

APPRAISAL REPORT

**HERCULES AVENUE CHURCH OF CHRIST FACILITY
601 S. HERCULES AVENUE
CLEARWATER, FLORIDA 33764**

DATE OF VALUATION

APRIL 11, 2019

PREPARED FOR

**MR. ROBERT BRZAK
CITY OF CLEARWATER
REAL ESTATE SERVICES COORDINATOR
100 S. MYRTLE AVENUE, SUITE 220
CLEARWATER, FLORIDA 33756**

E-MAIL: ROBERT.BRZAK@MYCLEARWATER.COM

PREPARED BY

**JAMES M. MILLSPAUGH, MAI
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April 26, 2019

Mr. Robert Brzak
City of Clearwater
Real Estate Services Coordinator
100 S. Myrtle Avenue, Suite 220
Clearwater, Florida 33756
E-Mail: Robert.Brzak@Myclearwater.Com

RE: Hercules Avenue Church Of Christ Facility
601 S. Hercules Avenue
Clearwater, Florida 33764

Dear Mr. Brzak:

At your request, I have made an appraisal report of the current market value of the fee simple estate of the above referenced real property only. The property and methods utilized in arriving at the final value estimate are fully described in the attached report, which contains 20 pages and Addenda.

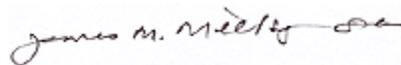
This Appraisal Report has been made in conformance with and is subject to the requirements of the Code of Professional Ethics and Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Institute and the Appraisal Foundation. The Appraisal Report and final value estimate are subject to all attached Contingent and Limiting Conditions.

I have made a careful and detailed analysis of the subject property and after analyzing the market data researched for this report, I estimate that the current market value of the referenced real property only subject to the stated limitations, definitions and certifications set forth in the attached appraisal report as of April 11, 2019, was:

SEVEN HUNDRED THOUSAND DOLLARS
(\$700,000)

Respectfully submitted,

JAMES MILLSPAUGH & ASSOCIATES, INC.



James M. Millspaugh, MAI
JMM:sg

JAMES M. MILLSPAUGH, MAI
State-Certified General Real Estate Appraiser RZ58

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EXISTING CONDITIONS

HERCULES AVENUE CHURCH OF CHRIST FACILITY
601 S. HERCULES AVENUE
CLEARWATER, FLORIDA 33764

DATE OF PHOTOGRAPHS: APRIL 11, 2019



FRONT VIEW FROM S. HERCULES AVENUE



HERCULES AVENUE STREET SCENE LOOKING NORTH TOWARD SUBJECT ON
RIGHT

EXISTING CONDITIONS

HERCULES AVENUE CHURCH OF CHRIST FACILITY
601 S. HERCULES AVENUE
CLEARWATER, FLORIDA 33764

DATE OF PHOTOGRAPHS: APRIL 11, 2019



SOUTH SIDE VIEW AT SUNDAY SCHOOL ROOMS



SANCTUARY VIEW

IDENTIFICATION OF THE PROPERTY:

The subject fronts the east side of Hercules Avenue roughly 600' south of Gulf To Bay Boulevard and roughly midway between Gulf To Bay Boulevard and Druid Road. It is legally described in brief by the Pinellas County Property Appraiser as Metes and Bounds #42/07 located in the NW/4 of the SE/4 of Section 13, Township 29 South, Range 15 East and at O.R. Book 13932, Page 0325 that reads the legal as follows:

The north 230' less the west 30' thereof, of the S/2 of the W/4 of the NW/4 of the SE/4 of Section 13, Township 29 South, Range 15 East.

CENSUS TRACT LOCATION/ZIP CODE:

#266.01/33764

FLOOD ZONE LOCATION:

Pinellas County, Florida
Map # 12103C0109H
Effective Date: 5-17-05

The subject and vast majority of the surrounding district are located in a zone X that is not a special flood hazard area.

ENVIRONMENTAL AUDIT DATA:

The Appraisal has been performed without benefit of an environmental audit and presumes that no problems exist, however, I reserve the right to review and/or alter the value reported herein should a subsequent audit reveal problems. Additionally, the site has buried fuel oil tanks to serve a former oil fired heating system and these type tanks oftentimes have had leakage that contaminates the soil. As such, any transfers of the property would prompt at a minimum, a Phase 1 Environmental Audit.

OBJECTIVE AND INTENDED USE/USERS OF THE APPRAISAL REPORT:

The objective of the Appraisal Report is to estimate the current market value of the fee simple estate of the subject real property only as of April 11, 2019 (date of inspection and photographs). It is my understanding that the intended use of the report is for guidance to the City of Clearwater in their potential purchase of the property and that the City representatives are the only intended users and no others.

EXPOSURE PERIOD ESTIMATE:

This is the past period of time required to have sold the subject at my value estimate on the appraisal date. The pace of church facility sales during the past several years has quickened for smaller properties (less than 5 acres) as the congregations are aging and shrinking with the remaining members unable to afford the ongoing maintenance. During the past decade or so, many immigrant groups were potential buyers along with charter schools. Currently, these groups have declined in general, and new redevelopment has a greater demand for residential housing. That segment has experienced a notable increase as the economy improved, real estate financing became reasonable and the area population has continued to grow. After considering the quoted Sales Comparisons, and the time required to secure a qualified buyer, it appears that a 6 to 12 month period is realistic to have marketed the subject facility.

