



Entreken Associates, Inc.
Real Estate Appraisal & Advisory Services

Appraisal Report

Vacant Land
112 S Osceola Ave
Clearwater, Pinellas County, Florida



Prepared By:

Entreken Associates, Inc.
1100 16th Street North
Saint Petersburg, Florida 33705

EAI File #: 20230294

Prepared For:

Mr. Dylan Mayeux
City of Clearwater
600 Cleveland St, Suite 600
Clearwater, FL, 33755

November 16, 2023

Mr. Dylan Mayeux
City of Clearwater
600 Cleveland St, Suite 600
Clearwater, FL 33755

Re: Appraisal Report
112 S Osceola Ave
Clearwater, FL, 33756

Dear Mr. Mayeux:

As requested, Entreken Associates, Inc. has prepared an Appraisal Report of the above-referenced property for the purpose of estimating the value of the Fee Simple market value of the property and the Encumbered market value of the property, as is, as of the effective date of value.

The subject property is located at the northwest corner of S Osceola Ave and Pierce St in Clearwater. The subject property is a 2.60± acre site or 113,256± square foot parcel of land. The subject parcel is yet to be identified, but the parent property is identified by the Pinellas County Property Appraiser as Parcel Number 16-29-15-20358-001-0040. The subject property is more fully described in the body of this report.

To the best of our knowledge and belief, our analyses, opinions, and conclusions were developed, and this report has been prepared in conformance with the standards and reporting requirements set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), as promulgated by the Appraisal Standards Board of the Appraisal Foundation; the FDIC Market Value Definition; the Appraisal Institute's Code of Ethics and Standards of Professional Practice; Title XI of the Federal Financial Institution Reform, Recovery, and Enforcement Act of 1989 (FIRREA), the Interagency Appraisal and Evaluation Guidelines; as well as our understanding of the appraisal guidelines of the City of Clearwater.

The client of this report is the City of Clearwater. The intended user of this report is the City of Clearwater. The intended use of this report is to determine the as is fee simple market value and as is encumbered market values of the subject property for internal use. No other use or users are intended or authorized by Entreken Associates, Inc. The scope of this assignment is restricted to the specific identified intended use and user noted above. Under no circumstances, shall any of the following parties be entitled to use or rely on the appraisal or this appraisal report: (i) the borrower(s) on any loans or financing relating to or secured by the subject property, (ii) any guarantor(s) of such loans or financing, or (iii) principals, shareholders, investors, members or partners of such borrower(s) or guarantor(s).

This letter is not an appraisal report, hence, it must not be removed from the attached appraisal report. If this letter is disjoined from the attached appraisal, then the value opinions set forth in this letter are invalid and the analyses, opinions, and conclusions developed herein cannot be properly understood.

We certify that we have no present or contemplated future interest in the property beyond this estimate of value. The appraiser has not performed any services regarding the subject within the three-year period immediately preceding acceptance of this assignment.

Your attention is directed to the Limiting Conditions and Assumptions section of this report. Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, we note the following:

Hypothetical Conditions

The as is current value of the subject is first estimated assuming there are no restrictions or encumbrances in regards to development and the subject can be developed in accordance with the existing zoning.

The as is current value has also been estimated assuming the subject is encumbered with a deed restriction, whereas the future development of the site would require a minimum of 400 apartment units, as well as up to 15,000 SF of commercial space, and 440 or more parking spaces.

Finally, the as is current value has also been estimated assuming the subject is encumbered with a deed restriction, whereas the future development of the site would require 400 apartment units in a single 28-storey tower construction, as well as up to 15,000 SF of commercial space, and 440 parking spaces including one level of basement parking, as proposed in the revised Gotham presentation.

Extraordinary Assumptions

There are no Extraordinary Assumptions for this appraisal.

Based on the appraisal described in the accompanying report, subject to the Assumptions and Limiting Conditions, Extraordinary Assumptions and Hypothetical Conditions (if any), we have made the following value conclusions:

We have also concluded to the following market values as part of the analysis:

Value Conclusions

Premise	Interest Appraised	Effective Date	Value Conclusion	Estimated Marketing
Current Market Value	Fee Simple	10/17/2023	\$16,000,000	5-7 months
Current Market Value	Deed Restricted - 400+ unit Apartment Project	10/17/2023	\$9,000,000	5-7 months
Current Market Value	Deed Restricted - Revised Gotham 400 unit Single Tower Proposal - Including Subsidies	10/17/2023	\$3,450,000	5-7 months

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analyses, or if Entreken Associates, Inc. can be of additional service, please contact us.

Respectfully submitted,

Entreken Associates, Inc.



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Table of Contents

Summary of Salient Facts and Conclusions	2
Scope of Work.....	4
General.....	7
Site Analysis Summary	9
Highest and Best Use	14
Sales Comparison Approach – No Encumbrances.....	16
Sales Comparison Approach – 400 Unit Rental Apartment Site	22
Valuation – 400 Unit, Single Tower Rental Apartment Site (Revised Gotham Proposal).....	27
Final Reconciliation	36
Certification Statement.....	37
Basic Assumptions and Limiting Conditions.....	38
Addenda.....	41
Regional Analysis	42
Neighborhood Analysis.....	50
Engagement Letter.....	57
Legal Description.....	58
Subject Photographs	59
Land Sale Comparables - Unencumbered	65
Land Sale Comparables - Encumbered.....	68
Qualifications	75

Summary of Salient Facts and Conclusions

Report Dates

Report Date	11/16/2023
Inspection Date	10/17/2023
As Is Date of Value	10/17/2023

Subject Summary

Property Name	Vacant Land
Property Major Type	Land
Address	112 S Osceola Ave
City	Clearwater
County	Pinellas
State	FL
Zip	33756
Tax ID	16-29-15-20358-001-0040
Owner	City of Clearwater
Land SF	113,256
Acres	2.60
Zoning	D

Highest and Best Use

Highest and Best Use as Vacant	Mixed Use Development
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Extraordinary Assumptions

There are no Extraordinary Assumptions for this appraisal.

Hypothetical Conditions

The as is current value of the subject is first estimated assuming there are no restrictions or encumbrances in regards to development and the subject can be developed in accordance with the existing zoning.

The as is current value has also been estimated assuming the subject is encumbered with a deed restriction, whereas the future development of the site would require a minimum of 400 apartment units, as well as up to 15,000 SF of commercial space, and 440 or more parking spaces.

Finally, the as is current value has also been estimated assuming the subject is encumbered with a deed restriction, whereas the future development of the site would require 400 apartment units in a single 28-storey tower construction, as well as up to 15,000 SF of commercial space, and 440 parking spaces including one level of basement parking, as proposed in the revised Gotham presentation.

Projected Exposure and Marketing Time

Exposure time is estimated at 5-7 months for the subject property. Marketing time is estimated at 5-7 months for the subject

Value Conclusions

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Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

Intended Use and Users

Intended Use	To determine the as is fee simple market value and as is encumbered market values of the subject property for internal use.
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Intended Users	City of Clearwater
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No other use is intended or authorized by Entreken Associates, Inc. The scope of this assignment is restricted to the specific identified intended use and user noted above. Under no circumstances, shall any of the following parties be entitled to use or rely on the appraisal or this appraisal report: (i) the borrower(s) on any loans or financing relating to or secured by the subject property, (ii) any guarantor(s) of such loans or financing, or (iii) principals, shareholders, investors, members or partners of such borrower(s) or guarantor(s).

Scope

Problem

To estimate the fee simple market value of the subject property as if vacant under the current zoning with no special development restrictions, as well as two additional development scenarios with deed restrictions that require development of 400 apartment units, 15,000 SF of commercial space, and 440 parking spaces.

Appraisal Report

Based on the intended users understanding of the subject's physical, economic and legal characteristics, and the intended use of this appraisal, an appraisal report format was used.

This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.

Report Format

Although the current USPAP does not discern between appraisal report formatting, Entreken Associates, Inc., has adapted the following descriptions and comparisons to previous editions of USPAP.

Entreken Associates, Inc. Report format descriptions:

Comprehensive Format - Similar to the former Self-Contained Appraisal Report requirements and provides the greatest depth and detail of analysis in an appraisal.

Summary Format - Similar to the former Summary Appraisal Report requirements and provides a summary of the analysis, property type overviews, and area analysis.

Abbreviated Summary Format - Meets the minimum requirements of the former Summary Appraisal Report and provides a brief summary of data and analysis, as well as summary overviews.

Concise Format: Meets the minimum requirements of USPAP for an Appraisal Report and provides a concise summary of data and analysis. This format also resembles a form report for some sections and has minimal overviews.

The current USPAP Restricted Appraisal Report is equivalent to the former Restricted-Use Appraisal Report and states the valuation conclusions.

This analysis was prepared in a Summary Format.

Additional supporting documentation is retained in our workfile. The significant elements of scope included the following: Inspection of the subject property. Collection, verification, and analysis of market data through searches of our in-house sales database, and multiple subscription-based sales databases. It is our opinion that the scope of research and analysis associated with this Appraisal Report is adequate to produce a credible value conclusion that will serve the needs of the client.

Market Area and Analysis of Market Conditions

A complete analysis of market conditions has been made. We maintain and have access to comprehensive databases for this market area and have reviewed the market for sales and listings relevant to this analysis. The market overview is retained in our files and database.

The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the appraisal.

Highest and Best Use

A highest and best use analysis for the subject has been conducted. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.

Property Identification

The subject has been identified by the legal description and the assessors' parcel number.

Property Rights Appraised

We have appraised the Fee Simple property rights.

Subject Inspection

An exterior inspection of the subject property has been made, and photographs taken.

Property Inspection and Report Compilation Assistance

Role	Name	Inspected	Extent	Date of Inspection
Appraiser	Wesley R. Sanders, MAI, AI-GRS, CCIM	has	Exterior	10/17/2023

Use of Real Estate as of Effective Date of Value

As of the as is effective date of the appraisal, the subject was a Vacant Land property.

Appraisal Process

Typically, the cost, sales comparison, and income approaches are used in determining the value of a property. The indicated value developed by these various approaches is weighed by the Appraiser based on the reliability of market data in determining the final value estimate.

Income Capitalization Approach

The income approach measures the present worth of anticipated future benefits (net income) derived from a property. The approach develops the subject property's estimated net income during the remaining economic life of the improvements. It consists of estimated vacancy, gross income, expenses and other charges. The net income is capitalized to arrive at an indication of value. In the case of multi-tenanted properties, or where a property is not fully leased, a discounted cash flow (DCF) analysis may also be appropriate.

Sales Comparison Approach

The sales comparison approach produces a value estimate by comparing the subject property to recent sales of similar properties in the same or competing market areas. Inherent in this approach is the principle of substitution. The comparative process involves judgment as to the similarity of the subject and the comparable sale with respect value factors such as the time of sale, land size, building size and quality of construction. The estimated value through this approach represents the probable price at which the subject property would be sold as of the date of value.

Cost Approach

The cost approach considers the current cost of reproducing a property, less depreciation. The value of the land, as if vacant and available for development, is added to the depreciated cost in arriving at a value conclusion by the cost approach. This approach is based on the assumption that a purchaser is not warranted in paying more for a property than the cost of the land and duplicating the improvements.

Applicable Appraisal Methods

Methods Utilized

Cost Approach	<input type="checkbox"/>	the subject is vacant land.
Sales Comparison Approach	<input checked="" type="checkbox"/>	there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.
Income Approach	<input checked="" type="checkbox"/>	the value of the subject is estimated using the cash flows from the forecast rental income over the projected costs. Net income generated by the ongoing operation of the apartments is determined and using two capitalization methods: direct capitalization and yield capitalization, a reasonable value of the land (land residual technique) is estimated.

Conformity

We developed our analyses, opinions and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA); and the requirements of our client as we understand them.

Sources of Information

We obtained information from public records, the client, property contact, and a variety of sources as noted throughout the report.

Data Sources

Category	Sources
Market Data	MLS, CoStar, Public Records, Third-party sources including paid subscription services and our internal database
Ownership & Transaction History	Pinellas County Public Records
Assessment & Tax Data	Pinellas County Public Records
Site Data	Pinellas County Public Records & Site Survey
Zoning Data	City of Clearwater Public Records
Sale Comparables	MLS, CoStar, Public Records, Third-party sources including paid subscription services and our internal database

General

Property Identification

The subject property is a 2.60± acre site or 113,256± square foot parcel of land.

The subject property is located at 112 S Osceola Ave within Clearwater, Pinellas County, Florida. The subject property is identified by the Pinellas County Property Appraiser as Parcel Number(s) 16-29-15-20358-001-0040.

Legal Description: Abbreviated as: That portion of the East 402.04 feet of Lots 3, 4, & 5 of Block A, John R. Daveys Re-Subdivision, as shown on plat recorded in Plat Book 1, Page 87 of the Public Records of Hillsborough County, Florida, of which Pinellas County was formerly a part; lying South of those lands described in Official Records Book 14700, Page 1498, of the Public Records of Pinellas County, Florida. LESS the East 15 feet of said Block A; and LESS the South 20 feet of said Lot 5 per City of Clearwater Resolution 64-180, recorded in Official Records Book 2059, Page 493, of the Public Records of Pinellas County, Florida.

The full legal description is in the Addenda of this report.

Inspection Date: October 17, 2023

Date of Report: November 16, 2023

Ownership History: Current ownership of the parcel is under the City of Clearwater.

We are not aware of any transactions that have involved the subject property in the past three years.

In 2022, Clearwater council and the Gotham Group signed a development agreement that includes purchasing the subject City Hall site for \$15.4 million and the Harborview Center site for \$9.3 million.

The city would offer developer incentives, \$1.5 million toward impact fees to be paid for by the Community Redevelopment Agency, the creation of a special downtown tax district, up to \$2 million to split the cost of a pedestrian bridge and \$22 million for two underground parking garages to be paid from the city's parking fund.

Gotham has since stated that the market has changed so dramatically they can no longer proceed with their plans and are proposing a scaled-down development and seeking to reduce the price of the subject City Hall site.

Personal Property/

Non-Realty Items: None, personal property owned by the occupant.

Real Estate Taxes: Assessing Authority: Pinellas County
Assessment Year: 2023

The subject property is a portion of Parcel ID 16-29-15-20358-001-0040, is owned by the City of Clearwater and is tax exempt. The 2023 assessment of the parent parcel is summarized below. The total assessment was \$22,851,832 and the taxes concluded were calculated at \$465,311 using the 2022 millage rates (2023 rates not yet disclosed) and assessed values if taxes were due on the property. This assessment seems to be in line with the assessments of similar properties in the area. There were no past due taxes owed as of the inspection date.

The following table presents the current real estate assessment and taxes for the parent tract, if the property were not tax exempt, including non-ad valorem assessments and any cap adjustments applied to the subject property.

Current Real Estate Assessment and Taxes

	School District	All Other	Total
16-29-15-20358-001-0040	\$22,851,832	\$22,851,832	
Total Assessed Value	\$22,851,832	\$22,851,832	
Less: Total Cap Adjustment	\$0	\$0	
Total Taxable Value	\$22,851,832	\$22,851,832	
Millage Rate	5.96300	14.39910	20.36210
Assessment Per	\$1,000	\$1,000	
Total Ad Valorem Taxes	\$136,265	\$329,046	\$465,311
Total Non-Ad Valorem Taxes			\$0
Total Real Estate Taxes			\$465,311

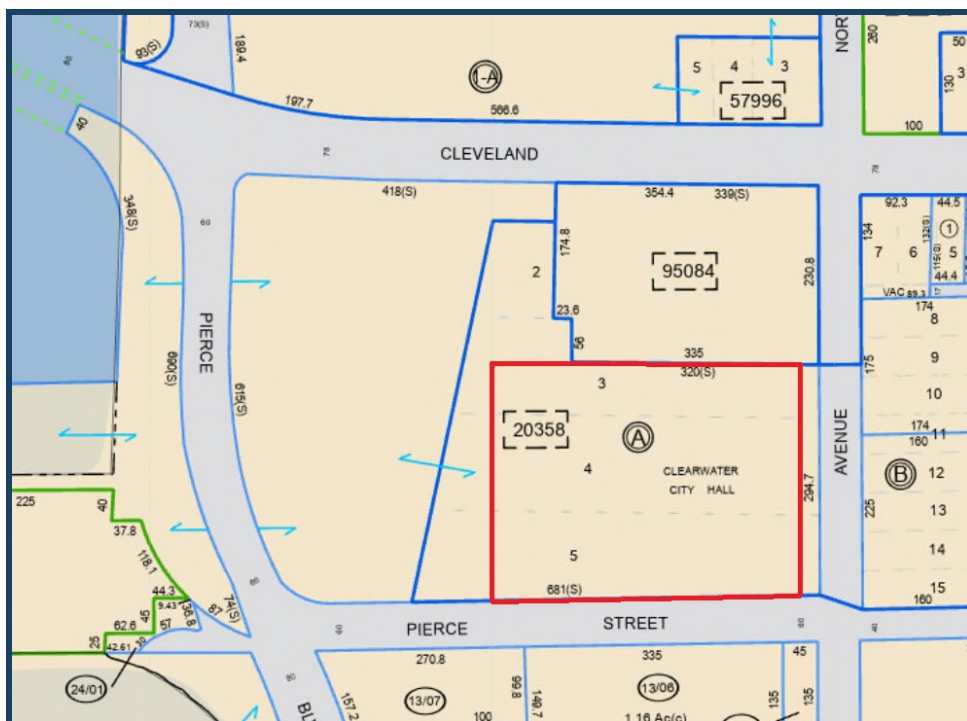
Site Analysis Summary

Location:

The subject property is located at the northwest corner of S Osceola Ave and Pierce St in Clearwater. This location is good for a commercial and residential use.



Aerial Map



Plat Map

Site Summary

Parcel ID	16-29-15-20358-001-0040
Location	northwest corner of S Osceola Ave and Pierce St in Clearwater
Map Latitude	27.964379
Map Longitude	-82.802334
Site Analysis & Comments	The site has average and typical utility.

Site Size Attributes

Gross Land Area (Sq Ft)	113,256
Gross Land Area (Acres)	2.60
Usable Land Area (Sq Ft)	113,256
Usable Land Area (Acres)	2.60

Hazardous Material

No hazardous materials were observed on the subject site. However, we are not experts in the matters of the presence or effects of hazardous materials; therefore, we assume hazardous material is not present on the site.

Site Characteristics

Primary Frontage Street Name	S Osceola Ave
Secondary Frontage Street Name	Pierce St
Frontage - Primary Street (Feet)	295
Frontage - Secondary Street (Feet)	681
View	Very Good
Access	Average
Site Visibility	Average
Street Lighting	Yes
Sidewalks	Yes
Curb and Gutter	Yes
Topography	The subject has level topography at grade, with the subject property elevated above the remainder of the parent property due to the presence of a bluff.
Shape	Roughly rectangular
Soil Conditions	Adequate for development

Site Utilities

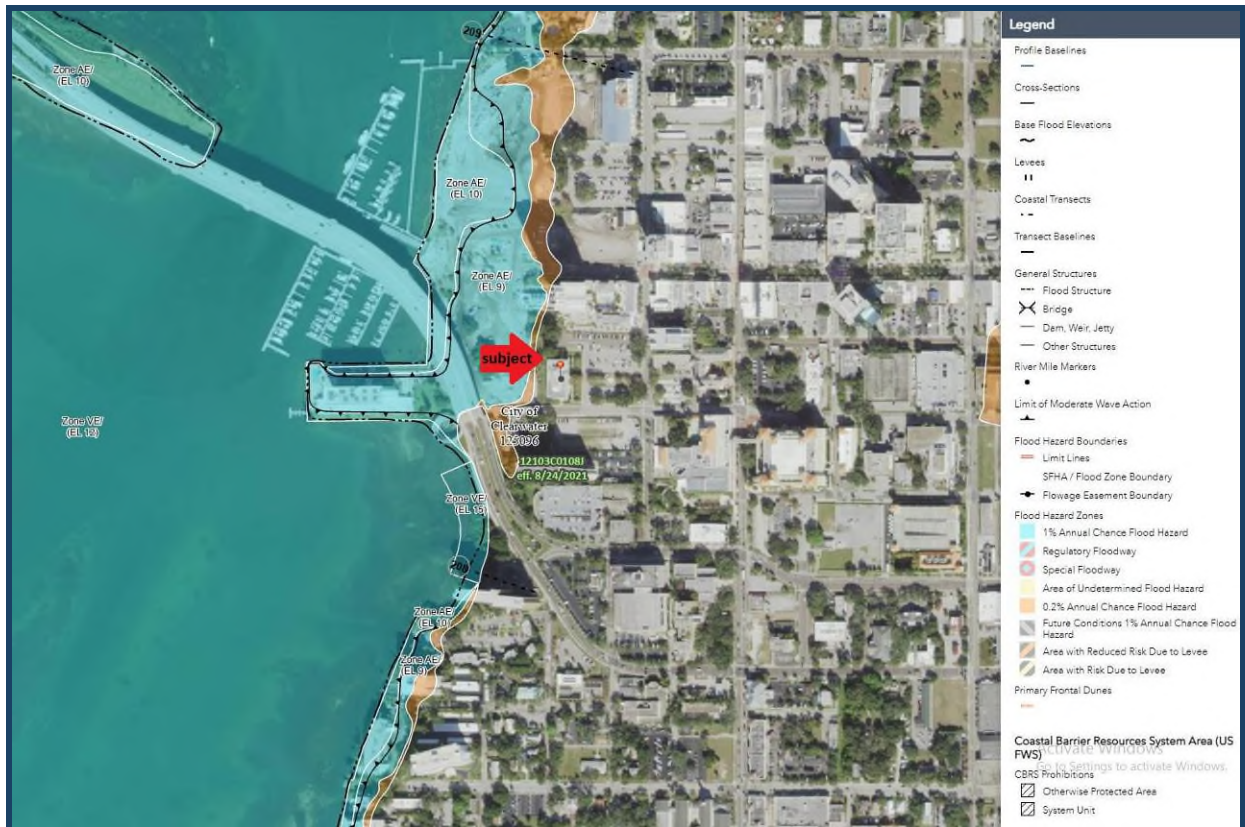
Adequacy of Utilities	The subject's utilities are typical and adequate for the market area.
Public Electricity	The site is served by public electricity
Water Supply Type	City water
Sewer Type	City sewer

Site Hazards

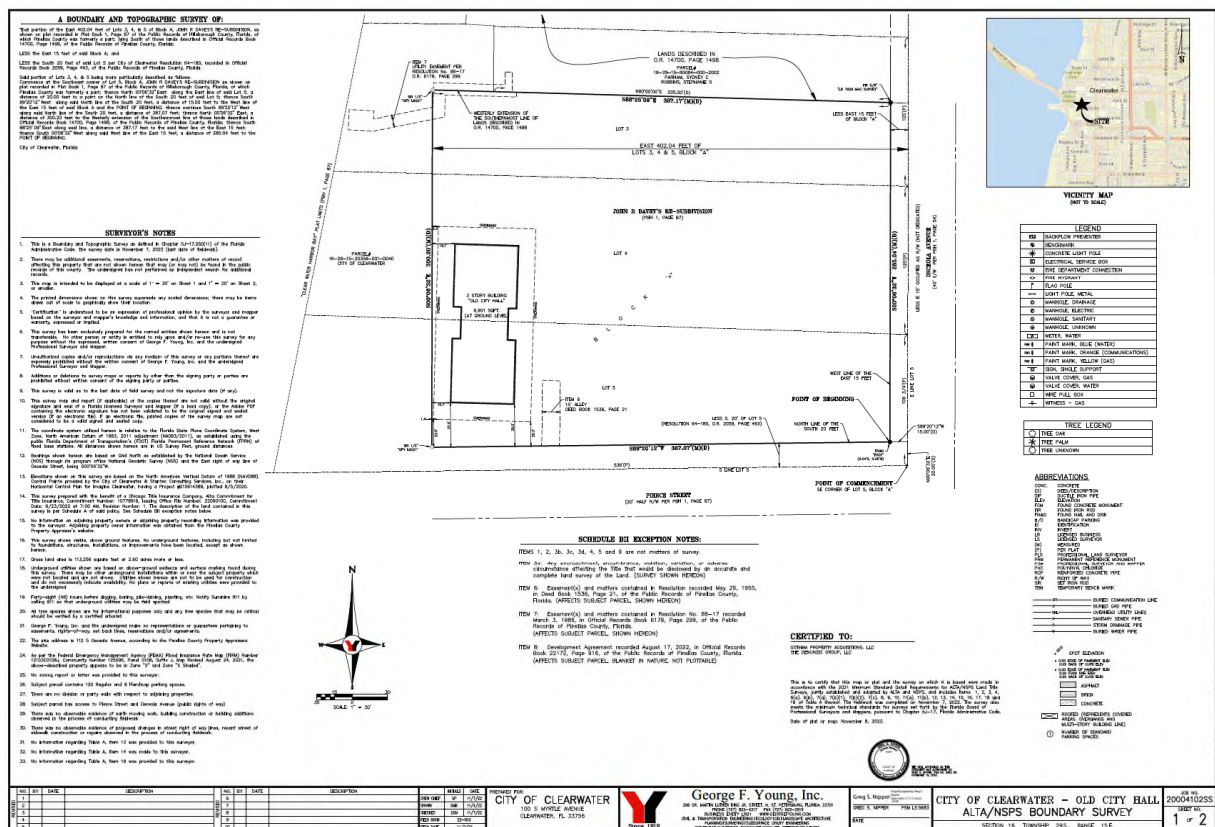
FEMA Map #	12103C0108J
FEMA Map Date	8/24/2021
Flood Zone	Zone X
Flood Zone Comments	The Zone X classification is in an area located outside the 100-year designated flood hazard area.
Encumbrance / Easement Description	There are no known adverse encumbrances or easements. Please reference Limiting Conditions and Assumptions.
Environmental Issues	There are no known adverse environmental conditions on the subject site. Please reference Limiting Conditions and Assumptions.

