



**AN APPRAISAL OF**  
THE U.S. POST OFFICE - WINTER PARK  
LOCATED ON THE SOUTHEAST CORNER OF NEW YORK  
AVENUE AND CANTON AVENUE IN WINTER PARK,  
ORANGE COUNTY, FLORIDA 32789

**PREPARED FOR**  
CITY OF WINTER PARK  
401 PARK AVENUE SOUTH  
WINTER PARK, FLORIDA 32789

**ATTN: MR. RANDY KNIGHT, CITY MANAGER**  
**CITY OF WINTER PARK**

**DATE OF VALUATION**  
DECEMBER 12, 2014

**DATE OF REPORT**  
DECEMBER 26, 2014

**PREPARED BY**  
**MERIDIAN APPRAISAL GROUP, INC.**

ANGELA L. BROWN, MAI, VICE PRESIDENT  
STATE-CERTIFIED GENERAL REAL ESTATE APPRAISER RZ 805

FRANK W. SCHIEBER, MAI, CCIM, SENIOR APPRAISER  
STATE-CERTIFIED GENERAL REAL ESTATE APPRAISER RZ 124



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December 26, 2014

Mr. Randy Knight  
City of Winter Park  
401 Park Avenue South  
Winter Park, Florida 32789

**Re: An appraisal of the U.S. Post Office - Winter Park located in the city of Winter Park, Orange County, Florida 32789.**

**Meridian File No: 14-ONP**

Dear Mr. Knight:

This appraisal report is intended to set forth our valuation conclusion pertaining to the U.S. Post Office - Winter Park located on the southeast corner of New York Avenue and Canton Avenue in the city of Winter Park in Orange County, Florida. The site address is 300 North New York Avenue, Winter Park, Florida 32789.

The subject site contains 2.012 gross acres all of which is usable. The north half of this irregular site backs up to the FEC Railroad/SunRail tracks along its east boundary; the rectangular south half of the site backs up to Winter Park's Central Park. The property has ample exposure and adequate access from New York Avenue.

The subject's improvements are a one-story distribution warehouse built-to-suit for use as a post office. This 23,106 square foot building was built in 1965 and has been well maintained. This office/warehouse building is 100% air conditioned and features a retail lobby on its south end, perimeter offices and a covered loading dock on its north end. Approximately 38% is partitioned as retail lobby and offices; 62% of the building is dock-height distribution warehouse with a 16' clear height. Although there are only 19 paved customer parking spaces in front by the retail lobby, the north end of the site has another 95 parking spaces for postal employee parking, mail trucks and the loading dock. The property also is very nicely landscaped.

This property has mixed zoning, consisting of PQP, Public and Quasi-Public (north half of site) and PR, Parks and Recreation (south half of site). The building improvements are located on the south half of the site. The south half of the site is currently zoned PR, Parks and Recreation with an Open Space and Recreational Future Land Use. In order to illustrate the impact of this highly restrictive zoning/land use classification on the Market Value of the property, we have also been asked to provide a Market Value under the Hypothetical Condition that the entire property is assumed to be zoned PQP (Public, Quasi-Public) with an Institutional Future Land Use.

The purpose of this appraisal is to derive the "As Is" Market Value of the Fee Simple interest in the U.S. Post Office - Winter Park as of December 12, 2014, our most recent date of inspection of the subject property; as well as the Market Value under the Hypothetical Condition that the entire property is assumed to be zoned PQP (Public, Quasi-Public) with an Institutional Future Land Use. The date of this report is December 26, 2014.

The intended use of this appraisal is to provide the client an "As Is" Market Value as well as the Market Value under the Hypothetical Condition that the entire property is assumed to be zoned PQP (Public, Quasi-Public) with an Institutional Future Land Use of the U.S. Post Office - Winter Park to aid in the decision making process regarding potential acquisition and/or disposition. The intended user of this report is the City of Winter Park, to the attention of Mr. Randy Knight. No other use or users are intended.

The property is further described by both legal and narrative descriptions within the text of the following appraisal report. General Assumptions, Limiting Conditions and certain Extraordinary Assumptions



MR. RANDY KNIGHT  
DECEMBER 26, 2014  
PAGE TWO

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concerning the valuation of the subject project can be found following this section of the report. This appraisal report was prepared under Standards Rule 2-2(a) and performed under Standard 1 of the Uniform Standards of Professional Appraisal Practice (USPAP).

As a result of our investigations into those matters, which affect Market Value, and by virtue of our experience and training, we have formed the opinion that the "As Is" Market Value of the Fee Simple interest in the subject property as of the date of valuation, December 12, 2014, was:

**"AS IS" MARKET VALUE  
ONE MILLION SEVEN HUNDRED EIGHTY THOUSAND DOLLARS  
(\$1,780,000) \***

We have also formed the opinion that the Market Value under the Hypothetical Condition that the entire property is assumed to be zoned PQP (Public, Quasi-Public) with an Institutional Future Land Use of the subject property as of December 12, 2014 was:

**MARKET VALUE "AS IF REZONED PQP"  
TWO MILLION THREE HUNDRED SEVENTY THOUSAND DOLLARS  
(\$2,370,000) \***

**\* Please see Extraordinary Assumptions, Limiting Conditions and Hypothetical Conditions.**

The above findings infer that the property's Market Value "as improved" is generally unaffected by the underlying PR zoning, because the existing improvements are considered to be a "grandfathered in" non-conforming use insofar as the underlying Open Space and Recreation FLU/Parks and Recreation zoning. Having said that, if the entire site was vacant and rezoned PQP with an Institutional FLU, the underlying land value (for redevelopment) far exceeds the value of the property "as improved".

The following report was prepared in conformity with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute. As such, it conforms to the Uniform Standards of Professional Appraisal Practice (USPAP) that became effective January 1, 2014. This report meets or exceeds the guidelines of Federal, Financial Institutions Reform, Recovery and Enforcement Act of 1989 (Title XI of FIRREA) and subsequent updates, as amended, as issued by the Office of the Comptroller of Currency.

This letter of transmittal precedes the appraisal report, further describing the subject property and containing the reasoning and pertinent data leading to the final value estimates.

Respectfully submitted,  
**Meridian Appraisal Group, Inc.**

Angela L. Brown, MAI, Vice President  
State-Certified General Real Estate Appraiser RZ 805

Frank W. Schieber, MAI, CCIM, Senior Appraiser  
State-Certified General Real Estate Appraiser RZ 124  
ALB:FWS:dmh

## TABLE OF CONTENTS

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CERTIFICATION .....	1
EXECUTIVE SUMMARY .....	3
GENERAL ASSUMPTIONS AND LIMITING CONDITIONS .....	5
DEFINITION OF IMPORTANT TERMS .....	7
METROPOLITAN AREA MAP .....	8
LOCATION MAP .....	9
SUBJECT AERIAL (1/2014).....	10
SUBJECT PHOTOGRAPHS.....	11
FEMA FLOOD HAZARD MAP .....	15
WINTER PARK FUTURE LAND USE MAP .....	16
WINTER PARK ZONING MAP .....	17
TAX MAP .....	18
SUBJECT PROPERTY DATA .....	19
REGIONAL OVERVIEW .....	24
NEIGHBORHOOD MAP .....	26
NEIGHBORHOOD AERIAL .....	27
NEIGHBORHOOD ANALYSIS.....	28
SKETCH OF LEGAL DESCRIPTION (NOT A SURVEY) .....	38
SITE DATA .....	39
BUILDING SKETCH (NOT A SURVEY) .....	41
FLOOR PLAN .....	42
IMPROVEMENT DATA .....	43
HIGHEST AND BEST USE ANALYSIS .....	45
VALUATION PROCEDURE .....	48
COST APPROACH .....	49
LAND SALES LOCATION MAP .....	54
SALES COMPARISON APPROACH .....	63
IMPROVED SALES LOCATION MAP .....	72
RECONCILIATION AND FINAL VALUE CONCLUSIONS .....	77

### **ADDENDA**

APPRAISERS' QUALIFICATIONS  
ENGAGEMENT LETTER



## CERTIFICATION

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The undersigned appraisers hereby certify that to the best of their knowledge and belief:

- the statements of fact contained in this appraisal report (upon which the analyses, opinion and conclusions expressed herein are based) are true and correct.
- the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and any special assumptions if any, set forth and are the personal, impartial and unbiased professional analyses, opinions and conclusions of the appraisers.
- the appraisers have no present or prospective interest in the property that is the subject of this report and have no personal interest with respect to the parties involved.
- the appraisers have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- the appraisers' engagement in this assignment was not contingent upon developing or reporting predetermined results.
- the appraisers' 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 opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- the reported analyses, opinions and conclusions were developed and this appraisal report has been prepared in conformity with the requirements of the *Code of Professional Ethics* and the *Standards of Professional Appraisal Practice of the Appraisal Institute*.
- the reported analyses, opinions and conclusions were developed and this appraisal report has been prepared in conformity with the requirements of (and the use of this report is subject to) all regulations issued by the appropriate regulatory entities regarding the enactment of Title XI of the Financial Institution Reform, Recovery and Enforcement Act of 1989 (FIRREA), and the Uniform Standards of Professional Appraisal Practice, as promulgated by the *Appraisal Standards Board of the Appraisal Foundation*.
- we do not authorize the out-of-context quoting from or partial reprinting of this appraisal report; and neither all nor part of this appraisal report shall be disseminated to the general public by the use of any public communications media without the prior written consent of the undersigned appraisers.
- use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Angela L. Brown MAI, Vice President certifies that she has personally inspected the subject property. Frank W. Schieber MAI, CCIM, Senior Appraiser certifies that he has personally inspected the subject property and all the comparable sales used in this appraisal report. No one provided significant real property appraisal assistance to the person(s) signing the certification. The appraiser's state certifications have not been revoked, restricted, suspended or cancelled.
- the appraisal was not based on a requested minimum valuation, a specific valuation or the approval of a loan.
- the Appraisal Institute conducts a mandatory program of continuing education for designated members. As of the date of this report, Angela L. Brown, MAI and Frank Schieber, MAI, CCIM had completed the continuing education program of the Appraisal Institute.

- Angela L. Brown MAI, Vice President and Frank W. Schieber MAI, CCIM, Senior Appraiser certify that they have not appraised the subject property or provided any other any real estate related services concerning the subject property in the three years preceding our engagement for this assignment.

**Property Location**

The subject property is the U.S. Post Office - Winter Park which is located on the southeast corner of New York Avenue and Canton Avenue in the city of Winter Park in Orange County, Florida. The site address is 300 North New York Avenue, Winter Park, Florida 32789.

**Date of Valuation and Date of Report**

The date of valuation for the "As Is" Market Value and Market Value under the Hypothetical Condition that the entire property is assumed to be zoned PQP (Public, Quasi-Public) with an Institutional Future Land Use value conclusions is December 12, 2014, our most recent date of inspection of the subject property. The date of this report is December 26, 2014.

**Final Value Conclusions**

"As Is" Market Value	\$1,780,000*
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Market Value under the Hypothetical Condition that the entire property is assumed to be zoned PQP (Public, Quasi-Public) with an Institutional Future Land Use	\$2,370,000*
--	--------------

\* Please see Extraordinary Assumptions, Limiting Conditions and Hypothetical Conditions.

Certified by  
**Meridian Appraisal Group, Inc.**

Angela L. Brown, MAI, Vice President  
State-Certified General Real Estate Appraiser RZ 805

Frank W. Schieber, MAI, CCIM, Senior Appraiser  
State-Certified General Real Estate Appraiser RZ 124

## EXECUTIVE SUMMARY

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### Location

The subject property is the U.S. Post Office - Winter Park which is located on the southeast corner of New York Avenue and Canton Avenue in the city of Winter Park in Orange County, Florida. The site address is 300 North New York Avenue, Winter Park, Florida 32789.

### Type of Property

The subject's improvements are a one-story distribution warehouse built-to-suit for use as a post office.

### Highest & Best Use

As a distribution warehouse, the subject property has a "value in use" to the post office; however, it is otherwise considered to be a misplaced improvement surrounded by professional offices in this centralized Winter Park location. Practically all of its value is in the land; i.e., the improvements have minimal (if any) contributory value over and above the underlying land value. Accordingly, we conclude that the highest and best use is relatively short-term continued use, as improved, until the post office has relocated and the land can then be redeveloped.

### Site Description

The subject site contains 2.012 gross acres all of which is usable. The site has 590' on N. New York Avenue along its west boundary. The north half of this irregular site backs up to the FEC Railroad/SunRail tracks along its east boundary; the rectangular south half of the site backs up to Winter Park's Central Park. The north half of this irregular site ranges in depth from 62' to 215'; the rectangular south half of the site has 150' depth. The property has ample exposure and adequate access from New York Avenue. This site is generally level and at road grade; however, the building pad has been filled to dock height (i.e., about 4' above road grade). All public utilities are available.

### Improvements Description

This 23,106 square foot office/warehouse building is 100% air conditioned and features a retail lobby on its south end, perimeter offices and a covered loading dock on its north end. Approximately 8,777 square feet (38%) is partitioned as retail lobby and offices with 10' suspended acoustical tile ceilings and fluorescent lighting panels. Another 14,328 square feet (62%) of the building is dock-height distribution warehouse with a 16' clear height, including the shipping/receiving area. The tax roll also notes 1,132 square feet of "unfinished upper story", i.e., the postal inspector catwalks: we have not included these special-use 4' wide, elevated, enclosed catwalks in our gross building area. The warehouse area has an industrial grade resilient flooring system and also has suspended acoustical tile ceilings with fluorescent lighting panels. The exterior walls are brick over concrete block with minimal fenestration; the retail lobby and several perimeter offices have a fixed glass in aluminum frame storefront. The subject has 114 total parking spaces on site reflecting a parking ratio of 4.9 spaces per 1,000 square feet of gross building area. Although there are only 19 paved customer parking spaces in front by the retail lobby, the north end of the site has another 95 parking spaces for postal employee parking, mail trucks and the loading dock. The property also is very nicely landscaped.

This building was built in 1965 and has been well maintained. The actual age is 49 years with an effective age of 40 years. Based on Marshall & Swift's *Marshall Valuation Service* guidelines, post office buildings of this construction quality have a typical expected useful life of 55 years. Accordingly, we anticipate a remaining economic life of 15 years.

### Zoning and Land Use

This property has mixed zoning, consisting of PQP, Public and Quasi-Public (north half of site) and PR, Parks and Recreation (south half of site). We note that the post office building is located on the south half of the property, which is zoned for Parks and Recreation. Accordingly, the existing improvements are considered to be a "grandfathered in" non-conforming use insofar as the underlying Open Space and Recreation FLU/Parks and Recreation zoning.

The south half of the site is currently zoned PR, Parks and Recreation with an Open Space and Recreational Future Land Use. In order to illustrate the impact of this highly restrictive zoning/land use classification on the Market Value of the property, we have also been asked to provide a Market Value under the Hypothetical Condition that the entire property is assumed to be zoned PQP (Public, Quasi-Public) with an Institutional Future Land Use.

**Interest Appraised**

Fee Simple

**Marketing and Exposure Period**

The estimated marketing period for the subject property is six months at the Market Value estimated in this report. The estimated exposure period is six months.

**Date of Valuation and Date of Report**

The date of valuation for the "As Is" Market Value and Market Value under the Hypothetical Condition that the entire property is assumed to be zoned PQP (Public, Quasi-Public) with an Institutional Future Land Use value conclusions is December 12, 2014, our most recent date of inspection of the subject property. The date of this report is December 26, 2014.

**Final Value Conclusions**

"As Is" Market Value	\$1,780,000*
Market Value under the Hypothetical Condition that the entire property is assumed to be zoned PQP (Public, Quasi-Public) with an Institutional Future Land Use	\$2,370,000*

\* Please see Extraordinary Assumptions, Limiting Conditions and Hypothetical Conditions.

## GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

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1. The legal description used in this report is assumed to be correct.
2. No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property.
3. No responsibility is assumed for matters of legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and merchantable.
4. Information and data furnished by others is usually assumed to be true, correct and reliable. When such information and data appears to be dubious and when it is critical to the appraisal, a reasonable effort has been made to verify all such information; however, no responsibility for its accuracy is assumed by the appraiser.
5. All mortgages, liens, encumbrances, leases and servitude have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report.
9. It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the land and improvements will be within the boundaries or property lines or the property described and that there will be no encroachments or trespass unless noted within the report.
11. The date of value to which the opinions in this report apply are reported herein. The appraiser assumes no responsibility for economic or physical factors occurring at some later date which may affect the opinions stated herein.
12. Unless otherwise stated in the report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The reader is urged to retain an expert in this field, if desired.

This appraisal report has been made with the following **general limiting conditions**:

1. The appraiser will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made thereof.

## GENERAL ASSUMPTIONS AND LIMITING CONDITIONS (CONT'D)

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2. Possession of the report, or copy thereof, does not carry with it the right of publication. It may not be used for any purposes by any person other than the party to whom it is addressed without written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.
3. The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for the land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
4. No environmental impact studies were requested or made in conjunction with this appraisal, and the appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent environmental impact studies, research or investigation.
5. Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the appraiser. Nor shall the appraiser, firm or professional organization of which the appraiser is a member be identified without written consent of the appraiser.
6. Acceptance of and/or use of this appraisal report constitutes acceptance of the foregoing General Assumptions and General Limiting Conditions.

This report was prepared based on the following **Extraordinary Assumptions**:

1. The appraisers were provided a legal description of the subject property but not a survey. We have "best guessed" the land size using APEX to sketch the legal description, as described. We assume that this inferred land size is accurate, for valuation purposes; and that the property is not subject to any adverse easements or encroachments which a professional survey or current title policy may have revealed.
2. No buildings plans were available. Building details, including sizes and descriptions, are based on our on-site observations and measurements; and are assumed to be accurate, for valuation purposes.

This report was prepared based on the following **Hypothetical Conditions**:

1. The south half of the site is currently zoned PR, Parks and Recreation with an Open Space and Recreational Future Land Use. In order to illustrate the impact of this highly restrictive zoning/land use classification on the Market Value of the property, we have also been asked to provide a Market Value under the Hypothetical Condition that the entire property is assumed to be zoned PQP (Public, Quasi-Public) with an Institutional Future Land Use

**Please be advised that use of the aforementioned Extraordinary Assumptions and Hypothetical Conditions might have affected the assignment results.**

## DEFINITION OF IMPORTANT TERMS

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### **Market Value<sup>1</sup>**

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

### **Highest and Best Use<sup>2</sup>**

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum profitability. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.

### **Fee Simple Estate<sup>3</sup>**

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.

### **Definition Sources**

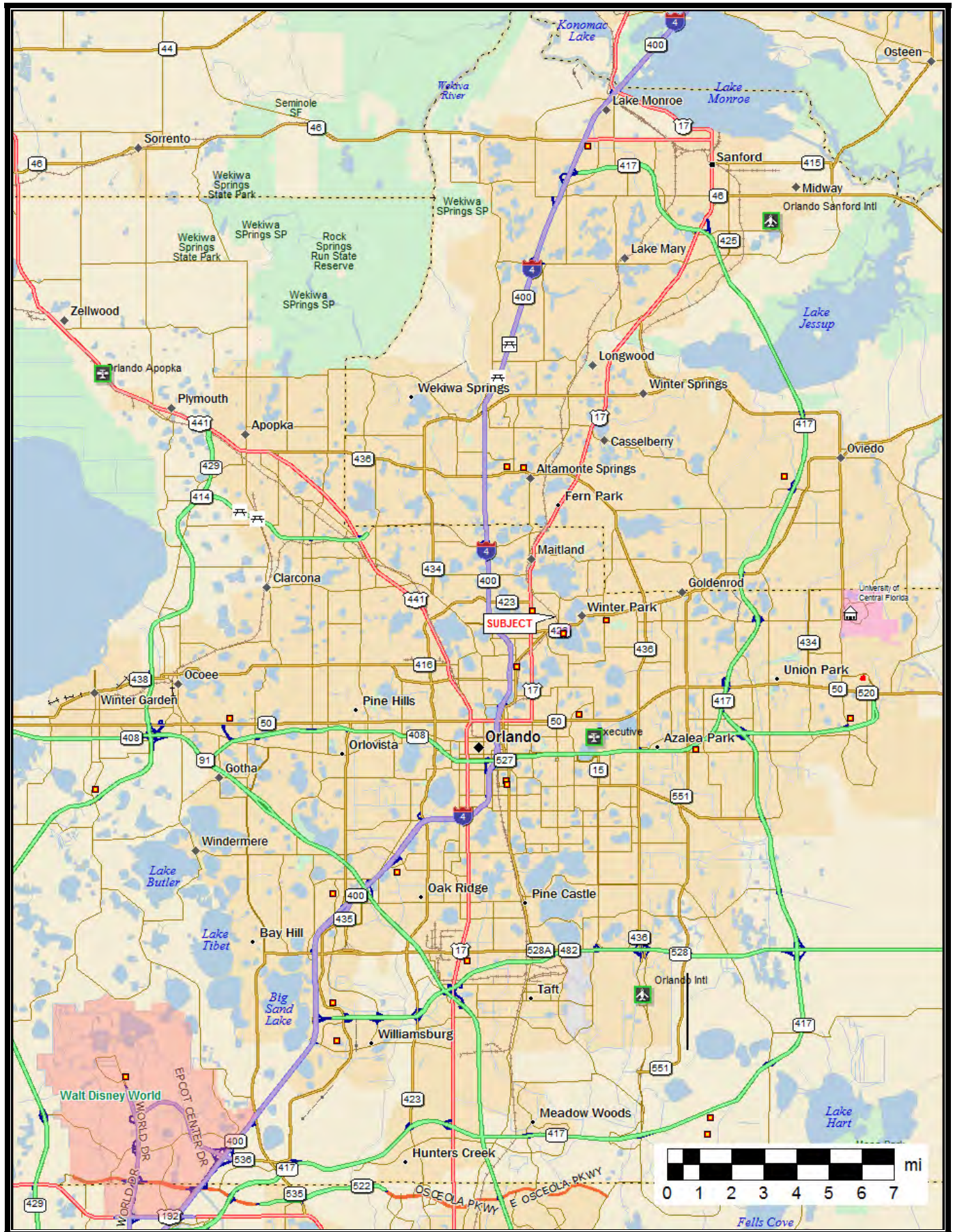
<sup>1</sup> Title XI - Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA"), (Pub.L.No.101-73, Title XI, 103 Stat. 511 (1989); 12 U.S.C. 3310, 3331-3351, as subsequently amended; Interagency Appraisal and Evaluation Guidelines dated December 2, 2010; The Appraisal of Real Estate, Appraisal Institute, 14<sup>th</sup> Edition, 2013, Page 59

<sup>2</sup> The Appraisal of Real Estate, Appraisal Institute, 14<sup>th</sup> Edition, 2013, Page 333

<sup>3</sup> The Dictionary of Real Estate Appraisal, Appraisal Institute, 5<sup>th</sup> Edition, 2010, Page 78

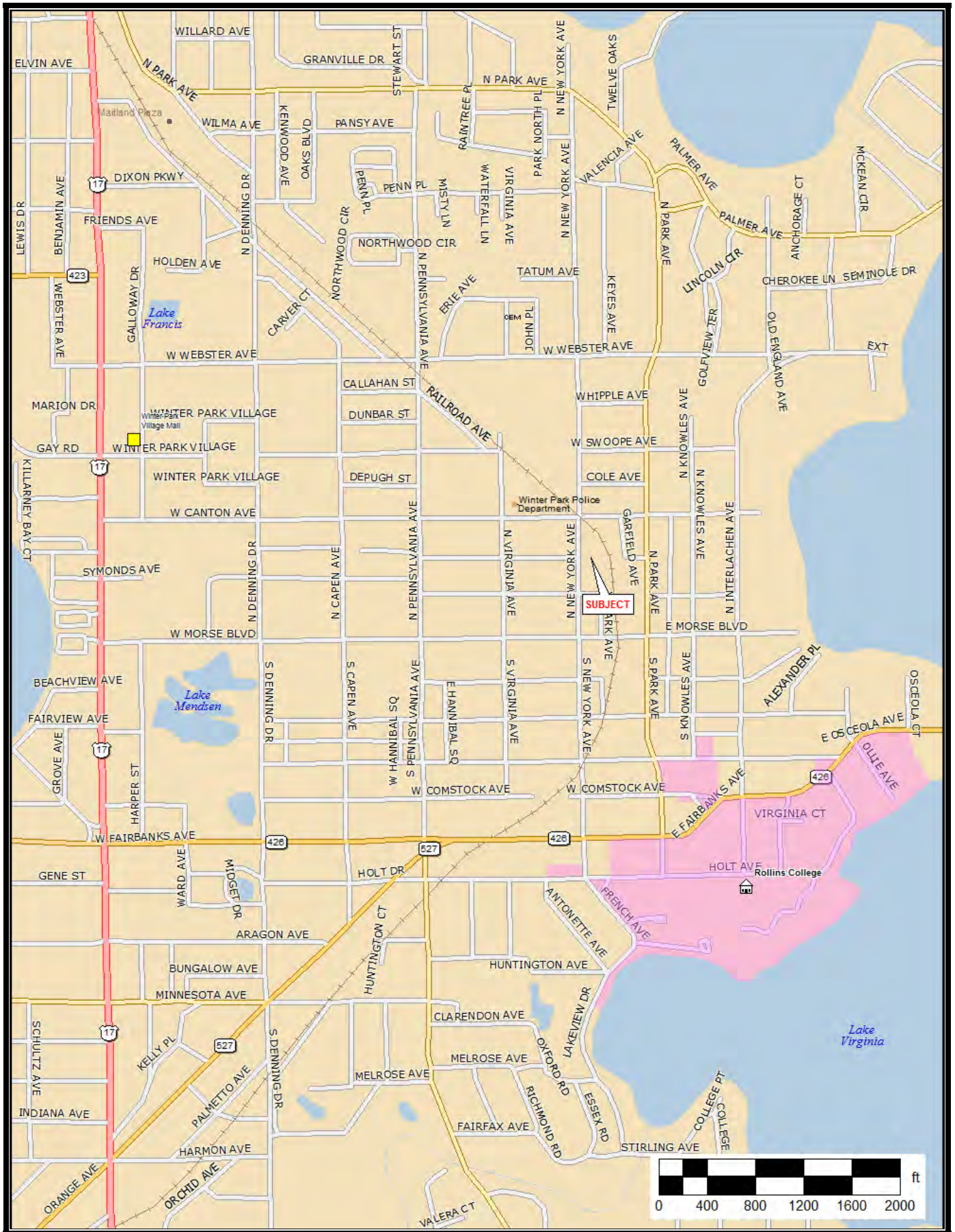


# METROPOLITAN AREA MAP



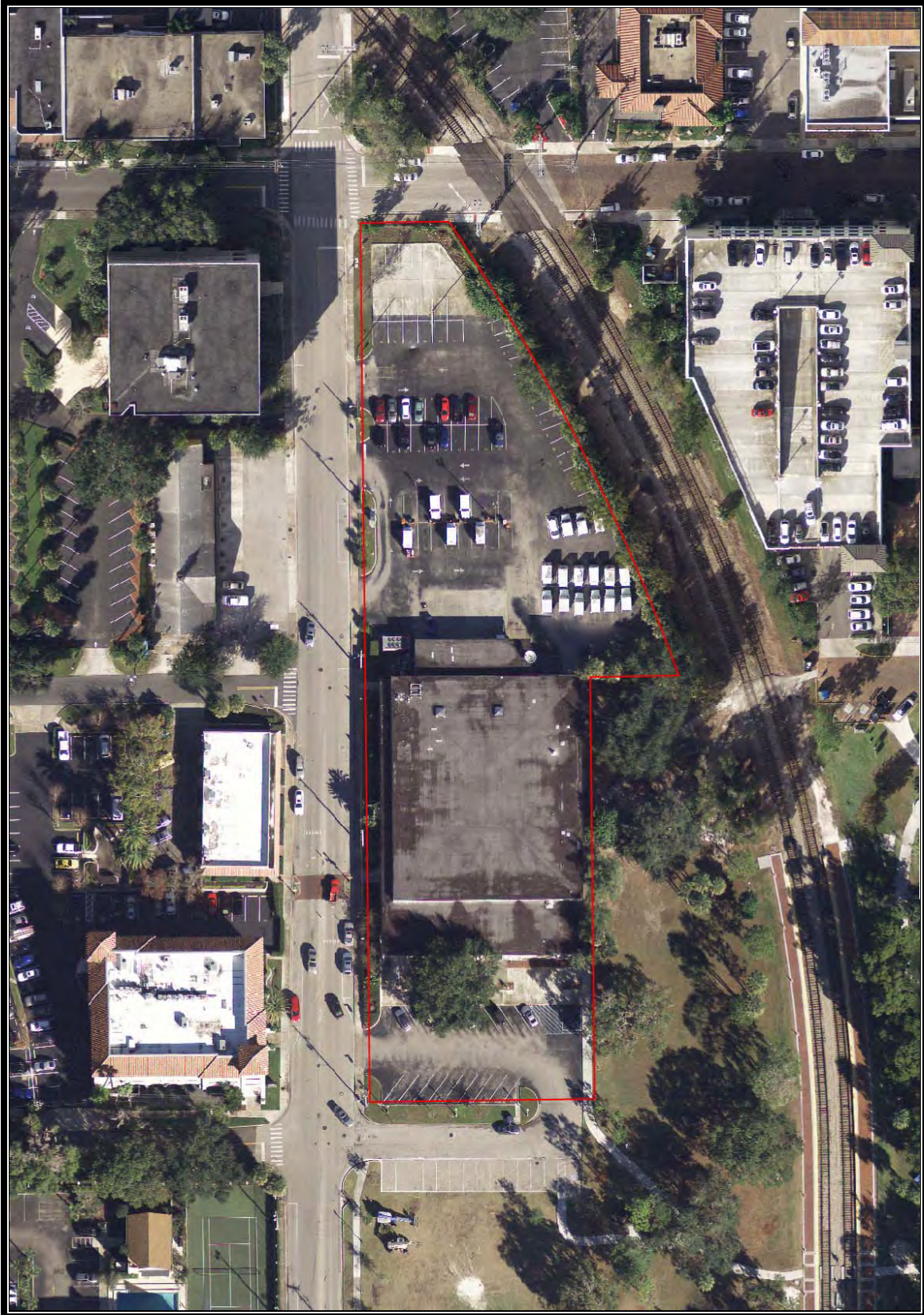


# LOCATION MAP





**SUBJECT AERIAL (1/2014)**



**THE NORTH HALF OF THE SITE BACKS UP THE RAILROAD TRACKS.  
THE SOUTH HALF OF THE SITE BACKS UP TO WINTER PARK'S CENTRAL PARK**