STATEMENT OF OWNERSHIP AND RECENT SALE HISTORY:

The property is owned by Hercules Avenue Church of Christ of Clearwater, Inc. and there has been no market transfer of the property that would impact the current market value. The subject is currently listed for sale based upon a private appraisal during the recent past reported at \$625,000 and the Pinellas County Property Appraiser value of \$815,908. These numbers set a price range goal with no specific listing figure. The Property Appraiser figures are calculated by a \$6.75 PSF land value plus a depreciated improvement value of \$407,533. These public figures are of no practical use as the church is currently tax exempt with the assessment not having been challenged by the ownership.

SCOPE OF THE APPRAISAL:

The extent of my research effort has focused on the greater Clearwater/mid-Pinellas market for the sale of similar vacant/marginally improved parcels. Specifically, I have researched the public records through the Property Appraiser's and Clerk's data, the local MLS, several business periodicals, my newspaper clipping files plus several Internet real estate news portals. I have also inspected the subject, the surrounding locale, the described market area, the Sale Comparisons and verified the details with a related party. The report will include a Land Sales Comparison Analysis that is the only reliable valuation methodology for vacant parcels plus consideration of improved sales in the Highest and Best Use analysis.

DEFINITION OF MARKET VALUE:¹

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in the definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

¹ Federal Deposit Insurance Corporation, 12 CFR, Part 323, RIN 3064-AB05, August 20, 1990, Section 323.2, Definitions.

STANDARD CONTINGENT AND LIMITING CONDITIONS:

This Appraisal is subject to the following limiting conditions and contingencies:

This Appraisal Report in no way represents a guaranty or warranty of estimated market value as reported herein. The Appraisal Report represents the opinion of the undersigned as to "one figure" based upon the data and its analysis contained herein.

The legal description furnished is assumed to be correct and unless otherwise noted, no survey or title search has been made. No responsibility is assumed by the Appraiser(s) for these or any matters of a legal nature and no opinion of the title has been rendered. The property is appraised as though under responsible ownership and management. The Appraiser(s) believe(s) that information contained herein to be reliable, but assume(s) no responsibility for its reliability.

The Appraiser(s) assume(s) there are no hidden or unapparent conditions of the property, subsoil, or structure which would affect the value estimate. Unless otherwise noted, the Appraiser(s) has not commissioned termite or structural inspection reports on any improvements nor subsoil tests on the land.

The attached photos, maps, drawings, and other exhibits in this report are intended to assist the reader in visualizing the property and have been prepared by the Appraiser(s) or his staff. These exhibits in no way are official representations/surveys of the subject property.

Any distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Separate valuations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of urea-formaldehyde foam insulation, and/or the existence of toxic waste, which may or may not be present on the property, was not observed by the Appraiser; nor does he/she have any knowledge of the existence of such materials on or in the property. The Appraiser, however, is not qualified to detect such substances. The existence of urea-formaldehyde insulation or other potentially hazardous waste material may have an effect on the value of the property. The Appraiser urges the client to retain an expert in the field if desired.

The Appraiser(s) will not be required to appear in court unless previously arranged. The Appraiser's duties pursuant to his employment to make the Appraisal are complete upon delivery and acceptance of the Appraisal Report.

Possession of this report or copy thereof does not carry the right of publication. Neither all nor any part of the contents of this report (especially any; conclusions as to value, the identity of the Appraiser(s), or the firm with which he is connected, or any reference to the Appraisal Institute or to the MAI or SRA designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without the prior written consent and approval of the undersigned.

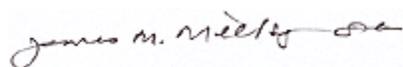
The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The Appraiser(s) has (have) not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the Appraiser(s) has (had) no direct evidence relating to this issue, the Appraiser(s) did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

CERTIFICATION

The undersigned does hereby certify that, except as otherwise noted in this appraisal report:

1. As of the date of this report, I, James M. Millspaugh, have completed the requirements under the continuing education program of the Appraisal Institute.
2. I have personally inspected the subject property and have considered all factors affecting the value thereof, and to the best of my knowledge and belief, the statements of fact contained in this appraisal report, upon which the analyses, opinions and conclusions expressed herein are based, are true and correct, subject to all attached Contingent and Limiting Conditions.
3. I have no present or contemplated future interest in the real estate that is the subject of this appraisal report.
4. I have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved.
5. My fee for this appraisal report is in no way contingent upon my findings. The undersigned further certifies that employment for this appraisal assignment was not based on a requested minimum valuation or an approval of a loan.
6. This appraisal report sets forth all of the limiting conditions (imposed by the terms of my assignment or by the undersigned) affecting the analyses, opinions, and conclusions contained in this report.
7. This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Uniform Standards of Professional Practice of the Appraisal Institute and the Appraisal Foundation and may be subject to peer review. Further, I have met USPAP's competency provision and am capable of completing this appraisal assignment.
8. No one other than the undersigned prepared the analyses, conclusions and opinions concerning the real estate that are set forth in this appraisal report.
9. In my opinion, the estimated current market value of the fee simple estate of the subject real property only as of April 11, 2019, was:

SEVEN HUNDRED THOUSAND DOLLARS
(\$700,000)



James M. Millspaugh, MAI
State-Certified General Real Estate Appraiser RZ58

AREA DESCRIPTION:

The subject is located in a western section of the original Clearwater where the Clearwater High School campus is the major activity center. Gulf To Bay Boulevard (SR #60) is the major east-west retail corridor that extends east to US 19 at the redeveloped Clearwater Mall. This locale is well served by a grid of secondary roads in both directions while having only several major employment centers in the Clearwater Industrial Park and office centers along US Highway 19. The backup lands are primarily single-family in nature with multi-family uses closest to Gulf To Bay Boulevard and the other major collector roads. The most recent development trends have included Gulf To Bay retail uses and an apartment complex near Belcher Road as the vast majority of the described district from Highland east to US Highway 19 and from Belleair Road north to Sunset Point Road is mostly built out. Probably the weakest market segment is office space in general with most of that demand occurring east of Belcher to McMullen Booth Road and the Bayside Bridge. Another recent development is a mini-storage complex on Duncan Avenue north of Gulf To Bay Boulevard that is replacing a 70,000 SF older office complex.