Site Comments

The site has average and typical utility.



Flood Map



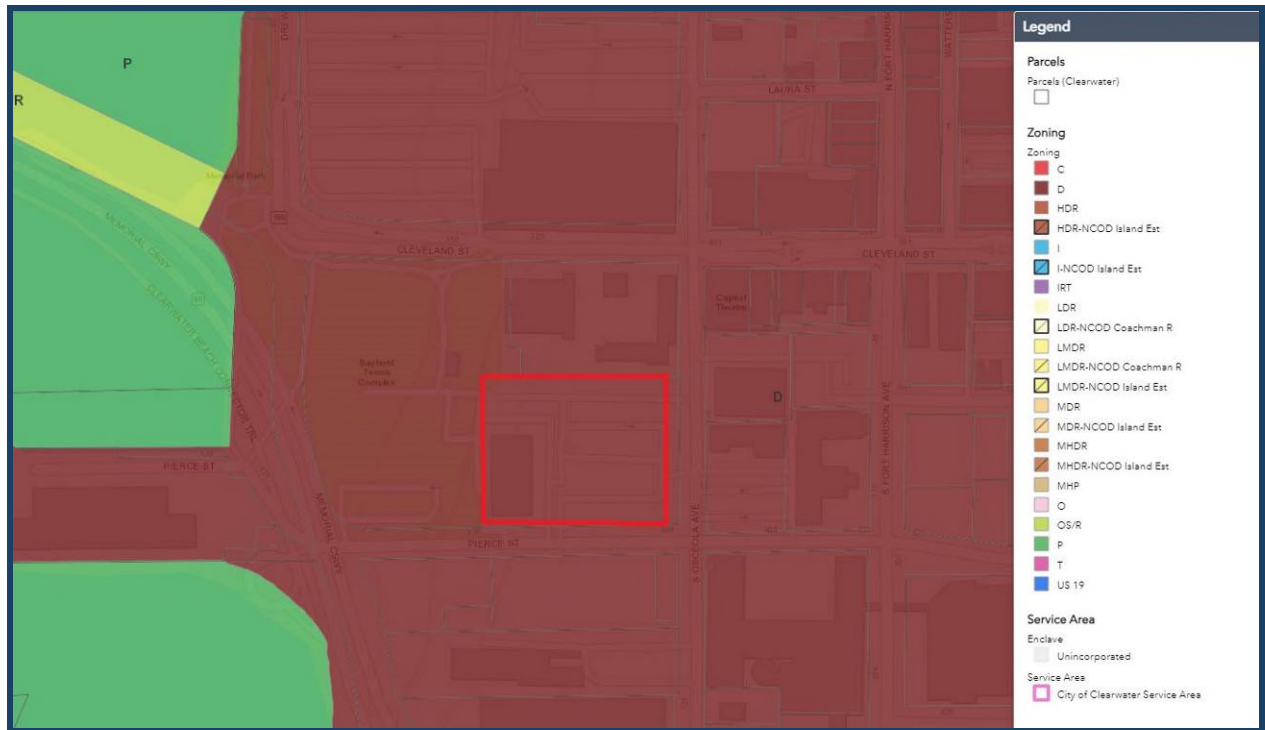
Zoning Summary

Zoning

Zoning Authority	City of Clearwater
Zoning District	City of Clearwater
Zoning Code	D
Zoning Type/Description	Downtown/Downtown Core Character District
Current Use Permitted	Yes
Current Use Legally Conforming	Yes
Zoning Intent/Summary	The Downtown Core Character District is intended for high intensity mixed-use, office, and residential development in buildings with active ground floor uses opening onto pedestrian-friendly streetscapes. Standards are designed to support a dense urban pattern of development with buildings façades aligned along public sidewalks and parking primarily located within buildings behind active uses and behind buildings. Properties adjacent to the Pinellas Trail are designed to provide pedestrian and bicycle connections to the trail. There is no height restriction and the maximum density is 75 multi-family units per acre, with a maximum FAR of 4.0. The is also a Public Amenities Incentive Pool and the Pool allocation process is established in the Clearwater Downtown Redevelopment Plan. The Pool allows for density and/or intensity increases in excess of the allowable maximum development potential established for a parcel for projects that meet the goals, objectives, and policies of the Redevelopment Plan and are consistent with the vision established for the character district in which the projects are located.
Future Land Use	CBD
Future Land Use Description	Central Business District
Zoning Consistent with FLU	Yes

Development Standards

Max FAR	4
Front Set Back Distance	Varies by use
Side Yard Distance	Varies by use or as required by fire code
Back Yard Distance	10'
Maximum Building Height	Unlimited
Zoning Parking Requirements	1 space per unit
Site Conforms to current standards	Yes
Zoning Data Source	City of Clearwater Code of Ordinances
Zoning Comments	The D zoning district has a max floor area ratio (FAR) of 4.0, a max density of 75 units per acre, and no maximum height. Development of the site appears feasible.



Zoning Map

Highest and Best Use

Highest and best use may be defined as the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

1. **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?
2. **Physically Possible:** To what use is the site physically adaptable?
3. **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?
4. **Maximally Productive.** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

Highest and Best Use as Vacant

Zoning Code, District	D, Downtown/Downtown Core Character District
Permitted Uses	The Downtown designation has a wide variety of permitted uses. These include multi-family, bars, brewpubs, congregate care facilities, medical clinics, museums, offices, hotels, places of worship, research and technology facilities, restaurants, retail, schools, and community centers to name a few.
Future Land Use	CBD, Central Business District
Future Land Use - Permitted Uses	Moderate to High Density Residential; Office; Retail Sales & Service; Public/Semi-Public uses as indicated in approved Redevelopment Plan
Legally Permissible Comments	Given the legally permissible uses under the zoning and future land use, a mixed use is given further consideration in determining the highest and best use of the site, as vacant. We also have to consider the encumbrances in the additional valuation scenarios where apartments are required as the type of development.
Physically Possible	
Land Size	2.60 acres, 113,256 square feet
Shape	Roughly rectangular
Topography	The subject has level topography at grade, with the subject property elevated above the remainder of the parent property due to the presence of a bluff.
Utilities	The subject's utilities are typical and adequate for the market area. The site is served by public electricity, City water, City sewer
Access	Average
Visibility	Average
Functional Utility	Average
Physically Possible Comments	Based on an analysis of the physical characteristics of the site, there does not appear to be any adverse conditions or lack of utility. Thus, there are no apparent physical or functional problems with the site, which would hinder development.
Financially Feasible	Of the legally permissible uses that are physically possible, we have analyzed the market for sales and rental rates versus the cost to construct for the uses that are financially feasible. This includes mixed use development.
Maximally Productive	<p>There does not appear to be any reasonably probable use of the subject site that would generate a higher residual land value than a mixed use. Accordingly, we have concluded that a mixed use, developed to the normal market density permitted by current zoning and development standards, is the maximally productive use of the property.</p> <p>For the current value of the subject with no restrictions regarding the type and scale of development, we have concluded that development of the subject with 195 condominium units (using the 2.60 ac site area x maximum density of 75 units/acre) would be the maximally productive use.</p> <p>Under the additional valuation approaches with the encumbrance to develop the site with apartment units, we have concluded that development of the subject with apartments would be the maximally productive use.</p>
Highest and Best Use as Vacant	Mixed Use Development

Most Probable Purchaser

Based on opinions of market participants, the subject parcel would most likely be purchased by a local or regional developer.

Sales Comparison Approach – No Encumbrances

Land Analysis

To estimate the land value, we have utilized the Sales Comparison Approach. In this approach the appraiser develops an opinion of value by analyzing similar properties and comparing these properties with the subject property. Application of the sales comparison approach requires the comparing and rating of other comparable properties to the property appraised. The aim of this approach is to develop indications of what the comparable sales would have sold for if they had possessed all of the basic and pertinent physical, functional and external characteristics of the subject property.

The steps involved in the Sales Comparison Approach are summarized as follows:

1. Comparable land sales data in the competitive market is obtained and verified, whenever possible;
2. Market-oriented unit(s) of comparison is determined and applied to each of the comparable sales;
3. The elements of comparison that affect the value of the property being appraised are identified and applied to each comparable sale;
4. A net adjustment is applied to each comparable unit sale price to arrive at a range of adjusted sale or unit prices for the subject property; and
5. The adjusted prices are reconciled to an indication of an appropriate value of the subject property.

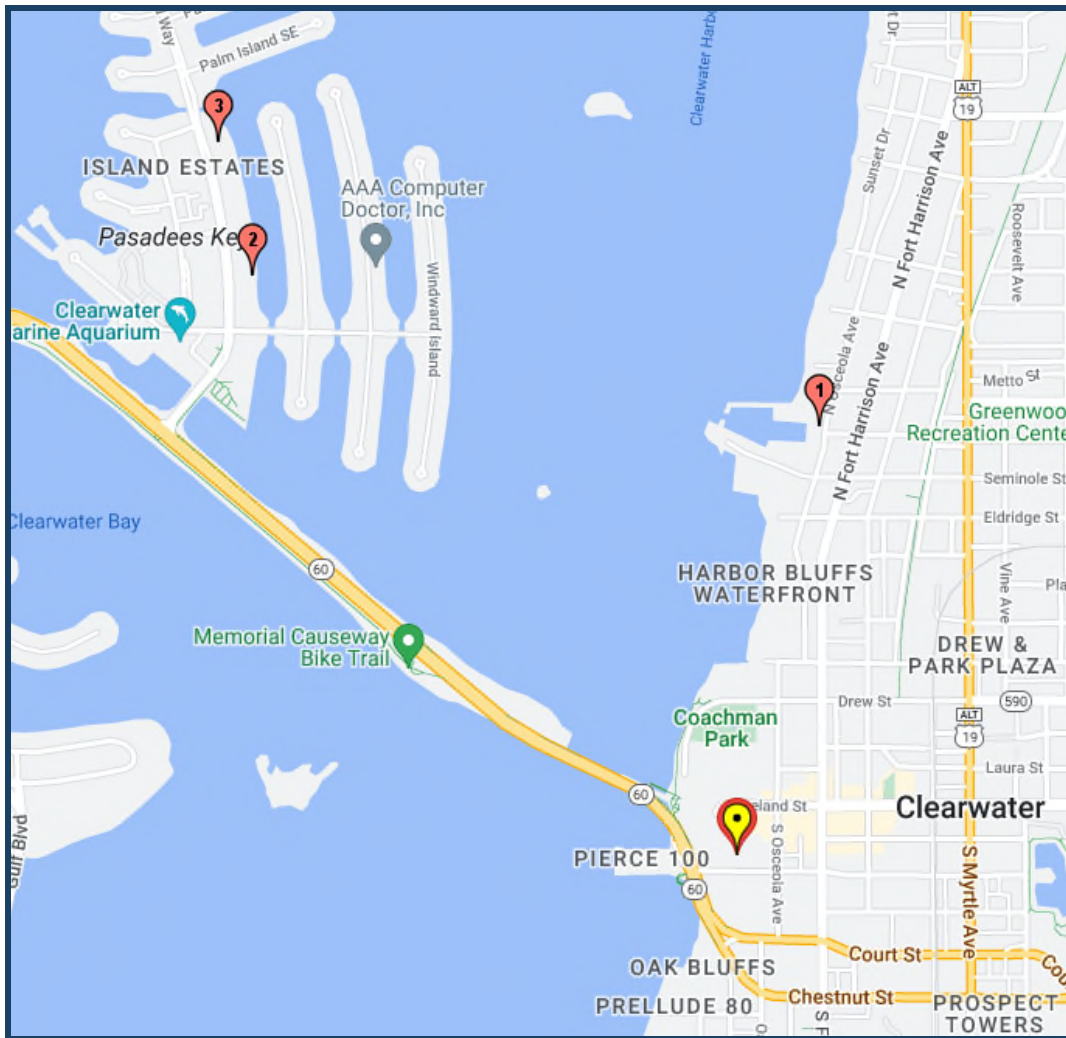
Comparable Sales Data

The subject is located in Clearwater. According to the zoning, the maximum allowable density for the subject would be 195 units. As discussed previously, the subject would have a Highest and Best Use – Unencumbered for development of 195 condominium units. We have identified recent sales of vacant land purchased for development of condominiums in Clearwater.

The comparable land sales selected represent the best available for this analysis. The most widely used unit of comparison in this market for the subject property type is based on the development potential of the site on a residential per unit basis. As a result, we have analyzed the comparable sales on a price per unit.

The comparable land sales included in this appraisal report are summarized in the table below. The following page includes a location map for the comparable land sales and reflects proximity to the subject property. The Addenda contains comparable land sales data sheets. Given the characteristics of the subject site, as well as the information obtained for the comparable data, the comparables were analyzed through the application of a traditional adjustment grid using percentage adjustments.

Comp	Address	City	Date	Price	No. of Units	Price Per Unit
Subject	112 S Osceola Ave	Clearwater		--	195	--
1	900 N Osceola Ave	Clearwater	5/2/2018	\$4,875,000	87	\$56,034
2	125 Island Way	Clearwater	1/14/2021	\$2,680,000	27	\$99,259
3	415 Island Way	Clearwater	9/15/2021	\$3,800,000	46	\$82,609



Land Sales Map

The Adjustment Process

The main points of comparison for this analysis include the transactional elements such as property rights conveyed, financial terms, the conditions and/or motivations surrounding the sale, and changes in market conditions since the sale date. Property level adjustments account for differences in the locational, physical and economics elements of the sales as compared to the subject property. The comparable sales utilized herein were analyzed relative to the subject property for the following factors:

Transactional Components

Property Rights Conveyed

Adjustments were made when applicable for conveyance of property rights other than those being appraised herein. No transactional components adjustments were warranted for the comparable land sales.

Financing Terms

Adjustments were made when applicable for extraordinary, special or non-market financing or credits provided by the seller or others which may have influenced the sale price. No adjustment is required.

Conditions of Sale

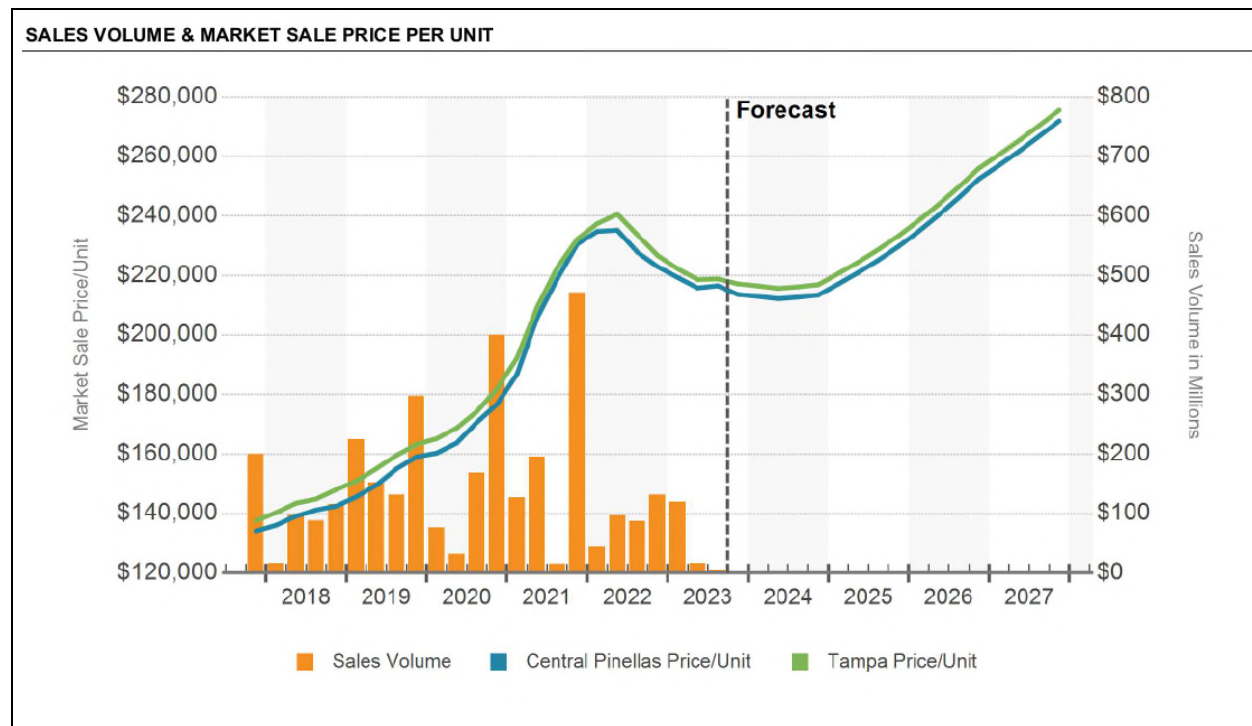
Adjustments were made when applicable for non-arm's length sale transactions and/or atypical conditions. Each of the sales (or pending sales) was an arm's length transaction. No conditions of sale adjustments are required.

Expenditures After Sale

Adjustments were made when applicable for any reported anticipated expenditures that were incurred after the comparable was purchased. No adjustments are required.

Market Conditions

The sales used represent reasonably similar land parcels compared to the subject's underlying land, which sold since May 2018. Based on the following table, prices for improved multifamily properties increased significantly from May 2018 into mid-2022. Prices have declined slightly since then. Therefore, Sales 1, 2, and 3 require upward adjustments for improved market conditions up to the effective date of the report.



Property Level Characteristics

Location

The subject property is located at the northwest corner of S Osceola Ave and Pierce St in Clearwater. Each of the sales was adjusted, if required, for locational characteristics differing from those of the subject property. Sale 1 is located just north of Downtown Clearwater, directly on Clearwater Bay overlooking a marina, requiring a downward adjustment for location. Sales 2 and 3 are located in Island Estates, a quiet residential neighborhood in Clearwater Bay with closer proximity to Clearwater Beach, with downward adjustments required.

Topography

The subject site has a generally level topography. Each of the land sales has a similar topography; therefore, no adjustments were warranted.

Shape

The subject site is rectangular. Sale 1 is irregular in shape due to the existing marina, with an upward adjustment required. Sales 2 and 3 are rectangular and conducive to development with no adjustments warranted.

Utilities

The subject and comparables have access to all public utilities with no adjustments warranted.

Zoning/Density

The subject property is located in the D zoning district with a maximum density per acre of 75 units per acre. The proposed densities among the three comparable sales are summarized as follows.

Sale 1: 2.12 acres-87 units = 41 Units/Ac
Sale 2: 0.90 acres-27 units = 30 Units/Ac
Sale 3: 1.35 acres-46 units = 34 Units/Ac

There is generally an inverse size and rate relationship where lands producing a higher yield (units per acre) typically trade at a higher rate per acre and vice versa. With respect to density, those developments which have significantly higher density per acre generate much lower sale prices per unit due to the impact of economies of scale. Conversely lower density sites tend to generate higher rates per unit. Inherent within this theory, a typical purchaser will consider the total unit inventory and its risks associated with higher or lower unit count (density) and pay accordingly based on current market indices.

All three comparable sales indicated a similar range related to density per acre and we have applied an upward adjustment to each sale compared to the subject's allowed 75 units per acre based on the related economies of scale.


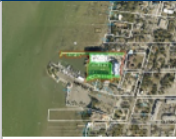


The subject property is located in the Downtown Core zoning district offering unlimited height and up to 75 units per acre. Comparables 1, 2, and 3 would all allow for less density and height. As we are valuing the subject on a price per unit with adjustments for zoning/density, the adjustment detailed above with respect to density would also take into account the zoning of the properties in comparison to the subject.

Flood Zone

Comparables 1, 2, & 3 were located in Flood Zone AE, requiring additional flood insurance. Overall, upward adjustments are required.