**THE POST OFFICE BUILDING IS LOCATED ON SOUTH HALF OF THE SITE,  
WHICH IS ZONED FOR "PARKS AND RECREATION"**



## SUBJECT PHOTOGRAPHS



THE PROPERTY HAS EXTENSIVE FRONTAGE  
ALONG NORTH NEW YORK AVENUE (NOTE: ALL  
PHOTOS TAKEN 12/12/2014)



THE FRONT OF THE BUILDING IS ALONG ITS  
SOUTH SIDE



FRONT ENTRANCE TO RETAIL LOBBY AND POST  
OFFICE BOXES



OFFICES ALONG THE BUILDING'S SOUTHEAST SIDE  
HAVE A SUNSCREEN OVER THE FIXED GLASS  
WINDOWS



THE NORTH TWO-THIRDS OF THE BUILDING IS A  
BRICK OVER CONCRETE BLOCK WAREHOUSE



MOST OF THE PAVED PARKING IS AT THE NORTH  
END OF THE PROPERTY



## SUBJECT PHOTOGRAPHS



A COVERED LOADING DOCK SERVES THE NORTH  
END OF THIS DOCK-HEIGHT DISTRIBUTION  
WAREHOUSE



VIEW SOUTHERLY ALONG THE EAST PROPERTY  
LINE



THE NORTH HALF OF THE SITE BACKS UP TO THE  
FEC RAILROAD/SUNRAIL TRACKS



THE SOUTH HALF OF THE PROPERTY BACKS UP TO  
WINTER PARK'S CENTRAL PARK



THE BUILDING IS ON THE SOUTH HALF OF THE  
SITE, WHICH IS ZONED FOR PARKS AND  
RECREATION



CUSTOMER PARKING IS ACCESSED OFF OF THE  
STUB END OF CAROLINA AVENUE ALONG THE  
SOUTH END OF THE SITE



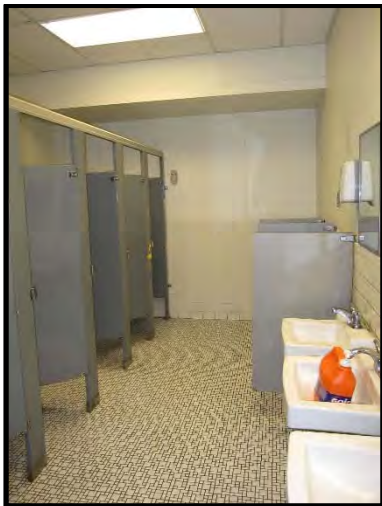
## SUBJECT PHOTOGRAPHS



THE BUILDING IS MOSTLY A DISTRIBUTION WAREHOUSE WITH 16' CLEAR HEIGHT AND INDUSTRIAL RESILIENT FLOORING



CONCRETE BLOCK PARTITIONED OFFICES ARE IN A STRIP ALONG THE PERIMETER OF THE BUILDING



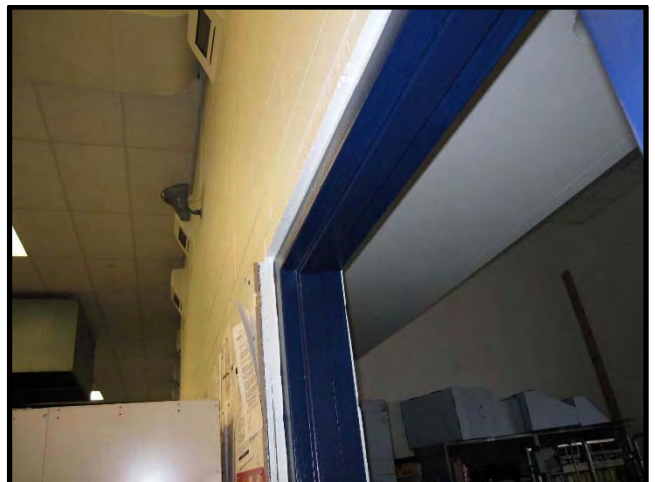
RESTROOMS HAVE TILE FLOORS AND TILE WAINSCOT



EMPLOYEE LOCKER ROOMS



INTERIOR PARTITIONING AND CORRIDORS ARE PAINTED CONCRETE BLOCK



ENCLOSED POSTAL INSPECTOR'S CATWALKS ENCIRCLE THE WAREHOUSE AND ADJOIN THE RETAIL LOBBY



## SUBJECT PHOTOGRAPHS



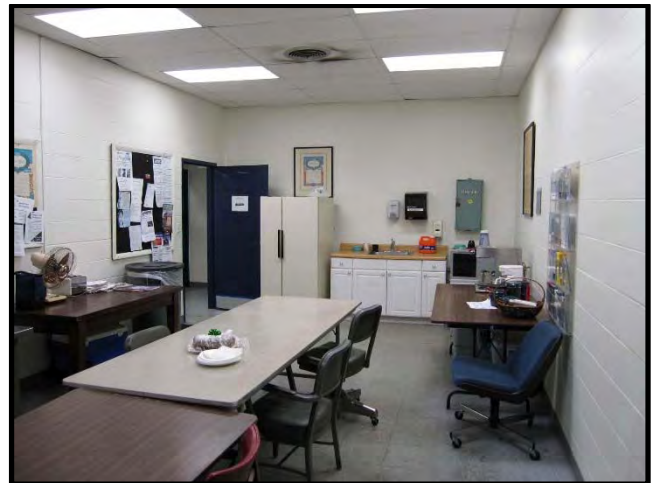
POSTAL MAILBOXES ARE CONFIGURED TO FORM SEVERAL ALCOVES OFF OF THE RETAIL LOBBY



MAILBOXES ARE FF&E BELONGING TO THE U.S.P.S., AND ARE NOT INCLUDED IN THIS APPRAISAL



A COUPLE STORAGE ROOMS HAVE VINYL ASBESTOS TILE FLOORING



THE EMPLOYEE BREAK ROOM, RESTROOMS AND SOME OFFICES HAVE NO WINDOW FENESTRATION



VIEW SOUTH ON NEW YORK AVENUE (SUBJECT ON LEFT)



VIEW NORTH ON NEW YORK AVENUE (SUBJECT ON RIGHT)



# FEMA FLOOD HAZARD MAP

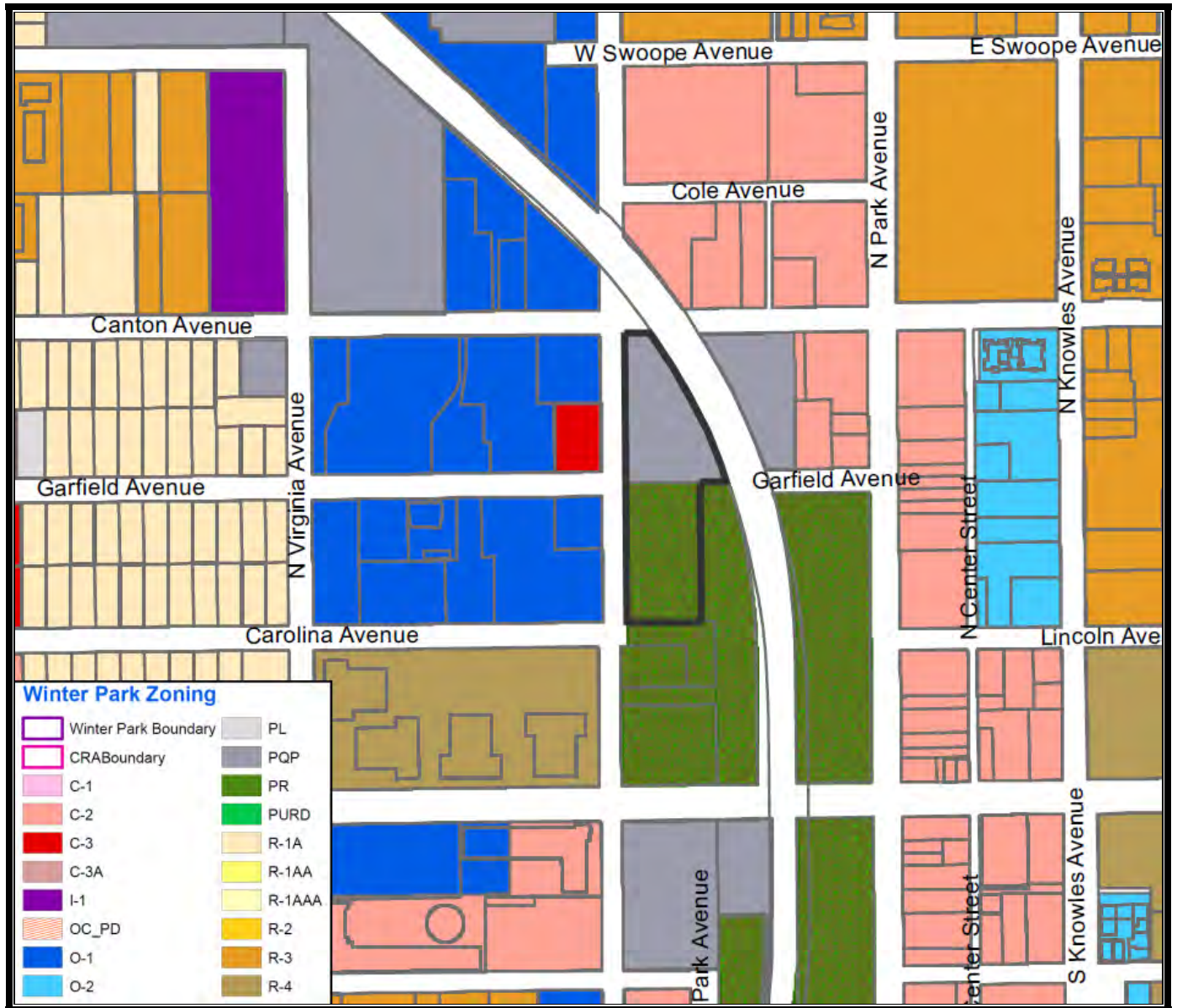


# WINTER PARK FUTURE LAND USE MAP

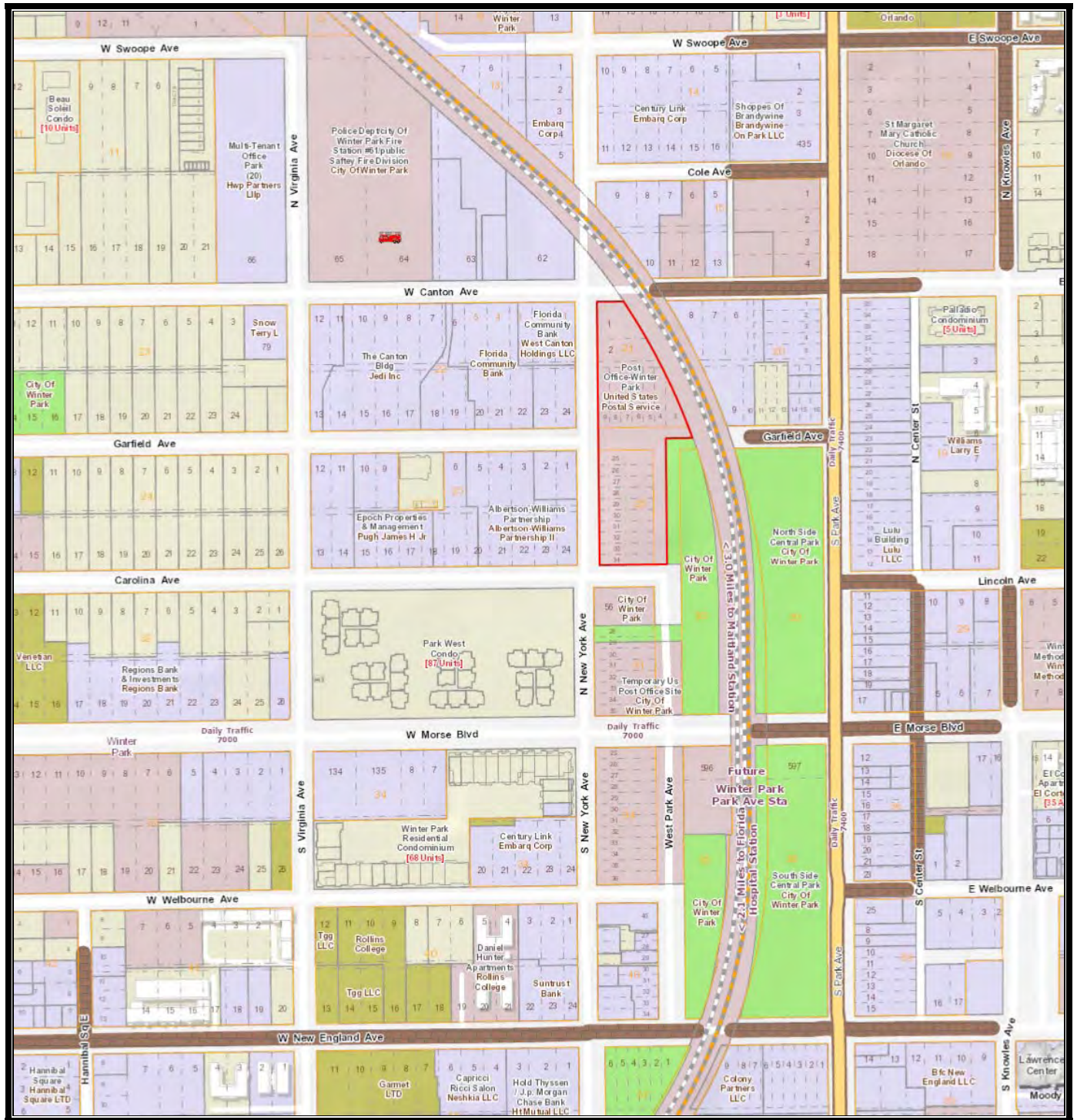




# WINTER PARK ZONING MAP



# TAX MAP





## SUBJECT PROPERTY DATA

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### **Purpose and Date of Appraisal**

The purpose of this appraisal is to estimate the "As Is" Market Value of the Fee Simple interest in the U.S. Post Office - Winter Park as of December 12, 2014, our most recent date of inspection of the subject property; as well as the Market Value under the Hypothetical Condition that the entire property is assumed to be zoned PQP (Public, Quasi-Public) with an Institutional Future Land Use. The date of this report is December 26, 2014.

### **Intended Use and Users of Appraisal**

The intended use of this appraisal is to aid the client in establishing the "As Is" Market Value as well as the Market Value under the Hypothetical Condition that the entire property is assumed to be zoned PQP (Public, Quasi-Public) with an Institutional Future Land Use of the U.S. Post Office - Winter Park to aid in the decision making process regarding potential acquisition and/or disposition. The intended user of this report is the City of Winter Park, to the attention of Mr. Randy Knight. No other use or users are intended.

### **Type and Address**

The subject property is the U.S. Post Office - Winter Park which is located on the southeast corner of New York Avenue and Canton Avenue in the city of Winter Park in Orange County, Florida. The site address is 300 North New York Avenue, Winter Park, Florida 32789.

The property is located at Longitude -81.352534 North and Latitude 28.599549 East. The subject property is in Census Tract 159.01, Orange County, Florida.

### **Scope of the Appraisal**

Developing an appropriate solution to the appraisal problem involves selective market research, compiling and analyzing pertinent data and the use of knowledge, experience and judgment. Data regarding factors which influence the geographical area in which the property is located was obtained, compiled and analyzed. Then an inspection of the neighborhood in which the property is located was made and an analysis of any significant trends which may affect the property was conducted. After a physical inspection of the property, all pertinent information concerning the property was compiled and evaluated. Utilizing the relevant data resulting from the research, an analysis to determine the highest and best use of the property was then conducted. Once the highest and best use of the property has been established, the next step would typically be to apply the market collected data to each of the three traditional approaches to value. These traditional approaches include the Cost Approach, Income Approach and the Sales Comparison Approach.

The subject's improvements were built-to-suit for use as a main post office for the U.S. Postal Service. The City of Winter Park has long considered acquiring this property for assemblage with the adjoining city park and/or repurposing it for municipal use. The south half of the site is currently zoned PR, Parks and Recreation with an Open Space and Recreational Future Land Use. In order to illustrate the impact of this highly restrictive zoning/land use classification on the Market Value of the property, we have also been asked to provide a Market Value under the Hypothetical Condition that the entire property is assumed to be zoned PQP (Public, Quasi-Public) with an Institutional Future Land Use.

With prior agreement of the client, we have used the Sales Comparison Approach as the primary tool to value the property "as is"; and used the Land Sales Comparison Approach to value the property "as if vacant". The Land Sales Comparison Approach was utilized in analyzing the value of the property under its current zoning as well as under the hypothetical condition that the entire property is assumed to be zoned PQP (Public, Quasi-Public). We have also developed a Cost Approach, which seeks to explain the relationship between the cost new of the post office improvements vs. today's contributory value of the improvements, if any. The Sales Comparison Approach was developed in this report. Using improved sales of properties similar to the subject and adjusting them for any physical differences, we were able to develop a reliable per unit value.

## SUBJECT PROPERTY DATA (CONT'D)

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Applying this unit value to the subject's building area results in a value conclusion via this approach. With prior agreement of the client, we have not developed an Income Approach in this report. As a distribution warehouse, the subject property has a "value in use" to the post office; however, it is otherwise considered to be a misplaced improvement surrounded by professional offices. Since the Institutional Future Land Use is not intended for income producing properties, we believe that an Income Approach would require too many assumptions on our part insofar as what or how the property might be repurposed and the conversion costs involved, in order for the Income Approach to be useful as a valuation technique "as is".

### Legal Description

The legal description below is from the 10/9/1995 deed (O.R. 4960/4539) transferring title to the United States Postal Service.

*All that certain parcel of land situated in the City of Winter Park, County of Orange, State of Florida, described as beginning at the point of intersection of the East line of New York Avenue with the North line of Carolina Avenue and running thence Northwardly along the East line of New York Avenue 590.0 feet to the South line of Canton Avenue; thence Eastwardly along the South line of Canton Avenue and forming an interior angle of 90 degrees 03' 20" with the preceding course, 62.45 feet to a point 40 feet southwestwardly, measured radially, from the original center line of the main tract of the A. C. L. Railroad Company; thence Southeastwardly along the arc of a curve to the right having a radius of 1392.69 feet, said curve being supported by a chord forming an interior angle of 116 degrees 24' 04" with the preceding course and having a length of 342.68 feet, to a point on the center line of Garfield Avenue (now vacated); thence Westwardly, along the center line of Garfield Avenue (now vacated) and forming an interior angle 63 degrees 35' 56" with said chord, 65.12 feet to the center line of West Park Avenue (now vacated); thence Southwardly along the center line of West Park Avenue (now vacated), and forming an exterior angle of 90 degrees 03' 20" with the preceding course, 283.65 feet to the North line of Carolina Avenue; thence Westwardly along the North line of Carolina Avenue forming an interior angle 89 degrees 50' with the preceding course, 150 feet to the point of beginning, all lying and being situate in Section 6, Township 22 South, Range 30 East, Orange County, Florida.*

### Property Rights Appraised

Fee Simple

### Ownership and Three-Year History of Subject

According to the Orange County Tax Rolls, the subject property is currently under the ownership of United States Postal Service with a mailing address of 475 L'Enfant Plaza, SW, Washington, D.C. 20260-6433. No transactions involving the subject property were noted in Public Records over the previous five years. The subject property is not currently listed for sale, under contract or under a letter of intent to purchase.

### Flood Plain

According to the Federal Emergency Management Agency, National Flood Insurance Rate Map 12095C0255F for the city of Winter Park (community #120188) dated September 25, 2009, the subject property is located within Zone "X", an area above the 500 year flood plain. Please see FEMA Flood Map excerpt preceding this section.

### Zoning and Land Use

The subject property is zoned PQP, Public and Quasi-Public (north half of site) and PR, Parks and Recreation (south half of site) by city of Winter Park. The respective (and compatible) Future Land Use (FLU) designations are Institutional (north half of site) and Open Space and Recreational (south half of site).

The Open Space and Recreational FLU and its accompanying Parks and Recreation zoning are highly restrictive insofar as development rights. This Future Land Use Map designation accommodates land used for either passive or active recreation and land left in its natural state for environmental or conservation reasons. It encompasses public and private parks, golf courses and recreation areas and cemeteries which shall be precluded from development and those areas on unplatted parcels which the City shall consider for dedication as parkland

when subdivision occurs. Land designated as parks and open space would also preclude its use for streets or roads. This designation standard for intensity of use is for passive recreational or active recreational facilities. The maximum floor area ratio for land designated Open Space and Recreation shall be 0.20 (20%) for active recreation facilities such as Community Centers and 0.10 (10%) for passive recreational facilities.

The Institutional future land use designation includes lands used by governments, hospitals, churches, community centers, schools, utilities and social service agencies serving the public. This designation is compatible with the P.Q.P. zoning and any future hospital or medical arts district. However, these types of uses are also permitted as conditional uses within other designations. The intensity of use in the designation is up to a maximum 45% floor area ratio outside of the Central Business District and up to a maximum 200% floor area ratio inside the same as the Central Business District future land use designation inside the C.B.D. Public parking garages (not private) may be excluded from the floor area ratio by the City Commission.

1. New Institutional Facilities. Since any new institutional facilities or expansions can only occur through conditional uses or Future Land Use Map changes, these proposed types of facilities such as public governmental buildings, schools, colleges or universities, public utility facilities, public parking lots, churches, museums, libraries, retirement and nursing homes, hospitals and non-profit community service facilities (excluding private clubs and lodges) may be exempted from policy 1-2.5.1 in this element which discourages land use plan map changes so that appropriate future sites may be established that shall provide these public services and benefits.
2. Ensure Compatibility of New Community Institutional Facilities. New community facility uses or expansions shall be permitted only when those facilities or uses are compatible with the character of the surrounding area, and when there is minimal additional impact over that possible by existing land use, for such factors as traffic, parking, noise, height and size of the facilities.
3. Redevelopment of Rollins College. The City shall strive to accommodate the enhancement and redevelopment of the Rollins College campus to the extent that such redevelopment is compatible with the height and density of surrounding properties and is in compliance with our Land Use Development Codes. Development of the Rollins College campus and ancillary facilities shall be in accordance with an adopted Master Plan to be presented for approval within one year of adoption of this Comprehensive Plan.

We note that the subject property is inside of the Central Business District; outside of the designated Community Redevelopment Area; and has a two to three story building height limit as restricted by the Maximum Height Map. We further note that the P.Q.P. district does not allow residential buildings except as dormitories for colleges, hospital beds, nursing home beds, and assisted living accommodations.

Permitted uses in the PQP zoning district include:

- (1) Schools and educational uses
- (2) Health service uses including hospitals, nursing homes and assisted living complexes
- (3) Public utility and service uses, including administrative facilities
- (4) Governmental uses in performance of governmental functions.
- (5) Institutional office and public service uses for community service organizations.
- (6) Museums.
- (7) Churches and other places of religious functions.

The purpose of a parks and recreation district is to insure that areas of the city are preserved for park, open space, and recreational purposes for the benefit of the residents or maintained as open space due to their environmental sensitivity and benefit to the overall environment whether publicly or privately owned. Permitted uses are limited to:

- (1) Public parks and recreational facilities;
- (2) Publicly- or privately-owned cemeteries and tree nurseries;
- (3) Privately-owned parks and recreational facilities which are restricted to use by residents in a particular subdivision or neighborhood area;
- (4) Conservation lands, wetlands and floodplain areas.