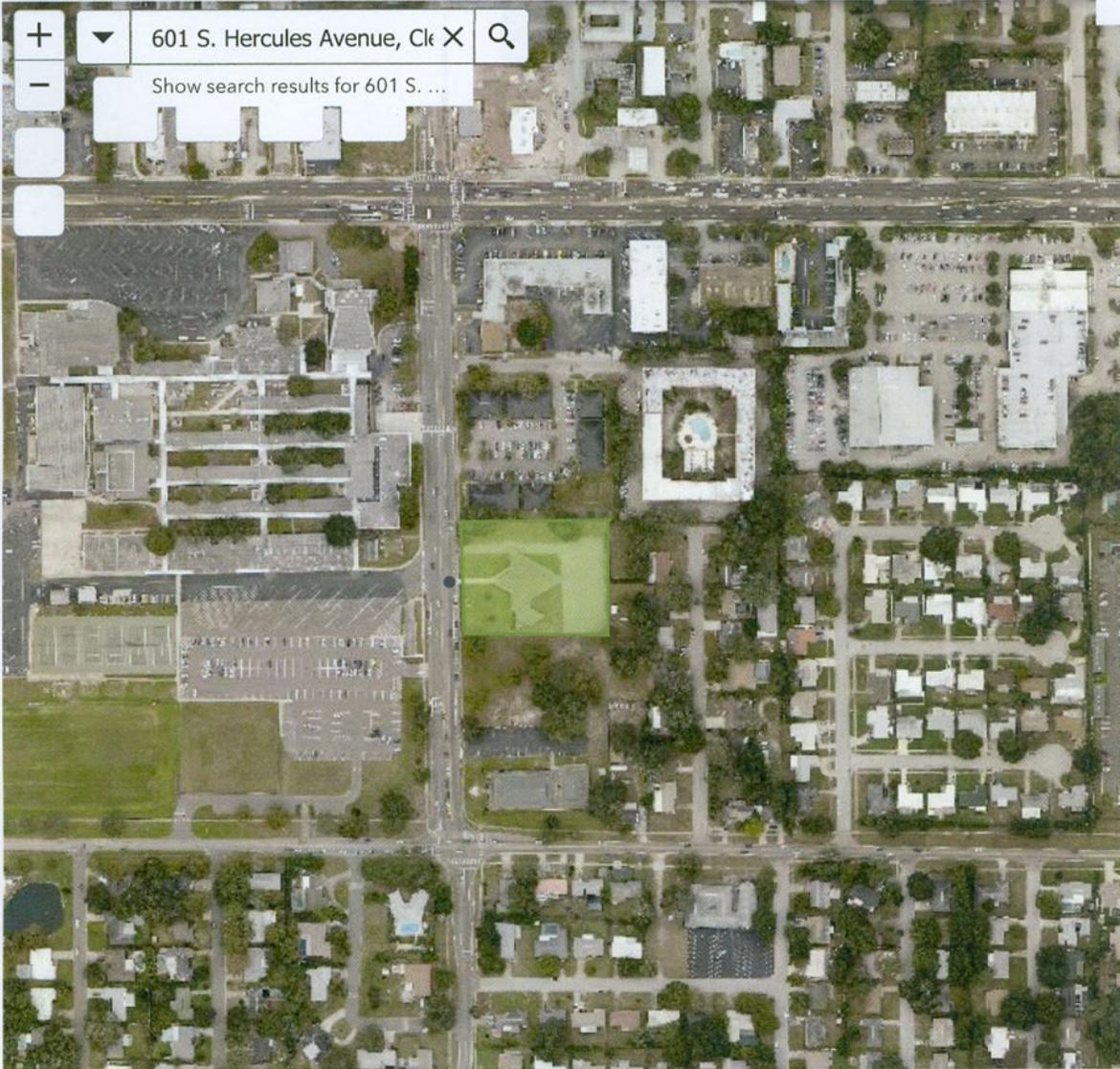
Retail demand on Gulf To Bay Boulevard continues with the major activity starting near Belcher and extending east. To date, most of the vacated big box retail stores located along the US Highway 19 corridor in Clearwater have been backfilled with the major unknown being the large anchors at Countryside Mall. Light industrial here is a bright spot as the demand is using all of the existing space plus seeking more as a former downtown supply is being removed due to the changed zoning rules there.

In summary of the area, it remains desirable for its residential product and all services are nearby and available. In general, there are no known detrimental impacts in this market and none are expected due to the strong residential demand. As such, the subject location here is considered to have a positive impact on the value.



AIRS Aerial Image Retrieval System

Pinellas County



SITE DATA:

The subject is rectangular with 230' x 275' dimensions yielding a 63,250 SF total site size or 1.45 acres MOL. These dimensions were obtained from the Pinellas County Property Appraiser as no current site survey was available.