Summary of Adjustments

The following table presents a summary of the adjustments for the underlying site.

Land Analysis Grid		Comp 1		Comp 2		Comp 3	
							
Address	112 S Osceola Ave	900 N Osceola Ave	125 Island Way	415 Island Way			
City	Clearwater	Clearwater	Clearwater	Clearwater			
State	FL	FL	FL	FL			
Date		5/2/2018	1/14/2021	9/15/2021			
Actual Price	--	\$8,125,000	\$2,680,000	\$3,800,000			
Price Adjustment		-\$3,250,000	\$0	\$0			
Adjusted Price		\$4,875,000	\$2,680,000	\$3,800,000			
Price per Land SF		\$52.72	\$68.36	\$64.62			
Usable Acres	2.60	2.12	0.90	1.35			
Usable Land SF	113,256	92,478	39,204	58,806			
No. of Units	195	87	27	46			
Price per Unit		\$56,034	\$99,259	\$82,609			
Transaction Adjustments							
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing		Conventional	0.0%	Conventional	0.0%	Conventional	0.0%
Conditions of Sale		Arm's Length	0.0%	Arm's Length	0.0%	Arm's Length	0.0%
Expend. After Sale		\$0		\$0		\$0	
Adjusted Price per Unit		\$56,034		\$99,259		\$82,609	
Market Trends		45.0%		10.0%		5.0%	
Adjusted Price per Unit		\$81,250		\$109,185		\$86,739	
Characteristics Adjustments							
Location		Superior		Superior		Superior	
% Adjustment		-5%		-5%		-5%	
Qualitative		Superior		Superior		Superior	
\$ Adjustment		-\$4,063		-\$5,459		-\$4,337	
Topography	Gently sloping	Gently sloping		Gently sloping		Gently Sloping	
% Adjustment		0%		0%		0%	
Qualitative		Similar		Similar		Similar	
\$ Adjustment		\$0		\$0		\$0	
Shape	Roughly rectangular	Irregular		Rectangular		Rectangular	
% Adjustment		5%		0%		0%	
Qualitative		Inferior		Similar		Similar	
\$ Adjustment		\$4,063		\$0		\$0	
Utilities	Available to Site	Available to Site		Available to Site		Available to Site	
% Adjustment		0%		0%		0%	
Qualitative		Similar		Similar		Similar	
\$ Adjustment		\$0		\$0		\$0	
Zoning	D - Downtown Core	D - Downtown Old Bay		HDR-NCOD Island Est		MHDR-NCOD Island Est	
Proposed Density	75	41		30		34	
% Adjustment		-5%		-5%		-5%	
Qualitative		Superior		Superior		Superior	
\$ Adjustment		-\$4,063		-\$5,459		-\$4,337	
Flood Zone	Zone X	Partially in AE & VE		Zone AE		Zone AE	
% Adjustment		5%		5%		5%	
Qualitative		Inferior		Inferior		Inferior	
\$ Adjustment		\$4,063		\$5,459		\$4,337	
Adjusted Price per Unit		\$81,250		\$103,726		\$82,402	
Net Adjustments		0.0%		-5.0%		-5.0%	

Land Sale Value Metrics – Fee Simple Market Value

The following table presents the metrics for the unadjusted and adjusted land sales. The table also presents the concluded market value per unit for the subject property. Equal weight is given in arriving at our reconciled value of \$82,000 per unit, similar to the overall median price.

Land Value Ranges & As Is Reconciled Value				
Number of Comparables:	3	Unadjusted	Adjusted	% Δ
Low:		\$56,034	\$81,250	45%
High:		\$99,259	\$103,726	5%
Average:		\$79,301	\$89,126	12%
Median:		\$82,609	\$82,402	0%
Reconciled Value/Unit Value:			\$82,000	
Subject Size:			195	
Indicated Value:			\$15,990,000	
As Is Fee Simple Value, Rounded:			\$16,000,000	

In order to test the reasonableness of our concluded value, we have also considered the ratio of land value per unit to the overall selling prices of the end units. The land-to-revenue ratio gives a general idea of how much developers are paying for land based on the projected year 1 revenue numbers. Of note, Comparable 1 sold in May 2018 and wasn't completed until 2021. Comparables 2 and 3 had a shorter time period between the land sale and the completion of the project. The ratio for the three comparables ranged from 5.42% to 9.25% or an average of 7.75%. If not for the longer time period between acquisition and completion of Comparable 1 and the large increase in market values over that time period, the ratio would be much higher. Utilizing the 2023 average condominium price for Comparable 1 results in an adjusted land allocation of \$69,909 per unit. The average land allocation of all three comparables after adjusting for current sales is \$83,926 per unit. A summary of these ratios and allocations is shown below:

Land Price - Sale Price Ratio								
Comp	Project Name	Address	Land Sale Price	Per Unit	Avg Condo Sale Price Yr 1	Land Price - Sale Price Ratio	2023 Avg Condo Sale Price	Adj. 2023 Land Allocation
1	Marina Bay	920 N Osceola Ave	\$4,875,000	\$56,034	\$1,033,975	5.42%	\$1,290,000	\$69,909
2	Dolphin Harbour	125 Island Way	\$2,680,000	\$99,259	\$1,157,000	8.58%	\$1,157,000	\$99,259
3	Azure	415 Island Way	\$3,800,000	\$82,609	\$893,044	9.25%	\$893,044	\$82,609
Average				\$79,301	\$1,028,006	7.75%	\$1,113,348	\$83,926
Indicated Unit Value for Subject							Rounded:	\$82,000

The 2023 condominium pricing for these three projects would support pricing of the subjects 195 units to be in the range of \$1,000,000 to \$1,200,000. Utilizing an average of \$1,100,000 and our previously concluded land value of \$82,000 per unit results in a land-to-revenue ratio of 7.45%. This figure is in line with the average of our three comparables. Therefore, our previously concluded market value of \$82,000 per unit would appear reasonable based on the comparables and the land-to-revenue ratio.

Sales Comparison Approach – 400 Unit Rental Apartment Site

In this valuation scenario, we have assumed the subject would have an encumbrance to develop a minimum of 400 apartment units without regard to the design of the building or underground parking requirement. It is likely that any private developer when presented with such an encumbrance would consider a wrap style project (utilizing a central above-ground concrete parking structure which is surrounded or “wrapped” by 4-8 stories).

For this analysis, we have not recreated the entire sales comparison approach, but have relied upon our previous discussion. We have only included analysis/adjustment on the differing variables.

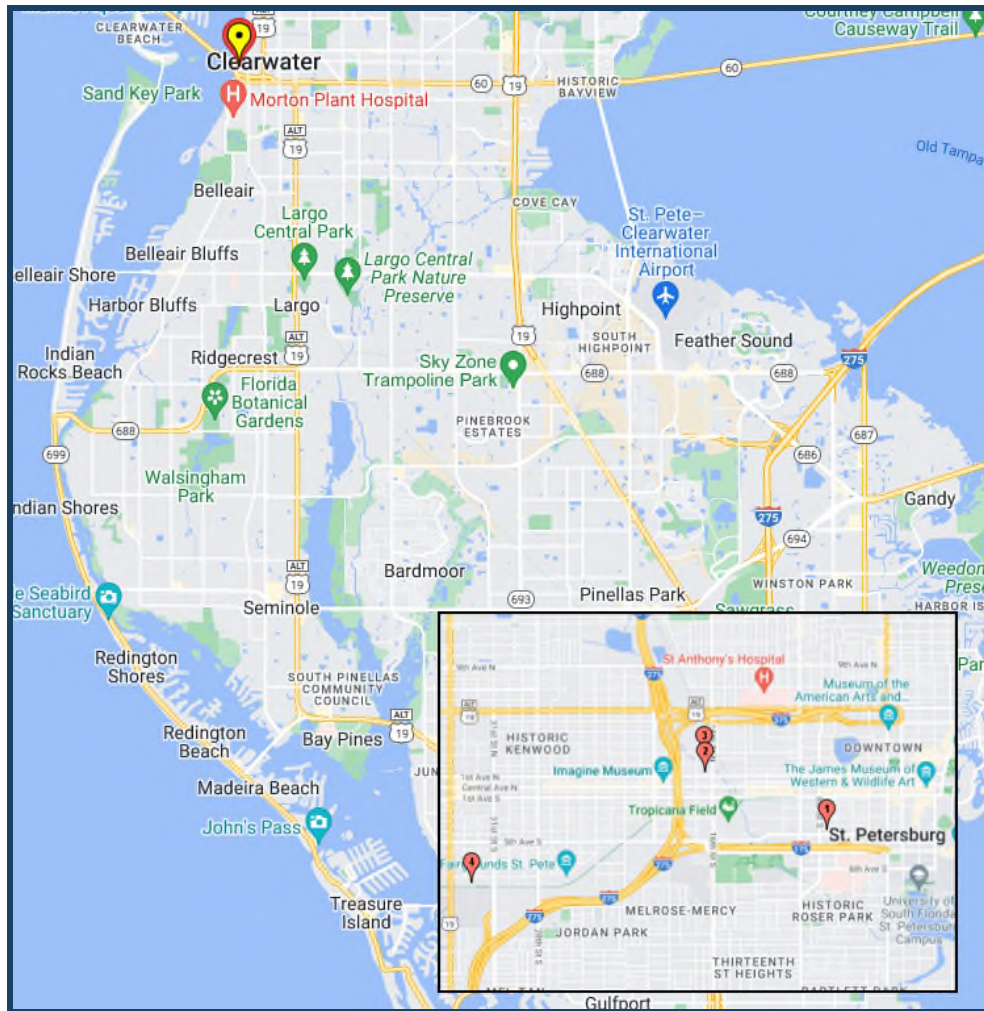
Comparable Sales Data

The subject is located in Clearwater. We have researched the Clearwater market for sales of land purchased for the development of apartments and have been unable to locate any. As a result, we have had to expand our search to neighboring cities in Pinellas County. We have found a number of apartment land sales in St. Petersburg for comparison to the subject.

The comparable land sales selected represent the best available for this analysis. The most widely used unit of comparison in this market for the subject property type is based on the development potential of the site on a residential per unit basis. As a result, we have analyzed the comparable sales on a price per unit.

The comparable land sales included in this appraisal report are summarized in the table below. The following page includes a location map for the comparable land sales and reflects proximity to the subject property. The Addenda contains comparable land sales data sheets. Given the characteristics of the subject site, as well as the information obtained for the comparable data, the comparables were analyzed through the application of a traditional adjustment grid using percentage adjustments.

Comp	Address City	Date Price	No. of Units Price Per Land Unit
Subject	112 S Osceola Ave Clearwater	--	400 --
1	720 Charles Ct S Saint Petersburg	6/3/2022 \$8,750,000	260 \$33,654
2	1625 1st Ave N Saint Petersburg	6/21/2022 \$6,500,100	244 \$26,640
3	1624-1662 Burlington Ave N St. Petersburg	1/13/2023 \$8,456,300	232 \$36,450
4	3200-3300 Fairfield Ave S & 695 31st St S Saint Petersburg	2/22/2023 \$5,850,000	264 \$22,159



Land Sales Map

The Adjustment Process

Property Level Characteristics

Location

The subject property is located at the northwest corner of S Osceola Ave and Pierce St in Clearwater. Each of the sales was adjusted, if required, for locational characteristics differing from those of the subject property. All of the sales are located in St. Petersburg. Sales 1, 2, and 3 are located in close proximity to Downtown St. Petersburg, requiring a downward adjustment. Sale 4 is located just west of Downtown St. Petersburg, requiring minimal adjustment for its similar location.

Land SF

The subject site is 113,256 square feet in size. Differences in land size were also considered. Significantly larger properties oftentimes have a smaller pool of potential buyers, which can result in lower pricing per unit of comparison relative to much smaller properties offering similar utility, based on the economies of scale. In downtown areas it appears that developer's highest preference is to utilize lots that are approximately 22,000 SF (half acre) to 55,000 SF (1.25 acres) for development. Many of the sales were assemblages or were being marketed with additional sites available to entice larger national developers, as well as smaller, local developers. Therefore, sites between 22,000 SF to 55,000 SF appear to be more desirable than those that are smaller or larger in size. The subject is much larger in size at 113,256 SF; therefore, downward adjustments are required for Sales 1, 2, & 3. These economies of scale size adjustments are supported by additional sales not utilized in the analysis.

Zoning/Density

There is generally an inverse size and rate relationship where lands producing a higher yield (units per acre) typically trade at a higher rate per acre and vice versa. With respect to density, those developments which have significantly higher density per acre generate much lower sale prices per unit due to the impact of economies of scale. Conversely lower density sites tend to generate higher rates per unit. Inherent within this theory, a typical purchaser will consider the total unit inventory and its risks associated with higher or lower unit count (density) and pay accordingly based on current market indices.


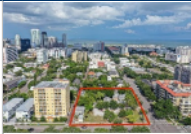



Sales 1, 2, & 3 all have a much higher density per acre and we have applied an upward adjustment to each sale compared to the subject's lower density per acre based on the related economies of scale. Comparable 4 has a lower density per acre, resulting in a downward adjustment.

Flood Zone

The subject and all the comparables are located in a flood zone X with no adjustments required.

Summary of Adjustments

The following table presents a summary of the adjustments for the underlying site.

Land Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4
					
Address	112 S Osceola Ave	720 Charles Ct S	1625 1st Ave N	1624-1662 Burlington Ave N	3200-3300 Fairfield Ave S & 695 31st St S
City	Clearwater	Saint Petersburg	Saint Petersburg	St. Petersburg	Saint Petersburg
State	FL	FL	FL	FL	FL
Date		6/3/2022	6/21/2022	1/13/2023	2/22/2023
Actual Price	--	\$8,750,000	\$6,500,100	\$8,456,300	\$5,600,000
Price Adjustment		\$0	\$0	\$0	\$250,000
Adjusted Price		\$8,750,000	\$6,500,100	\$8,456,300	\$5,850,000
Land SF	113,256	50,000	31,749	31,750	301,344
No. of Units	400	260	244	232	264
Price per Unit		\$33,654	\$26,640	\$36,450	\$22,159
Transaction Adjustments					
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%
Financing		Conventional	0.0%	Conventional	0.0%
Conditions of Sale		Arm's Length	0.0%	Arm's Length	0.0%
Expend. After Sale		\$0	\$0	\$0	\$0
Adjusted Price per Unit		\$33,654	\$26,640	\$36,450	\$22,159
Market Trends		0.0%	0.0%	0.0%	0.0%
Adjusted Price per Unit		\$33,654	\$26,640	\$36,450	\$22,159
Characteristics Adjustments					
Location		Superior	Superior	Superior	Similar
% Adjustment		-25%	-25%	-25%	0%
\$ Adjustment		-\$8,413	-\$6,660	-\$9,112	\$0
Land SF	113,256	50,000	31,749	31,750	301,344
% Adjustment		-10%	-10%	-10%	0%
Qualitative		Superior	Superior	Superior	Similar
\$ Adjustment		-\$3,365	-\$2,664	-\$3,645	\$0
Topography		Gently Sloping	Gently Sloping	Gently Sloping	Gently Sloping
% Adjustment		0%	0%	0%	0%
Qualitative		Similar	Similar	Similar	Similar
\$ Adjustment		\$0	\$0	\$0	\$0
Shape	Roughly rectangular	Rectangular	Rectangular	Rectangular	Rectangular
% Adjustment		0%	0%	0%	0%
Qualitative	Similar	Similar	Similar	Similar	Similar
\$ Adjustment		0.00	0.00	0.00	0.00
Utilities	Available to Site	Available to Site	Available to Site	Available to Site	All to Site
% Adjustment		0%	0%	0%	0%
Qualitative		Similar	Similar	Similar	Similar
\$ Adjustment		\$0	\$0	\$0	\$0
Zoning	D	DC-2	DC-2	DC-2	IT
Proposed Density	153.8	226.5	334.8	318.3	38.2
% Adjustment		10%	15%	15%	-5%
Qualitative		Inferior	Inferior	Inferior	Superior
\$ Adjustment		\$3,365	\$3,996	\$5,467	-\$1,108
Flood Zone	Zone X	Zone X	Zone X	Zone X	Zone X
% Adjustment		0%	0%	0%	0%
Qualitative		Similar	Similar	Similar	Similar
\$ Adjustment		\$0	\$0	\$0	\$0
Adjusted Price per Unit		\$25,240	\$21,312	\$29,160	\$21,051
Net Adjustments		-25.0%	-20.0%	-20.0%	-5.0%

Land Sale Value Metrics – Fee Simple Market Value

The following table presents the metrics for the unadjusted and adjusted land sales. The table also presents the concluded market value per unit for the subject property. Equal weight is given in arriving at our reconciled value of \$22,500, just below the median price.

Land Value Ranges & As Is Reconciled Value				
Number of Comparables:	4	Unadjusted	Adjusted	% Δ
Low:		\$22,159	\$21,051	-5%
High:		\$36,450	\$29,160	-20%
Average:		\$29,726	\$24,191	-19%
Median:		\$30,147	\$23,276	-23%
Reconciled Value/Unit Value:			\$22,500	
Subject Size:			400	
Indicated Value:			\$9,000,000	
Reconciled Final As Is Value:			\$9,000,000	

Valuation – 400 Unit, Single Tower Rental Apartment Site (Revised Gotham Proposal)

Development Proposal

In 2022, Clearwater council and the Gotham Group signed a development agreement that includes purchasing the subject City Hall site for \$15.4 million and the Harborview Center site for \$9.3 million.

The city would offer developer incentives, \$1.5 million toward impact fees to be paid for by the Community Redevelopment Agency, the creation of a special downtown tax district, up to \$2 million to split the cost of a pedestrian bridge and \$22 million for two underground parking garages to be paid from the city's parking fund.

Gotham has since stated that the market has changed so dramatically they can no longer proceed with their plans and are proposing a scaled-down development and seeking to reduce the price of the subject City Hall site. The initial proposal included two 27-story towers with at least 500 apartments, with the current proposal being a single tower with 400 units. Two levels of subsurface parking will also be eliminated in the new proposal. A summary of their "Pathway to a Groundbreaking" for the revised proposal is shown below:

PATHWAY TO A GROUNDBREAKING

The following adjustments are proposed to allow the project to pass the minimum YTC threshold:

Reduced residential to a single, 400-unit tower, allowing for:

- Shorter construction schedule (approximately 12 fewer months of construction and 9-12 months of lease up)
- Reduction in interest and carry costs during construction and lease up
- Eliminated most expensive sub cellular parking while maintaining ground level perimeter as active uses
- Increased parking ratio from 1:1 to 1.1:1 (10% increase)

How do we make the project financially feasible today?

1. Through changes to the program, shorter construction and lease up duration, and value engineering, we reduced the gap by **~\$56.0M**.
2. Maintain parking contribution of \$17M (would otherwise be reduced by **\$4.8M** based on 440 spaces)
3. Modify purchase price to \$7.6M (from \$15.4M = savings of **\$7.8M**) per 2021 City's appraisal as a purchase money mortgage (PMM) at 0% interest, to be paid upon stabilization but not later than 5 years from closing (NPV of PMM = **\$3.4M**)
4. Identify additional **\$4.0M** City contribution
5. Development team commits to close the remaining **~\$4.0M** gap

Sources & Uses		
Uses		\$/Unit
Acquisition Costs	\$7,600,000	\$19,000
Hard Costs	\$175,040,000	\$437,600
Soft Costs	\$22,528,329	\$56,321
Financing Costs	\$7,700,376	\$19,770
Operating Deficit	\$206,286	\$516
Total Uses	\$213,074,892	\$532,687
Sources		
Debt	55.0%	\$117,191,190
City Funds - Parking + Other	9.9%	\$21,000,000
City Funds - Bridge	0.5%	\$1,000,000
City Funds - Permit + Impact Fees	0.4%	\$952,311
Purchase Money Mortgage	3.6%	\$7,600,000
Equity	30.7%	\$65,331,390
Total Sources		\$213,074,892

April 17, 2023 - Reduced PP	
Building Program	
Gross SF	618,314
Net Rentable SF (Resi)	354,703
Net Rentable SF (Retail)	15,900
Apartments (#)	400
Parking Spaces (#)	440
Effective Gross Income	\$15,666,942
Total Operating Expenses	\$4,998,161
Net Operating Income	\$10,668,781
Residential Rent PSF	\$3.60
Yield to Cost - Untrended	5.87%
Hard Costs	\$175,040,000
Land Costs	\$7,600,000
Financing Costs	\$7,700,376
Soft Costs	\$22,734,515
Total Development Costs	\$213,074,892

The City hired HR&A Advisors to evaluate the modifications to the development agreement that the Buyer has proposed. Based on HR&A's preliminary guidance, the City is now preparing to make a counter-offer. We have been asked to evaluate the market value of the land under this new proposal. We have nearly fully relied upon the figures provided in the Gotham presentation and the HR&A analysis provided, with a few exceptions. The aim of this approach is to develop an indication of what the market would consider an acceptable yield to cost (YTC = Net Operating Income/Total Development Cost), capitalization rate and resultantly what the subject property would sell for under the deed restrictions of the development agreement.

Valuation Analysis

To estimate the value of the subject with a deed restriction only allowing for the previously described development, we have relied upon the financial information provided by both the developer (Gotham) and the City consultant (HR&A). Utilizing this information, we have employed a land residual technique which is a form of the yield capitalization methodology. We have considered both the capitalization rate and yield to cost in our approach.

HR&A has completed a review of Gotham's financial model and found that most of the real estate market assumptions employed are in alignment with market trends, industry standards, and prior transactions. HR&A identified a financial gap of approximately \$76.5 to \$80.0 million under the Revised Proposal, in comparison with the approximate \$80 million financial gap that Gotham identified.

There is one major item of disagreement that we have considered in our valuation. Both Gotham and HR&A have utilized a rate of \$5,750 per unit per year for property taxes. The HR&A report states that an income approach was utilized to estimate this figure.

The following table presents our projected real estate taxes, including non-ad valorem assessments and any cap adjustments that would be applied to the subject property.

Projected Real Estate Taxes

Total Construction Costs (Excluding Land Value)	\$205,474,891
Assessment Ratio	85%
Assessed Value	\$174,653,657
Current Millage Rate	20.36210
Projected Ad Valorem Taxes	\$3,556,315
Current Non-Ad Valorem Taxes	\$0
Real Estate Taxes	\$3,556,315
Payment Discount	4.0%
Total Taxes After December Payment Discount	\$3,414,063
Total Taxes Per Proposed Unit	\$8,535

We have utilized an assessment ratio of 85% of the total construction costs to determine the projected assessed value upon completion. Of note, due to the complex number of development variables for the subject proposal and resultant changing land values, we have excluded any land value from our construction cost estimate. If a land value were to be included, it is likely that the total taxes would increase.

