

## NOTICE OF MEDIATION

DATE: July 31, 2017

FROM: Jim Helinger, Jr., Esq., Attorney for Tarpon Springs  
D. Tobyn DeYoung, Esq., Attorney for Tarpon Springs

TO: Anthony V. Policastro, Esq., Attorney for Property Owner  
John M. LeRoux, Esq., Attorney for Property Owner  
Jay Daigneault, Esq., City Attorney, City of Tarpon Springs  
Mark LeCouris, City Manager, City of Tarpon Springs  
Andrew G. Diaz, Esq., Mediator

RE: Fun City Enterprises, Inc. (Sunbay Motel)  
57 West Tarpon Avenue  
Tarpons Springs, Florida 34689

Please take notice that counsel for the City of Tarpons Springs and Fun City Enterprises, Inc., have scheduled a mediation conference for the above referenced matter for the purpose of attempting to negotiate the purchase of the Sun Bay Motel property by the City of Tarpon Springs. Mediation will be held on September 18, 2017 at 10:00 a.m., and will take place at the office of Trask Daigneault, LLP, 1001 South Fort Harrison Avenue, Suite 201, Clearwater, Florida, 33756. Andrew G. Diaz, Esquire, will serve as Mediator. The parties and attorneys hereto stipulate that the procedural and confidentiality provisions of Chapter 44, Florida Statutes shall apply.



Anthony V. Policastro  
Certified Circuit Court Mediator

Eric D. Ryder

July 12, 2017

**Via U.S. Mail and E-Mail Delivery**

Jim Helinger, Esq.  
Tobyn DeYoung, Esq.  
Helinger DeYoung  
4756 Central Avenue  
St. Petersburg, FL 33711  
jim@eminentdomainfla.com  
tobyn@eminentdomainfla.com

**Re: Sunbay Motel – Fun City Enterprises, Inc.  
57 W. Tarpon Ave.**

Dear Jim and Tobyn,

I am in receipt of the City of Tarpon Springs' appraisal report for my client, Fun City Enterprises, Inc.'s, above-referenced property, which concluded to a value of \$690,000.

I have reviewed the City's appraisal, prepared by N.A. Clarizio and Associates, Inc., with Mr. Peter Fanoudis of Fun City Enterprises and appraiser Richard Parham of Calhoun, Collister & Parham, Inc. As you are aware, Mr. Parham has many years of experience performing eminent domain appraisals for both condemning authorities and property owners.

The City's appraisal relies on four comparable sales to establish the value of the subject property, but the selected sales are neither the most recent nor the most comparable to the Sunbay Motel and therefore yield an inaccurate value conclusion. The four sales occurred in 2015, when market conditions inferior to those that exist today prevailed. Since 2015, a sharp increase in sale prices for hotel and motel properties has been observed. Moreover, the sales fail to capture the subject property's location in a popular tourist area, across the street from Spring Bayou and around a mile from the Sponge Docks.

Mr. Parham has identified three more recent sales that are accurate indicators of the value of the Sunbay Motel property. The attached sales, indicating a range of value from \$90,000 to \$98,375 per motel unit, all share tourist-influenced locations similar to the subject. However, also similar to the subject, please note that none have waterfrontage or waterviews. All of the attached sales are from either 2016 or 2017. Using the middle of the indicated range, or \$94,000 per motel unit, yields a value for the 15-unit Sunbay Motel property of \$1,410,000.

REPLY TO:

■ CLEARWATER  
28100 US Highway 19 North, Suite 311  
Clearwater, FL 33761  
727.475.1988 Main • 727.674.1771 Fax

□ FORT LAUDERDALE  
500 East Broward Blvd., Suite 1710  
Fort Lauderdale, FL 33316  
954.604.6402 Main • 954.633.7875 Fax

In the event my client's property is acquired by the City, Mr. Fanoudis intends to reestablish the business at a new location. In order to do so, he will incur additional costs above and beyond the purchase price of a replacement property which he would not have experienced but for the City's acquisition. Specifically, he will need to pay certain costs in connection with obtaining financing for the replacement property. These financing costs are estimated at 3 to 4% of the loan amount. Assuming he is able to find replacement property of equivalent value to his current property, at the middle of this range, or 3.5%, financing costs would equate to \$49,350. Costs for moving the motel's furniture and storing it until a replacement facility is available are estimated at a further \$7,500.

Considering the above factors, my client seeks monetary compensation in the amount of \$1,466,850, exclusive of attorney's fees and costs and expert costs, to transfer the Sunbay Motel property to the City of Tarpon Springs. Any such transaction would need to be characterized as a sale in lieu of condemnation. Additionally, my client seeks extended possession of 60 days beyond the closing date in order to wind down operations at the 57 W. Tarpon Ave. location.

Settlement on these terms is contingent upon the City agreeing to also be responsible for attorney's fees and costs and expert costs as provided for in §§73.091 and 73.092, Florida Statutes, as if formal eminent domain proceedings had been initiated and further agreeing that if the parties are not able to amicably resolve the amount of these fees and costs, that a lawsuit to determine the appropriate amounts for same may be pursued in circuit court.

Please let me know if settlement as outlined above is acceptable to the City. To date, minimal expert costs have been incurred. However, if the City requires a formal appraisal to be prepared by the property owner in order to proceed further, please advise and provide the requisite assurances that the City will be responsible for its cost.

Sincerely,

A handwritten signature in black ink, appearing to read 'Anthony V. Policastro', with a long horizontal flourish extending to the right.

Anthony V. Policastro

AVP/cdr

Cc: Peter Fanoudis

Enc.