The site is level, even with adjacent lands and does not appear to have any extraordinary drainage problems beyond what is typical for the locale where most roadways have adequate storm drainage into nearby drainage outflows. All public (water, sewer, natural gas and reclaimed water) plus private (telephone, electricity and cable television) are available to the site at no off-site costs. Access is off the three-lane Hercules Avenue that includes curbside parking and turn lanes for the proximate traffic signals at Druid Road and Gulf To Bay Boulevard. Traffic counts on Hercules are among the lowest in this locale at 8,203 north of Gulf To Bay that ranges from 52,000-55,000. Other nearby counts include roughly 20,000 on Belcher Road, 27,359 on Keene Road and 7,802 on Druid Road near US Highway 19. As such, the appeal for traffic counts here are relatively non-existent for retail and/or church uses both of which prefer good exposure.

Surrounding uses include modern offices to the north with retail/service beyond, single-family to the east with apartments to the northeast, a fraternal hall to the south with single-family beyond and the high school campus to the west. The high school activity has always been a draw for Gulf To Bay Boulevard restaurants, etc. but not totally for non-retail use around the perimeter. This activity center is not considered to be a major detriment but not a major plus for non-retail/service uses.

ASSESSMENT AND TAX DATA:

Pinellas County Parcel #	2018 Land Assessment
13-29-15-00000-420-0700	\$815,908

Given the tax-exempt status there is little or no weight given to this figure that relies solely on the Cost Approach.

ZONING AND LAND USE DATA:

The subject is zoned for Institutional and has the same classification on the Comprehensive Land Use Plan. The major intention of the regulation “... *Is to establish areas where public and private organizations can establish and operate institutions with a public interest in support of the quality of life of the City... without adversely impacting the integrity of the adjacent residential neighborhoods, diminishing the scenic quality of the city or impacting the safe and efficient movement of people...*”. The sites in this district can be developed to a 12.5 dwelling units per acre density with a FAR of .65 and impervious surface ratio of .85 or for transportation/utility improvements at a .7 FAR and .90 ISR. A variety of allowed level I uses include ALF, cemeteries, community gardens, congregate care, educational facilities, governmental uses, hospitals (5 acre minimum), places of worship, parks and recreation and schools. Most of these uses require less than 40,000 SF of land with minimum lot width of 100-200’ and setbacks of 15-25’ front, 5-10’ side and 20’ rear plus a maximum 50’ height. Parking varies with the uses.

Flexible standard development allows added uses such as halfway house, medical clinics, residential shelters, retail sales/service as ancillary uses, nursing homes, social and community centers and congregate care but having more stringent requirements and approval by a citizen development board. A further list of district flexible developments include more intense and objectionable uses noted as Comprehensive Infill Redevelopment Project, planned medical campus, social and community centers, social/public services and telecommunication towers that are subject to greater requirements yet plus approvals by the Citizen Development Board and the City Council.

The existing use and improvements are considered to be conforming.

DESCRIPTION OF THE IMPROVEMENTS:

These comprise a contemporary-styled church facility that was built during 1958-9 in a then popular modern style. The building includes some 7,300 SF of gross space with roughly 6,200 SF in the sanctuary and side support spaces and the balance in a six-room Sunday School wing. These dimensions and the basic building details below were collected from review of the original building plans drawn by John Randal McDonald Architect. They contain 10 pages (page 8 missing). The basic structure is triangular and similar in shape to side-by-side arrowheads.

Basic details include a reinforced concrete footer, foundation and floor slab with a small basement section behind the rostrum that housed the original oil-fueled heating system with floor ducting throughout the structure. The sanctuary building has a 10' wall height, with a 24' peak at the Cathedral ceiling in the sanctuary while the classroom wing was only 8'. The walls are uneven natural stone on the exterior and interior while most interior partitions were framed with plaster/drywall. The roof structures were conventionally framed including wooden beams in the sanctuary for the cathedral ceiling. The pitched roof has composition shingles while the flat decks have rolled roofing and storm gutters near the major entries. There are no windows except typical storefront plateglass at the main entries and sliding glass doors in the classrooms. The entry doors are mostly aluminum with several wooden in metal frames. Insulation likely exists but is unknown.

The entire building has central HVAC (five units), lighting/fixtures/outlets are ample but not modern. Plumbing fixtures are all dated with five and six piece at the main entry, two two-piece in the classroom wing, and three two-piece behind the rostrum and the baptismal. The rostrum/baptismal are solid concrete roughly 3' above the level sanctuary floor. None of the restrooms appear to meet ADA requirements and are irregular in shape conforming to the design.

Finishes are also dated with ceramic, vinyl and carpeted floors, wooden pews with cushions suitable for a 300 capacity and the stone interior walls. These have been upgraded as needed but not substantially or to modern standards.

Site improvements include paved drive and lighted parking lot for 45± spaces, landscaping/sprinkler system in front and front signage.

The condition is acceptable for continued use but likely would require extensive upgrades to be considered modern and meet all current building codes if a major modernization would be considered. The northwest corner of the major roof overhang has been damaged by errant trucks entering the parking lot and is awaiting repair by the insurance company.

HIGHEST AND BEST USE: (Defined In Addenda)

After a thorough review of the improvements, the immediate locale and the recent trend of smaller congregations, it appears highly likely that redevelopment of the site is imminent, however, market purchases of smaller facilities continue with this sturdy structure obviously being suitable for continued use. A similar style church adjacent to the St. Petersburg College campus on Drew Street and Old Coachman Road was acquired by the college for potential expansion with the original structure demolished and a modern activity hall remaining currently roughly five years or more after the sale. Most related parties believed the improvements there had little or no contributory value.