## SUBJECT PROPERTY DATA (CONT'D)

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Buildings in this zoning district may not exceed two stories. Buildings over 10,000 square feet in PQP and PR zoning districts are, by definition, considered to be conditional uses

The 23,106 square foot post office building reflects a 26.4% floor area ratio (FAR) on this 2.012 acre site. The subject's 114 parking spaces reflect a parking ratio of 4.9 spaces per 1000 square feet, which appears to be consistent with performance requirements for the post office.

The property's zoning and Future Land Use classifications were changed in May 2010 (city Ordinances 2811-10 and 2812-10), establishing the Open Space and Recreation FLU/Parks and Recreation zoning on the south half and re-establishing Institutional FLU/Public and Quasi-Public zoning on the north half of the site. We note that the post office building is located on the south half of the property, which is zoned for Parks and Recreation. Accordingly, the existing improvements are considered to be a "grandfathered in" non-conforming use insofar as the underlying Open Space and Recreation FLU/Parks and Recreation zoning

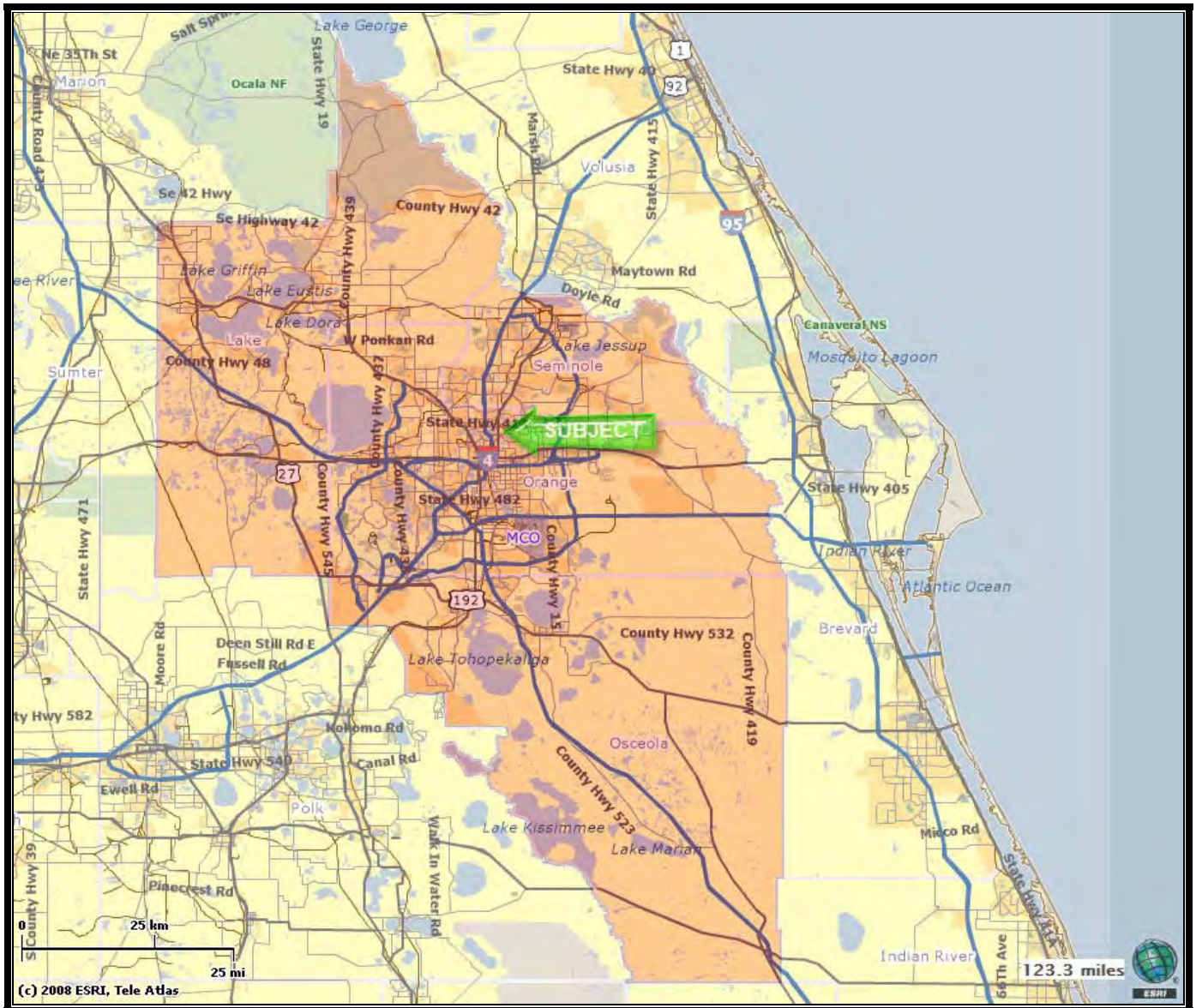
The south half of the site is currently zoned PR, Parks and Recreation with an Open Space and Recreational Future Land Use. In order to illustrate the impact of this highly restrictive zoning/land use classification on the Market Value of the property, we have also been asked to provide a Market Value under the Hypothetical Condition that the entire property is assumed to be zoned PQP (Public, Quasi-Public) with an Institutional Future Land Use.

### **Assessments and Taxes**

According to Orange County tax rolls, the subject property is assessed as tax parcel number 05-22-30-9400-21-010. As a government-owned property, the subject is real estate tax exempt.

The 2014 total assessed value for the subject property is \$2,614,510. The land component is assessed at \$25.00 per square foot, irrespective of its PQP vs. PR zoning. The building component is assessed at 31% of its perceived \$50.19 replacement cost new as a warehouse by the county property appraiser. We note that the tax roll's land size and building area differs slightly from our "best guess" based on field measurements sans building plans. The tax roll's area also notes 1,132 square feet of "unfinished upper story", i.e., the postal inspector catwalks: we have not included these special-use 4' wide, elevated, enclosed catwalks in our gross building area.

ORLANDO-KISSIMMEE-SANFORD MSA (METROPOLITAN STATISTICAL AREA)



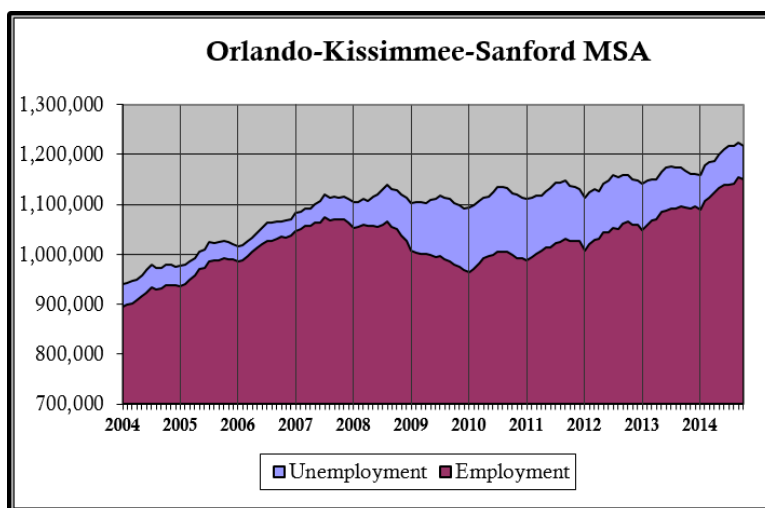
## REGIONAL OVERVIEW

### Metropolitan Orlando Perspective

The Orlando-Kissimmee-Sanford MSA (Metropolitan Statistical Area) consists of Orange, Seminole, Osceola and Lake Counties. It is located near the center of peninsular Florida, east of midway between the Atlantic Ocean and the Gulf of Mexico.

The Orlando-Kissimmee-Sanford MSA's population grew from 1,644,561 (2000) to 2,134,411 (2010), averaging 48,985 persons per year. During the same time period, the number of households increased by 173,197, representing direct demand for 17,320 new dwelling units per year. The 2014 population estimate of 2,242,064 persons and 836,508 households reflects much slower recent growth averaging 26,913 persons per year and 9,516 households per year since 2010. Approximately 59% of occupied dwelling units are owner-occupied and 41% are renter-occupied. The MSA's population is forecast (by ESRI) to grow to 2,437,967 persons and 907,981 households by 2019. This forecast anticipates accelerating growth on the order of 39,181 persons (14,295 households) per year over the next five years.

Based on 2014 estimates, the area's population has a median household income of \$48,478 and an average household income of \$66,068. As illustrated by the graphic to the right, employment had generally kept pace with population (labor force) growth from 2002 to the beginning of 2008, gradually bringing the unemployment rate down to around 3% to 3.5% for most of 2005 through May 2007. Concurrent with the nationwide Great Recession commencing 4Q2007, however, the local unemployment rate rapidly increased to 9.5% by March 2009 then remained around 11% through February 2011. The unemployment rate has since gradually declined to below 10% in October 2011; below 9% in March 2012; below 8% in November 2012; below 7% in April 2013; and hovering around 6% from October 2013 through August 2014, before going below 6% in September 2014. The preliminary October 2014 unemployment rate is 5.4%.



The U.S. Bureau of Labor Statistics shows that the Orlando-Kissimmee-Sanford MSA employment had grown from 864,331 jobs (1/2003) to 1,053,194 jobs (1/2008), for an average of 37,773 new jobs per year over the five years. During the following two years, from January 2008 to January 2010's trough, almost 90,000 jobs were lost. It then took almost three years (to September 2012) to recover the number of jobs lost during the recession. Year-over-year job growth for the past 12 months has averaged 47,110 jobs per year; and 2014 job growth is similar in strength to 2005 levels following the 2001-2002 recession. October 2014 employment reflects 56,267 more jobs than October 2013.



October 2014's seasonal size of the labor force at 1,215,768 is 49,600 persons larger than in October 2013, reflecting markedly improving net working population growth over the past year, compared to the 8,000 persons 2012-2013 growth and 20,500 persons 2011-2012 growth. We note that May 2013's total employment of

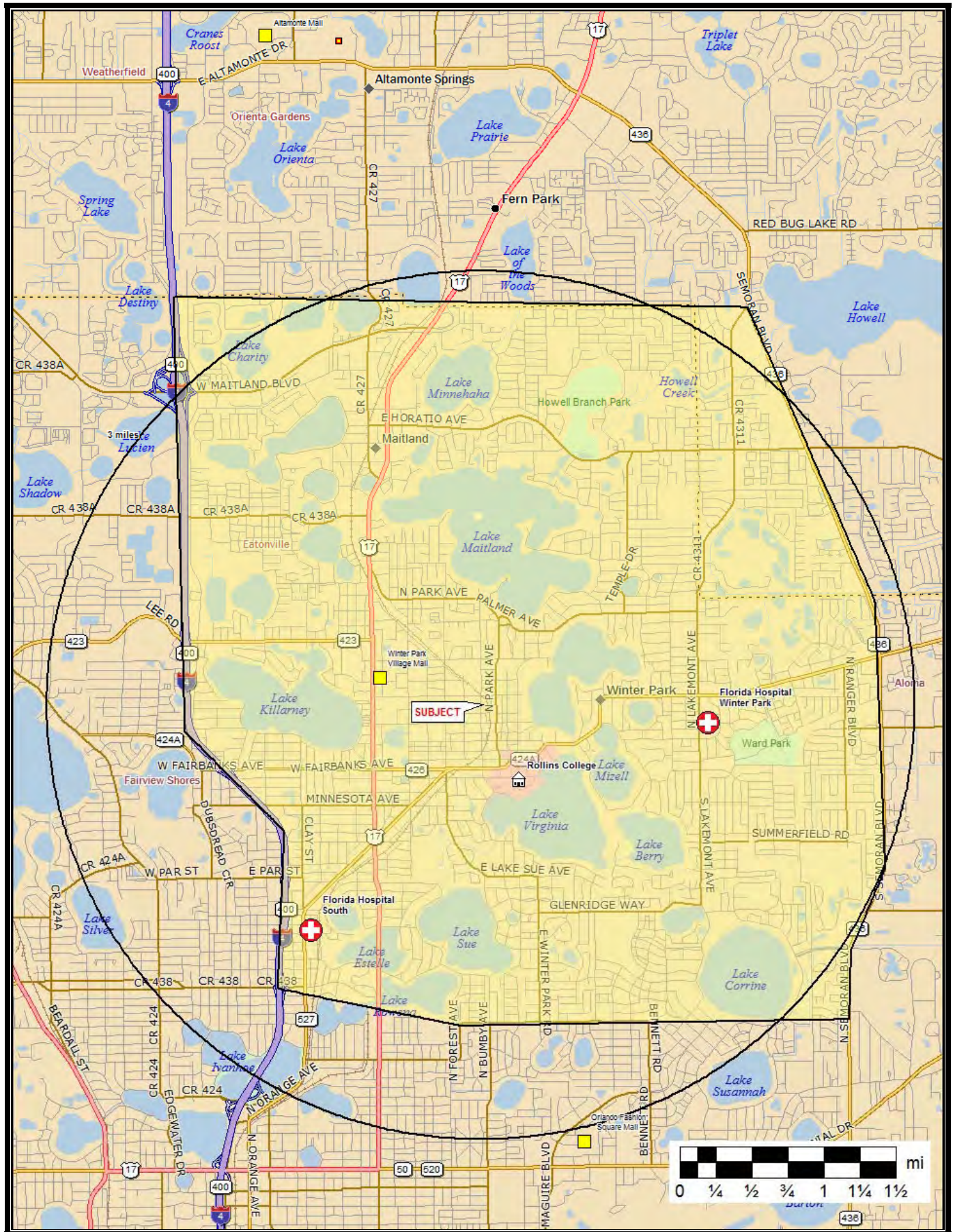
1,084,000 jobs surpassed the MSA's previous peak employment of 1,074,000 jobs (July 2007). October 2014's total 1,149,540 jobs is seasonally lower than September 2014's 1,154,278 jobs all-time high for the MSA; October 2014's 1,215,768 person labor force is also seasonally lower than September 2014's 1,223,873 person all-time high for the MSA.

Behind the numbers, there appears to be a growing number of part-time jobs, at the expense of formerly full-time jobs. Currently, job creation is skewed toward low-skill, low-income categories. To circumvent the Affordable Care Act's requirement to provide health care to full-time employees, retailing, health care and food service employers are cutting workers' hours. Consequently, new jobs are being created for people who now have to hold multiple part-time jobs.

In summary, the Orlando-Kissimmee-Sanford MSA's economy is recovering, with total employment surpassing pre-recession 2007 levels by 90,000 jobs. Seasonal swings notwithstanding, job growth has been positive since June 2010; and recent trends generally reflect job creation at a level which will continue to reduce the unemployment rate and/or attract in-migration to the metropolitan area. We believe the local housing market will continue to strengthen, as a result of improving employment and consumer confidence.



# NEIGHBORHOOD MAP





## NEIGHBORHOOD AERIAL



## NEIGHBORHOOD ANALYSIS

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### Neighborhood Analysis

A neighborhood is defined in terms of common characteristics, trends and groupings of similar or complementary land uses. For appraisal purposes, we have examined demographics within a defined neighborhood bordered on the east by Semoran Boulevard (State Road 436); on the west by Interstate 4; on the north by the Orange/Seminole County line; and on the south Princeton Street/Corrine Drive. This defined neighborhood measures approximately five miles north-south and 4½ miles east-west. The subject property is near the middle of the defined neighborhood.

### Transportation

Major roadways in the subject neighborhood include:

**Interstate 4** runs north/south as the west boundary of the defined neighborhood and is the primary transportation arterial for the Orlando MSA. This limited access major arterial has three or four lanes in each direction. It provides primary access from the northern suburbs through downtown Orlando then southwest to the major tourist attractions (Walt Disney World, Universal Studios and Sea World). It also connects commercial trucking and regional distribution centers between Tampa and Daytona Beach. The neighborhood's access to Interstate 4 is available via Maitland Boulevard, Lee Road, Fairbanks Avenue and Princeton Street plus a half-interchange at Par Street.

**State Road 436 (Semoran Boulevard)** is an arterial highway which was once the de facto "beltway" around the east and north sides of the Orlando metropolitan area. It remains a major, four and six lane divided highway, linking the Orlando International Airport to east Orlando, turning west in Casselberry, through Altamonte Springs, ending in Apopka at U.S. Highway 441. State Road 436 is lined with retail stores and strips, restaurants, service commercial shops, automobile dealerships, apartments and the occasional office building. It is eight lanes, median divided in the subject's neighborhood.

**U.S. Highway 17-92 (Orlando Avenue)** is second only to Interstate 4 as a north/south arterial highway through the Orlando metropolitan area. This six lane, median divided highway has been developed with service commercial businesses in between major intersections, which are generally developed with retail commercial. Land uses along this road consist of freestanding retail stores such as dry cleaners, drug stores, gas stations, branch banks and professional offices, restaurants as well as a few suburban hotels. There are several car dealerships located along this road north of Lee Road.

**Lakemont Avenue** is a four lane collector for the east half of the defined neighborhood. It travels in a north/south direction from the heart of Baldwin Park through Winter Park north of Aloma Avenue, where it branches off as Lake Howell Road and continues to State Road 436.

**Aloma Avenue/Fairbanks Avenue (State Road 426)** is a four lane road that starts at Edgewater Drive, winding through Winter Park, intersecting with Lakemont Avenue and proceeding east to Oviedo. This is a heavily traveled road which provides easy east/west access through the middle of the neighborhood. It is generally developed with neighborhood retail commercial.

**Maitland Boulevard** is a four and six lane, median divided limited access minor arterial, which runs west from U.S. Highway 17-92, connecting with Interstate 4, State Road 434 (Forest City Road) and U.S. Highway 441, before morphing into a toll road extending further west to Orlando's western beltway. It is heavily developed with corporate scale professional office buildings near its Interstate 4 interchange.

**Lee Road (State Road 423)** is a six lane, median divided thoroughfare, which runs west from U.S. Highway 17-92 to Interstate 4, then extends further west to U.S. Highway 441. It then turns south and becomes John Young Parkway, a major north-south thoroughfare extending all the way to Kissimmee. It is heavily developed with suburban professional office buildings east of Interstate 4, then becomes more retail and service commercial in character between Interstate 4 and U.S. Highway 441.



### Neighborhood Description

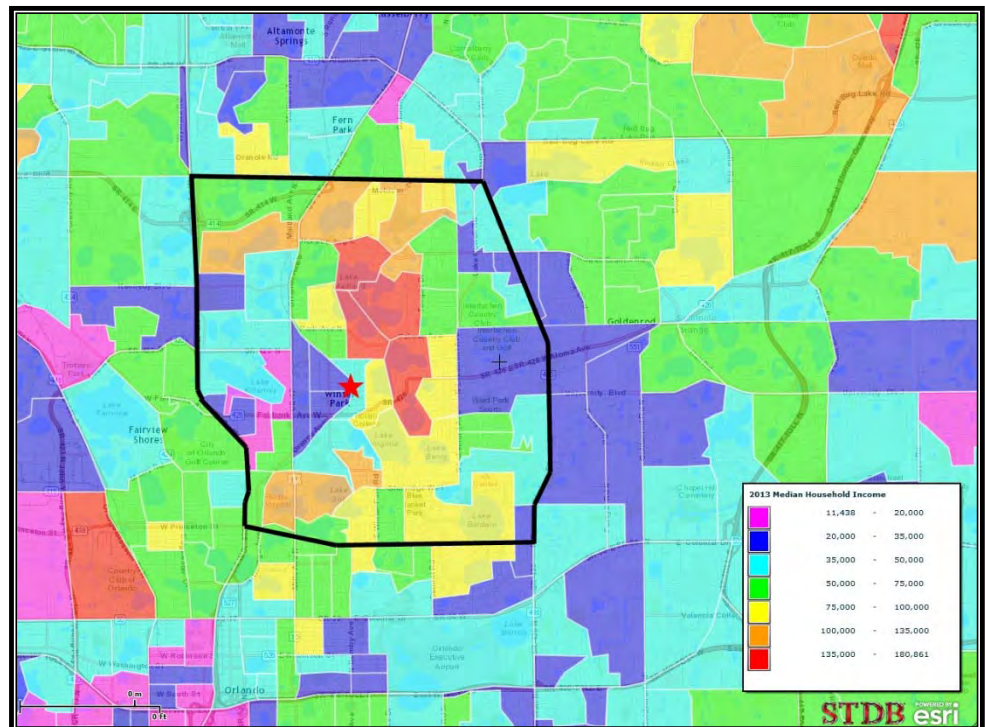
As shown on the preceding neighborhood map, the subject is in Winter Park, near the middle of the greater Orlando metro area. This location is in the close-in, upscale suburbs five miles northeast of downtown Orlando. The defined neighborhood is generally residential with retail commercial corridors along the major highways, plus downtown Winter Park. The neighborhood is nearly 100% built out of its developable land.

Approximately 58% of the housing units are detached single family, 15% are attached townhomes/duplex/fourplexes and 27% are apartment or condominium units in the defined neighborhood. According to ESRI's 2013 estimate, approximately 57% of the 27,977 occupied housing units are owner occupied and 43% are renter occupied. Another 3,529 are vacant housing units, of which 50% are available for rent. The neighborhood saw 44% of its residential growth in the 1960s or before; 30% of growth in the 1970s and 1980s; and 24% of the growth has occurred during the 1990s and 2000s. The most recent growth has been infill in increasingly upscale detached single family residential subdivisions and condominiums, with a few townhouse subdivisions, plus some apartments (many of which were converted to condos in the mid-2000s).

The 2010 Census data shows a resident population of 61,539 people in the defined neighborhood, which reflects minimal population growth of 87 persons per year (109 households per year) during the previous decade. ESRI's 2013 estimate is 63,670 people, reflecting population growth of 710 persons per year (307 households per year) since 2010. The defined neighborhood has an average household size of 2.20 persons and median age of 42.3 years. Approximately 25% of the households are with children; approximately 19% of the neighborhood's population is aged 65+. ESRI forecasts population growth to 68,617 persons by 2018, which reflects a forecast growth rate 989 persons per year during the next five years. Their forecast growth to 30,160 households by 2018 reflects direct incremental demand for 437 housing units per year during the next five years.

In the defined neighborhood, 2013 estimated median household income was \$50,484 and estimated average household income was \$86,332. This is higher than the Orlando Metro Area's \$48,032 median and \$66,408 average household income, respectively. Households in the defined neighborhood are approximately 38% lower income; 35% middle income and 27% upper income. Approximately 50% have household incomes greater than \$50,000.

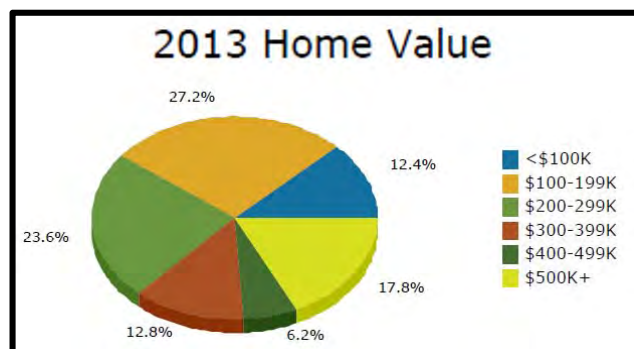
The map on the right shows relative median household income and the subject's defined neighborhood, by census block group: Pink and purple are lower income; light blue is lower-middle income; green is middle income; and yellow reflects upper-middle income areas. Orange and red are upper income areas. The subject is in a lower-middle income area, which is undergoing gentrification. The defined neighborhood encompasses middle and upper income households in Winter Park and Maitland as well as lower-middle income areas along Lee Road and Semoran Boulevard.



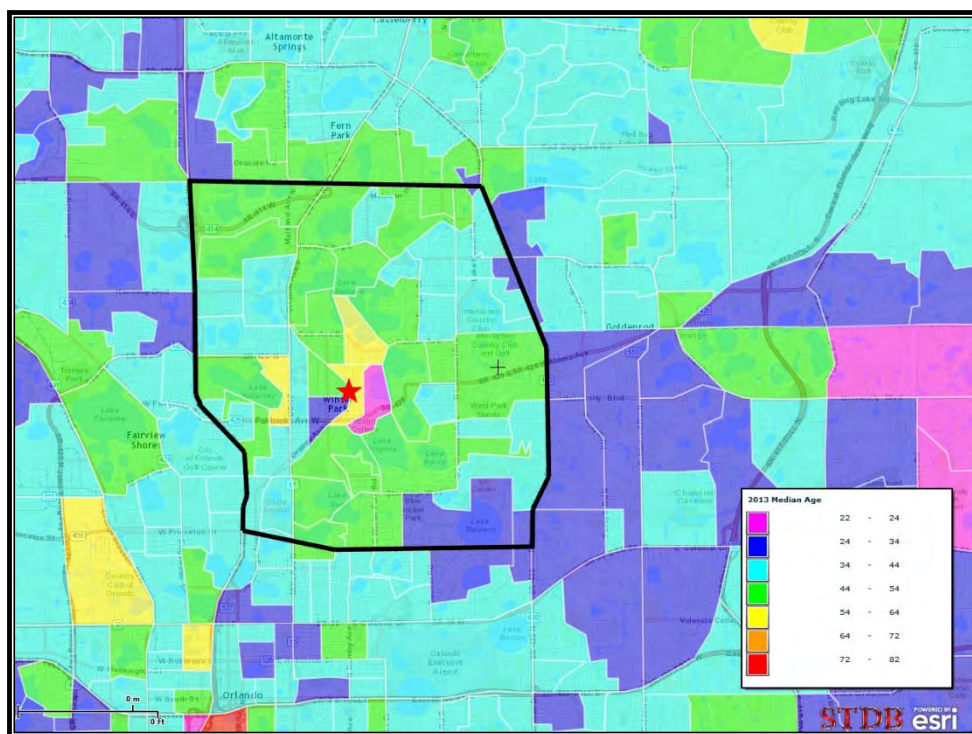
## NEIGHBORHOOD ANALYSIS (CONT'D)

Approximately 75% of the defined neighborhood's employed residents are in white collar occupations; approximately 16% are employed in services occupations; and approximately 9% are employed in blue collar occupations. According to the 2013 estimate, approximately 62% of the age 16+ population is in the labor force, with a 93.6% employment rate.

The graphic to the right illustrates ESRI's estimate of owner-occupied housing unit prices in the subject's defined neighborhood. The largest segment is housing in the \$100,000 to \$199,000 price range (27.2%). Homes priced from \$200,000 to \$299,000 and are the second largest segment, comprising 23.6% of owner-occupied housing units. The third largest segment are homes priced \$500,000 and above. These price points are consistent with the previously described median household income levels.