We have also noted that the total operating expenses that HR&A estimates does not match the amount stated in the Gotham proposal. As shown below, Gotham has estimated total operating expenses of \$4,998,161 or \$12,495 per unit.

April 17, 2023 - Reduced PP	
Building Program	
Gross SF	618,314
Net Rentable SF (Resi)	354,703
Net Rentable SF (Retail)	15,900
Apartments (#)	400
Parking Spaces (#)	440
Effective Gross Income	\$15,666,942
Total Operating Expenses	\$4,998,161
Net Operating Income	\$10,668,781
Residential Rent PSF	\$3.60
Yield to Cost - Untrended	5.87%
Hard Costs	\$175,040,000
Land Costs	\$7,600,000
Financing Costs	\$7,700,376
Soft Costs	\$22,734,515
Total Development Costs	\$213,074,892

The Gotham proposal does not break the expenses down further into individual items. Utilizing the more detailed information from the HR&A report, the Gotham figures appear to be comprised of taxes of \$5,750 per unit, insurance of \$1,800 per unit and operating expenses of \$4,945 per unit. The HR&A figures at first glance appear to be similar, however when taking into account the \$8,039 per unit operating expense line item (exclusive of taxes and inclusive of insurance, page 12 of HR&A report), the total expenses are \$1,294 per unit higher in the HR&A report. For our purposes, we have utilized the lower operating expense estimates utilized in the Gotham proposal (with the exception of taxes). A summary of our proforma, Gotham and HR&A expenses are shown below:

Expense Summary

	Entreken Proforma	HR&A	Gotham
Taxes	\$8,535	\$5,750	\$5,750
Insurance	\$1,800	\$1,800	\$1,800
Operating Expenses	\$4,945	\$6,239	\$4,945
Total Expenses Per Unit	\$15,280	\$13,789	\$12,495
Total Expenses	\$6,112,161	\$5,515,600	\$4,998,161

To test the reasonability of the operating expenses, we have surveyed four other apartment properties in the surrounding area. The operating expenses (excluding insurance and taxes) ranged from \$5,029 to \$5,652 per unit, or an average of \$5,293 per unit. Our estimate of \$4,945 appears reasonable. The insurance amount of \$1,800 per unit was also considered reasonable, as we have relied upon a recently constructed, similar sized apartment building in Tampa where the insurance cost was reported at \$1,700 per unit.

In order to determine if the subject return on cost estimations are sufficient to meet market demands, we have considered several resources. It should be noted the majority of these resources include returns for similar multifamily projects and consider Yield to Cost, Internal Rate of Return and Capitalization Rates. However, the majority of this data represent stabilized projects as opposed to the subject which will be newly constructed and unstabilized. For the subject property, we are considering a project which is land only to be developed into a multifamily project which would typically be a greater risk to an investor than a stabilized project in the market.

The following resources were considered in determining market acceptable returns:

According to the PwC Real Estate Investor Survey, Third Quarter 2023, expected discount rates or internal rates of return for stabilized multifamily properties is shown on the following page:

SOUTHEAST REGION APARTMENT MARKET

Third Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	6.00% – 9.00%	6.00% – 8.00%	5.00% – 7.00%	6.00% – 9.50%	5.75% – 10.00%
Average	6.96%	6.58%	5.80%	7.08%	7.55%
Change (Basis Points)		+ 38	+ 116	- 12	- 59
OVERALL CAP RATE (OAR)^a					
Range	4.50% – 6.00%	4.50% – 6.00%	3.00% – 4.50%	4.00% – 6.50%	2.95% – 6.50%
Average	5.25%	5.10%	4.00%	5.00%	5.15%
Change (Basis Points)		+ 15	+ 125	+ 25	+ 10
RESIDUAL CAP RATE					
Range	4.75% – 6.25%	4.75% – 6.50%	3.50% – 5.00%	4.75% – 7.00%	4.00% – 7.00%
Average	5.50%	5.53%	4.55%	5.58%	5.80%
Change (Basis Points)		- 3	+ 95	- 8	- 30
MARKET RENT CHANGE^b					
Range	0.00% – 4.00%	0.00% – 5.00%	0.00% – 5.00%	0.00% – 2.50%	1.00% – 5.50%
Average	2.67%	3.20%	3.10%	1.15%	3.05%
Change (Basis Points)		- 53	- 43	+ 152	- 38
EXPENSE CHANGE^b					
Range	2.00% – 5.00%	2.00% – 5.00%	2.00% – 5.00%	2.00% – 4.00%	2.00% – 5.00%
Average	3.17%	3.40%	3.20%	2.90%	3.00%
Change (Basis Points)		- 23	- 3	+ 27	+ 17
MARKETING TIME^c					
Range	3 – 6	3 – 6	1 – 6	1 – 8	1 – 6
Average	4.2	4.0	3.4	4.0	4.0
Change (▼, ▲, =)		▲	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(10.0%) – 5.0%	(10.0%) – 0.0%	(10.0%) – 10.0%	(2.0%) – 2.0%	0.0% – 10.0%
Average	(1.7%)	(2.5%)	0.8%	0.2%	2.5%
Change (▼, ▲, =)		▲	▼	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during July 2023

As illustrated, capitalization rates for apartments in Southeast Region 4.75% to 5.50%, with an average of 5.25%. Discount rates (IRR) for stabilized apartment projects range from 6.00% to 9.00%. However, it should be noted this range represents stabilized projects that have been developed and units that have been absorbed/leased up. Further, the capitalization rates and yield on cost are based on net operating income for a single year and do not consider all the other years in the holding period like an IRR does. Creating a multiyear proforma would allow for analysis over the entire holding period. This however, is beyond the scope of this report.

In addition, the PWC Real Estate Investor Survey illustrates various yields for mortgages, treasuries, and a composite (PYI) of all of the stabilized IRR properties. Once again, we recognize that these represent properties which have been constructed and are stabilized as opposed to the subject property which is being developed and inherently will have more risk from development to stabilization.

YIELD COMPARISON

July 1, 2023

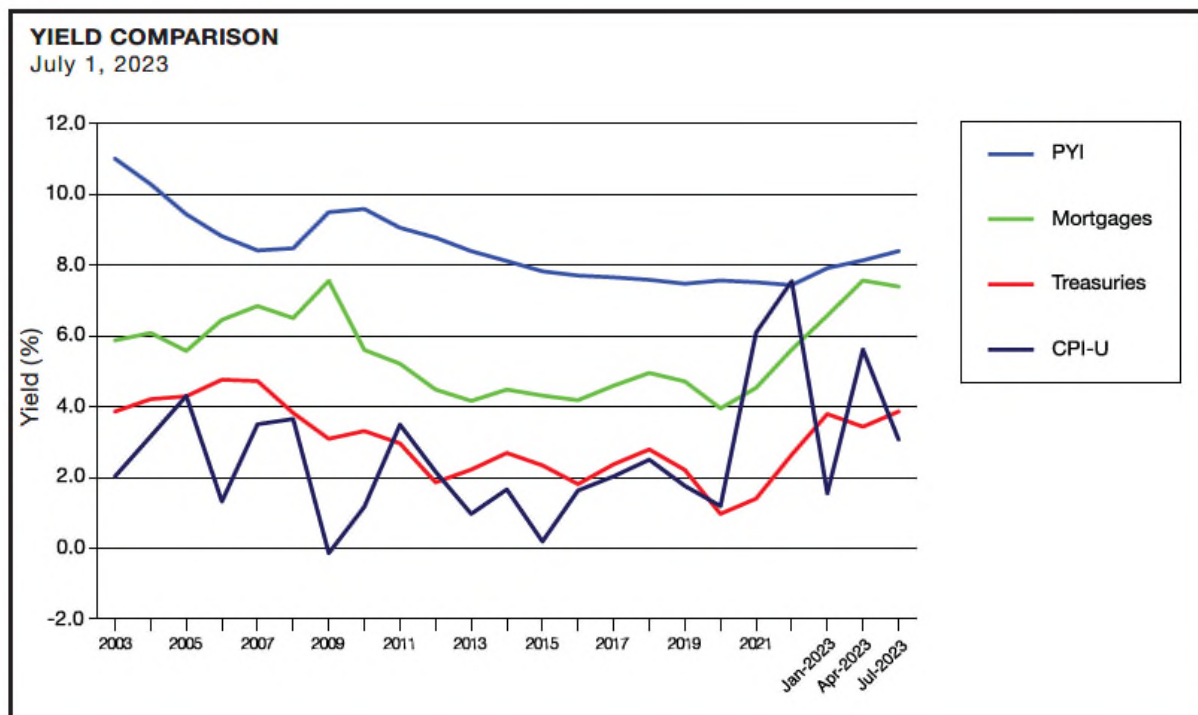
	2018 AVERAGE	2019 AVERAGE	2020 AVERAGE	2021 AVERAGE	2022 AVERAGE	2023 JANUARY	2023 APRIL	2023 JULY
PwC Yield Indicator (PYI) ^a	7.58%	7.47%	7.56%	7.51%	7.43%	7.91%	8.13%	8.39%
Long-Term Mortgages ^b	4.95%	4.71%	3.95%	4.53%	5.61%	6.57%	7.56%	7.39%
10-Year Treasuries ^c	2.79%	2.21%	0.97%	1.40%	2.64%	3.79%	3.43%	3.86%
Consumer Price Index Change ^d	2.50%	1.76%	1.19%	6.09%	7.54%	1.55%	5.61%	3.07%
SPREAD TO PYI (Basis Points)								
Long-Term Mortgages	263	276	361	298	182	134	57	100
10-Year Treasuries	479	526	659	611	479	412	470	453
Consumer Price Index Change	508	571	755	142	(11)	636	252	532

a. A composite IRR average of all markets surveyed (excluding hotels, development land, self storage, and student housing).

b. Source: Survey; Select Commercial Funding; Commercial Loan Direct; conventional funding, 60% to 80% LTV loans; fixed rates; 6- to 30-year terms.

c. Source: Federal Reserve; the annual average change is the mean of the four corresponding quarters.

d. Source: U.S. Department of Labor; quarterly changes are annualized based on the index change from the prior quarter; the annual average change is the mean of the four corresponding quarters.



As stated in the HR&A analysis, Gotham utilized a 5.25% cap rate in their revised proposal. This is 62 basis points below their yield on cost of 5.87% (though they state a required 6% YTC threshold). The subject projected return on cost would fall below those expectations for cap rates in markets throughout the United States with the focus being on those in the Tampa market ranging from 4.75% to 5.50% return for stabilized projects. These are derived from the CBRE, United States Cap Rate Survey, First Half 2023, U.S. Multifamily Suburban. Yield to Cost, cap rates and the risk-free rate are typically related. The yield on cost is also used to calculate the development spread, which is the difference between the yield on cost and the market-based cap rate for similar but already existing buildings in the same market. The development spread tells you how much additional return you are earning in exchange for taking on all the risk of construction and development. Developers would typically use a 50 to 150 basis point premium over prevailing market cap rates to determine an appropriate YTC.

Multifamily Suburban

South

Market	Class A Stabilized		Class A Value-add	
	H2 2022	H1 2023	H2 2022	H1 2023
Atlanta	4.75% - 5.25%	5% - 5.5%	5.25% - 5.75%	5.5% - 6%
Austin	4% - 4.5%	3.75% - 4.5%	4% - 4.5%	3.75% - 4.5%
Charlotte	4.25% - 4.75%	4.25% - 5%	4.25% - 4.75%	4.25% - 5%
Dallas	4% - 5%	4.5% - 5%	4% - 4.75%	4.5% - 5%
Houston	4.5% - 5%	4.5% - 5%	5% - 5.5%	5% - 5.5%
Jacksonville	4.5% - 5.25%	5% - 5.5%	5% - 6%	5% - 5.5%
Nashville	4.25% - 5%	4.5% - 5.5%	4.5% - 5.5%	4.25% - 5.25%
Orlando	4.25% - 5%	4.75% - 5.25%	4.25% - 5%	5% - 5.5%
Raleigh-Durham	4.25% - 4.75%	4.25% - 5%	4.75% - 5.25%	4.75% - 5.25%
Richmond	4.75% - 5.5%	5.25% - 5.75%	4.5% - 6%	5.5% - 6%
San Antonio	4% - 4.5%	4% - 4.75%	4.25% - 4.75%	4% - 4.75%
Tampa	4.5% - 5%	4.75% - 5.5%	5% - 5.5%	5.25% - 5.75%
Tulsa	5.25% - 6%	5.25% - 6%	5.25% - 6%	5.25% - 6%
West Palm Beach	-	4% - 4.75%	-	4.25% - 5%

We have also had discussions with various developers and brokers active in the Tampa-St. Petersburg-Clearwater metro area regarding required investment returns in the multi-family market. This includes Patrick Dufour and Mathew Everett at Newmark, Jason Puckett at Collier Group and Michael Minberg at Sight Development. The consensus is that cap rates for new multi-family projects similar to the subject would be in the range of 5.00% to 5.50%, with a 100 to 150 basis point premium to account for the development spread to arrive at a YTC in the range of 6.00% to 6.50%.

Land Residual – Capitalization Rate

We have relied upon the data provided by both HR&A and Gotham (with the exception of the real estate taxes), and we have first considered the value of the subject under an Income Approach to Value, to determine the residual value of the land. We have utilized the total development costs provided in the Gotham proforma (excluding land value) and a 5.00% capitalization rate, as summarized below. This results in a residual land value of -\$14,400,000.

Proforma

Income			
Effective Gross Income			\$15,666,942
Less: Expenses			
Tax Expense	\$8,535	/unit	\$3,414,000
Insurance	\$1,800	/unit	\$720,000
Other Operating Expenses	\$4,945	/unit	\$1,978,161
Total Operating Expenses	\$15,280		\$6,112,161
Net Operating Income			\$9,554,781
Sensitivity Analysis	Cap Rate	Value	Per Unit
	4.50%	\$212,328,467	\$530,821
	4.75%	\$201,153,284	\$502,883
	5.00%	\$191,095,620	\$477,739
	5.25%	\$181,995,829	\$454,990
	5.50%	\$173,723,291	\$434,308

Value

Interest Appraised	Value Conclusion (Rounded)
Stabilized 400 unit Single Tower Proposal	\$191,000,000
Less: Total Development Costs (excl. land)	\$205,400,000
Residual Land Value	-\$14,400,000

Land Residual – Yield to Cost Rate

We have also considered the impact a change to Yield to Cost would have on the market value of the land. Of note, the YTC included in the Gotham report is equal to the NOI divided by the Total Development Cost less the net of subsidy and hard cost escalation. We have carried the same amount of net subsidy and hard cost escalation (\$31,250,000) in our calculation as utilized by Gotham.

We have estimated a desired YTC of 6.00% for a land development multifamily project based on the previous discussion as well as expectations from previous development clients. There is considerable risk in the market given rising construction costs, rising operating costs such as insurance and maintenance, an increase in multifamily supply, and relatively strict lending standards which are currently in effect. Of note, utilizing the figures from the revised Gotham development proposal and our estimate for taxes, results in an untrended YTC of 5.25% still including land costs at \$7,600,000.

The chart below recreates the Gotham proposal and our estimate for taxes, as well as outlines our estimated market value as encumbered at a 6.00% YTC, shown in the sensitivity analysis. At a 6.00% YTC, this results in a residual land value of -\$15,000,000.

Revised Gotham Development Proposal

October 17, 2023 - Entreken Proforma			
Building Program			
Gross SF			618,314
Net Rentable SF (Res)			354,703
Net Rentable SF (Retail)			15,900
Apartments (#)			400
Parking Spaces (#)			440
Effective Gross Income			\$15,666,942
Total Operating Expenses			\$6,112,161
Net Operating Income			\$9,554,781
Residential Rent PSF			\$3.60
Yield to Cost - Untrended			5.25%
Hard Costs			\$175,040,000
Land Costs			\$7,600,000
Financing Costs			\$7,700,376
Soft Costs			\$22,734,515
Total Development Costs			\$213,074,891
Sensitivity Analysis	YTC	Land Value	Per Unit
	6.50%	-\$27,228,260	-\$68,071
	6.25%	-\$21,348,395	-\$53,371
	6.00%	-\$14,978,541	-\$37,446
	5.75%	-\$8,054,787	-\$20,137
	5.50%	-\$501,600	-\$1,254
	5.25%	\$7,600,000	\$19,000

Value

Interest Appraised	Value Conclusion (Rounded)
Deed Restricted - Revised Gotham 400 unit Single Tower Proposal	-\$15,000,000

Value Summary - 400 Unit, Single Tower Rental Apartment Site (Revised Gotham Proposal)

In order to determine the current market value of the land, we have also been asked to consider the total subsidies that will be provided for the subject development. According to the contact at the City of Clearwater, the subsidies in place total \$18,136,781. Therefore, this amount has been used to adjust the residual value indication. A summary of the value of the subject after including these city funds is shown below:

Value Conclusion

Interest Appraised	Value Conclusion (Rounded)
Residual Land Value - Income Method	-\$14,400,000
Residual Land Value - YTC Method	-\$15,000,000
Residual Land Value Conclusion	-\$14,700,000
Add: Total Subsidies	\$18,136,781
Land Value (including Subsidies)	\$3,436,781
Land Value (including Subsidies), Rounded	\$3,450,000

Final Reconciliation

The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

The value indications and conclusions developed for the subject property as of October 17, 2023, subject to the Assumptions and Limiting Conditions, are summarized in the following table.

Value Conclusions

Premise	Interest Appraised	Effective Date	Value Conclusion	Estimated Marketing
Current Market Value	Fee Simple	10/17/2023	\$16,000,000	5-7 months
Current Market Value	Deed Restricted - 400+ unit Apartment Project	10/17/2023	\$9,000,000	5-7 months
Current Market Value	Deed Restricted - Revised Gotham 400 unit Single Tower Proposal - Including Subsidies	10/17/2023	\$3,450,000	5-7 months

According to the Appraisal Standards Board (ASB) of the Appraisal Foundation, “reasonable marketing time” is an estimate of the amount of time it might take to sell a property interest at the estimated Market Value during the period immediately after the effective date of the report. It is not intended to be a prediction of a specific date of sale and, therefore, may be expressed as a range. Exposure time is defined as the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at Market Value on the effective date of report. Based upon the sales presented herein, an exposure period of 5-7 months is considered reasonable. Marketing time is also concluded at 5-7 months.

Certification Statement

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, impartial, and unbiased professional analyses, opinions and conclusions.
3. We have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
8. Nathan Stienstra (Senior Real Estate Analyst) provided significant real property assistance to the appraiser signing the certification. Assistance included gathering, analyzing and reporting zoning, tax information, and assisting with portions of the valuation analysis.
9. We certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the firm.
10. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. The appraiser has not performed any services regarding the subject within the three-year period immediately preceding acceptance of this assignment.
13. Wesley R. Sanders, MAI, AI-GRS, CCIM has made an inspection of the subject property.

As of the date of this report, Wesley Sanders, MAI, AI-GRS, CCIM has completed the requirements of the continuing education program for Designated Members of the Appraisal Institute. As of the date of this report, Wesley Sanders, MAI, AI-GRS, CCIM has completed the requirements of the Department of Business and Professional Regulation under the provisions of Chapter 475 FS of the Florida Real Estate Appraisal Board.



Wesley R. Sanders, MAI, AI-GRS, CCIM
Senior Managing Director
State-Certified General Real Estate Appraiser RZ2911

Basic Assumptions and Limiting Conditions

1. By this notice, all persons, companies, or corporations using or relying on this report in any manner bind themselves to accept these contingent and limiting conditions, and all other contingent and limiting conditions contained elsewhere in this report. Do not use any portion of this report unless you fully accept all contingent and limiting conditions contained throughout this document.
2. Throughout this report, the singular term "Appraiser" also refers to the plural term "Appraisers". The terms "Appraiser" and "Appraisers" refer collectively to "Entreken Associates, Inc.", its officers, employees, contractors, and associate appraisers. The masculine terms "he" or "his" also refer to the feminine term "she" or "her".
3. These conditions are an integral part of this appraisal report, and are a preface to any certification, definition, description, fact, or analysis. Moreover, these conditions are intended to establish as a matter of record that the purpose of this report is to provide one or more value opinions for the subject property. All value opinions are prepared solely for the explicitly identified client and other explicitly identified intended users.
4. Value opinions involve only real estate, and inconsequential personal property. Unless explicitly stated otherwise, value conclusions do not include personal property, un-affixed equipment, trade fixtures, business-good will, chattel, or franchise items of material worth.
5. As part of this appraisal, information was gathered and analyzed to form value opinion(s) that pertain solely to one or more explicitly identified effective value dates. The effective value date is the only point in time that the value applies. Information about the subject property, neighborhood, comparables, or other topics discussed in this report was obtained from sensible sources. In accordance with the extent of research disclosed in the Scope of Work section, all information cited herein was examined for accuracy, is believed to be reliable, and is assumed reasonably accurate. However, no guaranties or warranties are made for this information. No liability or responsibility is assumed for any inaccuracy which is outside the control of the Appraiser, beyond the scope of work, or outside reasonable due diligence of the Appraiser.
6. Real estate values are affected by many changing factors. Therefore, any value opinion expressed herein is considered credible only on the effective value date. Every day that passes thereafter, the degree of credibility wanes as the subject changes physically, the economy changes, or market conditions change. The Appraiser reserves the right to amend these analyses and/or value opinion(s) contained within this appraisal report if erroneous, or more factual-information is subsequently discovered. No guarantee is made for the accuracy of estimates or opinions furnished by others, and relied upon in this report.
7. This appraisal is not an engineering, construction, legal, or architectural study. It is not an examination or survey of any kind. Expertise in these areas is not implied. The Appraiser is in no way responsible for any costs incurred to discover, or correct any deficiency in the property. In the case of limited partnerships, syndication offerings, or stock offerings in the real estate, the client agrees that in case of lawsuit (brought by the lender, partner, or part owner in any form of ownership, tenant, or any other party), the client will hold Entreken Associates, Inc., its officers, contractors, employees and associate appraisers completely harmless. Acceptance of, and/or use of this report by the client, or any third party is prima facie evidence that the user understands, and agrees to all these conditions.
8. Unless specifically stated otherwise herein, the Appraiser is unaware of any engineering study made to determine the bearing capacity of the subject land, or nearby lands. Improvements in the vicinity, if any, appear to be structurally sound. It is assumed soil and subsoil conditions are stable and free from features that cause supernormal costs to arise. It is also assumed existing soil conditions of the subject land have proper load bearing qualities to support the existing improvements, or proposed improvements appropriate for the site. No investigations for potential seismic hazards were made. This appraisal assumes there are no conditions of the site, subsoil, or structures, whether latent, patent, or concealed that would render the subject property less valuable. Unless specifically stated otherwise in this document, no earthquake compliance report, engineering report, flood zone analysis, hazardous substance determination, or analysis of these unfavorable attributes was made, or ordered in conjunction with this appraisal report. The client is strongly urged to retain experts in these fields, if so desired.
9. For appraisals of multifamily property, only a portion of all dwellings was observed. A typical ratio of observed dwellings roughly approximates 10% of the total number of units, and this ratio declines as the number of dwellings grows. It is assumed the functionality, physical condition, and interior finish of unseen units are similar to the functionality, physical condition, and interior finish of observed units. If unobserved dwellings significantly differ from those that were viewed in functionality, physical condition, or finish, the Appraiser reserves the right to amend these analysis and/or value opinion(s).
10. If this appraisal values the subject as though construction, repairs, alterations, remodeling, renovation, or rehabilitation will be completed in the future, it is assumed such work will be completed in a timely fashion, using non-defective materials, and proper workmanship. All previously completed work is assumed to substantially conform to plans, specifications, descriptions, or attachments made or referred to herein. It is also assumed all planned, in-progress, or recently completed construction complies with the zoning

ordinance, and all applicable building codes. A prospective value opinion has an effective value date that is beyond or in the future relative to the report preparation date. If this appraisal includes a prospective valuation, it is understood and agreed the Appraiser is not responsible for an unfavorable value effect caused by unforeseeable events that occur before completion of the project.