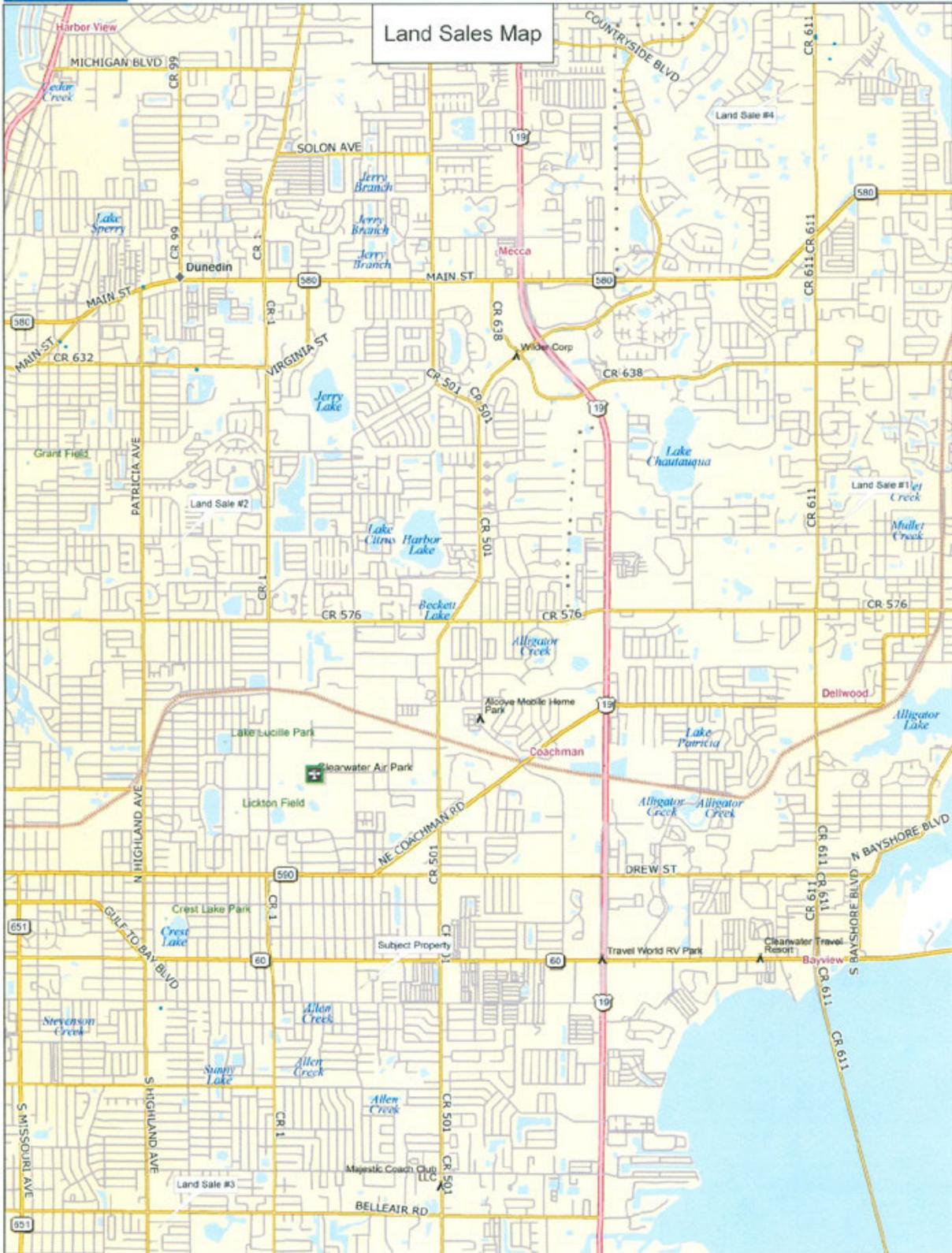
The subject, while sturdy and attractive, is inefficient due to the triangle design and uneven interior walls. The restrooms are especially small and there is no kitchen space for social events.

It appears from the attached land sales with similar or equal zoning that the subject site would be valued in the \$10.00-\$10.50 PSF range or around \$650,000. That value in turn would indicate a PSF of building price of \$89.04 PSF ($\$650,000/7,300 = \89.04). The recent sales of similar churches shown in Addenda have ranged from \$40.10 for some 17,600 SF in five structures on a cramped site with an inferior location to \$104.17 PSF for a modern facility with a similar overall location and a notably smaller size. The sales overall ranged from \$250,000-\$750,000 that would likely bracket the subject total value for church use. A similar size two-building church built in the 1980s sold at \$750,000/\$91.82 SF with superior features than the subject. As such, it simply appears that the highest value currently for the subject would be approximated by the underlying land value.

In summary then, the improvements are **physically possible** for the intended use but have limiting influences, the existing use is **legally permissible**, but likely not **financially feasible** due to the diminishing demand for the use concept. Clearly, this use today is not likely the **maximally productive** concept.

LAND VALUE ESTIMATE:

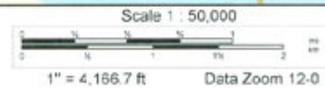
This methodology values the site by direct comparison to recent sales of similar size and features. They are described here on separate detail sheets and then analyzed and adjusted below in relation to the subject. Unless otherwise noted, they sold for cash or terms equivalent and did not require adjustment for cash equivalency. They are analyzed on a PSF basis that is the most common metric for this type and size of vacant acreage.