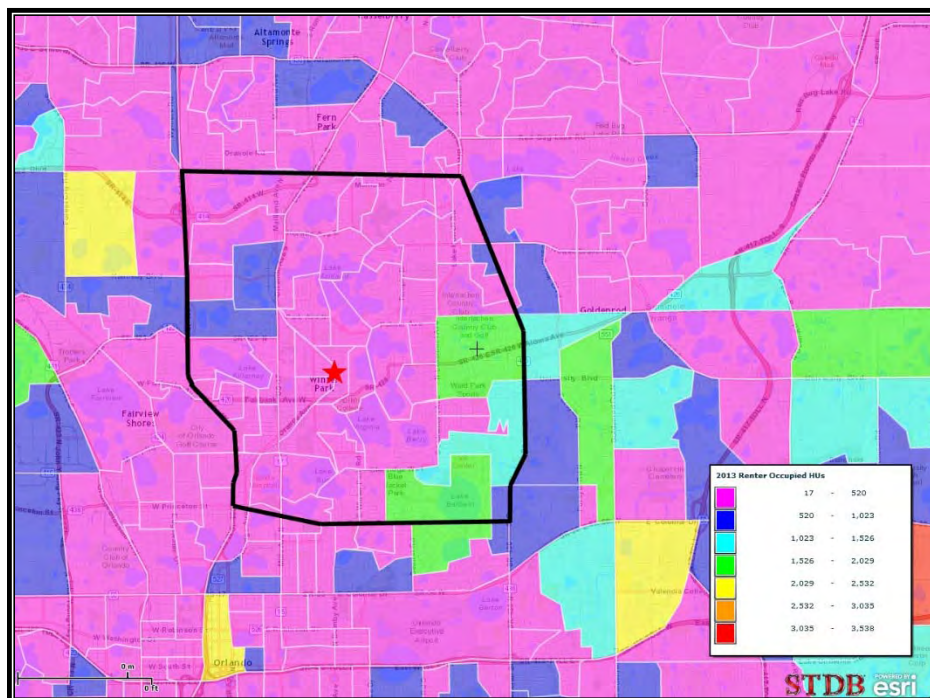
One other demographic of note is the median age of population by census block group. Pink areas have a median age less than 24 years, and are notably clustered around Rollins College in Winter Park and near the University of Central Florida to the east. Purple areas represent median age 24 to 34 years, typically young families and working singles. Younger residents generally prefer locations near Orlando's shopping and employment; however, they are generally priced out of Winter Park/ Maitland. Light blue areas represent median age between 34 and 44 years, typically families with school-age children; green areas represent median age between 44 and 54 years and are generally "move-up" families with children. Yellow areas represent median age between 54 and 64 and are generally comprised of empty-nester households with few children. Orange and red areas are generally retirees. The subject property is in a green area. The subject neighborhood is predominately middle-aged, "move-up" families and empty-nester households. We note that young families and working singles reside mostly east of Semoran Boulevard.



Established in 1885, Rollins College is the oldest recognized college in the state of Florida. The 80 acre campus of this independent, liberal arts college is mostly located south of Fairbanks Avenue along the north shore of Lake Virginia in Winter Park. Rollins College enrollment is in excess of 3,000 students.

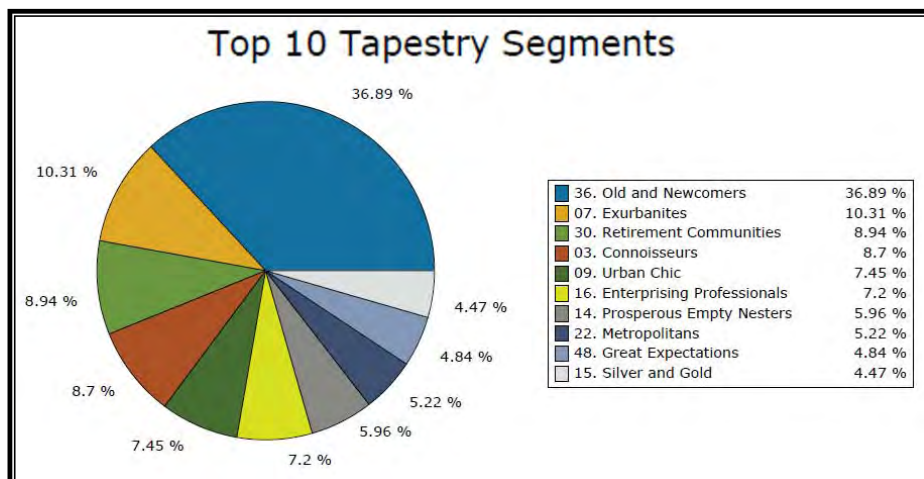


Within the subject's defined neighborhood, approximately 57% of occupied housing units are owner occupied and 43% are renter occupied. The graphic to the right illustrates the relative percentage of renter-occupied dwelling units by census block group with pink and purple areas being the lowest proportion of renters. The pink areas are generally owner-occupied single family residences; purple and light blue areas increasing add condos and apartments. Red, orange, green and yellow areas are more heavily occupied by renters and are generally developed with higher concentrations of apartments and condo conversions. The areas with high proportions of rentals are generally also those with younger aged population.



The east portion of the subject's defined neighborhood along Semoran Boulevard (State Road 436) and further east along Goldenrod Road is a lower-middle income area, dominated by apartments and condominiums rented to mostly younger-age singles and working couples. Full Sail is a private technical college specializing in art, music and film, with about 13,000 student enrollment. Full Sail's campus is located on the south side of University Boulevard between State Road 436 and Forsyth Road immediately east of the defined neighborhood. The University of Central Florida (one of the largest universities in the U.S.) is located at the east end of University Boulevard six miles east of State Road 436.

Segmentation systems operate on the theory that people with similar tastes, lifestyles, and behaviors seek others with the same tastes—"like seeks like." These behaviors can be measured, predicted and targeted. ESRI's segmentation system, Community Tapestry, combines the "who" of lifestyle demography with the "where" of local neighborhood geography to create a model of various lifestyle classifications.



The following seven clusters profile 85.4% of the defined neighborhood's households. The largest segment represents 36.9% of neighborhood households and typifies residents of the older dwellings and apartments in the east one-third of the neighborhood. *Retirement Communities* (8.9%) recognizes several ALF and congregate living facilities in this popular and convenient neighborhood. Four of the remaining five segments are mostly upper and upper-middle household income professionals, families with older children and empty nesters. ESRI describes these clusters as follows:

**Old and Newcomers (36.9%)** – Old and Newcomers neighborhoods are in transition, populated by those who are starting their careers or retiring. The proportion of householders in their 20s or aged 75 years or older is higher than the national level. The median age is 37.1 years. Spread throughout metropolitan areas of the United States, these neighborhoods have more single person and shared households than families. Many residents have moved in the last five years. Over 60% of households are occupied by renters; approximately half live in mid-rise or high-rise buildings. Residents have substantial life insurance policies and investments in certificates of deposit, bonds and annuities. Leisure activities include roller skating, using Rollerblades, playing golf, gambling at casinos, playing bingo and attending college ball games. They listen to classic hits on the radio. Many residents are members of fraternal orders or school boards.

**Exurbanites (10.3%)** – Exurbanites residents prefer an affluent lifestyle in open spaces beyond the urban fringe. Although 40% are empty nesters, another 32% are married couples with children still living at home. Half of the householders are aged between 45 and 64 years. They may be part of the “sandwich generation,” because their median age of 46.6 years places them directly between paying for children’s college expenses and caring for elderly parents. There is little ethnic diversity; most residents are white. Approximately half work in substantive professional or management positions. These residents are educated; more than 40% of the population aged 25 years and older hold a bachelor’s or graduate degree.

**Retirement Communities (8.9%)** – Retirement Communities neighborhoods are found mostly in cities scattered across the United States. The majority of households are multiunit dwellings. Congregate housing, which commonly includes meals and other services in the rent, is a trait of this segment dominated by singles who live alone. This educated, older market has a median age of 51.9 years. One-third of residents are aged 65 years or older. Although the median household income is a modest \$48,889, the median net worth is \$119,873. Good health is a priority; residents visit their doctors regularly, diet and exercise, purchase low-sodium food and take vitamins. They spend their leisure time working crossword puzzles, playing bingo, gardening indoors, canoeing, gambling and traveling overseas. They like to spend time with their grandchildren and spoil them with toys. Home remodeling projects are usually in the works.

**Connoisseurs (8.7%)** – Residents of Connoisseurs neighborhoods are somewhat older, with a median age of 47.7 years. Approximately 70% of the population is married. Although residents appear closer to retirement than child-rearing age, 30% of the households are married couples with children living at home. Ethnic diversity is negligible. Connoisseurs are second in affluence only to the Top Rung segment. This market is well educated; 63% of the population aged 25 years and older hold a bachelor’s or graduate degree. Employed residents earn wages from high-paying management, professional, and sales jobs. Many are self-employed; the rate is twice that of the national average.

**Urban Chic (7.5%)** – Urban Chic residents are well-educated professionals living an urban, exclusive lifestyle. Most own expensive single family homes with a median home value of \$659,997. Married-couple families and singles comprise most of these households. The median age is 42 years. Urban Chic residents travel extensively, visit museums, attend dance performances, play golf, and go hiking. They use the Internet frequently to track investments or to shop, buying concert and sports tickets, clothes, flowers, and books. They appreciate a good cup of coffee while reading a book or newspaper and prefer to listen to classical music, all talk or public radio programs. Civic minded, residents are likely to volunteer in their communities.

**Enterprising Professionals (7.2%)** – This fast-growing market is home to young, educated, working professionals, with a median age of 32.4 years. Single or married, they prefer newer neighborhoods with townhomes or apartments. The median household income is \$71,018. This segment is ranked second of all the Community Tapestry markets for labor force participation, at 75%. Their lifestyle reflects their youth, mobility and growing consumer clout. Residents rely on cell phones and PCs to stay in touch. They use the Internet to find their next job or home, track their investments and shop. They own the latest electronic gadgets. Leisure activities include yoga, playing Frisbee and football, jogging, going to the movies and attending horse races and basketball games. These residents also travel frequently, both domestically and overseas.

**Prosperous Empty Nesters (6.0%)** – Approximately six in 10 householders in Prosperous Empty Nesters neighborhoods are aged 55 years or older. Forty percent of the households are composed of married couples with no children living at home. Residents are enjoying the move from child-rearing to retirement. The median age is 48.2 years. Population in this segment is increasing slowly, at 0.56% annually; however, the pace will probably accelerate as the Baby Boomers mature. Prosperous Empty Nesters residents are not ethnically diverse; approximately 90% are white. Prosperous Empty Nesters invest prudently for the future. The median household income is \$66,014.

Baldwin Park – Besides the upper-income subdivision of Windsong, the primary focus of new residential development since 2000 has been Baldwin Park, located in the southeast end of the defined neighborhood. The Baldwin Park Master-Planned Community contains nearly 1,100 acres of which 200 acres are contained within two lakes, Lake Baldwin and Lake Susannah. Prior to the development of Baldwin Park, the site was home to the Naval Training Center Orlando for over 30 years, until 1999 when the training center was closed. Located just over two miles from downtown Orlando, Baldwin Park is very conveniently located to shopping as well as downtown Orlando's entertainment venues and major employment centers. It is located only eight miles north of the Orlando International Airport as well.

Baldwin Park includes several parks and recreational facilities, many of which are restricted to the residents within the project. The recreational facilities that are restricted to residents only include Grace Hopper Hall and Enders Park. These facilities include a community pool, a fitness center, meeting and community rooms as well as parks. Other facilities include Blue Jacket Park and Cady Way Trail. Blue Jacket Park is a city (Orlando) owned and operated facility with ball fields and track fields, pavilions, playgrounds and a fountain plaza.

The Village Center encompasses eight blocks within this planned community. This mixed use area of Baldwin Park offers a unique waterfront area for living and working with pedestrian friendly shopping and dining. Some of the commercial developments within the Village Center include a Publix, SunTrust Bank, a CVS Drugstore, several fast food or specialty food restaurants such as Subway and Cold Stone Creamery, along with sit-down restaurants such as the Baldwin Steak House and the Colibri Mexican Restaurant.

### **Commercial Development**

Retail commercial development is mostly situated along U.S. Highway 17-92, Fairbanks/Aloma Avenue and State Road 436. Winter Park Village provides a major focal point for retail shopping for the Winter Park/Maitland portion of the Orlando Metro area. This 524,000 square foot "urban village" was redeveloped in the late 1990s on the site of the Winter Park Mall. It is located on U.S. Highway 17-92, just south of Lee Road. This open air mall has 49 stores and is anchored by Publix and Regal Cinema's Stadium 20 theatre. Other notable stores include a variety of restaurants such as Ruth's Chris Steak House, P.F. Chang's, Brio's, Mitchell's Fish House and The Cheesecake Factory. The former Dillard's store has been converted into residential "Lofts" apartments.

Grocery anchored neighborhood shopping centers are located along both U.S. Highway 17-92 and State Road 436 at or near major intersections. Additional retail commercial and service commercial development is located along Aloma Avenue, Orange Avenue and Fairbanks Avenue. The intersection of U.S. Highway 17-92 with Horatio Avenue is considered the city center of Maitland. Most of the properties in the vicinity of this signalized intersection are retail and service commercial, including several bank branches, several restaurants, a McDonald's, some professional and general offices and a Publix. The Maitland Publix is a freestanding store with supplemental retail strip stores along its U.S. Highway 17-92 frontage. An undersized Winn-Dixie in downtown Maitland has closed and the property sold in early 2006 for redevelopment (which had been postponed indefinitely, although city hall is currently (10/2014) considering approving a developer for it).

Downtown Winter Park is known for its upscale shops, boutiques and restaurants along Park Avenue. Although still popular for its pedestrian ambiance, Park Avenue shops have been squeezed by newer retail development with superior parking, such as Winter Park Village.

The most active retail commercial redevelopment area is the U.S. Highway 17-92 corridor from Lee Road south to Fairbanks Avenue. A Trader Joe's anchored neighborhood shopping center opened in 2014. The City of Winter Park is considering a proposal for commercial redevelopment of the Mount Vernon Inn motel site.

Over 70 acres in the northwest quadrant of Lee Road and U.S. Highway 17-92 has been assembled by developer Dan Bellows over the past 15 years. This very large mixed-use project, named "Ravaudage," will affect Maitland, Winter Park and Orange County, who will all be cooperating parties in overseeing the development of the project. This project will have a multi-year build-out schedule, and is proposed to include retail

commercial, office, apartments and/or condominiums and a hotel site. A 12,000 square foot Miller's Ale House has been built on the hard corner of Lee Road and U.S. Highway 17-92 as Ravaudage's first occupant. A retail first floor/office second floor strip is under construction north of the Miller's Ale House. Whole Foods is planning on building a new Winter Park store directly across 17-92 from Ravaudage.

Further south along U.S. Highway 17-92, the Mills Park project was designed for mostly office and retail mixed use. Mills Park is located at the intersection of U.S. Highway 17-92 and Virginia Drive. This land was sold to DeBartolo in 2011, who has subsequently developed the property with retail anchored by a Fresh Market, restaurants and two apartment complexes.

The State Road 436 corridor north of University Boulevard is mostly retail commercial; transitions from retail to general office intermixed with apartments near Hanging Moss Road; and then becomes general commercial from the subject property south to the retail commercial district at State Road 50. Several automobile dealerships are located along State Road 436. Significant retail and service commercial development is also located along Aloma Avenue within the defined neighborhood. Aloma Avenue features several neighborhood shopping centers, notably anchored by Whole Foods and a newly-rebuilt and expanded Publix; as well as a variety of restaurants and service commercial development.

Just east of the neighborhood is a light manufacturing and industrial area east of State Road 436 along Forsyth Road.

Winter Park has its own concentration of professional office buildings, mostly within a few blocks of Park Avenue and Aloma/Fairbanks Avenue. Morse Boulevard parallels Fairbanks Avenue and has long featured a cluster of office and condominium office buildings between Park Avenue and U.S. Highway 17-92. One of the first speculative professional office buildings constructed since the Great Recession is located on Morse Boulevard at Denning Drive.

In addition to professional office, there are medical office districts clustered around Florida Hospital Orlando, located in the southwest corner of the defined neighborhood; and around Florida Hospital Winter Park near the intersection of Aloma Avenue and Lakemont Avenue in the east central portion of the defined neighborhood. Florida Hospital Orlando is in the midst of a major expansion of their "Health Village". According to their website:

*Development of Health Village, our 172 acre mixed use planned community, has already begun with the recent completion of a 156,000 square foot medical office building, which houses our new Diabetes Institute, and construction of our Translational Research Institute for Metabolism and Diabetes which opened in early 2012. [Presently under construction are] a 150,000 sq. ft. bioscience building and a 235 unit apartment complex.*

*Modeled as a destination for visitors and residents seeking world-class care, Health Village is on pace to set the wellness standard for urban communities. By creating an environment rich in resources that encourage whole-person health, we can extend our healing mission beyond our hospital doors, and create a greater impact in the collective health of the community that surrounds us.*

*By the time our 15 year plan is complete, we expect to create thousands of jobs, countless partnership opportunities and become a highly sought after health care resource for those here in Central Florida and the world abroad. Our current development plan includes:*

- Hospital facilities to support up to 800 additional beds
- 600,000 sq. ft. of medical office space
- 100,000 sq. ft. of general office space
- 100,000 sq. ft. of retail space
- 550 residential units



## NEIGHBORHOOD ANALYSIS (CONT'D)

*Picturesque parks and walkways, health-centered restaurants and shops, and a convenient commuter rail station will join the Florida Hospital Orlando campus along with innovative research and treatment facilities in a completely integrated and thoughtfully designed urban health oasis.*

Based on information on the CCIM STDBonline.com web site, there are 8,138 business establishments within the defined neighborhood, with a daytime total of 52,084 employees (2013). Major employment by NAICS codes are construction (5%); retail trade (10%); information (6%); finance, insurance and real estate (10%); professional and tech services (12%); health care (27%) and food services & drinking places (5%) of the 52,084 employee total. Health Care & Social Assistance represents 14,024 jobs; Professional, Scientific and Tech Services represent another 6,039 jobs.

Comparing the 30,792 employed residents to the 52,084 jobs within the defined neighborhood, illustrates that this suburban area acts as an employment center. Commuters also have good access to employment centers in downtown Orlando, its suburbs and the attractions in the southwest portion of the metro area.

### Office Market Trends

In addition to the medical office districts around Florida Hospital Winter Park and Florida Hospital Orlando, the defined neighborhood includes several professional office districts. The largest is the Maitland Center office park, located mostly on the west side of the interchange of Interstate 4 and Maitland Boulevard. This is the first (as in nearest) major suburban office park north of downtown Orlando along the Interstate 4 corridor. Its buildings generally have floor plates sized for medium size and larger corporate users. A second professional office district is located along Lee Road, mostly from its Interstate 4 interchange east to U.S. Highway 17-92. Most of these buildings are older and designed for medium to smaller general office users.

Winter Park has additional professional offices within a few blocks of its retail downtown as well as clustered along and near Morse Boulevard. Maitland has additional medical and professional offices along Maitland Avenue, as well as in the vicinity of the intersection of U.S. Highway 17-92 and Horatio Avenue.

In order to better understand the Greater Orlando office market dynamics, we have examined the annual surveys by U.S. Department of Labor, Bureau of Labor Statistics of *“Metropolitan and Nonmetropolitan Area Occupational and Wage Estimates”*. These annual surveys are as of May the previous year and the most recent occupational employment data available is for 2013. From the Orlando-Kissimmee-Sanford MSA occupational employment data, we have extracted those occupations generally requiring office space:

OFFICE-RELATED OCCUPATIONAL EMPLOYMENT IN THE ORLANDO-KISSIMMEE-SANFORD MSA									
Office Occupational Employment as of May of each year	May 2007	May 2008	May 2009	May 2010	May 2011	May 2012	May 2013	2007-2013	
								Change	% Change
Total Office Employment	409,140	403,150	395,850	383,770	383,560	394,040	404,240	- 4,900	-1.2%
Medical and Medical Support	65,250	67,540	69,350	70,880	70,750	73,820	74,320	9,070	+13.9%
Non-Medical Office Employment	343,890	335,610	326,500	312,890	312,810	320,220	329,920	- 13,970	-4.1%

The Orlando MSA's office-related occupations dropped 25,370 jobs from 2007-2010. More specifically, non-medical office employment dropped by 31,000 jobs from 2007-2010; however, this was partially offset by medical and medical support increasing by 5,630 jobs over the same time period. The biggest office-related jobs losses from 2007-2010 were in office and administrative support occupations (-26,000 jobs) and architect and engineering occupations (-6,000 jobs). Management occupations, legal occupations and community and social service occupations have seen some gains over the same time period. May 2011 office-related occupational employment figures were virtually unchanged from May 2010.

Following a lackluster 2010-2011, total office-related occupation employment has slowly improved in 2012 and 2013, as the post-Great Recession economy strengthens. May 2013 figures reflect a 5.4% increase in total office-related occupational employment over May 2011. More specifically, medical and medical support increased by 5.0% (3,570 jobs) while non-medical office employment increased by 5.5% (17,110 jobs) versus May 2011.

## NEIGHBORHOOD ANALYSIS (CONT'D)

Although office employment is improving, the Orlando-Kissimmee-Sanford MSA was still 13,970 non-medical office jobs below 2007 levels, as of May 2013. To put this into perspective, at a broad average 210 square feet of office space per employee, the 13,970 fewer employees represents a deficit in demand for 2,933,700 square feet of non-medical office space compared to May 2007 office occupancy. Should office-related occupational employment continue to improve at 2011-2013 rates (i.e., +8,555 non-medical office jobs per year), it will take until 2015 for the MSA to regain 2007-level total square feet of office occupancy.

The drop in employment which accompanied the collapse of the housing market bubble particularly affected the area's office market. According to data collected by CB Richard Ellis, the Metro Orlando office market (Orange, Seminole & north Osceola Counties) peaked in 2006 with 3Q2006 average vacancy rate of 7.6% on 32,245,000 square feet rentable area. Following paltry net absorption in 2007, the metro area's office market saw nearly 2,000,000 square feet vacated 2008-2010, with about 80% of the "negative absorption" during 2009. For the first time since 2007, the metro area experienced 582,035 square feet net absorption during 2011. CBRE reports that, during 2012, the metro area's office market experienced 72,325 square feet net positive absorption; however, 2013 ended with a negative 135,604 square feet net absorption. Negative absorption during 3Q2014 has offset gains in the first two quarters, for negative year-to-date absorption. The Downtown, East Orlando and South Orlando are the only submarkets to achieve positive net absorption through 3Q2014.

CBRE reports that, as of 3Q2014, the downtown Orlando office market has an average 15.2% vacancy rate (17.1% including available sublease space) on 7,836,893 square feet rentable. The suburban office market has an average 19.0% vacancy rate (20.0% including available sublease space) on 29,469,257 square feet rentable. Overall, the Metro Orlando office market has an average 18.2% vacancy rate (19.4% including available sublease space) on 37,306,150 square feet rentable.

Cushman & Wakefield Research shows 1,564,336 square feet office space in the subject's Winter Park sub-market. Their 3Q2014 survey shows 7.6% vacancy (7.6% including sublet space available) with minimal net year-to-date absorption of 1,856 square feet. It also shows an average gross asking rate of \$25.59 per square foot, and a Class A average asking rate of \$23.88 per square foot. The Winter Park sub-market by far has the lowest vacancy rate of the metro area's 12 sub-markets: the next lowest is the University/Research Park sub-market with a 13.3% vacancy rate on 3,855,537 square feet of office space.

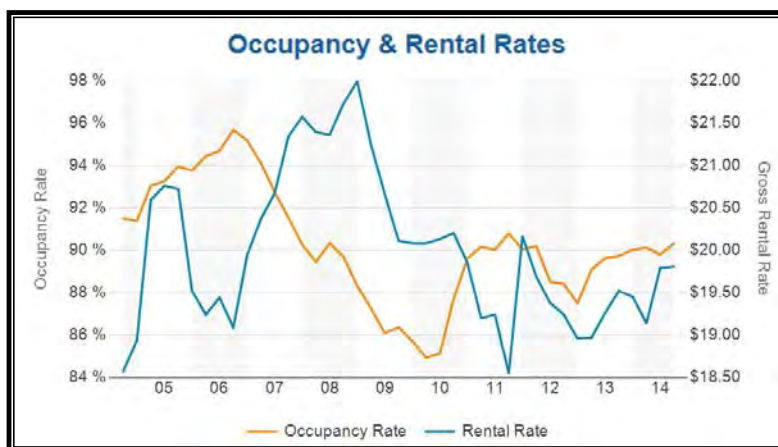
Cushman & Wakefield Research also shows 1,013,349 square feet office space in the defined neighborhood's Lee Road sub-market. Their 3Q2014 survey shows 16.4% vacancy with net negative year-to-date absorption of 58,412 square feet. It also shows an average gross asking rate of \$16.75 per square foot, but no Class A buildings along Lee Road.

**CoStar Properties** inventory lists slightly more than 6,760,000 square feet of office space in the defined neighborhood. Overall, approximately 638,000 square feet is available, reflecting an average 9.4% vacancy rate. There are 601 buildings classified as general office aggregating 5,752,589 square feet, reflecting an average 9.7% vacancy rate. Medical offices represent another 811,447 square feet rentable in 107 buildings, reflecting an average 8.0% vacancy rate. Non-traditional hybrid office space (such as first floor offices with second floor residential) represent another 196,891 square feet rentable, reflecting an average 14.4% vacancy rate.

Availability and Vacancy Analysis											
Secondary Property Type	Bldgs	Existing Rentable Bldg Area	Direct SF Vacant	Vacant Rate %	Direct w/ Sublet SF Vacant	Vacant % with Sublet	Total SF Available	Direct SF Available	Sublet SF Available	Max SF Contig	Avg Rate
-	601	5,752,589	556,293	9.7%	560,735	9.7%	626,601	613,171	13,430	31,170	\$19.58/fs
Loft/Creative Space	1	2,618	2,618	100.0%	2,618	100.0%	2,618	2,618	0	2,618	-
Medical	107	811,447	53,279	6.6%	65,190	8.0%	76,398	64,487	11,911	12,329	\$21.33/fs
Office Live/Work Unit	4	19,439	0	0.0%	0	0.0%	0	0	0	0	\$24.71/fs
Office/Residential	8	174,834	25,824	14.8%	25,824	14.8%	29,286	29,286	0	7,425	\$18.98/fs
<b>Grand Totals</b>	<b>721</b>	<b>6,760,927</b>	<b>638,014</b>	<b>9.4%</b>	<b>654,367</b>	<b>9.7%</b>	<b>734,903</b>	<b>709,562</b>	<b>25,341</b>	<b>31,170</b>	<b>\$19.75/fs</b>

## NEIGHBORHOOD ANALYSIS (CONT'D)

In general, overall office occupancy rates in the defined neighborhood peaked around 95% in 2006, and then dropped to 86% in 2010, due to a confluence of new construction and the Great Recession. About 525,000 square feet was added from 3Q2006 to 3Q2010, while another net 200,000 square feet of existing space was vacated during this time period. Occupancy rates have generally improved since bottoming out in 2010: net absorption has averaged 26,973 square feet of office space per quarter since 1Q2013, bringing average occupancy rates up to around 90%.