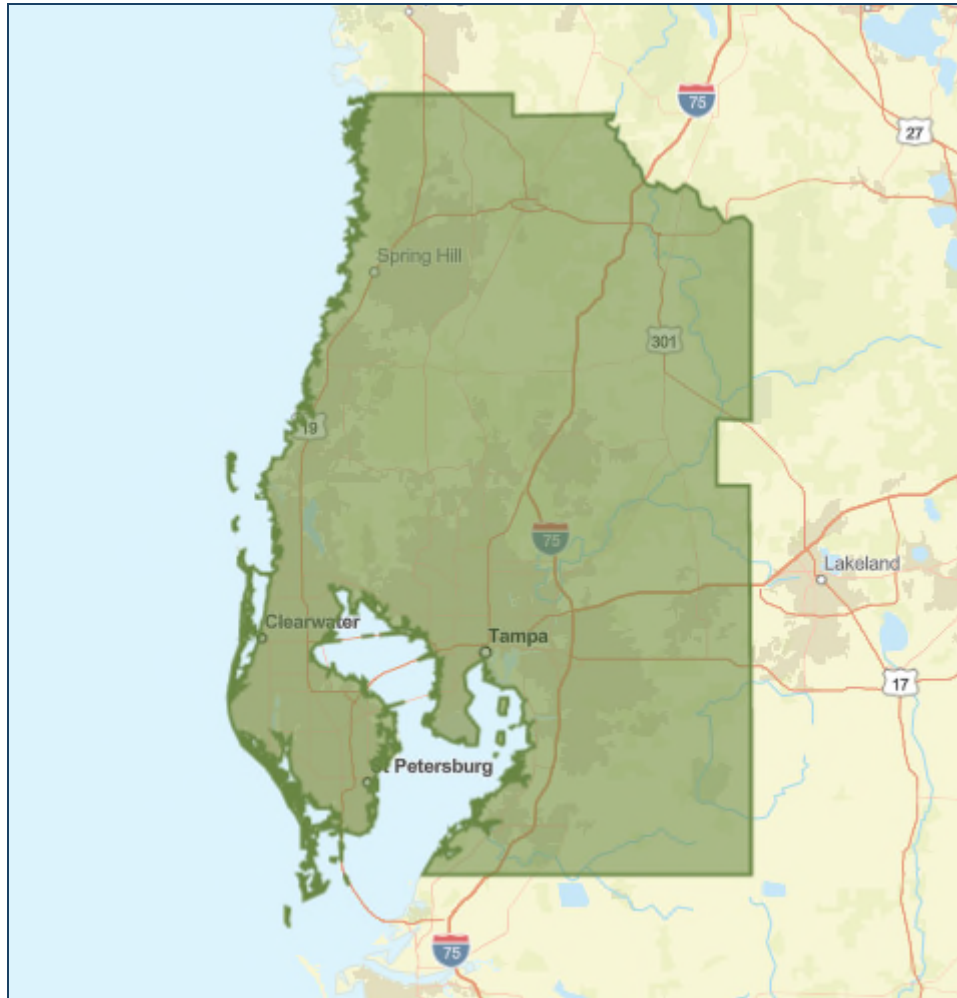
11. This valuation may or may not include an observation of the appraised property by a signatory to this report. The extent of any observation is disclosed in the Scope of Work section of this report. Any observation by a signatory is not, and should not be misconstrued as a professional property inspection. Comments or descriptions about physical condition of the improvements, if any, are based solely on a superficial visual observation. Electric, heating, cooling, plumbing, water supply, sewer or septic, mechanical equipment, and other systems were not tested. No determination was made regarding the operability, capacity, or remaining physical life of any component in, on, or under the real estate appraised. All building components are assumed adequate and in good working order unless stated otherwise. Private water wells and private septic systems are assumed sufficient to comply with federal, state, or local health safety standards. No liability is assumed for the soundness of structural members since structural elements were not tested or studied to determine their structural integrity. The roof cover for all structures is assumed water tight unless otherwise noted. Comments regarding physical condition are included to familiarize the reader with the property. This document is not an engineering or architectural report. If the client has any concern regarding structural, mechanical or protective components of the improvements, or the adequacy or quality of sewer, water or other utilities, the client should hire experts in an appropriate discipline before relying upon this report. No representations are made herein as to these matters unless explicitly stated otherwise in this report.
12. If this appraisal values an interest that is less than the whole fee simple estate, then the following disclosure applies. The value for any fractional interest appraised plus the value of all other complementary fractional interests may or may not equal the value of the entire fee simple estate.
13. An appraised property that is a physical portion of a larger parcel or tract is subject to the following limitations. The value opinion for the property appraised pertains only to that portion defined as the subject. This value opinion should not be construed as applying with equal validity to other complementary portions of the same parcel or tract. The value opinion for the physical portion appraised plus the value of all other complementary physical portions may or may not equal the value of the whole parcel or tract.
14. No liability is assumed for matters of legal nature that affect the value of the subject property. Unless a clear statement to the contrary is made in this report, value opinion(s) formed herein are predicated upon the following assumptions. (A) The real property is appraised as though, and assumed free from all value impairments including yet not limited to title defects, liens, encumbrances, title claims, boundary discrepancies, encroachments, adverse easements, environmental hazards, pest infestation, leases, and atypical physical deficiencies. (B) All real estate taxes and assessments, of any type, are assumed fully paid. (C) The property being appraised is assumed to be owned under responsible and lawful ownership. (D) It is assumed the subject property is operated under competent and informed management. (E) The subject property was appraised as though, and assumed free of indebtedness. (F) The subject real estate is assumed fully compliant with all applicable federal, state, and local environmental regulations and laws. (G) The subject is assumed fully compliant with all applicable zoning ordinances, building codes, use regulations, and restrictions of all types. (H) All licenses, consents, permits, or other documentation required by any relevant legislative or governmental authority, private entity, or organization have been obtained, or can be easily be obtained or renewed for a nominal fee.
15. The allocation of value between the subject's land and improvements, if any, represents our judgment only under the existing use of the property. A re-evaluation should be made if the improvements are removed, substantially altered, or the land is utilized for another purpose.
16. The Appraiser assumes a prospective purchaser of the subject is aware of the following. (A) This appraisal of the subject property does not serve as a warranty on the physical condition of the property. (B) It is the responsibility of the purchaser to carefully examine the property, and to take all necessary precautions before signing a purchase contract. (C) Any estimate for repairs is a non-warranted opinion of the Appraiser.
17. Any exhibits in the report are intended to assist the reader in visualizing the subject property and its surroundings. The drawings are not surveys unless specifically identified as such. No responsibility is assumed for cartographic accuracy. Drawings are not intended to be exact in size, scale, or detail.
18. Conversion of the subject's income into a market value opinion is based upon typical financing terms that were readily available from a disinterested, third party lender on this report's effective date. Atypical financing terms and conditions do not influence market value, but may affect investment value.
19. All information and comments concerning the location, market area, trends, construction quality, construction costs, value loss, physical condition, rents, or any other data for the subject represent estimates and opinions of the Appraiser. Expenses shown in the Income Approach, if used, are only estimates. They are based on past operating history, if available, and are stabilized as generally typical over a reasonable ownership period.
20. The Appraiser is not required to give testimony or appear in court because of having prepared this report unless arrangements are agreed to in advance. If the Appraiser is subpoenaed pursuant to court order, the client agrees to compensate the Appraiser for their court appearance time, court preparation time, and travel

time at their regular hourly rate then in effect plus expenses. In the event the real property appraised is, or becomes the subject of litigation, a condemnation, or other legal proceeding, it is assumed the Appraiser will be given reasonable advanced notice, and reasonable additional time for court preparation.

21. Entreken Associates, Inc. and the Appraiser have no expertise in the field of insect, termite, or pest infestation. We are not qualified to detect the presence of these or any other unfavorable infestation. The Appraiser has no knowledge of the existence of any infestation on, under, above, or within the subject real estate. No overt evidence of infestation is apparent to the untrained eye. However, we have not specifically inspected or tested the subject property to determine the presence of any infestation. No effort was made to dismantle or probe the structure. No effort was exerted to observe enclosed, encased, or otherwise concealed evidence of infestation. The presence of any infestation would likely diminish the property's value. All value opinions in this communication assume there is no infestation of any type affecting the subject real estate. No responsibility is assumed by Entreken Associates, Inc. or the Appraiser for any infestation or for any expertise required to discover any infestation. Our client is urged to retain an expert in this field, if desired.
22. Effective January 26, 1992, the Americans with Disabilities Act (ADA) - a national law, affects all nonresidential real estate or the portion of any property, which is non-residential. The Appraiser has not observed the subject property to determine whether the subject conforms to the requirements of the ADA. It is possible a compliance survey, together with a detailed analysis of ADA requirements, could reveal the subject is not fully compliant. If such a determination was made, the subject's value may or may not be adversely affected. Since the Appraiser has no direct evidence, or knowledge pertaining to the subject's compliance or lack of compliance, this appraisal does not consider possible noncompliance or its effect on the subject's value. All opinions are those of the signatory Appraiser based on the information in this report. No responsibility is assumed by the Appraiser for changes in market conditions, or for the inability of the client, or any other party to achieve their desired results based upon the appraised value. Some of the assumptions or projections made herein can vary depending upon evolving events. We realize some assumptions may never occur and unexpected events or circumstances may occur. Therefore, actual results achieved during the projection period may vary from those set forth in this report. Compensation for appraisal services is dependent solely on the delivery of this report, and no other event or occurrence.
23. No part of this report shall be published or disseminated to the public by the use of advertising media, public relations media, news media, sales media, electronic devices, or other media without the prior written consent of Entreken Associates, Inc. This restriction applies particularly as to analyses, opinions, and conclusions; the identity of the Appraiser; and any reference to the Appraisal Institute or its MAI, SRPA, or SRA designations. Furthermore, no part of this report may be reproduced or incorporated into any information retrieval system without written permission from Entreken Associates, Inc., the copyright holder.

Addenda

Regional Analysis



REGIONAL MAP

Introduction

The subject property is located in Clearwater, Pinellas County, Florida, which is within the Tampa-St. Petersburg-Clearwater Metropolitan Statistical Area (MSA). The Tampa MSA is generally referred to as the Tampa Bay area, which consists of Hernando, Hillsborough, Pasco, and Pinellas Counties, as defined by the US Census Bureau. It includes the major municipalities of Tampa, St. Petersburg, Clearwater, and Brandon. Some publications also include the Citrus, Manatee, Pasco, Polk, and Sarasota counties. However, for this analysis, we have included the four county area. The Tampa Bay area is approximately 80 miles west of Orlando, 270 miles northwest of Miami, and 200 miles southwest of Jacksonville. Because the subject benefits from the strength of the area, an overview of this area is appropriate, followed by a description of the community in which the subject is located. The Tampa Bay MSA is located in Southwest Florida on the Gulf of Mexico and Tampa Bay and encompasses 2,554.5 square miles.

MSA at a Glance - TAMPA-ST. PETERSBURG-CLEARWATER FL

The Tampa Bay Area is a major populated area surrounding Tampa Bay on the west coast of Florida. The metro, comprising of four counties namely: Hillsborough, Pasco, Pinellas and Hernando, is where the hip, and urban heart of Florida's Gulf coast lies.

Over the years, Tampa has attained the status of a vacation spot especially for families. It is a diverse travel destination which offers distinctive and unique selections of delights and activities. The popular Busch Gardens, where families get a thrill of an amusement park and the fun of a zoo all in one place, is one of the popular places in the area dedicated to animals and wildlife. The historic Ybor City neighborhood, developed by Cuban and Spanish cigar-factory workers is likewise viewed as a dining and nightlife destination.

Together with tourism, part of what made Tampa's future so promising is its economic base. Looking towards the future, developers have been seeking to expand businesses to draw in investors as well as more employment. Service-related and office-oriented jobs turn out to be more appealing, making the city an ideal location for companies in search for regional headquarters, financial firms and high-technology industries. Some of the most notable company headquarters to date are Tech Data Corp., Jabil Circuit Inc., and Raymond James Financial.

Key Demographics

- In 2021, Tampa Bay gained approximately 48,800 residents, and is among the top 10 metropolitan areas gaining residents in the nation.
- The median household income for the area is \$64,687 and is \$751 lower than Florida and \$7,727 lower than the national average.
- The average household size is 2.38
- The median price of homes currently listed is \$420,000, while the median price of homes sold is \$403,995.
- Since 2015, the ratio of Median Household Income to Median Home Price has decreased sharply in the Tampa Bay area and across Florida, while the same ratio decreased less across the US.



Average Annual Rainfall: 46.31"
Average Rainfall Days: 11 days
Average Sunshine: 20.5 days



Annual High Temperature: 81.7 F
Annual Low Temperature: 65 F
Average Annual Temperature: 73.3 F

Source: The Weather Atlas

Economic Drivers



Healthcare

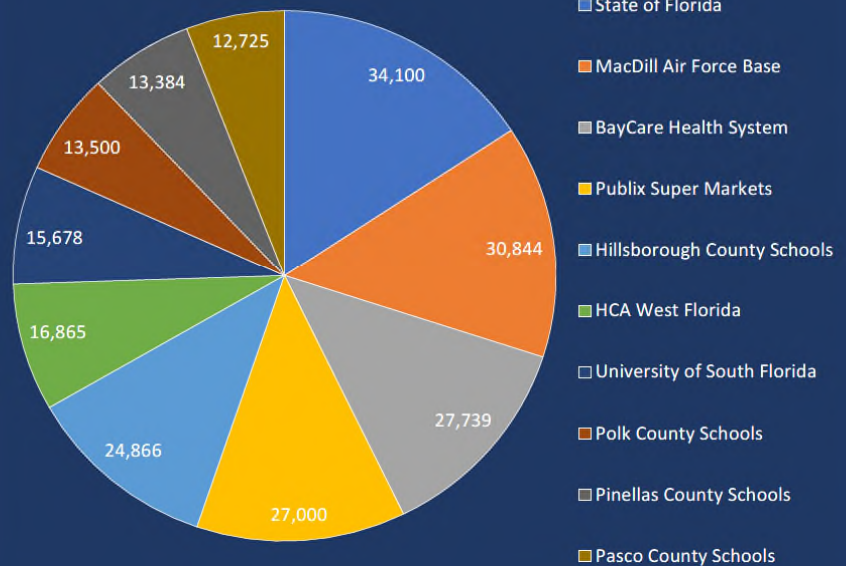


Tourism

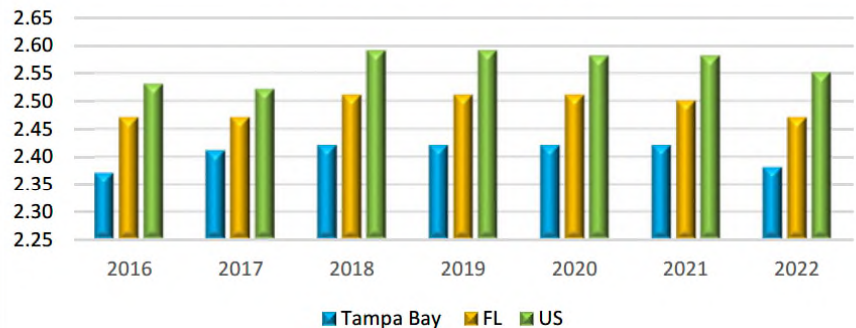


Employment

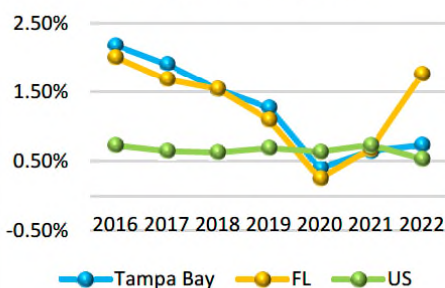
Largest Employers



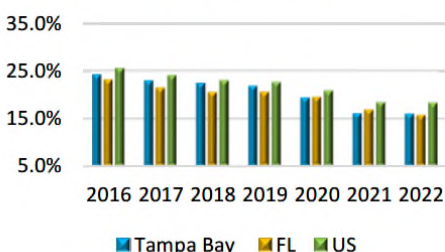
Average Household Size



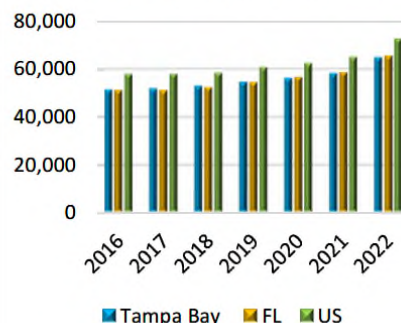
Annual Population Growth



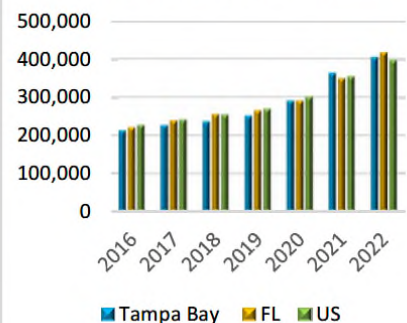
MHI/MHP Ratio



Median Household Income



Median Home Price

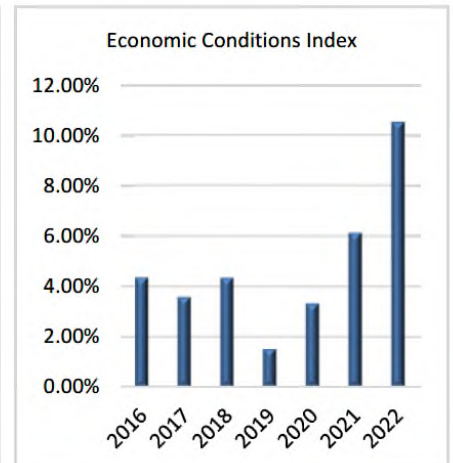
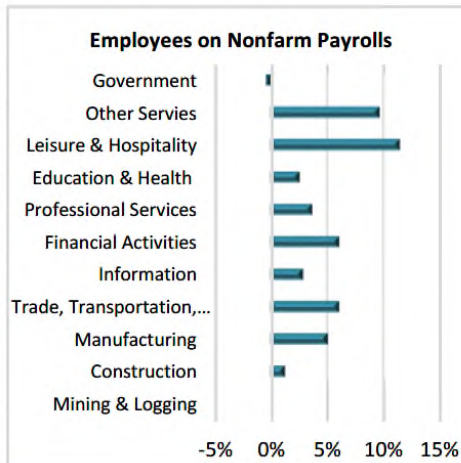


Employment

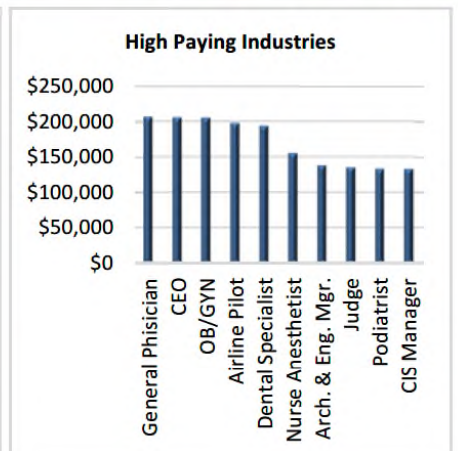
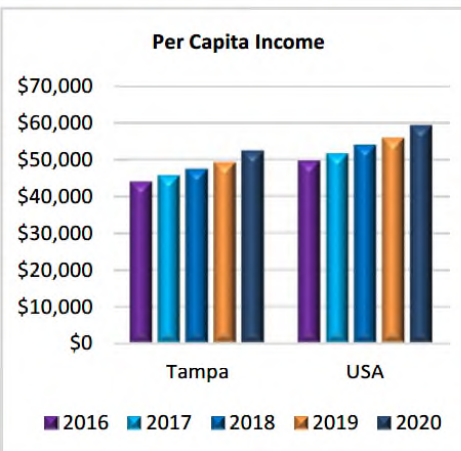
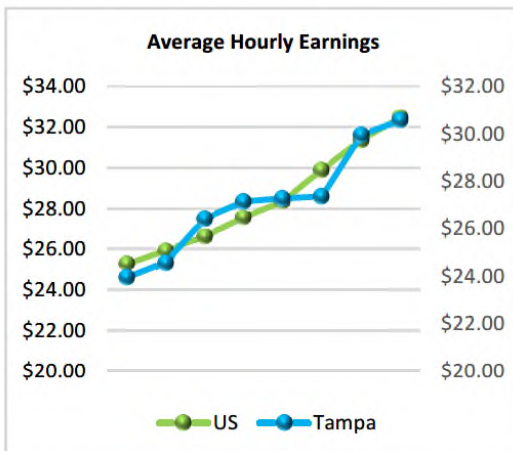
Tampa Bay's unemployment rate steadily decreased from a high of 13.2% in April 2020, and is at 2.7% as of July 2022, according to the Bureau of Labor and Statistics figures. The losses slowed in mid-2020 as Florida re-opened businesses, but much of the leisure, hospitality and tourism industries had ground to a halt. Among the other hardest hit industries were health care, social assistance, retail trade, professional and business services and construction. Health care job loss may have seemed unexpected, but the sector lost at least 43,000 jobs nationally, according to the report. Since mid-2020, these industries have recovered, and Florida unemployment now well outpaces the national average.

Income

An ordinary individual in Tampa works an average of 40 hours for the entire week. Currently, the median household income is at \$64,687, and is projected to increase to \$78,190 in five years. It has been also noted that Tampa enjoys a lower cost of living compared to other American cities of similar size and other Florida cities such as Miami, Fort Lauderdale, and Sarasota.