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LAND SALE #1

Location: NE Corner of Union Street/Cedar Street and McMullen Booth Road, Safety Harbor

Legal Description: Lots 1-10, 51-70 Inclusive, Dixie Subdivision, Plat Book 9, Page 80 plus parts of Swanee Street and Dixie Drive

Date of Sale: January 2018

Sales Price: \$1,400,000

Size: 310' x 363' MOL; 112,561 SF

Price PSF: \$12.44

Grantor/Grantee: Cedar Street Properties, LLC./Cedar Street Crossings

Recording Data: O.R. Book 19899, Page 1986

Sale Confirmed With: G. Maxon, Broker

Zoning: R-3, Conditional Mixed-use with approved site plan for 22,943 SF office building and supporting site improvements.

Comments: This marginally improved parcel (former light industrial metal building with site storage) had been on the market for multiple years after various potential retail uses had been denied. In this instance, the site was approved for a two-story office building that during spring 2019 has yet to be developed.

LAND SALE #2

Location: South side of Union Street approximately ¼-mile east of Highland Avenue, Clearwater

Legal Description: Metes and Bounds #12/03 located in the NW/4 of the NE/4 of Section 2, Township 29 South, Range 15 East

Date of Sale: September 2018

Sale Price: \$1,350,000

Size: 471.75' x 453' MOL; 4.91 Acres MOL

Price PSF: \$6.31

Grantor/Grantee: Mease Manor, Inc./Union Place, LLC.

Recording Data: O.R. Book 20221, Page 2492

Data Confirmed With: S. Rehm, Broker

Zoning: I, Institutional, Clearwater

Comments: 1960s vintage church complex housed in four structures having some 27,500 SF of space. The property was extensively marketed to other church and charter schools but ultimately was purchased in January 2015 at \$1,100,000 for redevelopment by a proximate retirement community entity. The Institutional zoning is fairly scarce in Clearwater and allows churches, schools, healthcare, multifamily and other similar concepts in mostly suburban residential districts. As a multi-family concept, maximum density was at 12.5 units per acre or 61 units while the area trend includes both multi- and single-family uses with this buyer customarily developing townhomes/villas. The buyer subsequently applied for a zoning/land use change to allow a maximum density of 7.5 units per acre that is pending during early 2019.

LAND SALE #3

Location: Southeast corner of Highland Avenue and Nursery Road, Clearwater

Legal Description: Metes and Bounds #34/03 located in the SE/4 of the SW/4 of Section 23, Township 29 South, Range 15 East

Date of Sale: October 2018

Sale Price: \$2,100,000

Size: L-shaped 4.77 Acres MOL 533' Highland frontage 488' Nursery Road frontage (net usable)

Price PSF: \$10.11

Grantor/Grantee: T. Seaman, Receiver/Santorini Trace, LLC.

Recording Data: O.R. Book 20295, Page 0067

Data Confirmed With: N. Leslie, Broker

Zoning: MDR, Medium Density Residential, Clearwater

Comments: This cleared parcel is located adjacent to a Publix anchored shopping center in a popular suburban district. The site had been zoned for mixed retail uses in the past decade but development never proceeded and the investment went into financial difficulties. This buyer intends to develop 50-55 townhouses. Actual ownership included one-half of the Nursery Road land area that will be transferred to the public at no cost to settle a past conflict. A formal site plan has not been approved as of early February 2019. The site also included off-site storm retention use of the existing pond on the adjacent shopping center parcel.

LAND SALE #4

Location: 3200 N. McMullen Booth Road, Clearwater

Legal Description: Metes and Bounds Parcel #22/07 located in the SE/4 of the NW/4 of Section 21, Township 28 South, Range 16 East

Date of Sale: January 2019

Sale Price: \$962,500

Size: 87,991 SF Irregular Shape, 244' Frontage, 336' Depth

Price PSF: \$10.94

Grantor/Grantee: Holy Trinity Episcopal Church in Countryside, Inc./Bosw3, LLC.

Recording Data: O.R. Book 20400, Page 0993

Data Confirmed With: R. Fisher, Broker

Zoning: I, Institutional, Clearwater

Comments: This parcel is excess land to the existing church that was improved with support space for the main facility. It was purchased for office space development due to its location directly across from the Mease Countryside hospital. The sale included an ingress-egress easement to the Mease Drive signalized intersection along with cross parking easements plus it had a fairly steep slope to a meandering stream along the southern site boundary. These issues plus demolition of the existing structure will result in a higher than normal site and building development expense.

LAND SALES RE-CAP CHART

Sale #	Date Of Sale	Sales Price	Size In SF	Price PSF
1	1/18	\$1,400,000	112,561	\$12.44
2	9/18	\$1,350,000	213,880	\$ 6.31
3	10/18	\$2,100,000	207,781	\$10.11
4	1/19	\$962,500	87,991	\$10.94
Subject	--	--	63,250	--

LAND SALES ANALYSIS AND CONCLUSIONS:

This is a good cross-section of similarly zoned land sales that have transpired during the recent past. They have sold from \$962,500-\$2,100,000 or from \$6.31 to \$12.44 PSF with the PSF range considered to bracket the subject land value.

Sale #1 has a signalized corner location in Safety Harbor just south of Countryside along the areas most sought after roadway. It sold after a lengthy approval process to allow a two-story office building. The sale required downward adjustment (near 20%) for its main road location at a minor intersection plus the entitlements or office use that would likely be allowed on the subject parcel. The land market has also improved from early 2018.

Sale #2 has a reasonably similar location as the subject on a two-lane residential roadway (adjust up), was larger (adjust up), and was zoned Institutional like the subject.

Sale #3 was notably larger (adjust up), has a slightly inferior zoning (adjust up) and an overall similar location where the buyer is proposing townhomes. This with the same buyer as for Sale #2.