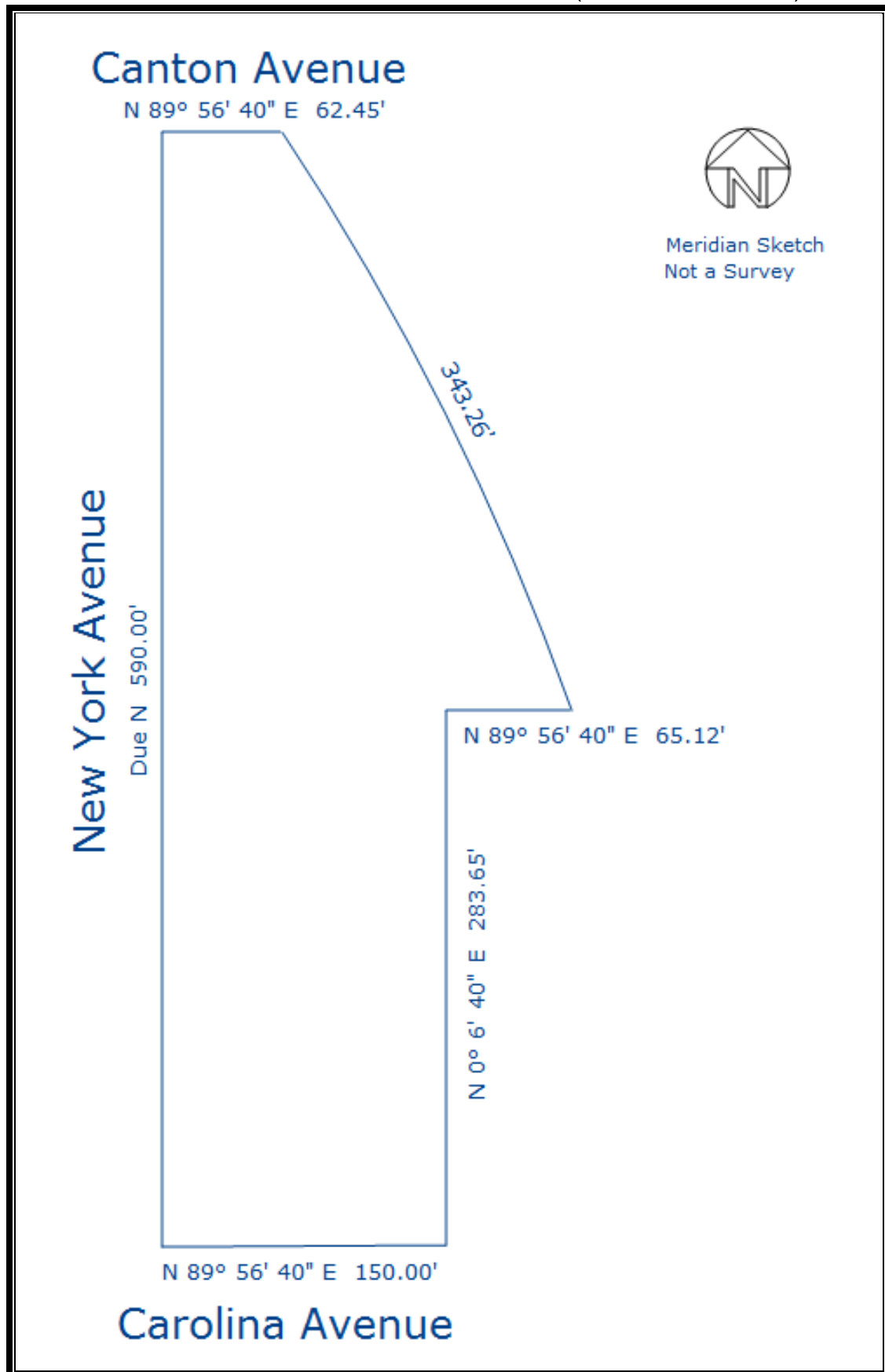


Rental rates have begun to gradually trend upward in 2014 with improving occupancy. Average office rental rates in the defined neighborhood, however, have not recovered much since bottoming out in 2011, and remain well below pre-recession levels.

We have observed that around 90% occupancy is necessary before market rental rates are bid up enough to support feasible new construction. As a case in point: The recently completed 86,000 square foot office building at Morse Boulevard and Denning Drive is one of the very few speculative office buildings built in Metro Orlando in several years. Its Winter Park office submarket is at 7.6% vacancy (Winter Park is the only Metro Orlando submarket with average office occupancy rates above 90%).

In conclusion, the Metro Orlando office market bottomed out in 2011 but is experiencing fits and starts in its nascent recovery. The Winter Park component of the subject neighborhood's office market may have recovered sufficiently to justify new construction. Nevertheless, existing space will have the advantage in terms of both availability and rental rates compared to the cost and time of building out shell space.

SKETCH OF LEGAL DESCRIPTION (NOT A SURVEY)





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## SITE DATA

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### **Location**

The subject property is located on the southeast corner of New York Avenue and Canton Avenue in the city of Winter Park in Orange County, Florida. The site address is 300 North New York Avenue, Winter Park, Florida 32789.

The property is located at Longitude -81.352534 North and Latitude 28.599549 East. The subject property is in Census Tract 159.01, Orange County, Florida.

### **Area and Dimensions**

The subject site contains 2.012 gross acres all of which is usable. The site measures approximately 590' on N. New York Avenue along its west boundary, 150' on the stub end of Carolina Avenue for access along its south boundary and 62.45' on Canton Avenue along its north boundary. The north half of this irregular site ranges in depth from 62' to 215'; the rectangular south half of the site has 150' depth. The north half of this irregular site backs up to the FEC Railroad/SunRail tracks along its east boundary; the rectangular south half of the site backs up to Winter Park's Central Park.

### **Topography**

This site is generally level and at road grade; however, the building pad has been filled to dock height (i.e., about 4' above road grade).

### **Drainage**

As of the date of inspection, the subject site appeared to be adequately drained. The property's development in 1965 preceded the requirement to provide for on-site storm water retention. Accordingly, drainage is via city storm sewers.

### **Hazardous or Toxic Materials**

During our inspection, the postmaster pointed out a couple of storage rooms located off of the warehouse floor whose vinyl asbestos floor coverings have been "tagged" as containing asbestos. To her knowledge, there are no other asbestos containing materials on the property. From our limited knowledge of the subject, the flooring tile poses no health hazard in situ as long as it is coated with a sealant and not prone to being scraped. Having said that, it will require special handling if the building is demolished. An environmental audit was not provided: we are not expert in matters concerning environmental integrity of the property. Please refer to Item 12 of the "General Assumptions" of this appraisal for a full disclaimer.

### **Soil Condition/Types**

According to the USDA Soil Survey, the subject's soils are classified as Urban Land; nearby soils are Candler sand, 0% to 5% slopes. Both are considered excessively drained, upland sandy soils (and based on existing and nearby buildings, apparently with adequate load bearing capacity for mid-rise construction). As a point of information, we note that Winter Park's subsurface conditions are susceptible to sinkhole formation (albeit infrequently). We assume no responsibility for hidden or unapparent conditions beyond our expertise as appraisers.

### **Utilities and Support Services**

All public utilities are available. Water services are provided by City of Winter Park; Sewer service is provided by City of Winter Park; Electricity is provided by City of Winter Park. Police and Fire Protection is also provided by City of Winter Park.

### **Easements and Encroachments**

Unknown - no survey or title policy was provided to us.

### **Access and Street Improvements**

The property has ample exposure and adequate access from New York Avenue.

New York Avenue is a local two lane collector road which parallels Park Avenue one block to the west. Most of the development along New York Avenue south of Swoope Avenue is professional offices, except for two residential condominium projects at Morse Boulevard. Although traffic counts are not available, New York Avenue acts as a "local knowledge" bypass of the much more congested Park Avenue.

Canton Avenue is an east-west local two lane collector road for the businesses and residential areas on either side of Park Avenue. Winter Park's police and fire departments are headquartered on Canton Avenue one block west of New York Avenue.

### **Surrounding Land Uses**

Surrounding land uses include professional offices to the north; Winter Park's Central Park to the south and east; professional offices, a bank and a retail strip containing a convenience store and laundromat to the west; and to the east across the railroad tracks is a parking garage behind shops fronting Park Avenue one block east.

### **Conclusion**

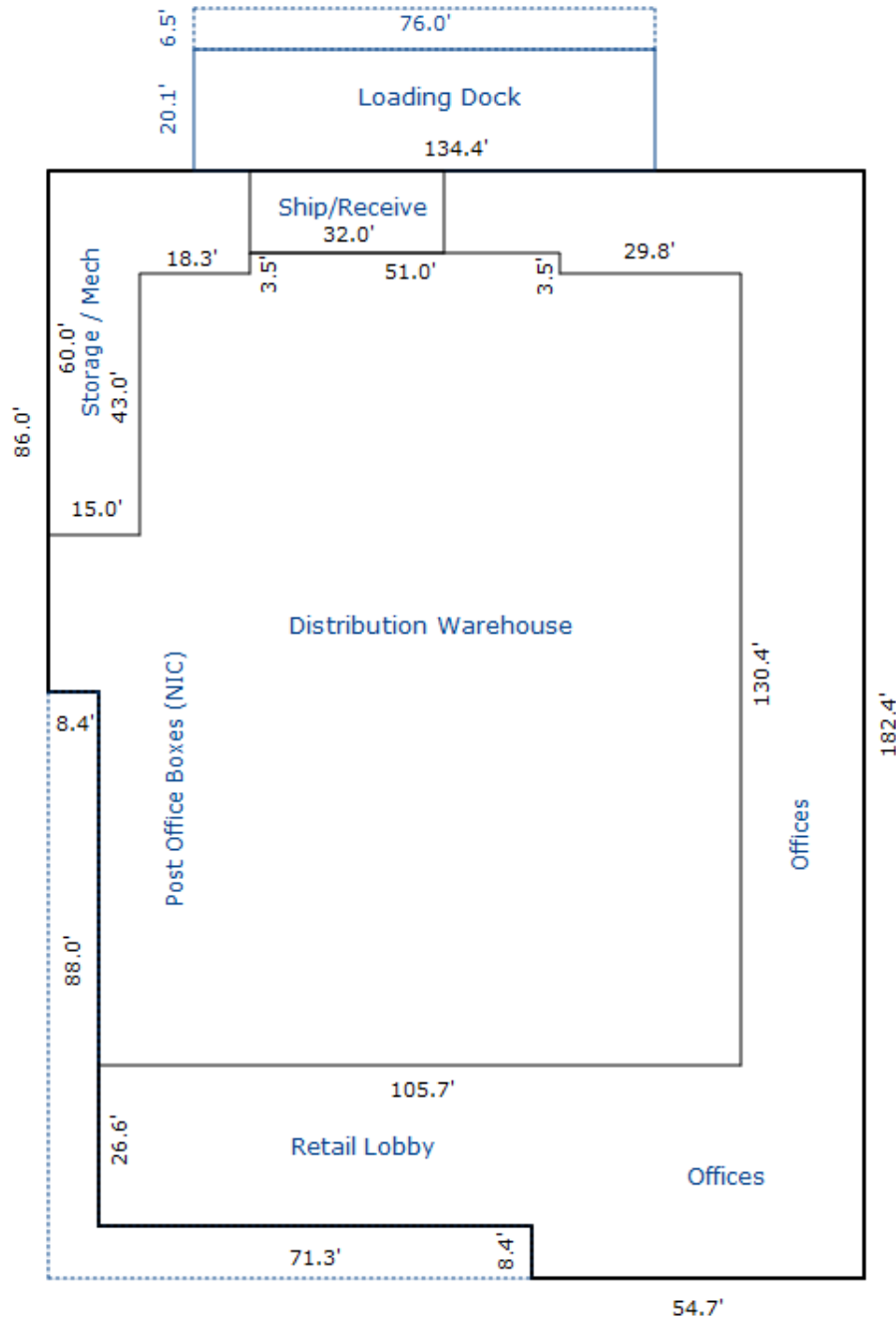
Zoning constraints notwithstanding, this irregular site is located in Winter Park's professional office district located west and southwest of Park Avenue.

# BUILDING SKETCH (NOT A SURVEY)



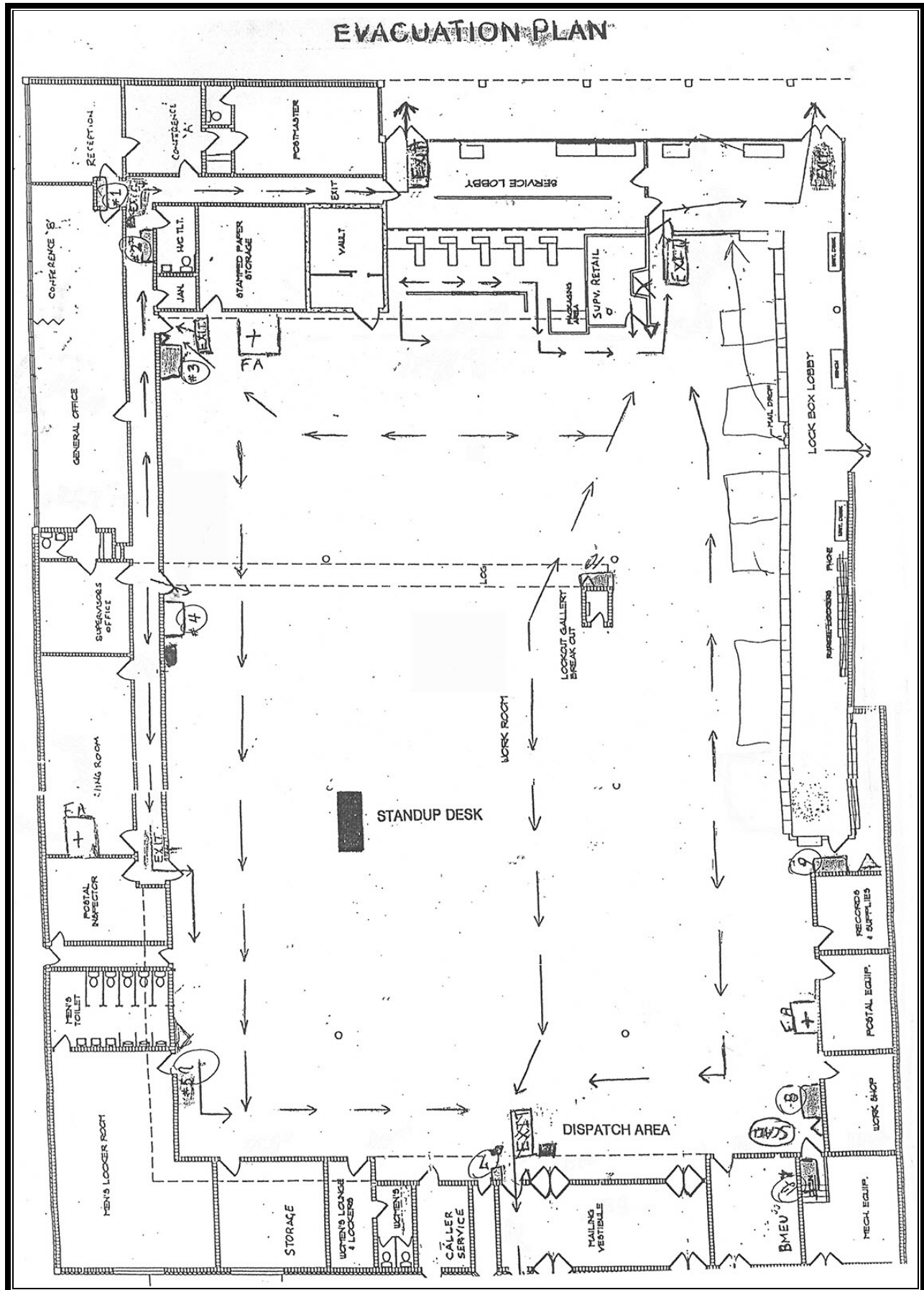
Meridian Sketch  
Not a Survey

New York Avenue



# FLOOR PLAN

## EVACUATION PLAN





## IMPROVEMENT DATA

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### Type

The subject's improvements are a one-story distribution warehouse built-to-suit for use as a post office.

### Size and Dimensions

No buildings plans were available. Building details, including sizes and descriptions, are based on our on-site observations and measurements; and are assumed to be accurate, for valuation purposes.

The vertical improvements consist of one building containing 23,106 square feet of gross building area. As illustrated by the dimensioned sketches preceding this section, this office/warehouse building is 100% air conditioned and features a retail lobby on its south end, perimeter offices and a covered loading dock on its north end. Approximately 8,777 square feet (38%) is partitioned as retail lobby and offices with 10' suspended acoustical tile ceilings and fluorescent lighting panels. Another 14,328 square feet (62%) of the building is dock-height distribution warehouse with a 16' clear height, including the shipping/receiving area.

The tax roll also notes 1,132 square feet of "unfinished upper story", i.e., the postal inspector catwalks: we have not included these special-use 4' wide, elevated, enclosed catwalks in our gross building area.

### Age and General Condition

This building was built in 1965 and has been well maintained. The actual age is 49 years with an effective age of 40 years. Based on Marshall & Swift's *Marshall Valuation Service* guidelines, post office buildings of this construction quality have a typical expected useful life of 55 years. Accordingly, we anticipate a remaining economic life of 15 years.

On our date of inspection the improvements were in good condition. No significant deferred maintenance was noted on our date of inspection; and no significant capital expenditures are planned for the near future.

### Construction Details

Based on Marshall & Swift's *Marshall Valuation Service* cost estimating manual, the subject building is classified as an average quality, Class "C" (masonry bearing walls) Main Post Office. The following specifics are based on our "best guess" on-site observations:

The dock-high slab on grade foundation is likely 5" reinforced concrete. Exterior bearing walls are common brick over concrete block with minimal fenestration; the retail lobby and several perimeter offices have a fixed glass in aluminum frame storefront. The building is partially framed with interior pipe columns. The roof appears/assumed to be built-up over light weight concrete on steel deck/steel joists.

Interior partitioning is painted concrete block. Floor covering in the retail lobby and offices is commercial carpet and vinyl cut tile; a couple storage rooms are tagged as having vinyl asbestos tile flooring. The warehouse area has an industrial grade resilient flooring system. Restrooms have ceramic tile floors and tile wainscot with standard grade plumbing fixtures. The entire building is air conditioned with a central warm and cooled air system; the mechanical systems were replaced in 2014. The office and warehouse areas have suspended acoustical tile ceilings with fluorescent lighting panels. The building is not fire sprinklered.

A dock-height 20' x 76' covered loading dock is along the north side of the building. It is equipped with two lifts, to accommodate loading trucks which are not dock high.

The south 35' of the building has a 14' eave height; the majority of the building has an 18' eave height. In the southwest portion of the building off of the retail lobby are post office boxes clustered in multiple alcoves. These post office boxes are considered property of the U.S.P.S. and are not included in this appraisal. Other than the mechanical equipment mentioned above, none of the post office's furniture, fixtures or equipment is included in this appraisal.

### **General Layout and Efficiency**

As a distribution warehouse, most of the building has no fenestration. The painted concrete block interior partitioning is more durable; however, less conducive to reconfiguring compared to more typical drywall over metal studs. Its peripheral location is also atypical: most warehouses have their office areas at one end of the building for administrative efficiency. The dock-height floor level is suitable for current postal distribution operations; however, it will offer some ADA challenges for access along its west (along New York Avenue) and north (where most of the parking is located) sides, should the building eventually be repurposed for some alternative use.

### **Site Improvements**

The subject has 114 total parking spaces on site reflecting a parking ratio of 4.9 spaces per 1,000 square feet of gross building area. Although there are only 19 paved customer parking spaces in front by the retail lobby, the north end of the site has another 95 parking spaces for postal employee parking, mail trucks and the loading dock. The property also is very nicely landscaped.

### **Conclusion**

This appears to be a very solidly-built building. As a distribution warehouse, the subject property has a “value in use” to the post office; however, it is otherwise considered to be a misplaced improvement surrounded by professional offices.

## HIGHEST AND BEST USE ANALYSIS

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In order for a property to be at its highest and best use, it must be reasonably probable, legally permissible, physically possible, financially feasible and maximally productive. Consideration must be given to the individual characteristics of the land such as size, shape, accessibility, location and availability of necessary utilities. Specific attention must be directed toward the legal and permissible use and any probable modifications of that use. Finally, consideration must be given to the surrounding land uses and the current and future demand for property in the real estate market.

An analysis of the highest and best use of any property actually involves two separate studies:

- (1) an analysis of the site as if vacant and ready to be put to its highest and best use and,
- (2) an analysis of the property as proposed to be improved.

As a distribution warehouse, the subject property has a “value in use” to the post office; however, it is otherwise considered to be a misplaced improvement surrounded by professional offices in this centralized Winter Park location. Practically all of its value is in the land; i.e., the improvements have minimal (if any) contributory value over and above the underlying land value. Accordingly, we conclude that the highest and best use is relatively short-term continued use, as improved, until the post office has relocated and the land can then be redeveloped.

### **AS IF VACANT**

#### **Legally Permissible**

This property has mixed zoning, consisting of PQP, Public and Quasi-Public (north half of site) and PR, Parks and Recreation (south half of site), with respective Future Land Use classifications of Institutional (north half of site) and Open Space and Recreational (south half of site). The north half's Institutional future land use designation includes lands used by governments, hospitals, churches, community centers, schools, utilities and social service agencies serving the public. This designation is compatible with the P.Q.P. zoning and any future hospital or medical arts district. The subject property is inside of the Central Business District (which permits up to a maximum 200% FAR); outside of the designated Community Redevelopment Area; and has a two to three story building height limit as restricted by the Maximum Height Map. We further note that the P.Q.P. district does not allow residential buildings except as dormitories for colleges, hospital beds, nursing home beds, and assisted living accommodations.

The south half's Open Space and Recreational FLU and its accompanying Parks and Recreation zoning are highly restrictive insofar as development rights. This Future Land Use Map designation accommodates land used for either passive or active recreation and land left in its natural state for environmental or conservation reasons. It encompasses public and private parks, golf courses and recreation areas and cemeteries which shall be precluded from development. The maximum floor area ratio for land designated Open Space and Recreation shall be 0.20 (20%) for active recreation facilities such as Community Centers and 0.10 (10%) for passive recreational facilities, and the maximum building height is two stories. Although public parking lots are allowable in the PQP district, they are not listed as a permitted use in the PR district. Hence, using the PR south half for parking to serve development of the PQP north half does not appear to be legally permissible.

#### **Physically Possible**

The subject site contains 2.012 gross acres all of which is usable. The site has 590' on N. New York Avenue along its west boundary. The north half of this irregular site backs up to the FEC Railroad/SunRail tracks along its east boundary; the rectangular south half of the site backs up to Winter Park's Central Park. The north half of this irregular site ranges in depth from 62' to 215'; the rectangular south half of the site has 150' depth. The property has ample exposure and adequate access from New York Avenue. This site is generally level and at road grade; however, the building pad has been filled to dock height (i.e., about 4' above road grade). All public utilities are available.

The “south half” of the subject property, zoned PR, is actually 42,614 square feet based on the legal description. At best, a 20% FAR for an “active recreation facility” infers that it could be developed with a “community



center” of up to 8,500 square feet. In our opinion, this seems undersized for a venue intended to serve Winter Park’s population.

The “north half” of the site actually contains 45,021 square feet based on the legal description. Based on its PQP zoning and location in the Central Business District, its 200% allowable FAR permits up to a 90,000 square foot structure plus grade level under-building parking. Or a three-story public parking garage on this “north half” would accommodate 400+ parking spaces .

### **Economically Feasible**

The most obvious use of the south half of the site, consistent with its Parks and Recreation zoning, would be for assemblage with Winter Park's adjoining Central Park. Likely Institutional uses for the north half of the site might include new municipal offices or a library or museum.

### **Conclusion – As If Vacant**

We have concluded that the highest and best use of the subject site, as if vacant, would be for development with municipal services on the Institutional “north half” and passive park for the “south half”

## **AS IMPROVED**

### **Legally Permissible**

We note that the post office building is located on the south half of the property, which is zoned for Parks and Recreation. Accordingly, the existing improvements are considered to be a “grandfathered in” non-conforming use insofar as the underlying Open Space and Recreation FLU/Parks and Recreation zoning. This means that the improvements gain the benefit (and value) of the entire 2.012 site as if it were zoned Public and Quasi-Public.

### **Physically Possible**

The subject property is a one-story distribution warehouse built-to-suit for use as a post office in 1965. This 23,106 square foot office/warehouse building is 100% air conditioned and features a retail lobby on its south end, perimeter offices and a covered loading dock on its north end. Approximately 8,777 square feet (38%) is partitioned as retail lobby and offices with 10’ suspended acoustical tile ceilings and fluorescent lighting panels. Another 14,328 square feet (62%) of the building is dock-height distribution warehouse with a 16’ clear height, including the shipping/receiving area. The tax roll also notes 1,132 square feet of “unfinished upper story”, i.e., the postal inspector catwalks: we have not included these special-use 4’ wide, elevated, enclosed catwalks in our gross building area. The warehouse area has an industrial grade resilient flooring system and also has suspended acoustical tile ceilings with fluorescent lighting panels. The exterior walls are brick over concrete block with minimal fenestration; the retail lobby and several perimeter offices have a fixed glass in aluminum frame storefront. The subject has 114 total parking spaces on site reflecting a parking ratio of 4.9 spaces per 1,000 square feet of gross building area. Although there are only 19 paved customer parking spaces in front by the retail lobby, the north end of the site has another 95 parking spaces for postal employee parking, mail trucks and the loading dock. The property also is very nicely landscaped.

As a distribution warehouse, most of the building has no fenestration. The painted concrete block interior partitioning is more durable; however, less conducive to reconfiguring compared to more typical drywall over metal studs. Its peripheral location is also atypical: most warehouses have their office areas at one end of the building for administrative efficiency. The dock-height floor level is suitable for current postal distribution operations; however, it will offer some ADA challenges for access along its west (along New York Avenue) and north (where most of the parking is located) sides, should the building eventually be repurposed for some alternative use.

### **Economically Feasible**

The improvements appear to be suitable for continued use by the U.S. Postal Service. There are some architectural “challenges” to re-purposing the building into a small museum or municipal facilities, as listed above.

**Conclusion – As Improved**

As a distribution warehouse, the subject property has a "value in use" to the post office; however, it is otherwise considered to be a misplaced improvement surrounded by professional offices in this centralized Winter Park location.

## VALUATION PROCEDURE

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The valuation of real estate lends itself to the application of the three traditional approaches to value including the Cost Approach, the Income Approach and the Sales Comparison Approach.

The Cost Approach analyzes the relationship between value and cost as perceived by the investor. By applying this technique, the appraiser tends to estimate the difference in worth to a buyer between the property being appraised and a newly constructed site with similar utility. The application of this approach involves estimating a number of individual components such as land value, reproduction or replacement costs, entrepreneurial profit, and accrued depreciation. This technique is most applicable when appraising relatively new construction with a limited amount of accrued depreciation; however, it is also useful (but less effective) when appraising older structures.