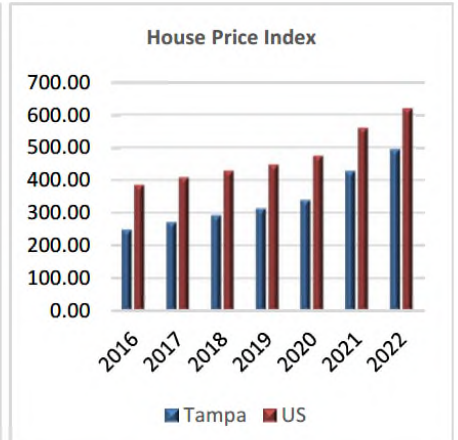
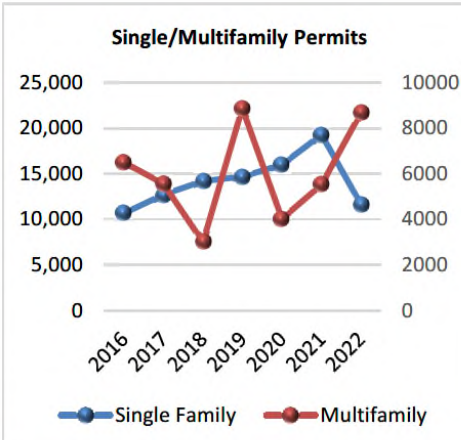
ECONOMIC INDICATORS	2016	2017	2018	2019	2020	2021	2022
Gross Domestic Product (% change)	4.5	3.9	6.1	5.8	5.1	-	-
Total Employment (% change)	3.51	2.05	2.47	2.28	-4.08	5.86	4.4
Unemployment Rate (%)	4.3	3.7	3.4	3.1	3.4	3.5	2.7
Personal Income Growth (\$ in ths)	44	46	47	49	52	-	-
Median Household Income (\$ in ths)	54.4	54.4	55.9	57.9	55.9	64.9	64.7
Population (# in mill)	3.05	3.11	3.16	3.20	3.18	3.22	3.25
Net Migration (# in ths)	47.8	41.2	34.8	35.7	10.3	42.1	-
Single-family Permits (# in ths)	11	12.6	14.2	14.8	15.9	19.3	11.6 YTD
Multi-family Permits (# in ths)	5.9	5.6	3.5	8.7	3.8	5.5	8.7 YTD
House Price Index (1995Q1=100)	239.02	264.56	289.60	317.24	338.05	426.63	493.38



Housing

A prominent number of homes under development in 2021 were single-family. There were 19,300 dwelling units built at an average value of \$258,600. The growth of 20% from 2020 is a huge help in fueling strength in the housing market. Among the nation's top 100 housing markets positioned for growth in 2022, Tampa Bay ranked 10th.

Tampa Bay currently has a combination of strong economy that creates new jobs, more commercial transformations and developments which keep locals and more people to move and look for work, while enjoying what the area has to offer.



Sources: Tampa Hillsborough EDC, VisitTampaBay, Dept. of Numbers, BLS, Census Bureau, Texas A&M REC

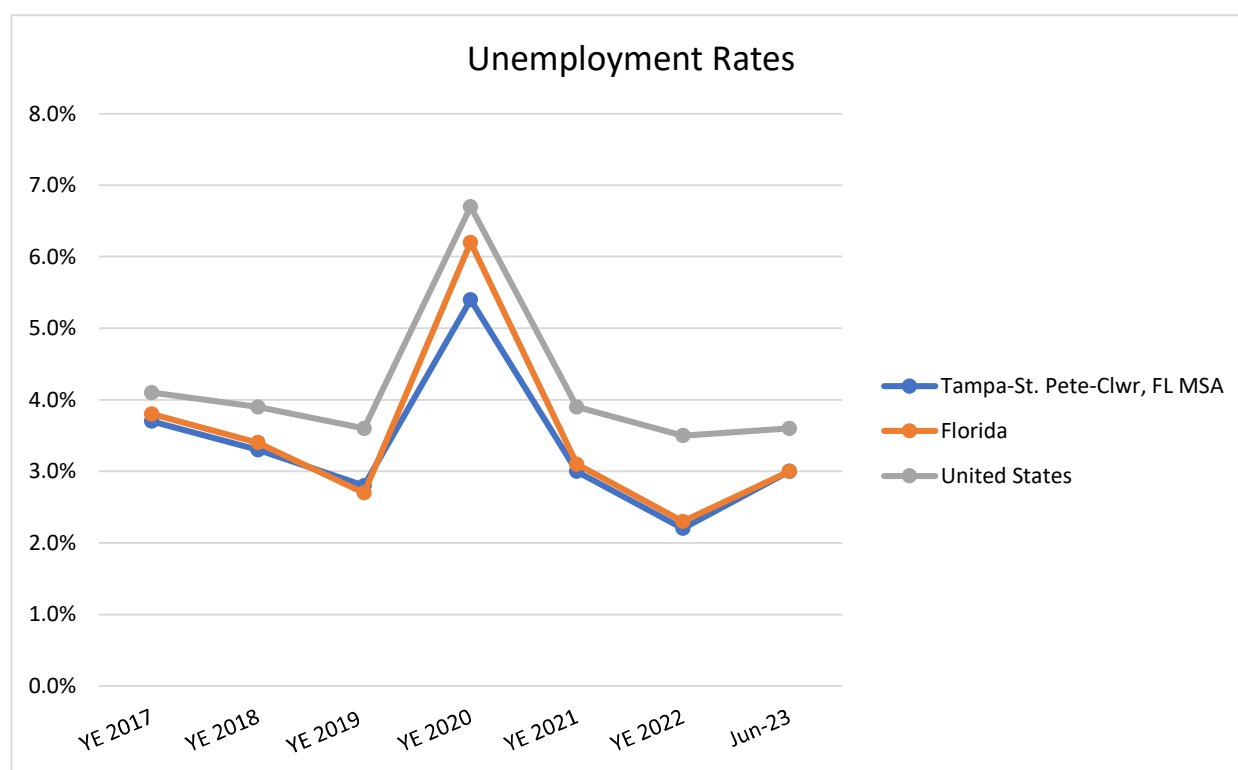
Employment

Tampa Bay's unemployment rate has decreased from a high of 13.2% in April 2020, and is at 2.3% as of April 2023, according to the Bureau of Labor and Statistics figures. The losses slowed in mid-2020 as Florida re-opened businesses, but much of the leisure, hospitality and tourism industries had ground to a halt. Among the other hardest hit industries were health care, social assistance, retail trade, professional and business services and construction. Health care job loss may have seemed unexpected, but the sector lost at least 43,000 jobs nationally, according to the report. Since mid-2020, these industries have recovered, and Florida unemployment now well outpaces the national average.

Unemployment

The following table exhibits current and past unemployment rates as obtained from the Bureau of Labor Statistics. Overall, the metro and the state had a lower unemployment rate than the nation. This, combined with the pro-business philosophy of Florida, has increased investor demand for real estate in Florida over the past couple years.

Unemployment Rates							
Area	YE 2017	YE 2018	YE 2019	YE 2020	YE 2021	YE 2022	Jun-23
Tampa-St. Pete-Clwr, FL MSA	3.7%	3.3%	2.8%	5.4%	3.0%	2.2%	3.0%
Florida	3.8%	3.4%	2.7%	6.2%	3.1%	2.3%	3.0%
United States	4.1%	3.9%	3.6%	6.7%	3.9%	3.5%	3.6%



The following table provides the employment by industry for the Tampa Bay MSA.

Employment by Industry - Tampa Bay MSA		
Industry	Jun-23	Percent of Employment
Mining/Logging	300	0.0%
Construction	95,000	6.2%
Manufacturing	75,900	5.0%
Trade, Transportation, Utilities	281,200	18.4%
Information	28,600	1.9%
Financial Activities	136,500	9.0%
Professional and Business Services	301,900	19.8%
Education and Health Services	239,700	15.7%
Leisure and Hospitality	168,700	11.1%
Other Services	50,500	3.3%
Government	146,300	9.6%

Major Employers

The following table indicates the major employers within the Tampa Bay MSA.

Major Employers - Tampa Bay MSA	
Company	No. of Employees
State of Florida	34,100
MacDill Air Force Base	30,844
BayCare Health System	27,739
Publix Super Markets	27,000
Hillsborough County School District	24,866
HCA West Florida Division	16,865
University of South Florida	15,678
Polk County School District	13,500
Pinellas County School District	13,384
Pasco County School District	12,725

Tourism

Visitors to the Tampa Bay area contributed a direct impact of \$4.5 billion in 2021, which included spending by international visitors, and domestic day and overnight visitors. This direct impact of \$4.5 billion generated \$1.2 billion in indirect impacts and another \$1.5 billion in induced impacts, resulting in a total economic impact of \$7.1 billion on the regional economy. Visit Tampa Bay said overall, total taxable hotel revenue for Tampa Bay has reached \$895,488,762 for fiscal year 2022. Those numbers surpass pre-pandemic levels and represent a winning streak that will only continue.

In Hillsborough County, the total Tourist Development Tax collections within the first 11 months of the 2022 fiscal year hit \$53,716,578. That's a 59% increase over the same period in 2021.

Pinellas County is known for the beaches of the barrier islands including from Clearwater Beach in the north to St. Pete Beach in the south. The St. Petersburg/Clearwater area is the leading destination on the Gulf Coast.

Busch Gardens Tampa Bay launches the Serengeti Flyer, the tallest and fastest ride of its kind, while Adventure Island Water Park offers its new rides called Rapids Racer and Wahoo Remix. ZooTampa at Lowry Park has also expanded its site to treat some of the injured Florida manatees.

The Gulf Coast draws visitors for the outdoor and on-the-water recreational opportunities such as golf with a myriad of public, municipal and private courses. The area is known as one of the best fishing grounds with both inshore and offshore opportunities and charter companies operating out of the many marinas in the area. Clearwater Beach is known as one of the best beaches in the world (Trip Advisor's #1 in 2018) with many attractions including the Clearwater Marine Aquarium that's home to two of the world's most famous dolphins.

There are many museums and other cultural attractions that draw tourists including the Dali Museum, the Chihuly Collection, St. Petersburg Museum of History and Imagine Museum to name a few. The St. Petersburg Arts Alliance partnered with St. Petersburg to ensure a strong arts-related economic presence and foster growth in the seven arts districts.

Largo offers several attractions including the Florida Botanical Gardens, and the Pinellas County Heritage Village, an open-air historical village and museum dating to the mid-19th Century. The Pinellas Trail is a linear trail extending from St. Petersburg to Tarpon Springs through Largo. The 45-mile trail is developed mostly along abandoned rail lines and is open for cyclists, joggers, and skaters.

Linkages

Interstate 275 traverses north and south through the center of the county. This limited-access highway provides access to Interstate 75 to the north and Saint Petersburg to the south. Interstate 75 is a limited-access highway which traverses north and south through the center of the county. This highway provides access to Manatee County to the south and Hernando and Pasco counties to the north. Interstate 4 is a limited access highway that terminates in Hillsborough County and travels east to Orlando. There are several limited-access toll roads that traverse through the county and numerous county roads.

There are three major bridges that provide access to Pinellas County from Hillsborough County. These include the West Courtney Campbell Causeway (State Route 60), the Howard Frankland Bridge (Interstate 275/State Route 93) and U.S. Highway 92/State Route 600.

Overall, the linkages throughout the county are ample with good access to other areas of the Tampa Bay area.

Transportation

The Tampa Bay MSA is home to two major airports including St. Pete-Clearwater International Airport (PIE) in Pinellas County, and Tampa International Airport (TPA) in Hillsborough County.

Tampa International Airport is an international airport approximately 6.0 miles west of Downtown Tampa. It is served by over twenty major airlines, including Southwest Airlines which operates up to 121 flights per day. In 2022, the airport reportedly handled 21,527,863 passengers, making it the 23rd busiest airport in North America. From March 7, 2023 to April 10, 2023, the airports spring break period, TPA had almost 2.5 million passengers which beats the previous spring break record from 2019 by almost 50,000 passengers. The airport recorded its busiest day on record on March 19, 2023, with more than 90,000 passengers. TPA is also planning a \$790 million Airside D project and will be preparing to select a design-build firm in May of 2023.

St. Pete-Clearwater International Airport has seen an 8% increase in passengers year-to-date over 2022. The airport connects Pinellas County with smaller cities across North America and is seeing growth in its Canadian business and is planning a \$106 million terminal expansion.

Mass transit is provided by the public transports available for each county as stated below:

Pinellas County	Pinellas Suncoast Transit Authority (PSTA)
Hillsborough County	Hillsborough Area Regional Transit Authority (HART)
Pasco County	Pasco County Public Transportation (PCPT)
Hernando County	Hernando County Transit Services (TheBus)

Population

The 2023 population data is the most current available for the Tampa MSA with growth as illustrated below. As employment has increased over the past few years, the population growth has also increased. The four county Tampa MSA had an estimated 2023 population of 3,288,270 which is expected to increase by 0.50% per year until 2028.

	2023 Population	2028 Population Estimation	Population: Annual Growth Rate
Tampa-St. Petersburg-Clearwater	3,288,270	3,371,259	0.50%
Florida	22,381,338	23,091,949	0.63%
USA	337,470,185	342,640,129	0.30%

Median Household Income

Total median household income for the region is presented in the following table. Overall, the subject's MSA is similar to the state. However, is slightly below the nation.

	2023 Median Household Income	2023 Average Household Income	2023 Per Capita Income
Tampa-St. Petersburg-Clearwater	\$65,621	\$97,348	\$40,263
Florida	\$65,081	\$97,191	\$38,778
USA	\$72,603	\$107,008	\$41,310

Residential Real Estate

House Price Appreciation:

Median price for houses is \$415,000 in July 2023 compared to \$415,000 in June 2022, which was a 0.0% change. Condo/townhome median pricing is down -0.7% during the same timeframe, down to \$296,000 from \$298,148.

Active listings are down -21.4% from last year in the Single-Family home market and up 33.1% in the Townhouse/Condo market. This is due to the decreased sales volume and decrease in demand for housing.

The tables below summarize the most important housing market indicators for the Tampa, FL metro in July 2023.

Single-Family				Townhouses and Condos			
Summary Statistics	July 2023	July 2022	Percent Change Year-over-Year	Summary Statistics	July 2023	July 2022	Percent Change Year-over-Year
Closed Sales	3,470	3,697	-6.1%	Closed Sales	1,235	1,274	-3.1%
Paid in Cash	817	1,165	-29.9%	Paid in Cash	528	577	-8.5%
Median Sale Price	\$415,000	\$415,000	0.0%	Median Sale Price	\$296,000	\$298,148	-0.7%
Average Sale Price	\$519,157	\$505,075	2.8%	Average Sale Price	\$371,424	\$391,214	-5.1%
Dollar Volume	\$1.8 Billion	\$1.9 Billion	-3.5%	Dollar Volume	\$458.7 Million	\$498.4 Million	-8.0%
Median Percent of Original List Price Received	98.7%	100.0%	-1.3%	Median Percent of Original List Price Received	97.0%	100.0%	-3.0%
Median Time to Contract	16 Days	8 Days	100.0%	Median Time to Contract	24 Days	9 Days	166.7%
Median Time to Sale	56 Days	47 Days	19.1%	Median Time to Sale	67 Days	45 Days	48.9%
New Pending Sales	3,647	3,766	-3.2%	New Pending Sales	1,383	1,340	3.2%
New Listings	4,046	5,759	-29.7%	New Listings	1,563	1,871	-16.5%
Pending Inventory	5,152	5,378	-4.2%	Pending Inventory	2,087	1,953	6.9%
Inventory (Active Listings)	6,319	8,038	-21.4%	Inventory (Active Listings)	3,182	2,390	33.1%
Months Supply of Inventory	1.9	1.9	0.0%	Months Supply of Inventory	2.5	1.5	66.7%

Source: Greater Tampa Realtors

The Tampa, FL metro had a weakening seller's market in July 2023. For the Single-Family segment, months' supply stood at 1.9 months. For the Townhouse/Condo segment, it stood at 2.5 months. On a market segment basis, entry-level markets tend to have a somewhat lower demarcation point between a buyer's and seller's market (estimated around 5 months) and move-up markets tend to have a somewhat higher demarcation point between a buyer's and seller's market (estimated around 7 months). This is because even in a balanced market, the less expensive entry-level homes usually sell more quickly than move-up homes. Lower levels of months' inventory tend to lead to upward price pressures. This is especially common in the entry-level market, where supply has been most constrained since 2012 and which has led to reduced affordability.

Mortgage Risk:

AEI measures the level of mortgage risk present in a metro through the mortgage default rate. A higher mortgage default rate implies greater access to credit, but also indicates greater likelihood of default. While at first glance, greater access may seem like a positive, especially for first-time buyers trying to enter the market, when market conditions are tight, it actually works to their detriment. During a seller's market, greater access to credit is capitalized into higher house prices, which then generally results in home prices rising faster than, for example, incomes or rents.

In the Tampa, FL metro, the most recent mortgage default rate data is for the 1st quarter of 2023, which stood at 11.4%, compared to 12.0% for the nation. The mortgage default rate in the Tampa, FL metro decreased from a year ago, when the mortgage default rate stood at 11.9%.

The mortgage default rate varied substantially by market segment for the Tampa, FL metro. The mortgage default rate for entry-level buyers was 14.0%, but only 8.7% for move-up buyers.

Expected mortgage rate increases is not likely to be positive for the residential housing market. We expect pricing to stabilize and likely only moderately increase in 2023. This depends heavily on the net positive in-migration of people moving to the area from other parts of the country.

New Construction Activity:

In the first quarter of 2023, new construction share of sales added 18.3% overall to the Tampa, FL metro housing stock. This is higher than the nation, for which the new construction contribution during the same time period was 13.0%. Additions to the existing housing stock during this period varied substantially by market segment. While 12.7% was added to the entry-level tier stock, 26.5% was added to the move-up tier stock.

MSA Conclusion

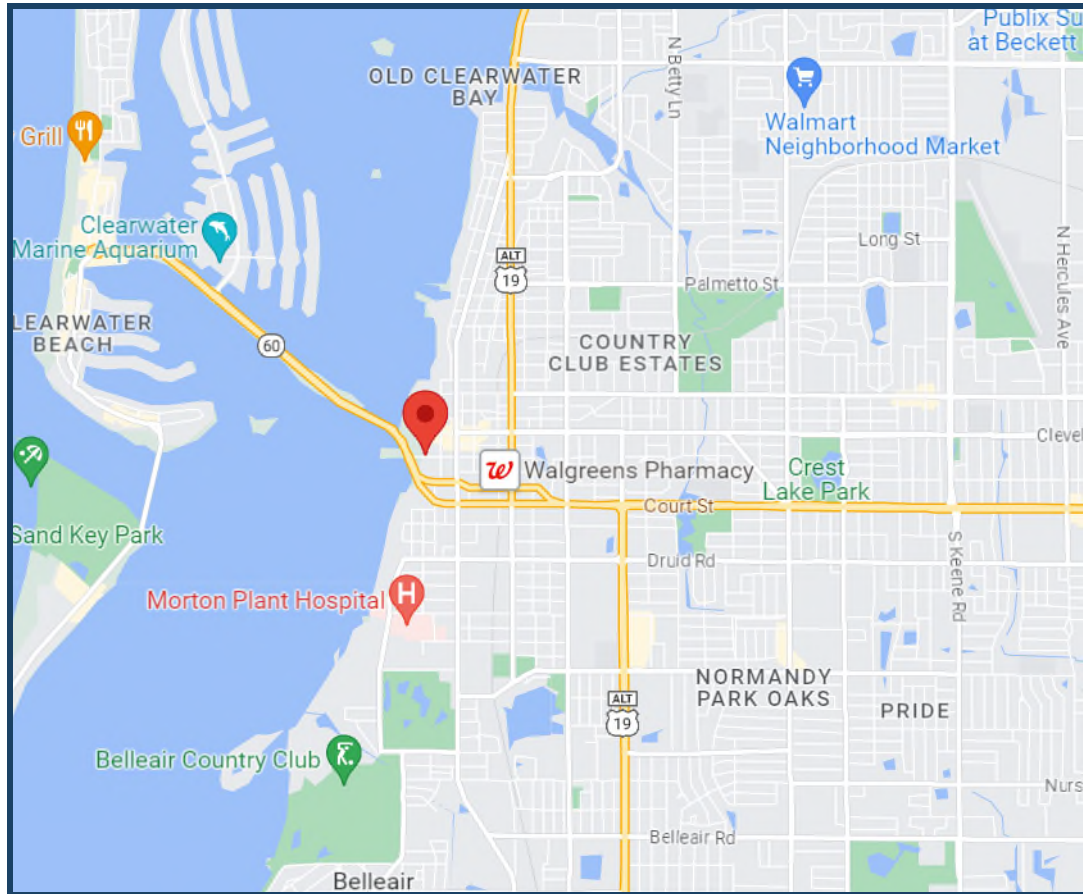
Housing demand and prices continue to grow, while 2022 housing permits topped the previous year by 4%, housing prices are also at the highest levels since 2008. As the economy continued to improve throughout late 2022, not only did housing prices continue to rise, but residential rental rates also increased. These trends have continued into 2023 throughout the residential and commercial real estate sectors. It is unclear what effect rising interest rates will have on the economy and real estate markets. Healthcare is another key driver for the metro area—jobs in the medical profession are over 15% of the area's workforce and pay slightly more than the local average. Hiring in these elective fields is evidence that residents are optimistic about the region's recovery. This increase is also attributable to the extra demand created by the large, fast-growing senior population. Among major metro areas, the Tampa MSA maintains the largest percentage of residents older than 65, even with a population growth trend of under 20-year olds outpacing the country as a whole.

Tampa-St. Petersburg-Clearwater is expected to outpace the nation over the next two years, as an influx of residents, mostly retirees and people moving from the northeast, will drive demand for housing and other locally produced services. These transplants will contribute to its tax base, but not add as much to its tightening labor supply as a high percentage appear to be retirees and remote employees. This will also help to continue to drive the construction market. Overall, these factors have led to the lowest unemployment levels in Tampa Bay since before the COVID pandemic, a growing labor force with more people entering the job market, while driving up wages. While the hospitality industry in the beaches area has been robust over the past few years, continually breaking records, the industry is also expected to continue to slowly recover outside the beaches areas, as the US and world economies improve. The beaches continue to be some of the utmost traveled to destinations with outdoor venues especially in high demand in 2020 and 2021. These factors will ensure that Tampa Bay's income expands faster than the nation's over the forecast horizon. Robust healthcare and the outdoor lifestyle demand will be a catalyst for the foreseeable future and the outlook for the long-term economy is positive.

