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# KEYSTONE REALTY & APPRAISAL, INC.

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**Christon T. Gallio, SRA**

President

ORIGINAL  
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August 25, 1994

Blanco S. Bayo  
Director, Division of Records and Reporting  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, FL 32399-0870

RE: Docket No. 931111-SU - Resort Village Utility Inc. Wastewater Utility Application

Dear Ms. Bayo:

Pursuant to a request by Ms. Lusia Dende-Gallio, an objector in the above referenced case, this letter comments on the appraisal report submitted by Mr. Ben Johnson, President, Coastal Development Consultants Inc. As stated on page 5 of the June 7, 1994, PSC Staff Report, "The primary focus of Section 367.045, Florida Statutes, and Rule 25-22.036, Florida Administrative Code, is whether the utility has the financial and technical ability to provide wastewater service."

My reason for commenting is simply to draw your attention to the fact that as a result of a biased, inflated, and deficient appraisal report - and the use of a non-arms length, internal, transfer of an insignificant .697 acres of the "Resort Village" property - Mr. Johnson has at the very least inflated his Pro Forma Balance Sheet, Exhibit G, of his Wastewater Permit Application. Whether Coastal Development Consultants has the financial ability to provide service is certainly not within my purview to judge; but as a member of the real estate appraisal profession, I do take exception when an appraisal report is used as the basis to inflate net worth in the regulatory process of a project that has been entirely constructed through the use of "smoke and mirrors."

Considering the possibility that the subject parcel in question is not even worth \$20,000 in its unplatted and residentially zoned status - let alone the \$117,000 market value estimate or Mr. Johnson's claim of \$160,000 - it would seem prudent that the PSC have the report reviewed by an outside independent fee appraiser who is not pre-fed Mr. Johnson's assumptions as to his vested rights, understands that legal permissibility is a key to highest and best use, and who is able to correctly read a current zoning map. This is, of course, if the PSC wishes to acknowledge that, just possibly, there is more (or less) to Mr. Johnson's application than meets the eye.

Thank you for your consideration.

Respectfully submitted,

Christon T. Gallio

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*O'Sullivan*  
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