Sale #4 was an Institutional zoned site purchased for medical office use. It was of reasonably similar size as the subject but had site development constraints (adjust up) with a superior location (adjust down).

From review of these best available transactions, I would value the subject in the \$10.00-\$10.50 PSF range.

63,250 SF @ \$10.00 PSF = \$632,500

63,250 SF @ \$10.50 PSF = \$664,125

ROUNDED TO \$650,000

FINAL CONCLUSION:

While exceptionally sturdy with an attractive sanctuary, the improvements are far from ideal and given the clear trend away from smaller congregations, the improvements simply do not appear to have any major contributory value for the existing use. An alternative buyer may be the public school system for use as overflow parking plus a lecture auditorium, however, the facility would require an extraordinary upgrade to be acceptable to public school requirements. This or other alternate use concepts may be a possibility as the site is of more than adequate size to allow an expansion of restrooms/food preparation areas that most other concepts would require.

An example of a stone-built residence (Sale Comparison #5) indicates a \$75,000 contributory value in a hot retail market where land values are roughly double than the subject. In conclusion then, I would allow a nominal contributory value for the subject improvements at \$50,000 that would increase the total value to **\$700,000** that falls near the top of the value bracket of the Sale Comparisons.

ADDENDA

QUALIFICATIONS OF THE APPRAISER
JAMES M. MILLSPAUGH, MAI

APPRAISAL EXPERIENCE:

Appraisal experience in Pinellas County, Florida since 1968 when associated with Ross A. Alexander, MAI of Clearwater. Formed James Millspaugh & Associates, June 1980, in Clearwater. The firm concentrates the majority of its appraisal activities in Pinellas County with experience throughout the Tampa/St. Petersburg/ Clearwater MSA.

APPRAISAL PLANT DATA:

In addition to maintaining its location near the main Pinellas County Courthouse complex for easy access to governmental offices and the official public records maintained in the Clerk's office for in-depth background research, the firm maintains Marshall Valuation Service Cost Data, online real estate transactions from RealQuest as provided by CoreLogic and MLS sales data provided by MFR.MLSMatrix plus national surveys on lodging, food service, offices, industrial parks, mini-storage, shopping center markets, investor return rates and others.

COMMERCIAL APPRAISAL ASSIGNMENTS performed include golf courses, postal facilities, commercial buildings, shopping centers, warehouse/manufacturing buildings, mobile home and R.V. parks, financial institutions, nursing homes, motels, timeshares, restaurants, houses of worship, office buildings, apartment buildings, commercial and residential condominium projects (both proposed and conversions), marinas, theaters, fraternal buildings, school facilities, seaport facilities, railroad corridors, easements, leasehold and leased fee estates, life estates, vacant sites, including environmentally sensitive lands, and condemnation cases involving partial and total takings. Feasibility/market studies have been performed for industrial, office, retail, residential and timeshare markets.

APPRAISAL EDUCATION:

American Institute of Real Estate Appraisers (AIREA) courses successfully completed:

I-A: Basic Principles, Methods and Techniques - 1973

VIII: Single Family Residential Appraisal - 1973

I-B: Capitalization Theory and Techniques - 1974

II: Urban Properties - 1975

IV: Condemnation - 1978

: Standards of Professional Practice - 1992, Parts A & B

Society of Real Estate Appraisers (SREA) courses successfully completed:

301: Special Applications of Appraisal Analysis – 1980

JAMES M. MILLSPAUGH, MAI

(Qualifications Continued)

RECENT SEMINARS ATTENDED: Sponsored by The Appraisal Institute

Valuation of Wetlands, 2004.

Commercial Highest and Best Use – Case Studies., 2005.

Uniform Standards (Yellow Book) for Federal Land Acquisitions, 2007.

Condominiums, Co-Ops and PUDS, 2007.

Analyzing Distressed Real Estate, 2007.

Appraisal Curriculum Overview, Two-Day General, 2009.

Cool Tools: New Technologies for Real Estate Appraisers, 2010.

Valuation of Detrimental Conditions, 2010.

Analyzing Tenant Credit Risk/Commercial Lease Analysis, 2011.

Fundamentals of Separating Real and Personal Property and Intangible Business Assets, 2012.

Marketability Studies: Advanced Considerations and Applications, 2013.

Lessons From the Old Economy: Working in the New, 2013.

Critical Thinking in Appraisals, 2014.

Litigation Appraising, 2015.

Webinars on the FEMA 50% Rule, Wind Turbine Effects on Value and Contamination and The Valuation Process, 2015.

Florida State Law Update, 2018.

National USPAP Update, 2018.

Business Practice and Ethics, 2017.

Parking and its Impact on Florida Properties, 2018.

Solving Land Valuation Puzzles, 2018.

EDUCATION:

Bachelor of Science in Business Administration, University of Florida
Associates of Arts, St. Petersburg Junior College

PROFESSIONAL AFFILIATIONS AND CERTIFICATION

Member: Appraisal Institute with the MAI designation, Certificate #6087, awarded April, 1980. Mr. Millspaugh is a past President of The Gulf Atlantic Florida Chapter of the AI (formerly Florida Chapter No. 2), served as an admissions team leader for the West Coast Florida Chapter, is the past Chairman for the National Ethics Administration Division of the Appraisal Institute and served as the Region X Member of the Appellate Division of the Appraisal Institute. Mr. Millspaugh is a State-Certified General Real Estate Appraiser (RZ58) and has served as a pro-bono expert witness for the Florida Real Estate Appraisal Board.

