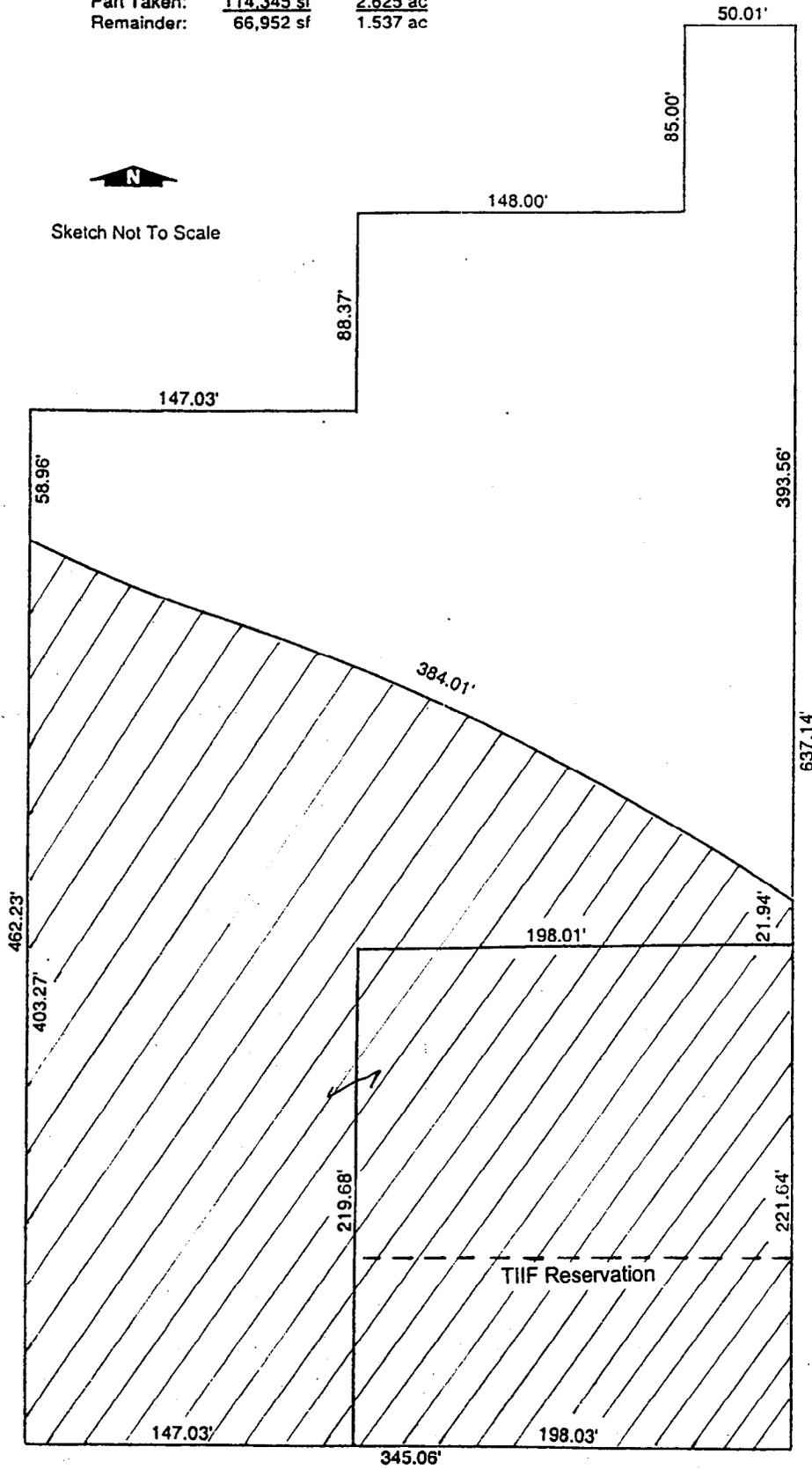
EXHIBIT A

Parent Tract:	181,297 sf	4.162 ac
Part Taken:	<u>114,345 sf</u>	<u>2.625 ac</u>
Remainder:	66,952 sf	1.537 ac

Bungalow Boulevard



Sketch Not To Scale



Country Club Road

SKETCH WITH TAKING

EXHIBIT B