

Spotlight is on appraisals as state ponders land buy

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As Gov. Jeb Bush and Cabinet members prepare for a second look Tuesday at buying prized wilderness 30 minutes east of downtown Orlando, area authorities and experts have raised further concerns about how the state is pursuing the controversial deal.

The Cabinet postponed a decision last month in order to re- examine the \$50 million purchase price, which is 55 percent more than what the current owner paid for the 4,569-acre tract six months ago.

"This is a property worth buying, without question," Bush said last week while in Orlando at a public meeting on environmental regulations. "The question is: Are we getting the proper price?"

Two appraisals of the Joshua Creek land have been crucial -- though scrutinized by Bush and state staffers -- in justifying why taxpayers should spend \$17.7 million more than what Land South Hunters of Polk County paid for the property in March.

State land-buying officials are trying to convince Cabinet members that the Joshua Creek appraisals used to set the price tag are valid. They say the appraisers are experts officially qualified by the state to value land, and their work has been reliable and accurate for years. Furthermore, they say appraisals for environmentally sensitive lands are done under strict oversight and rigid professional standards.

But an audit concluded last month by the Brevard County clerk of the Circuit Court criticized valuation work done this year by one of the Joshua Creek appraisers, George Goodman, and Paul Roper, a partner of the other Joshua Creek appraiser.

County Clerk Scott Ellis said his auditors probed their two appraisals used in a \$3.6 million purchase of an 80-acre parcel near Titusville in March. According to auditors, the appraisers made technical errors in analyzing comparable sales and the tract's development potential, Ellis said.

The result, he said, were appraisals that likely overstated the value of the 80-acre parcel.

"We basically threw away money on a land purchase because people didn't do their jobs," said Ellis, who has asked his auditors to analyze the Joshua Creek appraisals to see what lessons can be learned for further Brevard County land dealings.

Both Goodman and Roper were disappointed they hadn't been told of the audit findings and hadn't even known an audit was done. The appraisers and county land-buying officials stood by the work, saying the appraisals were thorough,

properly performed and backed with research data.

Joshua's value

On the Joshua property, appraisers valued the land at \$57.7 million and \$63 million, based primarily on comparisons with other recent land sales.

It's a particularly difficult property to set a value for, state officials say.

The land is essentially in the middle of nowhere, so estimating a sale price is not nearly as straightforward as appraising a house in a neighborhood where home sales nearby can be used for comparison.

The appraisal was further complicated by a bankruptcy issue, the joining of two parcels to create the Joshua tract and the timing of negotiations with respect to rising land costs.

"There were a lot of issues on this property," said one of the appraisers, Craig Clayton, when reviewing his valuation for Cabinet aides last week.

So after spending nearly two weeks re-examining the deal at Bush's behest, state officials agreed with Clayton and Goodman that the appraisals were accurate and decided to bring the same deal before Bush and the Cabinet on Tuesday.

"It's a good price. It's a great piece of property," said Eva Armstrong, director of the Division of State Lands in Tallahassee.

The purchase price in the pending deal -- negotiated below the appraisal figures -- is to be split three ways, with 50 percent paid by the state, 25 percent by the St. Johns River Water Management District and 25 percent by Orange County.

The 7-square-mile Joshua Creek area spreads mainly across remote northeast Orange County and for 80 acres into Seminole County, featuring nearly pristine wetlands and forest laced by hidden creeks flowing to the St. Johns River. The parcel is seen as critical to long-term protection of natural lands and recreation opportunity along the St. Johns and Econlockhatchee rivers.

Potential development

Several observers of the proposed deal think the land is not at risk of development anytime soon even though the owners have said they would turn the Joshua Creek area into a giant subdivision of large and expensive tracts if the land is not bought for conservation.

One reason is the maze of creeks and wetlands on the tract, which the landowner already has encountered.

Days before Land South Hunters finalized its purchase in March, it sent workers to build a road across Joshua Creek and adjoining wetlands. The work, without a permit, brought a \$599 fine from Orange County, which ordered the wetlands restored.

The developers said they didn't know filling the wetlands without a permit was illegal, said Bob O'Malley of Ron Sachs Communications, who was recently hired by the landowner to serve as a spokesman.

Other factors stand in the way of development.

Much of northeast Orange County is zoned for agricultural use, and county land-use rules limit development to one home on lots 10 acres or larger.

A Joshua Creek property appraisal states the tract has enough acreage for 347 lots that are each 10 acres.

The kind of large-scale "ranchette" development has not been done in Orange County since the early 1990s when the county adopted its current growth-restriction laws. If the Land South Hunters partnership attempts to develop the Joshua Creek property as a subdivision of large lots, it will have to seek rezoning and then submit a subdivision plan.

Such a plan likely would require an extensive network of county-maintained paved roads, sidewalks and drainage systems, provisions for fire and police protection and compliance with school requirements -- unless waivers are issued by county commissioners and the school district's elected leaders.

"The cost would be phenomenal," said Bob Carrigan, a real-estate agent active in east Orange County for nearly 50 years, who thinks any threat of developing Joshua Creek land by chopping it into large lots is "ridiculous."

Leigh McEachern, a real-estate agent who lives next to the Little Big Econ State Forest and is a member of the Seminole County Natural Lands Committee, said he suspects the current owners bought the land, planning from the start to arrange for a government buyout.

"I think they knew they could turn a quick profit," McEachern said.

He, too, thinks a ranchette-style development strategy would be difficult.

Last month, an attorney for the owners described them as outdoorsmen with enough appreciation for Joshua Creek land to give the state a break on the price. Last week, however, O'Malley declined to further discuss the landowner's development preferences if the land is not bought by the state.

But developing the parcel at a greater density than one home per 10 acres -- like a typical subdivision, for example -- would be even more difficult.

With just one much-criticized exception in the 1990s, Orange County officials generally have discouraged urban sprawl east of the Econlockhatchee River.

Any proposed community east of the Econ would face at least two years of complicated permitting issues. But the effort would be more costly than that. Dedicated environmental activists and many area residents view the Econlockhatchee River as a battle line for maintaining the county's last rural quality of life.

"It would be a very challenging process for a developer," said Carson Good, a county Planning and Zoning Commission member whose district covers east Orange County. "They would meet a lot of opposition."

[Illustration]

BOX: OF PRESERVATION - AND PROFIT The governor and Cabinet will consider final approval Tuesday for purchase of the Joshua Creek tract as a future state forest. Buyers: State, 50%; St. Johns River Water Management District, 25%; Orange County, 25%. Seller: Land South Hunters of Polk County. Price: \$50 million. Issue: Land South Hunters finalized a deal to buy the land 6 months ago for \$32.3 million and now expects \$17.7 million in profit. Joshua Creek Conservation Area In March, Land South Hunters acquired 2 tracts that now comprise the Joshua Creek parcel. The potential profit depends on the value of the larger parcel. Terms: \$12.3 million for 616 acres. Value: Fetched premium price because of extensive road access for development but holds relatively little worth as environmental land. Terms: \$20 million for about 3,900 acres. Value: Contains wilderness habitat highly desired by local, state and federal officials. SOURCE: Sentinel research ORLANDO SENTINEL . MAP: (locator map) ORLANDO SENTINEL

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