The Sales Comparison Approach involves a detailed analysis and comparison of similar properties that recently sold in a similar or competitive market. When reduced to an appropriate unit of comparison, these transactions can be adjusted for pertinent differences such as time, market conditions, financing, location and/or physical characteristics. If a sufficient number of sales are available, the resulting value indication is a reflection of the price a buyer is willing to pay for a property exhibiting characteristics similar to the subject. The interpretation of a number of indications of market price should lead to a logical estimate of market value.

The Income Approach is based on the premise that a prudent investor would pay no more for the subject property than for another investment with similar risk and return characteristics. Since the value of an investment can be considered equal to the present worth of anticipated future benefits in the form of dollar income or amenities, this approach estimates the present value of the net income that the property is capable of producing. This amount is capitalized at a rate reflecting risk to the investor and the amount of income necessary to support debt service for the mortgage requirement.

The subject's improvements were built-to-suit for use as a main post office for the U.S. Postal Service. The City of Winter Park has long considered acquiring this property for assemblage with the adjoining city park and/or repurposing it for municipal use. The south half of the site is currently zoned PR, Parks and Recreation with an Open Space and Recreational Future Land Use. In order to illustrate the impact of this highly restrictive zoning/land use classification on the Market Value of the property, we have also been asked to provide a Market Value under the Hypothetical Condition that the entire property is assumed to be zoned PQP (Public, Quasi-Public) with an Institutional Future Land Use.

With prior agreement of the client, we have used the Sales Comparison Approach as the primary tool to value the property "as is"; and used the Land Sales Comparison Approach to value the property "as if vacant". The Land Sales Comparison Approach was utilized in analyzing the value of the property under its current zoning as well as under the hypothetical condition that the entire property is assumed to be zoned PQP (Public, Quasi-Public). We have also developed a Cost Approach, which seeks to explain the relationship between the cost new of the post office improvements vs. today's contributory value of the improvements, if any. The Sales Comparison Approach was developed in this report. Using improved sales of properties similar to the subject and adjusting them for any physical differences, we were able to develop a reliable per unit value. Applying this unit value to the subject's building area results in a value conclusion via this approach. With prior agreement of the client, we have not developed an Income Approach in this report. As a distribution warehouse, the subject property has a "value in use" to the post office; however, it is otherwise considered to be a misplaced improvement surrounded by professional offices. Since the Institutional Future Land Use is not intended for income producing properties, we believe that an Income Approach would require too many assumptions on our part insofar as what or how the property might be repurposed and the conversion costs involved, in order for the Income Approach to be useful as a valuation technique "as is".



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## COST APPROACH

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The Cost Approach is based upon the principle of substitution, in that an investor would not pay more for an improved property than to purchase a site and construct similar improvements on it. It involves the estimation of the reproduction or replacement cost new of the improvements to which is added an estimate of land value. The Cost Approach to value attempts to estimate the current market value of property through a process in which the appraiser estimates the replacement costs of all improvements and then deducts the total estimated loss in value (depreciation) for the improvements. The steps in this approach are outlined below:

- Step 1**     Estimate the current market value of the site. The site is valued as if vacant and free to be utilized in a capacity representing its Highest and Best Use. This step is accomplished through the analysis of recent sales and listings of comparable sites.
  
- Step 2**     Estimate the replacement cost new of the subject improvements. This step results in the appraisers' estimate of the total cost of replacing a structure similar to the subject improvements. The reproduction cost estimate associated with this appraisal utilizes the estimated cost per square foot. This method of estimating a cost factor is fully described later in this report.
  
- Step 3**     Estimate the total accrued depreciation or loss in value that the subject improvements may have incurred due to physical, functional, or external factors, which would negatively influence the value of the property.
  
- Step 4**     Deduct the total estimated depreciation (Step 3) from the replacement cost estimate (Step 2) and add the current land value estimate (Step 1). The resulting figure represents the appraisers' estimate of the current market value of the subject improvements via the Cost Approach.

### **Land Value Estimate**

The south half of the site is currently zoned PR, Parks and Recreation with an Open Space and Recreational Future Land Use. In order to illustrate the impact of this highly restrictive zoning/land use classification on the Market Value of the property, we have also been asked to provide a Market Value under the Hypothetical Condition that the entire property is assumed to be zoned PQP (Public, Quasi-Public) with an Institutional Future Land Use.

Our initial land value analysis will be under the Hypothetical Condition that the entire property is assumed to be zoned PQP (Public, Quasi-Public) with an Institutional Future Land Use.

In order to estimate the value of the subject site, we have used the Land Sales Comparison Approach, which directly compares the subject site as if vacant to other sales of similar vacant and/or redevelopment sites that have occurred within the subject market area. The reliability of this technique is dependent upon the degree of comparability of each sale to the subject, market conditions at the time of sale, verification of pertinent data and the absence of unusual conditions that influence the sale. To value the subject site we have searched Orange and Seminole County for land sales similar in size, topography, zoning, location and highest and best use relative to the subject property that would likely appeal to the same buyer as would the subject. Since sales of land with an Institutional FLU are rare, we have instead used local commercial/mixed use land sales, which we will adjust for differences in zoning/development rights compared to the Institutional subject. This research found four sales useful for our analysis and these four sales are detailed in this section of the report and these write-ups are followed by a location map showing the location of these sales relative to the subject property.

## LAND SALE NO. 1

### LOCATION DATA

**Record Number:** 297  
**Property Name:** The Luxe  
**Address:** 110 S. Orange Avenue  
Winter Park, Orange County  
FL 32789  
**Long/Lat:** W81.364556/N28.596808  
**MSA:** Orlando-Kissimmee-Sanford  
**Location:** SE/C U.S. Highway 17-92 and Morse Blvd.  
**Tax Parcel No.:** 01-22-29-4512-10-050

### SALES DATA

**Sale Date:** November 3, 2014  
**Days on Market:** unknown  
**Sale Price:** \$7,770,000  
**Grantor:** Mt. Vernon Motor Lodge of Winter Park, Inc.  
**Grantee:** Luxe Winter Park, LLC  
**OR Book / Page:** 10832/3015  
**Property Rights:** Fee Simple  
**Conditions of Sale:** Arm's length  
**Financing:** Cash to seller; \$5,025,000 financed by BankUnited  
**Verification:** Public Records and Chuck Wittall, Grantee per news release, by Frank Schieber. November 5, 2014.  
**Three Year History:** No recent transactions noted



### SITE DATA

<b>Property Use:</b>	General Commercial	<b>Gross Acres:</b>	3.560
<b>Specific Use:</b>	Mixed Use	<b>Gross SF:</b>	155,074
<b>Primary Frontage:</b>	501' S. Orlando Ave. (29,500 vehicles/day)	<b>Usable Acres:</b>	3.560
<b>Second Frontage:</b>	257' Morse Blvd. (7,000 vehicles/day)	<b>Usable SF:</b>	155,074
<b>Amenity Frontage:</b>	Harper Street along rear	<b>Shape:</b>	Generally rectangular
<b>Access/Exposure:</b>	Signalized corner; three road access/Arterial highway	<b>Utilities:</b>	All available
<b>Topography:</b>	Level, at road grade	<b>Retention:</b>	On-site required
<b>Zoning:</b>	C-3, Commercial		
<b>Land Use:</b>	Commercial, by City of Winter Park		
<b>Site Description:</b>	Existing 146 room motel built in 1949/1961/1971/1981 to be razed for redevelopment.		

### ANALYSIS

<b>Price/Gross Acre:</b>	\$2,182,584	<b>Price/ Gross SF:</b>	\$50.11
<b>Price/Usable Acre:</b>	\$2,182,584	<b>Price/Usable SF:</b>	\$50.11

### COMMENTS:

Planned for redevelopment with a four-story, 233,940 square foot mixed use project with retail, restaurant and residential units, plus an attached parking garage, reflecting a 1.51 FAR.

## LAND SALE NO. 2

### LOCATION DATA

**Record Number:** 96  
**Property Name:** Lakeside Winter Park  
**Address:** 111 North Orlando Avenue  
Winter Park, Orange County  
FL 32789  
**Long/Lat:** W81.365840/N28.597909  
**MSA:** Orlando  
**Location:** West side of North Orlando  
Avenue at the Morse Boulevard  
intersection  
**Tax Parcel No.:** 01-22-29-5576-00-020, 01-22-29-  
5576-00-012 and 12-22-29-4172-07-  
101

### SALES DATA

**Sale Date:** June 28, 2013; Second parcel July  
2014  
**Days on Market:**  
**Sale Price:** \$9,510,000 Please see Comments  
**Grantor:** Adventist Health System Sunbelt  
Healthcare Corporation and  
Thomas Graves  
**Grantee:** Lakeside Winter Park  
**OR Book/Page:** 10593/9278  
**Property Rights:** Fee Simple  
**Conditions of Sale:** Market typical  
**Financing:** Cash to Seller  
**Verification:** Public Records and Amy Barnard, representative for grantee (407.999.9985) by John Preston. July 9,  
2014.  
**Three Year History:** No other arm's length transactions noted over previous five years

### SITE DATA

<b>Property Use:</b>	Commercial Land	<b>Gross Acres:</b>	4.042
<b>Specific Use:</b>	Retail	<b>Gross SF:</b>	176,070
<b>Primary Frontage:</b>	430' North Orlando Avenue	<b>Usable Acres:</b>	4.042
<b>Second Frontage:</b>	none	<b>Usable SF:</b>	176,070
<b>Amenity Frontage:</b>	Fronts Lake Killarney	<b>Shape:</b>	Irregular
<b>Access/Exposure:</b>	Good/Very Good	<b>Utilities:</b>	All available
<b>Topography:</b>	Level and at road grade about three feet above lake	<b>Retention:</b>	Off-site
<b>Zoning:</b>	C-3, Commercial		
<b>Land Use:</b>	Commercial		
<b>Site Description:</b>	At the time of sale the site was improved with a four story office building and an old motel/hotel which were razed from the site to make way for the proposed retail project. The site is level and at road grade and fronts Lake Killarney and has excellent views of this lake.		

### ANALYSIS

<b>Price/Gross AC:</b>	\$2,352,796	<b>Price/Gross SF:</b>	\$54.01
<b>Price/Usable:</b>	\$2,352,796	<b>Price/Usable SF:</b>	\$54.01

### COMMENTS:

This property was improved at the time of sale and was developed with a four-story owner occupied office building. The adjacent property was an older "mom and pop" hotel. The parcels were purchased for redevelopment as a high end boutique retail center to be known as Lakeside Winter Park. The developer purchased these two parcels which total 3.861 acres for the proposed project but after the purchase they redesigned the project which increased the size of the project to 39,485 square feet of building area. This change forced the developer to purchase a small parcel of land located about 486' south of the subject site on the west side of Orlando Avenue to develop 21 off-site parking spaces to meet city mandated parking requirements. The need for this parcel forced the developer to pay \$1,000,000 for a 7,883 square foot parcel of land (\$126.86/SF) that was improved with a small motel which will be razed for development of the 21 parking spaces. Therefore, the cost of this parcel needs to be added to the \$8,510,000 purchase price of the 3.861 acre parcel for a total land purchase price for this project of \$9,510,000.





## LAND SALE NO. 3

### LOCATION DATA

**Record Number:** 207  
**Property Name:** Wawa Winter Park  
**Address:** 901 North Orlando Avenue  
Winter Park, Orange County  
FL 32789  
**Long/Lat:** W81.366510/N28.605012  
**MSA:** Orlando  
**Location:** West side of Orlando Avenue and  
east side of Webster Avenue just  
south of Lee Road  
**Tax Parcel No.:** 01-22-29-5224-00-049 and 01-22-29-  
5224-00-030

### SALES DATA

**Sale Date:** October 23, 2012  
**Days on Market:** Unknown  
**Sale Price:** \$2,877,500  
**Grantor:** Fairwinds Credit Union  
**Grantee:** Winter Park Investors, LLC  
**OR Book / Page:** 10468/4628  
**Property Rights:** Fee Simple  
**Conditions of Sale:** Market Typical  
**Financing:** Cash to Seller  
**Verification:** Public Records and Ryan Stahl (407.342.0277) by John Preston. July 11, 2014.  
**Three Year History:** No other arm's length transactions noted over previous five years



### SITE DATA

<b>Property Use:</b>	Commercial Land	<b>Gross Acres:</b>	1.950
<b>Specific Use:</b>	Retail	<b>Gross SF:</b>	84,942
<b>Primary Frontage:</b>	230' North Orlando Avenue	<b>Usable Acres:</b>	1.950
<b>Second Frontage:</b>	260' Webster Avenue	<b>Usable SF:</b>	84,942
<b>Amenity Frontage:</b>	None	<b>Shape:</b>	Irregular
<b>Access/Exposure:</b>	Good/Very Good	<b>Utilities:</b>	All available
<b>Topography:</b>	Level and at road grade	<b>Retention:</b>	Off-site
<b>Zoning:</b>	C-3, Commercial		
<b>Land Use:</b>	Commercial		
<b>Site Description:</b>	The site was cleared and graded and void of vegetation at the time of sale and was level and at road grade. It was previously improved with the Winter Park Motel but this facility was razed in 2007.		

### ANALYSIS

<b>Price/Gross Acre:</b>	\$1,475,641	<b>Price/ Gross SF:</b>	\$33.88
<b>Price/Usable Acre:</b>	\$1,475,641	<b>Price/Usable SF:</b>	\$33.88

### COMMENTS:

The site was purchased for the development of a Wawa convenience store and gas station.

## LAND SALE NO. 4

### LOCATION DATA

**Record Number:** 109  
**Property Name:** Whole Foods Winter Park  
**Address:** 1000 North Orlando Avenue  
Winter Park, Orange County  
FL 32789  
**Long/Lat:** W81.364982/N28.606052  
**MSA:** Orlando  
**Location:** East side of Orlando Ave. at Lee  
Road intersection  
**Tax Parcel No.:** 01-22-29-3452-01-010, 01-22-29-  
3452-04-010, 01-22-29-0000-00-016  
and 01-22-29-3452-01-080

### SALES DATA

**Sale Date:** October 07, 2013 Multiple  
purchases, see comments  
**Days on Market:**  
**Sale Price:** \$15,046,000 See comments  
**Grantor:** Four different entities, see  
comments below  
**Grantee:** UP Fieldgate US Investments -  
Winter Park, LLC  
**OR Book/Page:** 10646/6462  
**Property Rights:** Fee Simple  
**Conditions of Sale:** Market Typical  
**Financing:** Cash to Seller  
**Verification:** Public Records and Scott Fish (615.480.1863) by John Preston. July 11, 2014.  
**Three Year History:** No other arm's length transactions were noted over previous five years



### SITE DATA

<b>Property Use:</b>	Commercial Land	<b>Gross Acres:</b>	7.169
<b>Specific Use:</b>	Retail	<b>Gross SF:</b>	312,282
<b>Primary Frontage:</b>	640' North Orlando Avenue	<b>Usable Acres:</b>	7.169
<b>Second Frontage:</b>	395' Friends Avenue	<b>Usable SF:</b>	312,282
<b>Amenity Frontage:</b>	None	<b>Shape:</b>	Irregular
<b>Access/Exposure:</b>	Good/Very Good	<b>Utilities:</b>	All available
<b>Topography:</b>	Level and at road grade	<b>Retention:</b>	Off-site
<b>Zoning:</b>	C-3, Commercial		
<b>Land Use:</b>	Commercial		
<b>Site Description:</b>	The site is an assemblage of multiple existing properties. The site is level and at road grade and typical of the area and the improvements will be razed to make way for the proposed project. It was purchased as vacant land with no value given to the existing improvements. The site has frontage along Orlando Avenue, Friends Avenue and Galloway Drive.		

### ANALYSIS

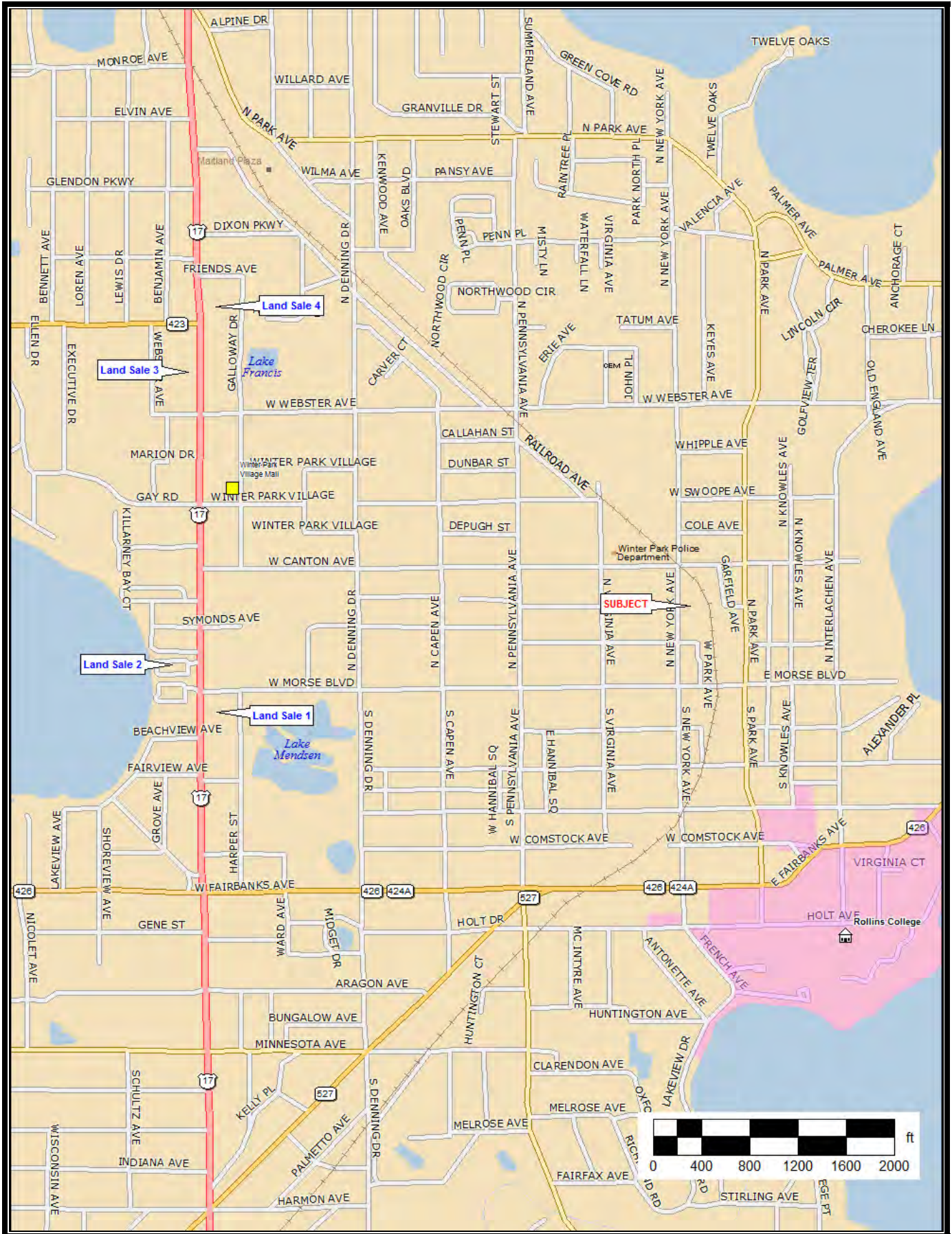
<b>Price/Gross Acre:</b>	\$2,098,759	<b>Price/ Gross SF:</b>	\$48.18
<b>Price/Usable Acre:</b>	\$2,098,759	<b>Price/Usable SF:</b>	\$48.18

### COMMENTS:

This sale is an assemblage of four adjacent parcels purchased for redevelopment as a high end boutique retail project. The project will consist of a 40,000 square foot Whole Foods grocery store, 90,000 square feet of additional retail space, 8,000 square feet of freestanding retail space for a bank and a restaurant and a two story parking garage. The developer is Up Development out of Franklin Tennessee. The existing structures will be razed to make way for the project and the first phase will be the Whole Foods grocery store. This property was assembled in four transactions: October 7, 2013 - 93,651 SF improved as an office park purchased for \$3,535,000 as recorded in OR Book 10646, Page 6462; January 14, 2014 - 65,969 SF improved with some older storage buildings purchased for \$1,961,000 as recorded in OR Book 10691, Page 1060; February 12, 2014 - 80,234 SF improved with a three story office building purchased for \$4,950,000 as recorded in OR Book 10706, Page 4491; April 29, 2014 - 71,281 SF improved as a parking lot purchased for \$4,600,000 as recorded in OR Book 10739, Page 2783.



# LAND SALES LOCATION MAP





## LAND SALES COMPARISON SUMMARY

PROPERTY DETAILS	Subject	Land Sale No. 1	Land Sale No. 2	Land Sale No. 3	Land Sale No. 4
Location	SE/C New York Ave. and Canton Ave.	SE/C Orlando Ave. and Morse Blvd.	West side of Orlando Ave. at the Morse Blvd. intersection	West side of Orlando Avenue and east side of Webster Avenue just south of Lee Road	East side of Orlando Ave. at the Lee Road intersection
Long/Lat		W81.364556/N28.596808	W81.365840/N28.597909	W81.366510/N28.605012	W81.364982/N28.606052
Sale Price		\$7,770,000	\$9,510,000	\$2,877,500	\$15,046,000
Sale Date		November 3, 2014	June 28, 2013	October 23, 2012	October 7, 2013
Gross Land Area (SF)	87,635	155,074	176,070	84,942	312,282
Gross Land Area (Acres)	2.01	3.56	4.04	1.95	7.17
Usable Land Area (SF)	87,635	155,074	176,070	84,942	312,282
Usable Land Area (Acres)	2.01	3.56	4.04	1.95	7.17
Utilities	All Available	All available	All available	All available	All available
Zoning	Assume 100% Public and Quasi-Public	C-3, Commercial	C-3, Commercial	C-3, Commercial	C-3, Commercial
Land Use	Assume 100% Institutional	Commercial	Commercial	Commercial	Commercial
Primary Road Frontage	590	501	430	230	640
Secondary Road Frontage	62.45	257	None	260	395
Amenity Frontage/View	Backs up to RR tracks and Central Park	None	Backs up to Lake Killarney	None	None
Price per Gross Acres		\$2,182,584	\$2,352,796	\$1,475,641	\$2,098,759
Price per Usable Acre		\$2,182,584	\$2,352,796	\$1,475,641	\$2,098,759
Price per Gross SF		\$50.11	\$54.01	\$33.88	\$48.18
Price per Usable SF		\$50.11	\$54.01	\$33.88	\$48.18

### TRANSACTION ADJUSTMENTS

Rights Conveyed	Fee simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment		0%	0%	0%	0%
Terms of Sale	Arm's Length	Arm's length	Market typical	Market Typical	Market Typical
Adjustment		0%	0%	0%	0%
Financing	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Adjustment		0%	0%	0%	0%
Months Since Sold	December 12, 2014	1	17	26	14
Adjustment		0%	0%	0%	0%
Adjusted Price per Gross SF		\$50.11	\$54.01	\$33.88	\$48.18
Adjusted Price per Usable SF		\$50.11	\$54.01	\$33.88	\$48.18

### PHYSICAL ADJUSTMENTS

Location/ Access	-40%	-40%	-20%	-50%
Topography/View	5%	0%	5%	5%
Size	10%	10%	0%	20%
Zoning/Land Use	-20%	-20%	-20%	-20%
Utilities	0%	0%	0%	0%
Other	0%	0%	0%	0%
Overall Comparability				
Overall Adjustment	-45.00%	-50.00%	-35.00%	-45.00%
Adjusted Price per Gross SF	\$27.56	\$27.01	\$22.02	\$26.50
Adjusted Price per Usable SF	\$27.56	\$27.01	\$22.02	\$26.50

Range of Unit Values	Per Usable SF	Per Gross SF	Range of Values	
Low End of Unit Values	\$22.02	\$22.02	Low End of Values	\$1,929,673
High End of Unit Values	\$27.56	\$27.56	High End of Values	\$2,415,029
Mean of Unit Values	\$25.77	\$25.77	Mean of Values	\$2,258,420
Indicated Unit Value	\$27.00		Indicated Value	\$2,366,145

**INDICATED LAND VALUE  
ASSUMING 100% PQP ZONING  
\$2,370,000**

### **Analysis of Land Sales**

On the preceding pages, we detailed four land sales from the local market that were considered somewhat similar to the subject. For this analysis we have used the sale price per usable square foot as our unit of measure. Since each sale differs from the subject to some degree and we need to make adjustments to the sales to make them comparable to the subject property. Below is a discussion as to the comparability of each sale relative to the subject and a summary table showing the comparisons and adjustments made each of the sales can be found on the previous page.

### **Financing**

All of the comparable land sales were cash to seller. No adjustments for financing were required.

### **Conditions of Sale**

All of the comparable land sales were negotiated, arm's length transactions. No adjustments for motivation were required.

### **Date of Sale**

All four comparable sales occurred during the past two years; indeed, Land Sale No. 1 occurred in the past two months. Although general economic conditions continue to improve, we have not yet seen this translate into significantly higher commercial land prices; however, we have seen it translate into shorter marketing times. Accordingly, no adjustments were required for market conditions. Having said that, the oldest transaction (Land Sale No. 3) does reflect the lowest price per square foot. We will address this in the reconciliation of our final land value conclusion.

### **Location/Access**

The subject property is located one block west of Park Avenues' tony retail shopping district, and west of the railroad tracks in a professional office district. It has ample access frontage/access from New York Avenue, a local collector road which acts as a local knowledge traffic bypass to much more congested Park Avenue. Land Sales No. 1 and 2 are across the street from one another, fronting U.S. Highway 17-92 (Orlando Avenue) at the signalized intersection of Morse Boulevard. Although the household income demographics are inferior to the subject, both sales have extensive frontage along the retail commercial corridor of this very busy arterial highway. We have adjusted both sales net downward 40% for their far superior access/exposure. Land Sale No. 4 is a short distance north of Land Sales No. 2 and 3, with extensive frontage on very busy Orlando Avenue at the high-profile, major road signalized intersection of Lee Road. We have adjusted this sale net downward 50% for its far superior access/exposure, compared to the subject. Land Sale No. 3 is on the west side of very busy Orlando Avenue just south of Lee Road. This sale has direct access only to southbound traffic. We have adjusted this sale net downward 20% for its superior access/exposure compared to the subject.

### **Topography/View**

The subject property is generally level and at road grade, as are all four of the comparable sales. The site backs up to Winter Park's Central Park, affording it a view amenity as well as an opportunity to benefit from foot traffic generated by activities held at the park. It also backs up to the FEC Railroad/SunRail tracks, which partially offsets the Central Park amenity. Land Sale No. 2 backs up to Lake Killarney. Most commercial properties benefit little from backing up to a lake; however, this property will use the lake to benefit a lakeside restaurant tenant. No net adjustment for amenities was required, compared to the subject. The remaining sales have no amenity benefit, requiring a net upward 5% adjustment.

