

Office of the County Auditor
Auditor's Analysis – REVISED 9/19/2019

Council Resolution No. 89-2019

Introduced: May 6, 2019
Auditor: Michelle R. Harrod

Background:

This legislation requests authorization to waive the advertising and bidding requirements to convey the County's interest in the portion of Old Maryland Route 108 referenced in this legislation to Dorsey Overlook, LLLP, for \$50,000.

At the time of our initial analysis, according to the Department of Planning and Zoning (DPZ), the Petitioner was proposing an age restricted adult housing project done as a conditional use. The project was reviewed by the Design Advisory Panel (DAP), who provided extensive recommendations. The developer was asked to provide a revised plan. The most recent plan that we obtained has 134 Moderate Income Housing Units.

Fiscal Impact:

The legislation states that the County will be conveying the property for \$50,000 based on "the appraised value." According to the Department of Public Works, there will be an annual savings of \$2,300 for maintenance. Note: According to the Administration's Testimony, Jim Irvin believes there is no fiscal impact. I believe this is based on the assumption that the County will receive the value of the land being transferred.

However, after reviewing the appraisal and site, we don't believe the Administration has performed due diligence in order for the County to be compensated the full value of the property for the following reasons:

- The Appraiser was led to believe the proposed purchaser of the property doesn't need the property for the development. However, the most recent site development plan shows that 56 parking spaces are required on Old Maryland Route 108, therefore this property is an integral part of the developer's plan.
- The appraisal of the property was "based on the development potential as two individual sites."
- The appraisal used to value the property was requested by Thomas Coale, the developer's (buyer's) attorney.
- The County did not procure an independent appraisal in order to value the property they are proposing to sell.

Other Comments:

According to an email dated July 20, 2019 from Val Lazdins, Director of DPZ:

“The property was rezoned to R-APT by the previous Council and a density of 25 units/acre and buildings up to 80’ tall are permitted. The current development concept could be revised to substantially increase density and the height of the currently proposed buildings by an additional 4-5 stories, with a parking garage in the center. If parking along Old 108 does not occur, it could cause the applicant to reconsider the development layout, residential densities and building heights making parking on Old 108 unnecessary.”

The development plans for this project have varied in number and type of units with each submission from the developer. Plans have included townhome units, apartment/condominiums, requests for age-restricted housing units, and Moderate Income Housing Units (MIHU). The number of units have varied from 74, to 120, to 133 with MIHUs of 18 to 20 units. Multiple requests for varied conditional use / waivers have been submitted.

We have asked DPZ and the Department of Public Works for a status on the following and requested this information be available for discussion at the next work session:

- *Has the County obtained an updated appraisal, as the original appraisal assumed the development did not need the property for the development? The most recent Environmental Concept Plan includes this parcel in their development plan.*
- *What conditional uses and/or waivers have been applied for this property and what is the status of those applications?*
- *Please provide the most recently submitted Site Development Plan (submitted by the Developer over the summer in conjunction with an age-restricted conditional use application).*

Conclusion:

The true fiscal impact of this legislation will be the difference between the \$50,000 sales price proposed in this legislation and the value of the property ascertained by an appraisal procured by the County, taking into consideration the potential use of the buyer.