Neighborhood Analysis

Introduction

Due to the summary format of the report, detailed information relative to the city trends have been summarized as follows.



Overview

Pinellas County was founded in 1912. The county seat, Clearwater, was incorporated in 1891. It totals 608 square miles, made up of 274 square miles of land and 334 square miles of water. The subject's neighborhood is located in the City of Clearwater, within Pinellas County. The address is 112 S Osceola Ave and the borders include Sunset Point Rd to the north, Keene Rd to the east, Belleair Rd to the south, and the Intracoastal Waterway to the west.

Access/Visibility

Within the immediate area of the subject property, transportation access helps define the character of its development. This portion of Pinellas County has average to good access with the primary north and south roadways being Alt US-19 and Keene Rd, and the primary east and west roadways being Gulf to Bay Blvd, Drew St and Sunset Point Rd. Gulf to Bay Blvd gives the subject neighborhood quick access to Hillsborough County. There are a number of secondary and tertiary streets traversing the neighborhood to provide good access.

Land Use Patterns

Development within the neighborhood includes low-density commercial/retail development along major thoroughfares such as Court St and S Missouri Ave., with residential developments located on secondary thoroughfares scattered throughout the neighborhood. Residential makes up most of the development in the neighborhood on the south side of Court St, and the north side of Court St to Drew St has mixed development as it's part of Downtown Clearwater. There is very little industrial development. The developable area in the PMA is approximately 95% developed, with most vacant land being parcels that were previously developed and were demolished for re-development. The approximate breakdown of land uses is as follows: Single-family 45%, Multifamily 15%, Retail 25%, Office 10%, Industrial 3%, and Vacant Land 2%. The neighborhood is in the stability phase of its life cycle.

New retail and mixed-use developments are also underway within 5 miles of the subject. The Clearwater Downtown Redevelopment Plan Area serves as a long-term vision for Downtown Clearwater and surrounding residential and commercial areas. It includes a 540-acre community redevelopment area namely Imagine Clearwater; a \$55 million master plan along downtown's waterfront that will offer high-rise office, mixed-use residential and retail space, and the North Marina Master Plan area on the other hand covers 64 acres just north of Downtown Clearwater which focuses on attracting commercial, retail, restaurants and more residential to the neighborhood.

The City of Clearwater is in the design phase for a new city hall to be built at Myrtle Ave and Pierce St, south of the Municipal Services Building downtown. Plans include a 41,679 square foot city hall along with a public plaza green space that connects to the Pinellas Trail. The existing parking lot of the Municipal Services Building will support the new city hall, and onsite parking will be added for the development. The project is estimated to cost \$44.8 million, \$31.5 million for the new city hall and \$13.3 million for renovation of the Municipal Services Building.

Serena by the Sea is a recently completed "beach-chic" condo project that overlooks the Gulf of Mexico, and is located at 1020 Sunset Point Rd. The 80-unit, \$70 million luxury condominium tower has two- and three-bedroom plus den floor plans ranging from 1,400 to 2,574 square feet and sky penthouses as large as 4,821 square feet. Prices start at \$839,000 and go up to \$2.9 million, and all of the units have been sold.

Public Facilities/ Services

Public utilities (sewer, water, trash) are available to most portions of the neighborhood and provided by Pinellas County Utilities, while TECO Energy provides electricity. Fire and police protection are adequate to meet the needs of the neighborhood's residents and are provided by the Clearwater Police Department and Clearwater Fire Rescue. Public transportation is available in the neighborhood and adequate medical services are also provided.

Neighborhood Demographics

The following tables present the subject neighborhood demographics for a one-, three- and five-mile radius from the subject property.

Demographic Data

Population characteristics and income levels were obtained from STBOnline for 1, 3, and 5-mile radii near the subject's location. A summary of the information is presented in the following tables.

POPULATION

	1 mile	3 miles	5 miles
2010 Population	6,133	75,441	191,174
2020 Population	7,149	78,703	200,857
2023 Population	6,974	78,962	203,442
2028 Population	7,151	78,523	203,467
2010-2020 Annual Rate	1.54%	0.42%	0.50%
2020-2023 Annual Rate	-0.76%	0.10%	0.39%
2023-2028 Annual Rate	0.50%	-0.11%	0.00%
2023 Median Age	52.1	47.5	51.0

TAMPA-ST. PETERSBURG-CLEARWATER MSA



FLORIDA



UNITED STATES



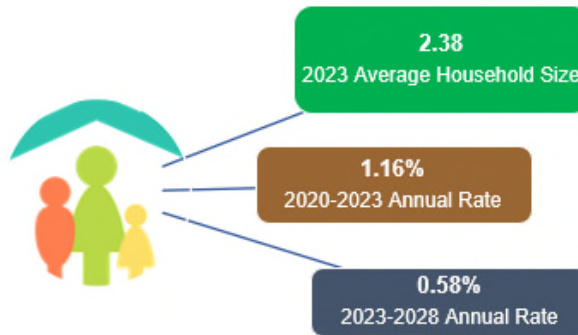
In the identified area, the current year population is 203,442. In 2020, the Census count in the area was 200,857. The rate of change since 2020 was 0.39% annually. The five-year projection for the population in the area is 203,467 representing a change of 0.00% annually from 2023 to 2028.

HOUSEHOLD

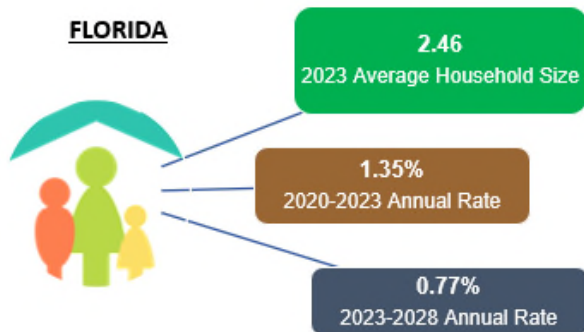
	1 mile	3 miles	5 miles
2023 Wealth Index	72	96	82
2010 Households	2,810	32,449	88,169
2020 Households	3,257	33,929	92,883
2023 Households	3,398	34,419	94,786
2028 Households	3,545	34,553	95,757
2010-2020 Annual Rate	1.49%	0.45%	0.52%
2020-2023 Annual Rate	1.31%	0.44%	0.63%
2023-2028 Annual Rate	0.85%	0.08%	0.20%
2023 Average Household Size	1.90	2.19	2.09

The household count in this area has changed from 92,883 in 2020 to 94,786 in the current year, a change of 0.63% annually. The five-year projection of households is 95,757, a change of 0.20% annually from the current year total. Average household size is currently 2.09, compared to 2.10 in the year 2020. The number of families in the current year is 50,590 in the specified area.

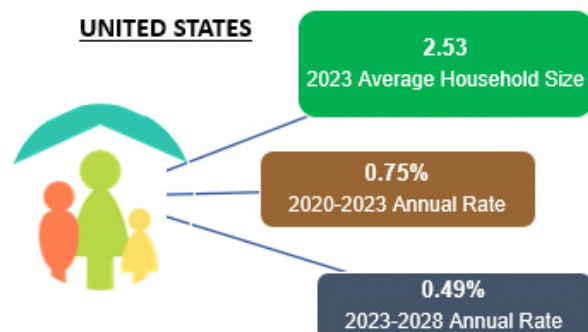
TAMPA-ST. PETERSBURG-CLEARWATER MSA



FLORIDA



UNITED STATES



INCOME

	1 mile	3 miles	5 miles
Mortgage Income			
2023 Percent of Income for Mortgage	69.8%	36.3%	32.6%
Median Household Income			
2023 Median Household Income	\$38,827	\$57,341	\$57,082
2028 Median Household Income	\$45,273	\$69,157	\$67,089
2023-2028 Annual Rate	3.12%	3.82%	3.28%
Average Household Income			
2023 Average Household Income	\$81,330	\$93,613	\$86,929
2028 Average Household Income	\$96,816	\$109,169	\$101,599
2023-2028 Annual Rate	3.55%	3.12%	3.17%
Per Capita Income			
2023 Per Capita Income	\$40,750	\$41,272	\$40,704
2028 Per Capita Income	\$49,259	\$48,521	\$48,043
2023-2028 Annual Rate	3.87%	3.29%	3.37%

Current median household income is \$57,341 in the area, compared to \$72,603 for all U.S. households. Median household income is projected to be \$69,157 in five years, compared to \$82,410 for all U.S. households.

Current average household income is \$93,613 in this area, compared to \$107,008 for all U.S. households. Average household income is projected to be \$109,169 in five years, compared to \$122,048 for all U.S. households.

Current per capita income is \$41,272 in the area, compared to the U.S. per capita income of \$41,310. The per capita income is projected to be \$48,521 in five years, compared to \$47,525 for all U.S. households.

TAMPA-ST. PETERSBURG-CLEARWATER MSA



FLORIDA



UNITED STATES

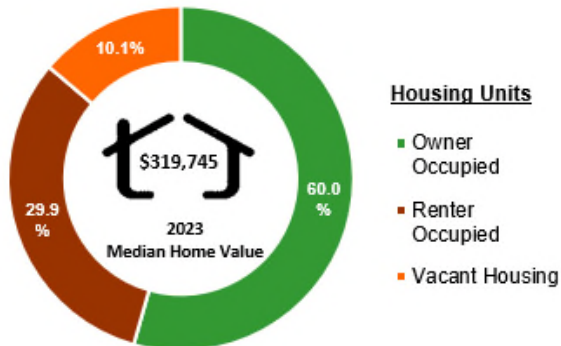


HOUSING

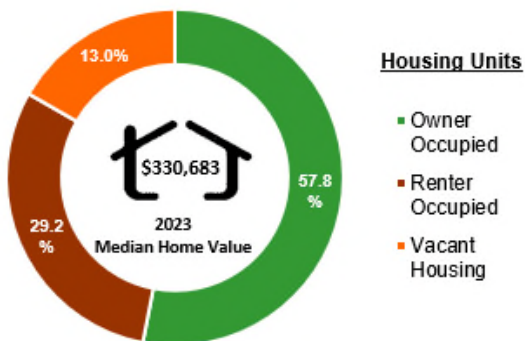
	1 mile	3 miles	5 miles
2023 Housing Affordability Index	35	68	76
2010 Total Housing Units	3,805	41,367	108,731
2010 Owner Occupied Housing Units	879	19,317	55,161
2010 Renter Occupied Housing Units	1,931	13,127	33,008
2010 Vacant Housing Units	995	8,918	20,562
2020 Total Housing Units	4,147	41,835	110,927
2020 Vacant Housing Units	890	7,906	18,044
2023 Total Housing Units	4,281	42,229	112,666
2023 Owner Occupied Housing Units	1,482	21,557	59,210
2023 Renter Occupied Housing Units	1,916	12,862	35,576
2023 Vacant Housing Units	883	7,810	17,880
2028 Total Housing Units	4,381	42,331	113,337
2028 Owner Occupied Housing Units	1,568	21,891	60,836
2028 Renter Occupied Housing Units	1,978	12,662	34,921
2028 Vacant Housing Units	836	7,778	17,580

Currently, 52.6% of the 112,666 housing units in the area are owner occupied; 31.6%, renter occupied; and 15.9% are vacant. Currently, in the U.S., 58.5% of the housing units in the area are owner occupied; 31.7% are renter occupied; and 9.8% are vacant. In 2020, there were 110,927 housing units in the area and 16.3% vacant housing units. The annual rate of change in housing units since 2020 is 0.48%. Median home value in the area is \$309,319, compared to a median home value of \$308,943 for the U.S. In five years, median value is projected to change by 0.81% annually to \$322,060.

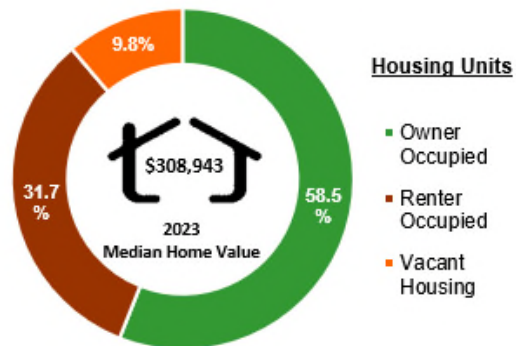
TAMPA-ST. PETERSBURG-CLEARWATER MSA



FLORIDA



UNITED STATES



Conclusion

The subject is located within downtown Clearwater, is just north of the county courthouse complex and is within three miles of the heart Clearwater Beach. There have been significant increases in tourism and growth within the Clearwater Beach area over the past five years. Consequently, this growth has had a huge impact on the City of Clearwater and surrounding area tax base, retail/restaurant sales and overall home values. The area is nearly completely developed. The neighborhood is well located and is within commuting distance of other areas of Pinellas County and surrounding communities along the barrier islands. The accessibility of the locale is enhanced by its proximity to Court St and S Missouri Ave. Given its location characteristics and being mostly built-out, a slow population growth is expected within 3 miles of the subject over the next several years. Demand for properties is expected to be stable to increasing with the new Imagine Clearwater waterfront development. The long-term outlook for the neighborhood is anticipated to be one of continued slow growth, re-development, and demand into the foreseeable future.

Engagement Letter



Purchase Order

Page 1 of 1

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CITY ECON DEVELOPMNT & HOUSING
600 CLEVELAND ST
SUITE 600
CLEARWATER, FL 33755
Phone: 727-562-4220

THIS NUMBER MUST APPEAR ON ALL INVOICES, PACKAGES AND SHIPPING PAPERS.

Purchase Order # **24000056**

Purchase Order is subject to standard
Terms and Conditions posted at
www.myclearwater.com/purchaseorder-TandC

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ENTREKEN ASSOCIATES INC
1100 16TH ST N
SAINT PETERSBURG, FL 33705

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CITY ECON DEVELOPMNT & HOUSING
600 CLEVELAND ST
SUITE 600
CLEARWATER, FL 33755
Phone: 727-562-4220

Vendor No. 204364		Vendor Email		Delivery Contact	
Date Ordered 10/06/2023	Date Required	Contract Number	Payment Terms 30	Department/Location ED & HSG	
Item#	Description/PartNo	QTY	UOM	Unit Price	Extended Price
1	>FOB DESTINATION unless otherwise indicated >DISCOUNT (if shown) reflects payment terms APPRAISAL BY ENTREKEN ASSOCIATES, INC. LOCATION: OLD CITY HALL SITE	1.0	EA	\$12,500.00	\$12,500.00
By: <u>Lou Lora, CPPS</u> Procurement Manager				Total Ext. Price \$12,500.00 PO TOTAL \$12,500.00	

Legal Description

That portion of the East 402.04 feet of Lots 3, 4, & 5 of Block A, JOHN R DAVEY'S RE-SUBDIVISION, as shown on plat recorded in Plat Book 1, Page 87 of the Public Records of Hillsborough County, Florida, of which Pinellas County was formerly a part; lying South of those lands described in Official Records Book 14700, Page 1498, of the Public Records of Pinellas County, Florida;

LESS the East 15 feet of said Block A; and

LESS the South 20 feet of said Lot 5 per City of Clearwater Resolution 64-180, recorded in Official Records Book 2059, Page 493, of the Public Records of Pinellas County, Florida.

Said portion of Lots 3, 4, & 5 being more particularly described as follows:

Commence at the Southeast corner of Lot 5, Block A, JOHN R DAVEY'S RE-SUBDIVISION as shown on plat recorded in Plat Book 1, Page 87 of the Public Records of Hillsborough County, Florida, of which Pinellas County was formerly a part; thence North 00°06'32" East along the East line of said Lot 5, a distance of 20.00 feet to a point on the North line of the South 20 feet of said Lot 5; thence South 89°20'12" West along said North line of the South 20 feet, a distance of 15.00 feet to the West line of the East 15 feet of said Block A and the POINT OF BEGINNING; thence continue South 89°20'12" West along said North line of the South 20 feet, a distance of 387.07 feet; thence North 00°06'32" East, a distance of 300.20 feet to the Westerly extension of the Southernmost line of those lands described in Official Records Book 14700, Page 1498, of the Public Records of Pinellas County, Florida; thence South 88°25'09" East along said line, a distance of 387.17 feet to the said West line of the East 15 feet; thence South 00°06'32" West along said West line of the East 15 feet, a distance of 285.04 feet to the POINT OF BEGINNING.

City of Clearwater, Florida

Subject Photographs



View Looking South Along S Osceola Ave
(Subject on Right)



View Looking West from Northeast Corner of Subject



View Looking Northwest from Northeast Corner of Subject



View Looking West from East Side of Subject

Subject Photographs



View Looking North Along S Osceola at Pierce St
(Subject on Left)



View Looking West Along Pierce St at S Osceola Ave
(Subject on Right)



View Looking East Along Pierce St
(Subject on Left)



View Looking Northeast Across Subject

Subject Photographs



View Looking Northwest from Subject



View Looking East Across Subject



View Looking Southeast from Causeway



View Looking Northeast from Causeway

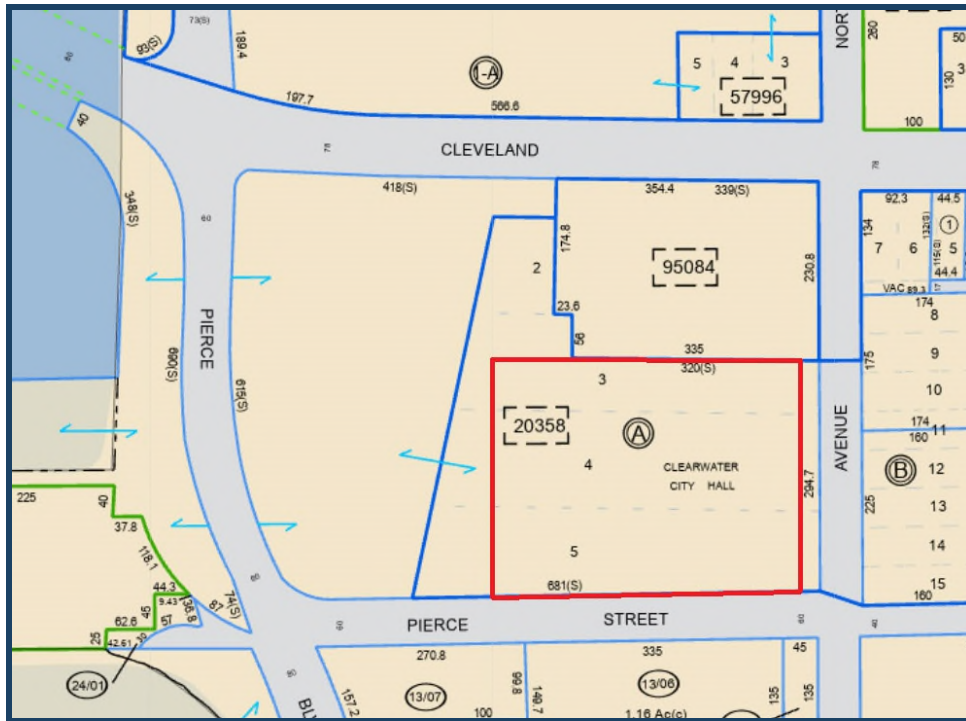
Subject Photographs



View Looking East from Causeway



View Looking Northeast from Causeway



Plat Map

(Outline is Approximate) Source: Pinellas County Property Appraiser



Aerial Map

(Outline is Approximate) Source: Pinellas County Property Appraiser



Flood Map

Land Sale Comparables - Unencumbered

Land Comparable 1

ID 24587
Address 900 N Osceola Ave
City Clearwater
State FL
Zip 33755
County Pinellas
Latitude 27.9748594
Longitude -82.8000673
Tax ID 09-29-15-55249-000-0020, 09-29-15-55249-000-0030, 09-29-15-55245-000-0001, 09-29-15-00000-140-0100
Property Major Type Land
Property Type Commercial



Transaction

Address	900 N Osceola Ave	Date	5/2/2018
City	Clearwater	Price	\$4,875,000
State	FL		
Zip	33755	Price Per Usable Land SF	\$52.72
Book/Page or Reference	20039/1276	Financing	Conventional
Grantor	Clearwater Basin Marina LLC	Property Rights	Fee Simple
Grantee	Marina Bay 880 LLC	Conditions of Sale	Arm's Length
Legal Description	Long Legal	Days on Market	--

Site

Usable Acres	2.12	Topography	Gently sloping
Usable Land SF	92,478	Zoning	D - Downtown Old Bay
Road Frontage	N Osceola Ave, Cedar St &	Flood Zone	Partially in AE & VE
Shape	Irregular	Encumbrance or Easement	None Noted
Utilities	Available to Site	Environmental Issues	None Noted

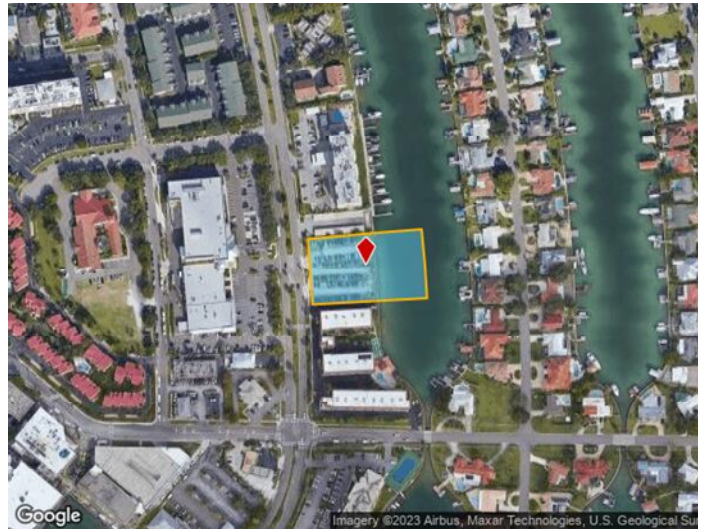
Sale Comments

This commercial land property located at 900 N Osceola Ave, Clearwater FL, was sold on May 2, 2018, for \$8,125,000. The property is located directly on the intracoastal waterway with views of Clearwater Harbor. This is a four-parcel portfolio operating as a marina with the buyer having plans to build a condominium development called Marina Bay 880. The \$70 million luxury condo complex project by Clearwater-based Andrus Development Group began in 2019 and includes two eight-story buildings that feature 87 condominiums. According to the buyer, the purchase price of \$8,125,000 was allocated at 60% (\$4,875,000) for the value of the condominium land. The marina has 69 boat slips

Land Comparable 2

ID 24586
Address 125 Island Way
City Clearwater
State FL
Zip 33767
County Pinellas
Latitude 27.978531
Longitude -82.815716
Tax ID 08-29-15-21803-000-0001

Property Major Type Land
Property Type Commercial



Transaction			
Address	125 Island Way	Date	1/14/2021
City	Clearwater	Price	\$2,680,000
State	FL		
Zip	33767	Price Per Usable Land SF	\$68.36
Book/Page or Reference	21366 / 0935	Financing	Conventional
Grantor	Arlis Construction USA LLC	Property Rights	Fee Simple
Grantee	Dolphin Cay of Island Estates	Conditions of Sale	Arm's Length
Legal Description	Long Legal	Days on Market	154

Site			
Usable Acres	0.90	Topography	Gently sloping
Usable Land SF	39,204	Zoning	HDR-NCOD Island Est
Road Frontage	Island Way	Flood Zone	Zone AE
Shape	Rectangular	Encumbrance or Easement	None Noted
Utilities	Available to Site	Environmental Issues	None Noted

Sale Comments
 This commercial land property located at 125 Island Way, Clearwater Beach FL, was sold on January 14, 2021, for \$2,680,000. The property sold for development of 27 condominium units and 10 private dock slips. The development is known as Dolphin Harbour Condominiums.

