



**CASE
CLOSED**

Date: 10/28/19

Miami-Dade Commission on Ethics & Public Trust

Report of Investigation

Investigator: Susannah Nesmith

Case: PI18-49	Case Name: Palmetto Bay land purchase	<u>Date Open:</u> 10/12/18	<u>Date Closed:</u> 10-28-19
Complainant(s): Don Waters	Subject(s): Palmetto Bay Council members David Singer and Larissa Siegel Lara and Mayor Eugene Flinn		

Allegation(s):

The three members of the Palmetto Bay Council who voted in favor of the \$2.960 million purchase of a property for a community center paid too much and didn't get the required appraisals.

Relevant Law:

FS 166.045 (1) (b) Proposed purchase of real property by municipality; confidentiality of records; procedure
For each purchase in an amount in excess of \$500,000, the governing body shall obtain at least two appraisals, exploitation of official position, Section 2-11.1(g).

Investigation:

Interviews:

On October 11, 2018, the undersigned investigator, along with Executive Director Jose Arrojo and Public Advocate Michael Murawski, met with Dan Waters, a Palmetto Bay resident and developer who came to the COE to share his concerns about a recent land parcel purchase by the Village of Palmetto Bay.

On December 5, 2018, this investigator spoke with Palmetto Bay Manager Edward Silva. Mr. Silva agreed to provide public records related to the property purchase, including a video of the council meeting in which the Village Attorney signed off on the amendment procedure the Village used to inexpensively re-appraise the property. He pointed out that the Village Attorney, Dexter Lehtinen, signed off on the way the appraisals were done for this particular property and offered to send a video link of the meeting at which Mr. Lehtinen did that.

Document(s) Reviewed:

Resolution 2017-56 authorizing appraisal of the property.

Resolution 2017-142 to buy the property. The resolution clearly describes the property as “comprising essentially of the school site and other right-of-ways.”

Resolution 2017-143 authorizing the funding to purchase the property.

The appraisal report prepared for the Village of Palmetto Bay by Robert E. Gallaher. This appraisal is of the larger 5 acre property and values it at between \$9 million and \$9.6 million in July 2017.

The appraisal report prepared for the Village of Palmetto Bay by ApraisalFirst in June of 2017. This is also of the larger property and values it at \$10 million.

A November 1, 2017 letter from AppraisalFirst appraising two acres of the property at \$3 million. This appraisal assumes the property could get approvals for 120 units at 60 units per acre (page 11). The appraisal includes, in the addenda, Palmetto Bay Urban Village Regulations, including a map that shows the planned Park Drive, which would be built on part of the right-of-way piece of this purchase.

A December 12, 2017 letter from Robert Gallaher to Palmetto Bay City Manager Edward Silva appraising 2 acres of the property at between \$3.73 million and \$3.98 million. Mr. Silva’s

appraisal also appears to assume that the entire two acres is developable. (The appraisal is based on a per square foot range and the final numbers assume the developable property is 87,120 square feet, or two acres.) Approximately .98 acres of the 2 acres the Village purchased is developable – the rest is to provide right of way, so the property can be accessed and for a street, Park Drive, which the Village is planning. However, the same letter notes that Park Drive would have to be built.

An appraisal report of the .98 acres of developable land that was part of the 2-acre purchase was done by Quinlivan Appraisal for the complainant, Mr. Waters. This appraisal, completed on July 16, 2018, values the property at \$2.05 million. This appraisal does not consider the separate parcel of rights-of-way that was included in the same purchase.

(All three appraisals use different comparable sales, and the two done for the Village use a different methodology than the one done for Mr. Waters. The appraisal done for Mr. Waters was also done a full year after the original ones done for the Village.)

This investigator also examined an appraisal by Quinlivan Appraisal dated August 19, 2018 and done for the Village of a property directly north of the subject property that the Village considering buying. This appraisal is for a right-of-way purchase only and values the property as \$1,125,000. (It was done by the same appraiser who was commissioned by Mr. Waters to appraise half of the property the Village purchased) This appraisal used all the same comparable sales as the appraisal done for Mr. Waters.

The survey of the property dated March 22, 2018 shows that the property is 2.27 acres, so it is slightly larger than the description provided to the appraisers and to the Village Council.

According to the Miami-Dade Property Appraiser's record of the two properties that make up the whole 2.27 acres, the one that is right-of-way is assessed at \$56,555. The larger, developable property is assessed at \$1,061,875.

The video of the December 18, 2017 council meeting when the purchase was approved shows that a presentation was given on how the subject property would work for a community center, particularly because it's across the planned Park Drive from Palmetto Bay Park. At the beginning of the discussion, Village Attorney Dexter Lehtinen said "You meet state law requirements. You have two appraisals."

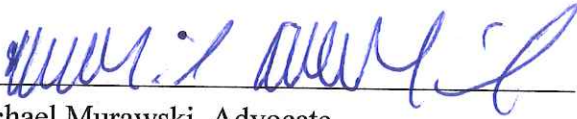
Conclusion:

After review of the evidence gathered during the investigation, there is no evidence to suggest that the Village Council violated any provisions of the Miami-Dade County and Code of Ethics ordinance by approving the purchase of the subject parcel of land. Accordingly, this matter is closed with no further action.

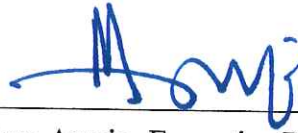


Susannah Nesmith, COE Investigator

Approved by:



Michael Murawski, Advocate



Jose Arrojo, Executive Director