### **Land Size**

The subject site contains 2.021 acres. Typically as the size of a parcel of land increases, the unit value of that parcel decreases. This is due to the fact that a buyer can more easily afford a smaller parcel of land than a larger parcel, which tends to bid up the unit price compared to larger properties. Also, larger properties may involve phased development and/or commensurately longer lease-up or sellout periods, compared to otherwise similar smaller properties. Land Sale No. 3 is similar in size (1.95 acres), requiring no adjustment to its sale price per square foot. Land Sales No. 1 and 2 are significantly larger (at 3.56 and 4.04 acres), requiring an

upward 10% adjustment to their sale prices per square foot. Land Sale No. 4 is far larger (7.17 acres), requiring an upward 20% adjustment to its sale price per square foot.

### **Zoning/Land Use**

The subject property is zoned PQP, Public and Quasi-Public (north half of site) and PR, Parks and Recreation (south half of site). The PR zoning is highly restrictive insofar as to the land uses for which it can be used. Since the "grandfathered in" post office gets full benefit from the entire site, irrespective of zoning, we have initially valued the site as if 100% was zoned PQP with a commensurate Institutional FLU.

The PQP (Public and Quasi-Public) zoning itself is also fairly restrictive. Permitted uses in the PQP zoning district include: schools and educational uses; health service uses including hospitals, nursing homes and assisted living complexes; public utility and service uses, including administrative facilities; governmental uses in performance of governmental functions; institutional office and public service uses for community service organizations; museums; and churches and other places of religious functions.. All four comparable sales are zoned C-3, Commercial with Commercial FLU. This is a far more robust zoning classification, which permits all of PQP's uses as well as retail commercial, general commercial, restaurants, professional office and hotels. We have adjusted these sales downward 20% for their superior zoning.

### **Utilities**

The subject and the comparable sales have all public utilities available to their sites, requiring no adjustment.

### **Conclusion of Land Value**

At the beginning of this section is a Land Sales Comparison Summary of the adjustments made to each of the comparable land sales. The indicated land values, as adjusted, range from \$22.02 to \$27.56 per square foot of usable land area with an average of \$25.77 per square foot and a median of \$26.76 per square foot.

Land Sale No. 3 "adjusted out" significantly lower than the other sales: In addition to being the oldest of the transactions, this sale was of bank-owned property, which may have contributed to an element of seller motivation. Accordingly, we have placed less weight on Land Sale No. 3, and believe it to set the lower limit of value for the subject site. Therefore, based on this analysis, we have concluded to a unit value of \$27.00 per square foot of usable land area. Applying this unit value to the subject site's 87,635 square feet of usable land area indicates a land market value conclusion as if vacant via the Land Sales Comparison Approach of \$2,366,145, rounded to **\$2,370,000 assuming the entire property was zoned PQP with an underlying Institutional FLU.**

### **Land Value with "As Is" Zoning**

This property has mixed zoning, consisting of PQP, Public and Quasi-Public (north half of site) and PR, Parks and Recreation (south half of site), with respective Future Land Use classifications of Institutional (north half of site) and Open Space and Recreational (south half of site). The purpose of a parks and recreation district is to insure that areas of the city are preserved for park, open space, and recreational purposes for the benefit of the residents or maintained as open space due to their environmental sensitivity and benefit to the overall environment whether publicly or privately owned. The table below contrasts the development rights implicit in the PQP and PR zoning classifications:



COMPARISON OF PQP VS. PR DEVELOPMENT RIGHTS		
	Public and Quasi-Public (PQP) Institutional FLU	Parks and Recreation (PR) Open Space and Recreational FLU
Permissible Uses	Schools and educational uses; health service uses including hospitals, nursing homes and assisted living complexes; public utility and service uses, including administrative facilities; governmental uses in performance of governmental functions; institutional office and public service uses for community service organizations; museums; and churches and other places of religious functions; libraries and public parking lots	Public parks and recreational facilities; publicly- or privately-owned cemeteries and tree nurseries; privately-owned parks and recreational facilities which are restricted to use by residents in a particular subdivision or neighborhood area. The Open Space and Recreational FLU encompasses public and private parks, golf courses and recreation areas and cemeteries <b>which shall be precluded from development</b> and those areas on unplatted parcels which the City shall consider for dedication as parkland when subdivision occurs. Land designated as parks and open space would also preclude its use for streets or roads.
Max. Building Height	Two or three stories	Two stories
Floor Area Ratio	Up to a maximum 200% floor area ratio (the same as the Central Business District future land use designation) inside the C.B.D. Public parking garages (not private) may be excluded from the floor area ratio by the City Commission.	The maximum floor area ratio for land designated Open Space and Recreation shall be 0.20 (20%) for active recreation facilities such as Community Centers and 0.10 (10%) for passive recreational facilities.

The “south half” of the subject property, zoned PR, is actually 42,614 square feet based on the legal description. At best, a 20% FAR for an “active recreation facility” infers that it could be developed with a “community center” of up to 8,500 square feet. In our opinion, this seems undersized for a venue intended to serve Winter Park’s population. Thus, the more likely scenario is that this 42,614 square foot site would be used as a passive park.

For the most part, parks are public common areas, which benefit the community at large. The “value” of the park inures to its users, although peripheral and proximate properties may also benefit from a view amenity as well as an opportunity to benefit from foot traffic generated by activities held at the park. Park Avenue shops and restaurants, for example, benefit from the ambiance created by Central Park. Patrons are drawn to Park Avenue because of this ambiance. Said ambiance would be destroyed if this open park were, say, converted to condominiums and shops.

Accordingly, the Open Space and Recreational FLU and its accompanying Parks and Recreation zoning are highly restrictive insofar as development rights. Since the benefits of the park inure to surrounding properties as well as the community at large, the underlying land has minimal “value in exchange” a/k/a Market Value in and of itself. Properties which are already designated as “open space and recreational” rarely sell on the open market. In most cases, a developer will deed title to “open space and recreational” lands to a local homeowners’ association and/or to the city for zero dollars (because the “value” of the parks land is inherent in the properties developed and sold around it as part of their amenity package).

Conversely, properties purchased by a municipality for conversion to a park are almost always zoned for something else; i.e., with development rights allowing residential or multi-family development, or even for commercial development. Since the city must compete in the open market, properties so acquired have a Market Value which is a function of their underlying development rights. Once acquired, the city can then effectively extinguish the underlying development rights via rezoning to “open space and recreational”.

The lack of direct sales of “open space and recreational” land makes valuing park land problematic. One could make the case that park land has zero Market Value, because all of its benefits inure to surrounding properties

as well as the community at large. We believe that it must be worth something: at worst, it “holds the world together”. And, since one can walk on it, it must be worth more than wetlands (typically on the order of \$500 to \$3,000 per acre).

The best technique is to consider sales of properties with analogous minimal development rights. As a benchmark, we have chosen to examine sales of 1+ acre low-density single family residential home sites in rural/semi-rural east Orange County. (We note that a one acre residential home site in downtown Winter Park would be extremely valuable; however, the subject’s Parks and Recreation zoning does not allow development of even a single residence on this 42,614 square foot parcel. Accordingly, we cannot use Winter Park residential home site values for this comparison).

REPRESENTATIVE LOW-INTENSITY LAND USE SALES				
Sale Date	O.R. Book/Page	Sale Price	Size	\$/Acre
3/2014	10723/974	\$56,200	2.42 Ac	\$23,223
8/2014	10796/7193	\$40,000	1.47 Ac	\$27,211
5/2014	10745/8585	\$30,000	1.72 Ac	\$17,424
2/2014	10702/1514	\$19,000	1.25 Ac	\$15,200
7/2014	10770/5478	\$30,000	2.63 Ac	\$11,407
<b>Average</b>			<b>1.90 Ac</b>	<b>\$18,893</b>

The five representative sales average \$18,893 per acre, which we have rounded up to \$20,000 per acre as an order of magnitude. Multiplying \$20,000 times 0.978 acres (42,614 square feet) indicates a Market Value for the PR zoned portion of the subject of \$19,560.

The “north half” of the site actually contains 45,021 square feet based on the legal description. This portion of the property backs up to the FEC Railroad/SunPass railroad tracks as well as Central Park (as represented by the PR zoned south half of the site). Accordingly, we conclude that it has the same \$27.00 per square foot land value as previously discussed. Multiplying 45,021 square feet times \$27.00 per square foot indicates a Market Value for the PQP zoned portion of the site of \$1,215,567.

Adding the PQP portion’s \$1,215,567 and the PR portion’s \$19,560 indicates a total Market Value of the subject 2.012 acre site, as if vacant and zoned “As Is”, of \$1,235,127, rounded to **\$1,235,000**.

### Improvement Valuation

In deriving the value of the subject improvements, we have considered construction cost estimates, which were obtained from the *Marshall Valuation Service*, a nationally recognized source which is continuously updated to recognize changes in building and labor costs throughout the country. The appraisers have utilized this system extensively and have found it to be a reliable tool in estimating replacement cost.

The *Marshall Valuation Service* reports replacement cost. As defined by “*The Appraisal of Real Estate*”,

*“Replacement cost is the estimated cost to construct, at current prices, a building with utility equivalent to the building being appraised, using modern materials with current standards, designed and layout.”*

Their calculator cost methodology includes architects’ fees and contractors’ overhead and profit, sales taxes, permit fees and insurance during construction. Interest on interim construction financing is also included.

As built, the building appears most similar in construction to a Main Post Office, as classified by *Marshall Valuation Service*, of average quality, Class C (masonry bearing wall) construction. For comparison purposes, we have also considered replacement cost as an Industrial Light Manufacturing warehouse, as classified by *Marshall Valuation Service*, of good quality, Class C construction.

The indicated replacement costs as a post office are tabulated in the chart below:

BUILDING IMPROVEMENTS		
Building	23,106 SF x \$136.88/SF =	\$3,162,749
Covered Loading Dock	1,528 SF x \$30.00/SF =	\$45,840
Impact Fees	Building permits incl. above	\$ none
<b>Total Building Costs</b>		<b>\$3,208,589</b>
Paved Parking and drives	114 spaces x \$1,400/space	\$ 159,600
Landscaping, irrigation, etc.		\$ 100,000
<b>Total Site Improvements</b>		<b>\$ 259,600</b>
Total Improvements Costs		<b>\$3,468,189</b>
Furniture, Fixtures & Equipment		<b>Not included</b>
<b>Total Construction Cost before Depreciation and Entrepreneurial Profit</b>		<b>\$3,468,189</b>

### Entrepreneurial Profit/Developers Overhead

The next step in the Cost Approach is the recognition of Entrepreneurial Profit and Developers Overhead. Entrepreneurial Profit and Overhead represent the compensation to the developer for his time, risk, capital and expertise in coordinating a project of this size and bringing it to stabilized occupancy. Although there is some new construction in today's market conditions, historical discussions with developers of projects similar in dollar magnitude to the subject property indicate an entrepreneurial overhead and profit of 20% of the improvements cost has historically been appropriate.

Post offices are not built on speculation for resale, which would infer no entrepreneurial overhead and profit. Accordingly, we have not added a dollar amount for entrepreneurial overhead and profit.

### Total Replacement Cost New

Summing the previous Entrepreneurial Overhead and Profit (\$0) with the total construction cost indicates a Total Replacement Cost New of **\$3,486,189**.

### Accrued Depreciation

The next step is to estimate accrued depreciation, which can be separated into its three basic forms: physical, functional, and external obsolescence.

**Physical depreciation** could be further divided into three sub-categories, physical curable (deferred maintenance); physical incurable short lived depreciation and physical incurable long lived depreciation. No significant deferred maintenance was observed.

This building was built in 1965 and has been well maintained. The actual age is 49 years with an effective age of 40 years. Based on Marshall & Swift's *Marshall Valuation Service* guidelines, post office buildings of this construction quality have a typical expected useful life of 55 years. Accordingly, we anticipate a remaining economic life of 15 years. This infers that the improvements have depreciated 72.7% (40 year effective age/(40 years + 15 years remaining economic life). Multiplying 72.7% x \$3,486,189 equals \$2,521,373 accrued physical incurable depreciation.

**Functional obsolescence** is defined as "that loss in value from cost new as of the date of the appraisal which is caused by a super adequacy, inadequacy, unattractive style, poor or efficient layout or design".

**Functional curable obsolescence** – The property appears functional for its intended use. No curable functional obsolescence was observed.

**Functional incurable obsolescence (superadequacy)** – The post office replacement cost is significantly higher than the replacement cost of a similar quality dock height industrial light manufacturing building. In the case of the subject property, *Marshall Valuation Service* data indicates a \$1,309,648 incremental cost new, which is unlikely to command incremental occupancy or rent.



Since the \$1,309,648 in superadequate cost was included in our initial \$3,486,189 improvements cost new, and we have already depreciated these costs by 72.7% for physical incurable deterioration, we need to deduct 72.7% in "depreciation already taken". This reduces the \$1,309,648 to an indicated functional incurable obsolescence of \$357,534.

**External obsolescence** is defined as "that loss in value from cost new as of the date of the appraisal due to causes external to the property boundaries".

We note that the post office building is located on the south half of the property, which is zoned for Parks and Recreation. Accordingly, the existing improvements are considered to be a "grandfathered in" non-conforming use insofar as the underlying Open Space and Recreation FLU/Parks and Recreation zoning. This means that the improvements gain the benefit (and value) of the entire 2.012 site as if it were zoned Public and Quasi-Public (i.e. the underlying land is worth \$2,370,000 for purposes of valuing the existing improvements "As Is").

In the next section of this appraisal report, our Direct Sales Comparison of sales of similar industrial and office buildings concluded an "as is" market value of \$1,780,000. This market value conclusion is almost \$1,200,000 lower than the property's depreciated replacement cost, including the \$2,370,000 market value of the underlying land.

This differential of cost vs. value is classified as external obsolescence. These improvements no longer represent the highest and best use of the site, as if vacant.

### **Cost Approach Conclusion**

From the Total Replacement Cost New of \$3,468,189, we have deducted \$4,058,907 total accrued depreciation from all sources. This indicates a negative contributory value of the improvements of (\$590,718). A negative contributory value is a further illustration that these improvements no longer represent the highest and best use of the land, as if vacant. Adding the previously estimated land value of \$2,370,000 indicates an "As Is" Market Value via the Cost Approach of \$1,779,282 rounded to **\$1,780,000**.

**INDICATED "AS IS" MARKET VALUE  
VIA THE COST APPROACH  
ONE MILLION SEVEN HUNDRED EIGHTY THOUSAND DOLLARS  
(\$1,780,000) \***

**\* Please see Extraordinary Assumptions, Limiting Conditions and Hypothetical Conditions.**

## COST APPROACH SUMMARY "AS IS"

<b>COST NEW ESTIMATE</b>	<b><u>Per SF</u></b>	<b><u>Dollars</u></b>
<i><b>Hard Costs</b></i>		
Building 23,106 SF	\$138.86	\$3,208,589
Site Improvements	<u>\$11.24</u>	<u>\$259,600</u>
<i><b>Total Hard Costs</b></i>	<i><b>\$150.10</b></i>	<i><b>\$3,468,189</b></i>
<i><b>Soft Costs</b></i>		
Impact Fees	<u>\$0.00</u>	<u>\$0</u>
<i><b>Total Soft Costs</b></i>	<i><b>\$0.00</b></i>	<i><b>\$0</b></i>
<i><b>Replacement Cost New - Unloaded</b></i>	<i><b>\$150.10</b></i>	<i><b>\$3,468,189</b></i>
<i><b>Furniture, Fixtures and Equipment (not included)</b></i>	<i><b>\$0.00</b></i>	<i><b>\$0</b></i>
<i><b>Entrepreneurial Overhead and Profit</b></i>	<i><b>\$0.00</b></i>	<i><b>\$0</b></i>
<i><b>Total Replacement Cost New</b></i>	<i><b>\$150.10</b></i>	<i><b>\$3,468,189</b></i>
<i><b>Depreciation</b></i>		
Deferred Maintenance	\$0.00	\$0
Physical Incurable Depreciation	\$109.12	\$2,521,373
Curable Functional Obsolescence	\$0.00	\$0
Incurable Functional Obsolescence	\$15.47	\$357,534
External Obsolescence	<u>\$51.07</u>	<u>\$1,180,000</u>
<i><b>Total Accrued Depreciation</b></i>	<i><b>\$175.66</b></i>	<i><b>\$4,058,907</b></i>
<i><b>Contributory Value of Improvements</b></i>	<i><b>-\$25.57</b></i>	<i><b>-\$590,718</b></i>
<i><b>Land Value (effectively "as if 100% zoned PQP")</b></i>	<i><b><u>\$102.57</u></b></i>	<i><b><u>\$2,370,000</u></b></i>
<i><b>Indicated Value via Cost Approach</b></i>	<i><b>\$77.01</b></i>	<i><b>\$1,779,282</b></i>
<i><b>Rounded to</b></i>	<i><b><u><u>\$77.04</u></u></b></i>	<i><b><u><u>\$1,780,000</u></u></b></i>

## SALES COMPARISON APPROACH

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The Sales Comparison Approach is a technique wherein a property is valued by comparison to similar properties that have recently sold in the marketplace. The Sales Comparison Approach is based upon the principle of substitution, which states that an informed purchaser will not pay more for a property than he would for a similar, equally desirable property. In the Sales Comparison Approach, recent comparable sales are compared to the subject property and adjusted for differences regarding elements such as time of sale, location or exposure, quality of improvements and accessibility. The resulting value indications are then weighted as to similarity with the subject property and a final value is concluded.

To value the subject property (which is essentially a dock-height distribution warehouse) we have searched Orange and Seminole Counties for improved sales of industrial buildings similar in size, age, layout and/or location relative to the subject property that would likely appeal to the same buyer as would the subject. Considering that the entire subject property is air conditioned and has acoustical tile suspended ceilings with fluorescent lighting panels, we have also included a similar quality office building, for bracketing and comparison purposes. The four most comparable sales are detailed in write-ups below, followed by a location map showing the location of these improved sales relative to the subject property.

## IMPROVED SALE NO. 1

### LOCATION DATA

**Record Number:** 126  
**Market Type:** Industrial  
**Property Name:** 6424 Forest City Road  
**Address:** 6424 Forest City Road  
Orlando, Orange County  
FL 32810  
**Long/Lat:** W81.415700/N28.616060  
**MSA:** Orlando-Kissimmee-Sanford  
**Location:** W side of Forest City Road 700'  
S of W. Kennedy Blvd.  
**Tax Parcel No.:** 33-21-29-0000-00-055



### SALES DATA

**Sale Date:** February 22, 2012  
**Days on Market:** 541  
**Sale Price:** \$1,940,400  
**Grantor:** Southwind Marketing Corp.  
**Grantee:** AKT Real Estate Holdings, LLC  
**OR Book/Page:** 10529/710  
**Property Rights:** Fee Simple  
**Conditions of Sale:** Arm's Length  
**Financing:** 90% PMM by seller - no effect on price  
**Verification:** Public Records and Ray Romano, listing broker with CBRE (via e-mail) by Frank Schieber.  
December 11, 2014.  
**Three Year History:** No other recent transactions. Property was on the market at \$2,400,000 ask. prior to this negotiated sale

### SITE DATA

<b>Acres:</b>	3.346	<b>Zoning:</b>	C-1, Retail Commercial
<b>Square Feet:</b>	145,752	<b>Land Use:</b>	Commercial
<b>Main Frontage:</b>	238 Forest City Road	<b>Jurisdiction:</b>	Orange Co.
<b>Amenity Frontage:</b>	None	<b>Utilities:</b>	All available
<b>Shape:</b>	Rectangular, 612.4' depth	<b>Access:</b>	Mid-block, no median break
<b>Topography:</b>	Level, at road grade	<b>Exposure:</b>	Collector highway (23,500 cars/day)
<b>Site Improvements:</b>	Good landscaping; retention at rear of site		

### IMPROVEMENT DATA

<b>Gross Bld. Area:</b>	32,340 square feet	<b>Construction:</b>	Tilt wall
<b>Net Bld. Area:</b>	32,340 square feet	<b>Roof:</b>	Built-up
<b>Office Area:</b>	11874 square feet	<b>Foundation:</b>	Slab; dock height
<b>Office Percentage:</b>	37%	<b>HVAC:</b>	Package A/C
<b>Year Built:</b>	1997	<b>Fire System:</b>	Yes
<b>Tenant Structure:</b>	Single Tenant	<b>Eave Height:</b>	16' Office/22' WH
<b>Dock High Bays:</b>	2	<b>Parking Spaces:</b>	49
<b>Grade Level Bays:</b>	2	<b>Condition at Sale:</b>	Very good
<b>Retention:</b>	On-site		
<b>Building Descriptions:</b>	This building has fixed glass/6,148 SF showroom along its road frontage plus 5,726 SF of partitioned office. The showroom area has an open ceiling (16' clear height), metal halide lighting and sealed concrete floors. The dock-height warehouse area is not air conditioned; it has 22' clear height. Listing broker indicated that the tenant had moved out for a larger facility, so the owner sold this property.		

### FINANCIAL DATA

**PGI:** n/a  
**Price/Gross SF:** \$60.00

### ANALYSIS

**Occupancy at Sale:** 0.00  
**Price/Net SF:** \$60.00



## IMPROVED SALE NO. 1 (CONT'D)

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### **COMMENTS**

Purchase money mortgage financing by seller did not affect negotiated purchase price; it was only to facilitate transaction, per listing broker.

## IMPROVED SALE NO. 2

### LOCATION DATA

**Record Number:** 78  
**Market Type:** Industrial  
**Property Name:** Brown's Gymnastics - Winter Park  
**Address:** 6848 Stapoint Court  
Winter Park, Orange County  
FL 32792  
**Long/Lat:** W81.297570/N28.588280  
**MSA:** Orlando  
**Location:** East side of Stapoint Court  
within the East Point Industrial  
Park  
**Tax Parcel No.:** 10-22-30-2358-00-131



### SALES DATA

**Sale Date:** April 11, 2014  
**Days on Market:** 150 Days  
**Sale Price:** \$900,000  
**Grantor:** Rita F. Brown, as Trustee  
**Grantee:** Erlanger Marketing, LLC  
**OR Book / Page:** 10739/0582  
**Property Rights:** Fee Simple  
**Conditions of Sale:** Market Typical  
**Financing:** Cash to Seller  
**Verification:** Public Records and Marie Boyle, listing broker with Palkiper Comm. RE Services (407.383.8142) by Angie Brown. July 24, 2014.  
**Three Year History:** No other transactions noted on Public Records over the previous three years.

### SITE DATA

<b>Acres:</b>	1.163	<b>Zoning:</b>	IND - 1/IND - 5
<b>Square Feet:</b>	50,678	<b>Land Use:</b>	Industrial, Orange Co.
<b>Main Frontage:</b>	343 Stapoint Court	<b>Jurisdiction:</b>	Orange County
<b>Amenity Frontage:</b>	None	<b>Utilities:</b>	All Available
<b>Shape:</b>	Irregular	<b>Access:</b>	Average
<b>Topography:</b>	Level at Road Grade	<b>Exposure:</b>	Average
<b>Site Improvements:</b>	Site improvements consists of average landscaping, parking lot lighting and in average condition. The rear of the site has perimeter wire fencing.		

### IMPROVEMENT DATA

<b>Gross Bld. Area:</b>	15,470 square feet	<b>Construction:</b>	Modular Metal over Steel Frame
<b>Net Bld. Area:</b>	14,720 square feet	<b>Roof:</b>	Standing Seam Metal Roof
<b>Office Area:</b>	7,860 square feet	<b>Foundation:</b>	Concrete Slab on Grade
<b>Office Percentage:</b>	53.4%	<b>HVAC:</b>	Grade Mounted
<b>Year Built:</b>	1999	<b>Fire System:</b>	Fire Alarm
<b>Tenant Structure:</b>	Single Tenant	<b>Eave Height:</b>	22
<b>Dock High Bays:</b>	2	<b>Parking Spaces:</b>	39
<b>Grade Level Bays:</b>	2	<b>Condition at Sale:</b>	Average
<b>Retention:</b>	Off-Site		
<b>Building Descriptions:</b>	The building was over 50% office finish and was in average condition at the time of sale. This property and the property to the north and adjacent to this site was owned by the same ownership and the seller did a lot split and the site and building to the north remained in the sellers ownership; however, the retention for both buildings was located on the northern adjacent property, so the seller granted the buyer a drainage easement for the retention pond. Subsequently, the sold property has off-site retention.		

## IMPROVED SALE NO. 2 (CONT'D)

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### **FINANCIAL DATA**

*PGI:* n/a  
*Price/Gross SF:* \$58.18

### **ANALYSIS**

*Occupancy at Sale:* 0.00%  
*Price/Net SF:* \$61.14

### **COMMENTS**

According to the listing broker, the property was occupied by a tenant that had a lease-purchase option but they decided not to exercise it. The new buyer was going to let the current tenant remain in the building after the closing, but the tenant vacated the building prior to closing; therefore, it was vacant at the time of sale. The new owner has taken occupancy of the building.

## IMPROVED SALE NO. 3

### LOCATION DATA

**Record Number:** 79  
**Market Type:** Industrial  
**Property Name:** Two Men and a Truck  
**Address:** 310 Anchor Road  
Casselberry, Seminole County  
FL 32707  
  
**Long/Lat:** W81.346220/N28.672620  
**MSA:** Orlando-Kissimmee-Sanford  
**Location:** West side of Anchor Road, north  
of SR 436 (E. Altamonte Drive)  
**Tax Parcel No.:** 21-30-07-514-0000-0130, 21-30-07-  
514-0000-013A



### SALES DATA

**Sale Date:** December 19, 2013  
**Days on Market:** 64 Days  
**Sale Price:** \$659,000  
**Grantor:** Christopher Jordan Investments, LLC  
**Grantee:** PJI Holdings, Inc.  
**OR Book / Page:** 8183/0837  
**Property Rights:** Fee Simple  
**Conditions of Sale:** Market Typical  
**Financing:** Cash to Seller  
**Verification:** Public Records and David Hammett, listing broker with CRE Advisors (407.865.0468) by Angie Brown. July 25, 2014.  
**Three Year History:** No other transactions noted over the previous three years.