Land Comparable 3

ID 23466
Address 415 Island Way
City Clearwater
State FL
Zip 33767
County Pinellas
Latitude 27.9817725
Longitude -82.8166663
Tax ID 08-29-15-01995-000-0001
Property Major Type Land
Property Type Commercial



Transaction			
Address	415 Island Way	Date	9/15/2021
City	Clearwater	Price	\$3,800,000
State	FL		
Zip	33767	Price Per Usable Land SF	\$64.62
Book/Page or Reference	21721 / 2459	Financing	Conventional
Grantor	Elan 405, LLC	Property Rights	Fee Simple
Grantee	Azure Development Group, L.P.	Conditions of Sale	Arm's Length
Legal Description	Long Legal	Days on Market	--

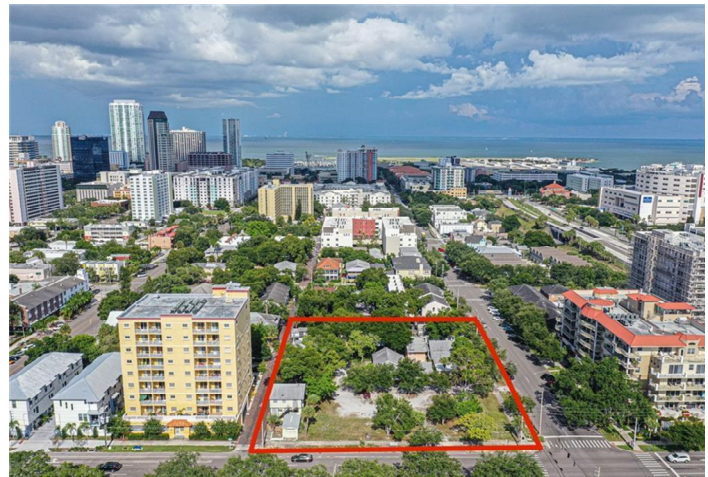
Site			
Usable Acres	1.35	Topography	Gently Sloping
Usable Land SF	58,806	Zoning	MHDR-NCOD Island Est
Road Frontage	Island Way	Flood Zone	Zone AE
Shape	Rectangular	Encumbrance or Easement	None Noted
Utilities	Available to Site	Environmental Issues	None Noted

Sale Comments
 This commercial land property located at 405-415 Island Way, Clearwater FL, was sold on September 15, 2021, for \$3,800,000. The property sold with entitlements and development order for 46 condominium units and 16 private dock slips. The development is known as Azure Clearwater.

Land Sale Comparables - Encumbered

Land Comparable 1

ID 22029
Address 720 Charles Ct S
City Saint Petersburg
State FL
Zip 33701
County Pinellas
Latitude 27.76748529
Longitude -82.6441499
Tax ID 19-31-17-20889-001-0010
Property Major Type Land
Property Type Multi-Family



Transaction

Address	720 Charles Ct S	Date	6/3/2022
City	Saint Petersburg	Price	\$8,750,000
State	FL	Price Per Unit	\$33,654
Zip	33701	Price per Land SF	\$175.00
Tax ID	19-31-17-20889-001-0010	Financing	Conventional
Grantor	Tuxedo Court, LLC	Property Rights	Fee Simple
Grantee	WPPI St Pete TC, LLC	Conditions of Sale	Arm's Length
Legal Description	DEMENS HILLSIDE BLK 1, LOT	Days on Market	655

Site

Acres	1.15	Topography	Gently Sloping
Land SF	50,000	Zoning	DC-2
Road Frontage	Charles Ct S, 8th St S & 4th Ave	Flood Zone	Zone X
Shape	Rectangular	Encumbrance or Easement	None Noted
Utilities	Available to Site	Environmental Issues	None Noted

Sale Comments

This 1.15-acre residential land property located at 720 Charles Ct S, St. Petersburg, FL, was sold on June 3, 2022, for \$8,750,000. The seller was represented by Renee Celli of RE/MAX Metro. The property was put on the market on August 17, 2020. The buyer took out a loan of \$6,467,500 to finance the acquisition. The buyer obtained approvals for the construction of a 15-story mixed use building with 2,700 square feet of ground-floor retail and restaurant space on the ground floor and 260 apartments on the upper floors.

Land Comparable 2

ID 22028
Address 1625 1st Ave N
City Saint Petersburg
State FL
Zip 33713
County Pinellas
Latitude 27.77225963
Longitude -82.65559543
Tax ID 24-31-16-29718-012-0090 ; 24-31-16-29718-012-0110 ; 24-31-16-29718-012-0120 ; 24-31-16-
Property Major Type Land
Property Type Commercial



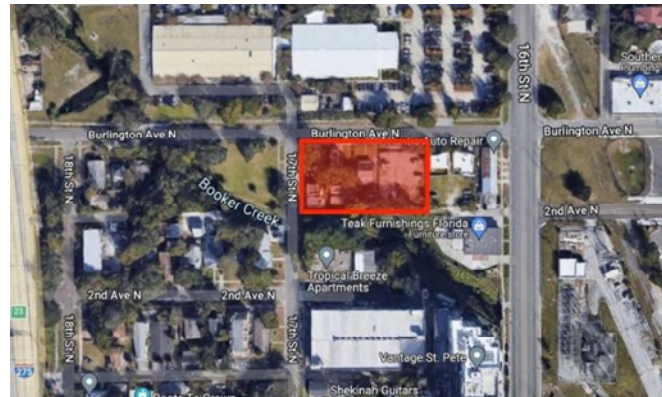
Transaction			
Address	1625 1st Ave N	Date	6/21/2022
City	Saint Petersburg	Price	\$6,500,100
State	FL	Price Per Unit	\$26,640
Zip	33713	Price per Land SF	\$204.73
Tax ID	24-31-16-29718-012-0090 ; 24-	Financing	Conventional
Grantor	HP Capital Partners, LLC	Property Rights	Fee Simple
Grantee	1625 First Avenue North (St	Conditions of Sale	Arm's Length
Legal Description	FULLER'S SUB BLK 12, LOTS 12	Days on Market	--

Site			
Acres	0.73	Topography	Gently Sloping
Land SF	31,749	Zoning	DC-2
Road Frontage	1st Ave N	Flood Zone	Zone X
Shape	Rectangular	Encumbrance or Easement	None Noted
Utilities	Available to Site	Environmental Issues	None Noted

Sale Comments
 This combined 0.73-acre parcel located at 1st Ave N, St. Petersburg, FL, was sold in two separate transactions to form an assemblage. The first sale occurred on June 1, 2022 for \$2,357,500 and the second sale occurred on June 21, 2022, for \$4,142,600. The properties were assembled for redevelopment of the site into a 19 story apartment building with 244 units.

Land Comparable 3

ID 23216
Address 1624-1662 Burlington Ave N
City St. Petersburg
State FL
Zip 33713
County Pinellas
Latitude 27.7735875
Longitude -82.6556193
Tax ID 24-31-16-29718-007-0040, 24-
Property Major Type Land
Property Type Multi-Family



Transaction			
Address	1624-1662 Burlington Ave N	Date	1/13/2023
City	St. Petersburg	Price	\$8,456,300
State	FL	Price Per Unit	\$36,450
Zip	33713	Price per Land SF	\$266.34
Tax ID	24-31-16-29718-007-0040, 24-	Financing	Conventional
Grantor	AAG Florida Homes LLC;	Property Rights	Fee Simple
Grantee	DevMar Sky St Pete, LLC	Conditions of Sale	Arm's Length
Legal Description	Long Legal	Days on Market	--

Site			
Acres	0.73	Topography	Gently Sloping
Land SF	31,750	Zoning	DC-2
Road Frontage	Burlington Ave N & 17th St N	Flood Zone	Zone X
Shape	Rectangular	Encumbrance or Easement	None Noted
Utilities	Available to Site	Environmental Issues	None Noted

Sale Comments
 This commercial land property located at 1624-1662 Burlington Ave N, St. Petersburg FL, was sold on January 13, 2023, for a total price of \$8,456,300. This multifamily land consists of 4 parcel lots, totaling about 0.729 acres, which were sold to the buyer from different entities. The property was sold to the buyer as a redevelopment project, which plans to build a 20-story, 232-unit apartment tower called Sky St. Pete. Currently, the property is occupied by a vacant dirt lot and seven residential structures with eight dwelling units. These buildings will be demolished to accommodate the new development. The broker indicated as agreements were made to obtain the properties the last piece became more important to obtain.

Land Comparable 4

ID 22067
Address 3200-3300 Fairfield Ave S & 695
City Saint Petersburg
State FL
Zip 33712
County Pinellas
Latitude 27.76311017
Longitude -82.67744558
Tax ID 23-31-16-18736-000-0020, 23-31-16-18736-000-0010, 23-31-16-18736-000-0030

Property Major Type Land
Property Type Multi-Family



Transaction			
Address	3200-3300 Fairfield Ave S & 695	Date	2/22/2023
City	Saint Petersburg	Price	\$5,850,000
State	FL	Price Per Unit	\$22,159
Zip	33712	Price per Land SF	\$19.41
Tax ID	23-31-16-18736-000-0020, 23-	Financing	Conventional
Grantor	Fairfield Office LLC & Fairfiled	Property Rights	Fee Simple
Grantee	WILKES 4TH STREET	Conditions of Sale	Arm's Length
Legal Description	--	Days on Market	--

Site			
Acres	6.92	Topography	Gently Sloping
Land SF	301,344	Zoning	IT
Road Frontage	Fairfield Ave S	Flood Zone	Zone X
Shape	Rectangular	Encumbrance or Easement	None Noted
Utilities	All to Site	Environmental Issues	None Noted

Sale Comments
 Sale of three parcels that sold under two separate contracts from two different two entities. Parcels 23-31-16-18736-000-0010 and 23-31-16-18736-000-0020 sold for \$4,088,000 and Parcel 23-31-16-18736-000-0030 sold for \$1,512,000 for a total combined price of \$5,600,000. The sale was contingent upon the buyer's gaining approvals from the city of St. Petersburg to redevelop the property into affordable housing. The sale was an off-market transaction without the use of broker. The buyer purchased the property with the intention of redeveloping the site into a 264 unit multifamily affordable housing complex. The buyer anticipated \$250,000 in demolition costs. The site is located in an industrial zone and received a nontransferable approval for multifamily development through a State Law and City Ordinance permitting the rezoning of the site to affordable housing.

Definitions

Definitions are from The Dictionary of Real Estate Appraisal, 7th Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP), and Building Owners and Managers Association International (BOMA).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant.¹

Amortization

1. The process of retiring a debt or recovering a capital investment, typically through scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund.¹
2. The gradual reduction of an amount over time, such as tax depreciation of intangible items.

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.¹

Base Rent

The minimum rent stipulated in a lease.¹

Base Year

The year on which escalation clauses in a lease are based.¹

Building Common Area

In office buildings, the areas of the building that provide services to building tenants but that are not included in the office area or store area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas, food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common area are floor common areas, parking space, portions of loading docks outside the building line, and major vertical penetrations.²

Building Rentable Area

The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration.²

Certificate of Occupancy (COO)

A formal written acknowledgment by an appropriate unit of local government that a new construction or renovation project is at the stage where it meets applicable health and safety codes and is ready for commercial or residential occupancy.¹

Common Area Maintenance (CAM)

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property.¹

The amount of money charged to tenants for their shares of maintaining a [shopping] center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenance, snow removal, security and upkeep.³

Condominium

An attached, detached, or stacked unit within or attached to a structure with common areas that are held as tenants in common (an undivided interest) with other owners in the project. The units can be

residential, commercial, industrial, or parking spaces or boat docks. These units are commonly defined by state laws in their locations. Because units can be stacked on top of other units, these units can be defined both vertically and horizontally.¹

Conservation Easement

An interest in real estate restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement may permit farming, timber harvesting, or other uses of a rural nature as well as some types of conservation-oriented development to continue, subject to the easement.¹

Contributory Value

A type of value that reflects the amount a property or component of a property contributes to the value of another asset or to the property as a whole.

The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called deprival value in some countries.¹

Depreciation

1. In appraisal, a loss in property value of improvements from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the value of the improvement on the same date.
2. In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques.¹

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

- Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
- The property is subjected to market conditions prevailing as of the date of valuation;
- Both the buyer and seller are acting prudently and knowledgeably;
- The seller is under compulsion to sell;
- The buyer is typically motivated;
- Both parties are acting in what they consider to be their best interests;
- An adequate marketing effort will be made during the exposure time;
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto; and
- 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.⁴

Easement

The right to use another's land for a stated purpose.¹

Effective Date

1. The date on which the appraisal opinion applies. (SVP)
2. The date to which an appraiser's analyses, opinions, and conclusions apply.
3. The date that a lease goes into effect.¹

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income.¹

Effective Rent

Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is

¹ Dictionary of Real Estate Appraisal, 7th Edition

² Building Owners and Managers Association (BOMA)

³ International Council of Shopping Centers (ICSC), 4th Edition

⁴ Dictionary of Real Estate Appraisal, 7th Edition

effectively paid by a tenant net of financial concessions provided by a landlord. (TIs).¹

Excess Land

Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately.¹

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying operating expenses above a stated level or amount.¹

Exposure Time

1. The time a property remains on the market.
2. An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.¹

Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2020-2021 ed.)⁵

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.¹

Floor Common Area

In an office building, the areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor.⁶

Full Service (Gross) Lease

A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a *full service lease*.¹

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory.¹

Going-Concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business*.⁷

Gross Building Area (GBA)

1. Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.
2. Gross leasable area plus all common areas.
3. For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space.¹

Gross Leasable Area (GLA)

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces.¹

Gross Up Method

A method of calculating variable operating expenses in income-producing properties when less than 100% occupancy is assumed. Expenses reimbursed based on the amount of occupied space, rather than on the total building area, are described as "grossed up."¹

Gross Retail Sellout

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. An appraisal has an effective date, but summing the sale prices of multiple units over an extended period of time will not be the value on that one day unless the prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the *aggregate of the retail values* or *aggregate retail selling price*.¹

Ground Lease

A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term.¹

Ground Rent

The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land.¹

Hypothetical Condition

1. A condition that is presumed to be true when it is known to be false. (SVP – Standards of Valuation Practice)
2. A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2020-2021 ed.)¹

Insurable Value

A type of value for insurance purposes. (Typically this includes replacement cost less basement excavation, foundation, underground piping and architect's fees).¹

Investment Value

1. The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.¹
2. The value of an asset to the owner or a prospective owner given individual investment or operational objectives. (IVS)

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.¹

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.¹

Liquidation Value

The most probable price that a specified interest in property should bring under the following conditions:

- Consummation of a sale within a short time period.
- The property is subjected to market conditions prevailing as of the date of valuation.
- Both the buyer and seller are acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.

⁵ USPAP, 2020-2021 ed.

⁶ Building Owners and Managers Association (BOMA)

⁷ Dictionary of Real Estate Appraisal, 7th Edition

- Both parties are acting in what they consider to be their best interests.
- A normal marketing effort is not possible due to the brief exposure time.
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
- 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

Market Rent

The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby

- Lessee and lessor are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
- The rent reflects specified terms and conditions typically found in that market, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, frequency of payments (annual, monthly, etc.), and tenant improvements (TIs).¹

Market Value

The most probable price that 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 this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- 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

Marketing Time

An opinion of the amount of time to sell a property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which precedes the effective date of an appraisal. (Advisory Opinion 7 and Advisory Opinion 35 of the Appraisal Standards Board of the Appraisal Foundation address the determination of reasonable exposure and marketing time.)¹

Modified Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a *double net lease*, *net net lease*, *partial net lease*, or *semi-gross lease*.¹

Operating Expense Ratio

The ratio of total operating expenses to effective gross income (TOE/EGI); the complement of the net income ratio, i.e., $OER = 1 - NIR$ ¹

Partial Interest

Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest such as a tenancy in common or easement.¹

Pass Through

A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real property taxes, property

insurance, and any other expenses determined in the lease agreement to be paid by the tenant.¹

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted.¹

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.¹

Rentable Area

For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring the inside finished surface of the dominant portion of the permanent building walls, excluding any major permanent penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.¹

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.¹

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 or similar materials, construction standards, design, layout, and quality of workmanship and embodying all of the deficiencies, superadequacies, and obsolescence of the subject building.¹

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."¹

Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.¹

Triple Net (Net Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called *NNN lease*, *net net net lease*, or *fully net lease*.¹

Use Value

The value of a property based on a specific use, which may or may not be the property's highest and best use. If the specified use is the property's highest and best use, use value will be equivalent to market value. If the specified use is not the property's highest and best use, use value will be equivalent to the property's market value based on the hypothetical condition that the only possible use is the specified use.

Value-in-Use

The amount determined by discounting the future cash flows (including the ultimate proceeds of disposal) expected to be derived from the use of an asset at an appropriate rate that allows for the risk of the activities concerned.

Qualifications



Qualifications of Wesley R. Sanders, MAI, AI-GRS, CCIM
Senior Managing Director

EDUCATION

Bachelor of Science in Economics, Texas A&M University, College Station, TX
Associate in Arts in English, Blinn College, Brenham, TX
Associate in Science in Business, Blinn College, Brenham, TX

REAL ESTATE EDUCATION AND COURSES

Real Estate Appraisal	Advanced Applications	Uniform Standards of Professional Appraisal Practice
Real Estate Principles I and II	Advanced Income Capitalization	Litigation Appraising: Specialized Topics and Applications
Real Estate Brokerage	Real Estate Development	Understanding and Testing DCF Valuation Models
Law of Agency	Hotel Appraising	Report Writing & Valuation Analysis
Law of Contracts	Real Estate Math	Advanced CCIM Education
Commercial Real Estate	Advanced Sales Comparison & Cost Approaches	Avoiding Bias
Business Practices and Ethics	Florida State Law Update for R.E. Appraisers	<i>Numerous other courses and seminars completed</i>
Highest & Best Use and Market Analysis	Fundamentals of Separating Real Property	
Comprehensive Guide to Real Estate Finance	Litigation Skills for the Appraiser	
Appraisal Review Theory – General		
ARGUS Financial Software Training		

REAL ESTATE EXPERIENCE

Mr. Sanders is a Senior Managing Director of Entreen Associates, Inc., a real estate valuation and consulting firm. In the real estate profession for 20+ years, Mr. Sanders has a wide variety of real estate experience. Mr. Sanders is active in the valuation industry with completion and review of over 800 appraisals in the past few years and several thousand over his career. This includes the appraisal of a wide variety of property types, including office buildings, hotel, multifamily (conventional, student-housing, LIHTC, Fannie, Freddie, HUD 221(d) and 223(f), M.A.P. certified), industrial warehouses, gas stations, single and multi-tenant retail centers, net leased properties, self-storage and cold-storage facilities, breweries, subdivisions, proposed and existing condominium high rises, proposed water-front condominium developments, vacant land, parking garages, hotels, and special-use properties. He has extensive experience in feasibility studies, rent studies, and valuing many different types of commercial properties for the purposes of financing, possible sale or purchase, renovation feasibility, ad valorem assessment, corporate and estate planning, and asset disposition.

He has testified as a qualified expert in Circuit Court (Second Judicial Circuit, Leon County Florida and Sixth Judicial Circuit, Pinellas County Florida), testified in US District Court (Middle District of Florida), and Deposed as a qualified expert in Circuit Court (Multiple Counties). Valuation Trends speaker at the 2014 Annual Conference for the Aggie Real Estate Network in Dallas, TX. He has also led a seminar on brewery valuation multiple times for the Appraisal Institute. National appraisal and market studies have included properties in over 15 states in the Midwest, Southeast, Northeast, and Puerto Rico.



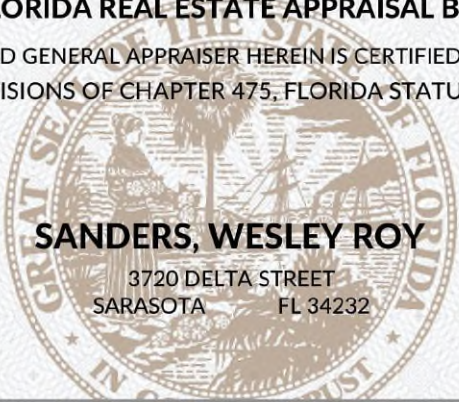

Since 2014, Wes has closed almost \$30M in commercial real estate sales transactions. He was also directly involved in analyzing, underwriting, submitting offers, or valuations, on over \$1.5B in properties during the same timeframe. He has been involved with multiple multifamily redevelopment projects, yielding investors significant returns, well above expectations.

PROFESSIONAL DESIGNATIONS AND MEMBERSHIPS

Certified Commercial Investment Member, CCIM Institute (CCIM Designated Member).
Member, Appraisal Institute (MAI and AI-GRS Designated Member).

Currently serving on the National Board of Directors for the Appraisal Institute. He previously served on the Florida Gulf Coast Chapter of the Appraisal Institute's Education Committee in 2011, Chapter Board of Directors (2012-2014), and other positions before serving as the Chapter President in 2018. He also served as the 2016-2017 Region X Government Relations Committee Chairman after two years as Vice Chairman. Recipient of the AI Volunteer of Distinction on numerous occasions. Certified General Real Estate Appraiser in Texas and Florida. Previously licensed in multiple other states. Licensed Real Estate Broker in Texas.

Member of the National Association of Realtors, Florida Gulf Coast Association of Realtors, North Texas Commercial Association of Realtors, and a Designated Member of the CCIM Institute.

	Ron DeSantis, Governor	Melanie S. Griffin, Secretary	
STATE OF FLORIDA DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION			
FLORIDA REAL ESTATE APPRAISAL BD			
THE CERTIFIED GENERAL APPRAISER HEREIN IS CERTIFIED UNDER THE PROVISIONS OF CHAPTER 475, FLORIDA STATUTES			
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