Member: Pinellas Realtors Organization, National Association of Realtors

Note: The AIREA and SREA merged into one organization on January 1, 1991, that is now known as the AI - Appraisal Institute.

STANDARD DEFINITIONS

HIGHEST AND BEST USE:

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximal productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an assets existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards For Federal Land Acquisitions)

FEE SIMPLE ESTATE: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

LEASEHOLD INTEREST: The right held by the lessee to use and occupy real estate for a stated term and under conditions specified in the lease.

LEASED FEE INTEREST: The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

REPLACEMENT COST: The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design and layout.

REPRODUCTION COST: The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout and quality of workmanship and embodying all the deficiencies, super-adequacies, and obsolescence of the subject building.

2. Appraisal Institute, The Dictionary of Real Estate Appraisal - Sixth Edition, 2015. pages 109, 90, 128, 197 and 198.

SALE COMPARISON #1



630 UNION STREET, DUNEDIN
JUNE 12, 2017

Sales Price: \$250,000

Date of Sale: January 2017

Grantor/Grantee: Bible Truth Gospel Center, Inc./Bradenton Seventh Day Baptist Church, Inc.

Recording Data: O.R. Book 19486, Page 1184

Sale Confirmed With: G. Van Hook, Broker

Land Size and Value: 140' x 120'; \$100,000

Description of the Improvements: 1979-built, masonry fraternal hall/meeting facility housing a small church. The building area is roughly 2,400 SF with two restrooms, kitchen, meeting hall, two offices plus several smaller meeting rooms served by a 29± space parking lot. The improvements were in average condition with no obvious deferred maintenance items. This is a secondary suburban feeder route having mixed uses within a predominantly low density residential district.

Overall Price PSF: \$104.17 ($\$250,000/2,400 = \104.17)

SALE COMPARISON #2



FORMER GRACE BIBLE FELLOWSHIP
10999 60th STREET N., PINELLAS PARK
APRIL 16, 2019

Sales Price: \$750,000

Date of Sale: September 2017

Grantor/Grantee: Grace Bible Fellowship/Bosanski Mesdzid, Inc.

Recording Data: O.R. Book 19783, Page 1994

Sale Confirmed With: Public Records: Neither Party Was Available

Land Size and Value: 235' x 305'; \$175,000

Description of the Improvements: 1982-built, church facility of 5,768 SF plus a 1986 built 2,400 SF addition supported by ample paved parking. The front sanctuary included fixed pews for 250 seating with an attached fellowship hall with serving kitchen, 4 classrooms and 2 offices. The property was in good basic condition at the time of sale with the parking lot being in only average condition.

Overall Price PSF: \$91.82 ($\$750,000/8,168 = \91.82)

SALE COMPARISON #3



NEW LIFE BAPTIST CHURCH
10539 122nd AVENUE N., LARGO
APRIL 16, 2019

Sales Price: \$250,000

Date of Sale: November 2017

Grantor/Grantee: Community Bible Baptist Church of St. Petersburg /New
Life Baptist Church of Largo

Recording Data: O.R. Book 19917, Page 1200

Sale Confirmed With: J. Redford, Grantee Rep.

Land Size and Value: 307' x 307' Irregular; 2.17 Acres MOL \$200,000

Description of the Improvements: 1969-built, masonry church with small kitchen, hall and classrooms in 4,160 SF. The facility was of average quality and condition with no paved parking and an adjacent 1,322 SF frame residence built in 1942. The sanctuary had a flat ceiling and fixed pews for roughly 120 capacity with the new congregation shifting to individual seating. All former personal property was included with the sale.

Overall Price PSF: \$45.60 ($\$250,000/5,482 = \45.60)

SALE COMPARISON #4



FORMER WOODLAWN CHURCH OF GOD FACILITIES
845 WOODLAWN AVENUE, CLEARWATER
APRIL 16, 2019

Sales Price: \$705,000 (\$545,000 C. Mtg.)

Date of Sale: July 2018

Grantor/Grantee: Woodlawn Church of God Clearwater/New Zion Missionary
Baptist Church of Clearwater

Recording Data: O.R. Book 20141, Page 1282

Sale Confirmed With: R. Moss, Grantor Rep.

Land Size and Value: 216' x 250'; \$160,000

Description of the Improvements: 1992-built, metal sanctuary/office building of some 10,660 SF with 3,160 SF of second floor offices over the ground floor sanctuary. The site is crowded with adjacent former church buildings built in 1968, including some 4,842 SF of space plus two detached small residences of some 2,075 SF built in 1949 and 1954. There are roughly 25 parking spaces, most of which are unpaved. The buyer had been in the general market for an extended period with continued difficulty of selling their existing facility in downtown Clearwater.

Overall Price PSF: \$40.06 ($\$705,000/17,600 = \40.06)

SALE COMPARISON #5



911 HIGHLAND AVENUE, DUNEDIN
SEPTEMBER 21, 2016

Sale Price: \$450,000

Date of Sale: January 2016

Grantor/Grantee: S.S. Berthy/Palm Harbor School Supply, Inc.

Recording Data: O.R. Book 19045, Page 1156

Sale Confirmed With: K. Prior, Broker

Land Size and Value: 126' x 145'; \$375,000

Description of the Improvements: 1930-built, stone single family residence of some 1,529 SF. Various interested parties considered only the land while this buyer has chosen to utilize the structure for some commercial use due to its visual proximity to Main Street. A change of use for retail would require handicap improvements and parking with the structure being rated in average condition with few recent upgrades.

Overall Price PSF: \$294.31 ($\$450,000/1,529 = \294.31)