### SITE DATA

<b>Acres:</b>	1.667	<b>Zoning:</b>	Industrial
<b>Square Feet:</b>	72,597	<b>Land Use:</b>	Industrial, Casselberry
<b>Main Frontage:</b>	337 Anchor Road	<b>Jurisdiction:</b>	City of Casselberry
<b>Amenity Frontage:</b>	None	<b>Utilities:</b>	All Available
<b>Shape:</b>	Rectangular	<b>Access:</b>	Good
<b>Topography:</b>	Level and at Road Grade	<b>Exposure:</b>	Average to Good
<b>Site Improvements:</b>	Site improvements were minimal and consisted of asphalt paved parking lot in fair condition, minimal landscaping and a carport for covered parking spaces. There was considerable parking located behind the building and was being used for company trucks and outside storage of equipment		

### IMPROVEMENT DATA

<b>Gross Bld. Area:</b>	10,140 square feet	<b>Construction:</b>	Painted Concrete Block
<b>Net Bld. Area:</b>	10,120 square feet	<b>Roof:</b>	Built-up
<b>Office Area:</b>	2,800 square feet	<b>Foundation:</b>	Concrete slab on grade
<b>Office Percentage:</b>	27.6%	<b>HVAC:</b>	Roof Mounted
<b>Year Built:</b>	1968	<b>Fire System:</b>	Fire Alarm
<b>Tenant Structure:</b>	Single Tenant	<b>Eave Height:</b>	18'
<b>Dock High Bays:</b>	4	<b>Parking Spaces:</b>	Adequate
<b>Grade Level Bays:</b>	None	<b>Condition at Sale:</b>	Average
<b>Retention:</b>	Off-Site		
<b>Building Descriptions:</b>	The building was painted concrete block in average condition. The majority of the building was air-conditioned, but the new owner only air conditions the office portion of the building. The previous owner made significant upgrades to the power taking the building to 3-Phase, 1000 amp. The air conditioning system is forced cooled air with a 15 ton compressor		



## IMPROVED SALE NO. 3 (CONT'D)

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### FINANCIAL DATA

*PGI:* n/a  
*Price/Gross SF:* \$64.99

### ANALYSIS

*Occupancy at Sale:* 0.00%  
*Price/Net SF:* \$65.12

### COMMENTS

None

## IMPROVED SALE NO. 4

### LOCATION DATA

**Record Number:** 123  
**Market Type:** Office  
**Property Name:** Herzig University  
**Address:** 1865 State Road 436 (N. Semoran Blvd.)  
Casselberry, Seminole County  
FL 32792  
**Long/Lat:** W81.312620/N28.615690  
**MSA:** Orlando-Kissimmee-Sanford  
**Location:** State Road 436 at Winter Green Blvd.  
**Tax Parcel No.:** 33-21-30-515-0000-00K0 The property is in Casselberry, but has a Winter Park mailing address



### SALES DATA

**Sale Date:** May 23, 2013  
**Days on Market:** 264  
**Sale Price:** \$4,450,000  
**Adjusted Sale Price:** \$4,980,000  
**Grantor:** Casselberry Partnership  
**Grantee:** S & R Florida LLC  
**OR Book / Page:** 8045/752-756  
**Property Rights:** Leased Fee  
**Conditions of Sale:** Arm's Length, purchased by tenant  
**Financing:** Cash to seller  
**Verification:** Public Records and Purchase contract and confidential by Angie Brown. September 1, 2013.  
**Three Year History:** No other recent transactions noted. Ask price was \$4,545,000.

### SITE DATA

<b>Acres:</b>	3.439	<b>Zoning:</b>	CG, General Commercial
<b>Square Feet:</b>	149,800	<b>Land Use:</b>	Commercial
<b>Main Frontage:</b>	375 N. Semoran Blvd.	<b>Jurisdiction:</b>	City of Casselberry
<b>Amenity Frontage:</b>	None	<b>Utilities:</b>	All available
<b>Shape:</b>	Trapezoidal	<b>Access:</b>	Two minor corners
<b>Topography:</b>	Level, at road grade	<b>Exposure:</b>	Arterial highway
<b>Site Improvements:</b>	The asphalt paved parking reflects 5:1000 Gross and 5.2:1000 Rentable.		

### IMPROVEMENT DATA

<b>Gross Bld. Area:</b>	47,850 square feet	<b>Construction:</b>	Masonry/steel
<b>Net Bld. Area:</b>	46,172 square feet	<b>Roof:</b>	Membrane
<b>Year Built:</b>	1984	<b>Foundation:</b>	Slab on grade
<b>Building Class:</b>	C	<b>HVAC:</b>	Roof
<b>Location:</b>	Suburban	<b>Fire System:</b>	Yes
<b>Stories:</b>	2	<b>Elevators:</b>	1
<b>Tenant Structure:</b>	Single Tenant	<b>Parking Spaces:</b>	240
<b>Retention:</b>	Off-site master retention	<b>Condition at Sale:</b>	Very good - see comments
<b>Building Descriptions:</b>	This building was gutted and renovated in 2010 specifically for Herzig University. The property was leased to Herzig University for 10 Years, nine months and at the time of sale, Herzig occupied and leased 75% of the building. The remaining 11,770 square feet (25%) on the second floor was unoccupied, grey shell space.		

### FINANCIAL DATA

**PGI:** \$520,820  
**Price/Gross SF:** \$93.00  
**Adj. Price/Gross SF:** \$104.08

### ANALYSIS

**Occupancy at Sale:** 75%  
**Price/Net SF:** \$96.38  
**Adj. Price/Net SF:** \$107.86

## IMPROVED SALE NO. 4 (CONT'D)

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### **COMMENTS**

Herzig had the first right of refusal to lease the unimproved shell space and decided to purchase the building knowing they would eventually expand into the space. The buyers took into account in their purchase price that the remaining cost to build out the 11,770 square feet would be approximately \$530,000, therefore, a cap rate extraction would be skewed if the \$4,450,000 price was used. Adding the \$530,000 to purchase price of \$4,450,000 would indicate a total price of \$4,980,000 or \$107.85 per rentable square foot for a completely built out office/school.







## IMPROVED SALES COMPARISON SUMMARY

PROPERTY DETAILS	Subject	Improved Sale No. 1	Improved Sale No. 2	Improved Sale No. 3	Improved Sale No. 4
Location	New York Avenue	W side of Forest City Road 700' S of W. Kennedy Blvd.	East side of Stapoint Court within the East Point Industrial Park	West side of Anchor Road, north of SR 436 (E. Altamonte Drive)	State Road 436 at Winter Green Blvd.
Long/Lat		W81.415700/N28.616060	W81.297570/N28.588280	W81.346220/N28.672620	W81.312620/N28.615690
Sale Price		\$1,940,400	\$900,000	\$659,000	\$4,980,000
Sale Date		February 22, 2012	April 11, 2014	December 19, 2013	May 23, 2013
Gross Building Area (SF)	23,106	32,340	15,470	10,140	47,850
Leasable Building Area (SF)	23,106	32,340	14,720	10,120	46,172
Land Area (SF)	87,635	145,752	50,678	72,597	149,800
Year Built	1965	1997	1999	1968	1984
Condition at Sale	Good	Very good	Average	Average	Very good
Zoning	Public and Quasi-Public (north half) and Parks and Recreation (south half)	C-1, Retail Commercial	IND - 1/IND - 5	Industrial	CG, General Commercial
Land Use	Institutional/Open Space	Commercial	Industrial, Orange Co.	Industrial, Casselberry	Commercial
Site Coverage Ratio	26%	22%	31%	14%	32%
Parking Ratio	4.9:1000	1.5:1000	2.52:1000	Unknown	5:1000
Percent Office	38%	37%	53%	28%	100%
Percent Air Conditioned	100%	37%	53%	90%	100%
Price per Gross SF		<b>\$60.00</b>	<b>\$58.18</b>	<b>\$64.99</b>	<b>\$104.08</b>
Price per Leasable SF		<b>\$60.00</b>	<b>\$61.14</b>	<b>\$65.12</b>	<b>\$107.86</b>

### TRANSACTION ADJUSTMENTS

Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Leased Fee
Adjustment		0%	0%	0%	0%
Conditions of Sale	Arm's Length	Arm's Length	Market Typical	Market Typical	Arm's Length, purchased by tenant
Adjustment		0%	0%	0%	0%
Financing	Cash to Seller	90% PMM by seller - no effect on price	Cash to Seller	Cash to Seller	Cash to seller
Adjustment		0%	0%	0%	0%
Months Since Sold	December 12, 2014	34	8	12	19
Adjustment		0%	0%	0%	0%
Adjusted Price per Gross SF		<b>\$60.00</b>	<b>\$58.18</b>	<b>\$64.99</b>	<b>\$104.08</b>
Adjusted Price per Leasable SF		<b>\$60.00</b>	<b>\$61.14</b>	<b>\$65.12</b>	<b>\$107.86</b>

### PHYSICAL ADJUSTMENTS

Location/ Access		30%	40%	40%	20%
Topography/View	Backs up to railroad track and Central Park	5%	5%	5%	5%
Building Size (SF)	23,106	0%	0%	-5%	5%
Age/Quality/Condition	1965	-10%	-10%	10%	-30%
Zoning/Land Use	Public and Quasi-Public	-5%	-5%	-5%	-5%
Site Coverage/Parking		0%	0%	-25%	0%
Office and A/C Ratios		10%	-5%	5%	-30%
Occupancy		0%	0%	0%	0%
Other		0%	0%	0%	0%
Overall Comparability					
Overall Adjustment		30%	25%	25%	-35%
Adjusted Price per Gross SF		<b>\$78.00</b>	<b>\$72.72</b>	<b>\$81.24</b>	<b>\$67.65</b>
Adjusted Price per Leasable SF		<b>\$78.00</b>	<b>\$76.43</b>	<b>\$81.40</b>	<b>\$70.11</b>

Range of Unit Values	Per Leasable SF	Range of Values		Indicated Market Value "As Is" via Direct Sales Comparison <b>\$1,780,000</b>
Low End of Unit Values	\$70.11	Low End of Values	\$1,619,902	
High End of Unit Values	\$81.40	High End of Values	\$1,880,787	
Mean of Unit Values	\$76.48	Mean of Values	\$1,767,218	
Indicated Unit Value	\$77.00	Indicated Value	\$1,779,162	

### **Analysis of Improved Sales**

On the preceding pages, we detailed four building comparables. As noted from the preceding comparable sales, the basic units of comparison for properties like the subject property is the price per square foot of gross building area or the price per square foot of leasable building area. For this analysis we have used the sale price per square foot of leasable building area as our unit of measure. Since each sale differs from the subject to some degree and we need to make adjustments to the sales to make them comparable to the subject property. Below is a discussion as to the comparability of each sale relative to the subject and a summary table showing the comparisons and adjustments made each of the sales can be found on the previous page.

### **Financing**

All but one of the sales was cash to seller. Improved Sale No. 1 involved 90% seller purchase money mortgage financing: confirmation with the listing broker indicated that this was to facilitate the transaction, and did not affect the negotiated purchase price. No adjustments for financing were required.

### **Conditions of Sale**

All sales were negotiated, arm's length transactions. The sale price of Improved Sale No. 4 was adjusted in the sale write-up for the cost to finish out its 25% of grey shell to office, similar to the remainder of the building. No other adjustments for conditions of sale were required.

### **Market Conditions**

These comparable sales occurred in the past three years. Although economic conditions have improved, local industrial and office market conditions (occupancy and rental rates) have improved minimally over this time period. We are seeing increased buyer interest, resulting in shorter marketing times and more transactions; however, we have not yet seen a significant increase in achievable industrial or office building prices. Accordingly, no adjustments for changes in market conditions are required.

### **Location/Access**

The subject property is located one block west of Park Avenues' tony retail shopping district, and west of the railroad tracks in a professional office district. It has ample access frontage/access from New York Avenue, a local collector road which acts as a local knowledge traffic bypass to much more congested Park Avenue. Improved Sale No. 1 is on Forest City Road (State Road 434) between Kennedy Boulevard and Edgewater Drive. It has superior traffic exposure but inferior household income demographics, for which we have adjusted net upward 30% compared to the subject's centralized Winter Park location. Improved Sale No. 2 is on a side road in Forsyth Road's light industrial corridor. It has minimal traffic exposure and inferior household demographics, for which we have adjusted net upward 40% compared to the subject's centralized Winter Park location. Improved Sale No. 3 is on a side road in Casselberry's light industrial area between U.S. Highway 17-92 and County Road 427. It has minimal traffic exposure and inferior household demographics, for which we have adjusted net upward 40% compared to the subject's centralized Winter Park location. Improved Sale No. 4 fronts very busy State Road 436, but the building is set far back from the highway frontage, reducing its exposure. This building has a Winter Park address, but is located in Casselberry. It has far superior exposure but inferior household income demographics, for which we have adjusted net upward 20% compared to the subject's centralized Winter Park location .

### **Topography/View**

The subject property backs up to Winter Park's Central Park, affording it a view amenity as well as an opportunity to benefit from foot traffic generated by activities held at the park. It also backs up to the FEC Railroad/SunRail tracks, which partially offsets the Central Park amenity. None of the other improved sales have any beneficial (or detrimental) amenity, for which we have adjusted net upward 5%.

### **Building Size**

The subject improvements contain 23,106 square feet leasable area. Typically as the size of a building increases, the unit value of that building decreases. This is due to the fact that a buyer can more easily afford a smaller building than a larger building, which drives up the unit price of smaller vs. larger properties. Furthermore, larger buildings can be more management intensive and have extended lease-up periods compared to smaller

properties. Improved Sales No. 1 and 2 are 32,340 SF and 14,720 SF, respectively, bracketing and generally similar in size to the subject, requiring no adjustment to their prices per square foot. Improved Sale No. 3 is significantly smaller at 10,120 SF, requiring a downward 5% adjustment to its sale price per square foot. Improved Sale No. 4 is significantly larger at 46,172 SF, requiring an upward 5% adjustment to its sale price per square foot.

### **Age/Condition/Construction Quality**

1965. Improved Sales No. 1 and 2 were built in the late 1990s, hence, are about 30 years newer than the subject property; however, the subject is of superior quality construction, for which we have adjusted net downward 10%. Improved Sale No. 3 was built in 1968, similar to the subject, however, it is of inferior quality construction, for which we have adjusted net upward 10%. Improved Sale No. 4 was built in 1984; however, it was gutted and fully renovated in 2010 specifically for Herzig University. We have adjusted it downward 30% for its far superior effective age/condition.

### **Office Ratio/Air Conditioned Ratio**

The subject property is nearly 100% air conditioned, warehouse area included. Approximately 38% of its enclosed area is partitioned office and/or retail lobby. Improved Sale No. 1 similarly has 37% in showroom and partitioned office; however, its warehouse area is not air conditioned, requiring a net 10% upward adjustment. Improved Sale No. 2 has a superior office finish ratio of 53%; however, its warehouse area is not air conditioned, requiring a net 5% downward adjustment. Improved Sale No. 3 is mostly air conditioned, but has an inferior 28% office finish ratio, requiring a net 5% upward adjustment. Improved Sale No. 4 is 100% office, requiring a net 30% downward adjustment for its far superior interior finish ratio.

### **Zoning/Land Use**

The subject property is zoned PQP, Public and Quasi-Public (north half of site) and PR, Parks and Recreation (south half of site). Although the PR zoning is highly restrictive insofar as to the land uses for which it can be used, this "grandfathered in" post office building gets full benefit from the entire site, irrespective of zoning. Hence, we perceive that the improved property is marketable as if 100% was zoned PQP with a commensurate Institutional FLU.

The PQP (Public and Quasi-Public) zoning itself is also fairly restrictive. Permitted uses in the PQP zoning district include: schools and educational uses; health service uses including hospitals, nursing homes and assisted living complexes; public utility and service uses, including administrative facilities; governmental uses in performance of governmental functions; institutional office and public service uses for community service organizations; museums; and churches and other places of religious functions.

Because of its centralized Winter Park location (which we have already adjusted for), the above list includes several groups and types of users who might be interested in re-purposing the post office building for their use. Indeed, the U.S.P.S. itself benefits from continued use of this facility. All of the improved sales herein have commercial or industrial zoning classifications which allow a significantly more robust set of potential users. Since the functionality of their facilities, as improved, already somewhat limit the potential breadth of likely users; and in order not to "double count" for location and physical attributes already adjusted for, we have adjusted net downward 5% for the subject's relatively inferior zoning classification.

### **Site Coverage/Parking**

The subject's improvements represent a 26% site coverage ratio (also known as a Floor Area Ratio (FAR) and commensurate 4.9 parking spaces per 1000 square feet (4.9:1000), which is adequate for even professional office uses. Improved Sales No. 1 and 2 have similar FAR of 22% and 31%, offering adequate parking and truck turning for loading/unloading, requiring no adjustment. Improved Sale No. 4 also has a similar 32% FAR and 5:1000 parking, requiring no adjustment. Improved Sale No. 3 has surplus land for yard storage behind the building: its 14% FAR reflects almost twice as much land per square foot of building as the subject property. We have adjusted this sale downward 25% for its far lower (and superior) site coverage compared to the subject.



**Occupancy**

All of these sales are of single-tenant properties, like the subject, and were purchased for owner occupancy. No adjustments for occupancy were required.

**Indicated "As Is" Market Value**

The comparable sales, as adjusted, ranged from \$70.11 per square foot to \$81.40 per square foot with a mean indication of \$76.48 and a median of \$77.22 per square foot of leasable building area.

All of the improved sales analyzed herein required multiple and sometimes large individual and net adjustments. Although no one sale was particularly compelling, they did bracket the attributes and functionality of the subject improvements..

Therefore based on these sales, we have concluded to a unit value of \$77.00 per square foot. Multiplying by the subject's 23,106 square feet of leasable building area indicates an "As Is" Market Value via the Sales Comparison Approach of \$1,779,162, rounded to **\$1,780,000**.

Based on the analyses and discussions presented in this section and our experience and training, it is our opinion that the "As Is" Market Value of the subject property as of the date of valuation, December 12, 2014, via the Sales Comparison Approach was:

**INDICATED "AS IS" MARKET VALUE  
VIA SALES COMPARISON APPROACH  
ONE MILLION SEVEN HUNDRED EIGHTY THOUSAND DOLLARS  
(\$1,780,000) \***

**\* Please see Extraordinary Assumptions, Limiting Conditions and Hypothetical Conditions.**

## RECONCILIATION AND FINAL VALUE CONCLUSIONS

The purpose of this appraisal is to estimate the "As Is" Market Value of the Fee Simple interest in the U.S. Post Office - Winter Park as of December 12, 2014, our most recent date of inspection of the subject property; as well as the Market Value under the Hypothetical Condition that the entire property is assumed to be zoned PQP (Public, Quasi-Public) with an Institutional Future Land Use. The date of this report is December 26, 2014.

MARKET VALUE INDICATIONS		
Land Value "As Presently Zoned"	\$1,235,000	"As If Vacant"
Land Value "As If 100% Zoned PQP"	\$2,370,000	"As If Vacant"
Cost Approach	\$1,780,000	"As Is"
Sales Comparison Approach	\$1,780,000	"As Is"

The **Land Value as if vacant** was derived using a Land Sales Comparison Approach. This property has mixed zoning, consisting of PQP, Public and Quasi-Public (north half of site) and PR, Parks and Recreation (south half of site), with respective Future Land Use classifications of Institutional (north half of site) and Open Space and Recreational (south half of site). The Open Space and Recreational FLU and its accompanying Parks and Recreation zoning are highly restrictive insofar as development rights. Since the benefits of "park land" inure to surrounding properties as well as the community at large, the underlying land has minimal "value in exchange" a/k/a Market Value in and of itself. By virtue of our comparison to sales with low intensity land uses, we developed a contributory value of \$20,000 per acre for the subject property's PR zoned component, as if vacant. Multiplying \$20,000 times 0.978 acres (42,614 square feet based on the legal description) indicates a Market Value for the PR zoned portion of the subject of \$19,560.

The "north half" of the site actually contains 45,021 square feet based on the legal description. Our land sales analysis necessarily used other Winter Park commercial land sales, adjusting for the subject's non-retail location and somewhat restrictive PQP zoning. We derived a contributory value of \$27.00 per square foot for the subject's PQP zoned component, as if vacant. Multiplying 45,021 square feet times \$27.00 per square foot indicates a Market Value for the PQP zoned portion of the site of \$1,215,567.

This led us to conclude \$1,235,000 land Market Value, as if vacant, for the 2.012 acre subject site **as presently mixed zoned**. It also led us to conclude \$2,370,000 land Market Value, as if vacant, for the 2.012 acre subject site **as if it were 100% zoned PQP**.

We note that the post office building is located on the south half of the property, which is zoned for Parks and Recreation. Accordingly, the existing improvements are considered to be a "grandfathered in" non-conforming use insofar as the underlying Open Space and Recreation FLU/Parks and Recreation zoning. This means that the improvements gain the benefit (and value) of the entire 2.012 site as if it were zoned Public and Quasi-Public (i.e. the underlying land is worth \$2,370,000 for purposes of valuing the existing improvements "As Is").

The **Sales Comparison Approach** examines the value of the subject property, as improved. To value the subject property (which is essentially a dock-height distribution warehouse) we analyzed improved sales of industrial buildings similar in size, age, layout and/or location relative to the subject property that would likely appeal to the same buyer as would the subject. Considering that the entire subject property is air conditioned and has acoustical tile suspended ceilings with fluorescent lighting panels, we also included a similar quality office building, for bracketing and comparison purposes. From this analysis, we concluded an "as is" Market Value of \$1,780,000 for the subject property.

The **Cost Approach** seeks to explain the relationship between the replacement cost new of the post office improvements vs. today's contributory value of the improvements, if any. The property's improvements gain the benefit of the \$1,135,000 difference in land value (\$20,000 per acre vs. \$27.00 per square foot for the "south half") because they are "grandfathered in". Unfortunately, the post office/distribution warehouse improvements do not appear to contribute value over and above this effective land value: A distribution

warehouse is considered an underimprovement (also referred to as a "misplaced improvement") in this location, at these land values. Hence, the \$1,135,000 difference in land value is more than offset by external obsolescence; and the Cost Approach equates to the \$1,780,000 market value indication via the Sales Comparison Approach, as improved.

**Final Market Value Conclusions**

The above findings infer that the property's Market Value "as improved" is generally unaffected by the underlying PR zoning, because the existing improvements are considered to be a "grandfathered in" non-conforming use insofar as the underlying Open Space and Recreation FLU/Parks and Recreation zoning. Having said that, if the entire site was vacant and rezoned PQP with an Institutional FLU, the underlying land value (for redevelopment) far exceeds the value of the property "as improved".

As a result of our investigations into those matters, which affect Market Value, and by virtue of our experience and training, we have formed the opinion that the "As Is" Market Value of the Fee Simple interest in the subject property as of the date of valuation, December 12, 2014, was:

**"AS IS" MARKET VALUE**  
**ONE MILLION SEVEN HUNDRED EIGHTY THOUSAND DOLLARS**  
**(\$1,780,000) \***

We have also formed the opinion that the Market Value under the Hypothetical Condition that the entire property is assumed to be zoned PQP (Public, Quasi-Public) with an Institutional Future Land Use of the subject property as of December 12, 2014 was:

**MARKET VALUE "AS IF REZONED PQP"**  
**TWO MILLION THREE HUNDRED SEVENTY THOUSAND DOLLARS**  
**(\$2,370,000) \***

**\* Please see Extraordinary Assumptions, Limiting Conditions and Hypothetical Conditions.**

ADDENDA

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## APPRAISERS' QUALIFICATIONS

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## QUALIFICATIONS OF ANGELA L. BROWN, MAI, VICE PRESIDENT

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**BUSINESS ADDRESS**

**Meridian Appraisal Group, Inc.**  
1331 Sundial Point  
Winter Springs, Florida 32708  
Phone: 407.637.8704 Fax: 407.875.1061  
E-mail: [abrown@meridianag.com](mailto:abrown@meridianag.com)

**FORMAL EDUCATION**

**University of Florida, Gainesville, June 1983**  
Bachelor of Science in Business Administration, Real Estate Major

**REAL ESTATE EDUCATION**

Completion of all MAI course work.

*Course / Seminars / Continuing Education*

- Valuation/Evaluation of Proposed Projects
- Fair Lending and the Fee Appraiser
- The Challenge of Technology
- Highest and Best Use Analysis
- Subdivision Analysis
- Appraising Troubled Properties
- Appraisal Review Seminar
- Understanding Limited Appraisals
- Hotel/Motel Valuation
- Appraisers Legal Liabilities
- Appraisal Regulations of the Federal Banking Agencies
- Real Estate Evaluations and the Real Estate Industry
- Commercial Appraisal Engagement and Review
- Introduction to Valuation for Financial Reporting
- Business Practice and Ethics
- Oil Spill and Property Values
- Appraising from Blueprints & Specifications
- Valuation of Detrimental Conditions
- Partial Interest Valuation – Divided
- Florida Condemnation Valuation
- Fundamentals of Separating Real Property, Personal Property and Intangible Business Assets
- USPAP Update/Core Law
- Easement Valuation
- Accrued Depreciation
- HUD/FHA Lender Roster Training
- Data Confirmation and Verification
- The Internet and Appraising
- Rates, Ratios & Reasonableness
- Analyzing Operating Expenses
- Understanding Wetlands/Mitigation Banking as a Highest and Best Use
- Spotlight on USPAP: Hypothetical Conditions & Extraordinary Assumptions
- Appraising the Appraisal and Appraisal Review – General
- New Interagency Appraisal and Evaluation Guidelines
- Supervisor/Trainee Roles and Rules
- Introduction to Valuation for Financial Reporting
- Spotlight on USPAP: Common Errors and Issues
- New Industrial Valuation
- Introduction to Land Valuation
- Developing a supportable Work File

The Appraisal Institute conducts a mandatory program of continuing education for its designated members. MAI's and SRA's who meet the minimum standards of this program are awarded periodic educational certification. Ms. Brown is currently certified under this program through December 31, 2017.

**EXPERIENCE**

**2007 – Present**

**Meridian Appraisal Group, Inc.**  
**Vice President and Principal**

Responsible for the acquisition, coordination and review of appraisal assignments on real property. Also responsible for the preparation and review of appraisal assignments on various real property with emphasis on A & D projects throughout central Florida.

QUALIFICATIONS OF ANGELA L. BROWN, MAI, VICE PRESIDENT  
(CONT'D)

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<b>2004 – 2007</b>	<b>Realvest Appraisal Services, Inc.</b> <b>Vice President and Principal</b> Responsible for the acquisition, coordination and review of appraisal assignments on real property. Also responsible for the preparation and review of appraisal assignments on various real property with emphasis on A & D projects throughout central Florida.
<b>1992 – 2003</b>	<b>Realvest Appraisal Services, Inc.</b> <b>President and Principal</b> Responsible for the internal operations including quality control, product development, technological advances, appraisal review and organizational management. Also responsible for the preparation and review of appraisal assignments on various real property.
<b>1991 – 1992</b>	<b>First Union National Bank of Florida, N.A.</b> <b>Vice President</b> Responsible for the review of all appraisals for the Central Florida region in excess of \$5,000,000 and Special Assets in excess of \$2,000,000.
<b>1990 – 1991</b>	<b>Southeast Bank, N.A.</b> <b>Assistant Vice President</b> Responsible for the review of all appraisals for the North and Central Florida region in excess of \$1,000,000.
<b>1983 – 1990</b>	<b>Pardue, Heid, Church, Smith and Waller, Inc.</b> <b>Senior Appraiser</b> Responsible for the preparation and review of appraisal assignments on various real property including vacant land, subdivisions, retail centers, office buildings, apartments, industrial properties, mobile and recreational vehicle parks and special use properties.
<b>1989</b>	<b>Orange County Special Master</b> Served as Special Tax Master for the Orange County Property Appraisal Adjustment Board
<b>DESIGNATIONS</b>	Member Appraisal Institute (MAI), Certificate 8220
<b>CERTIFICATIONS &amp; LICENSES</b>	State-Certified General Real Estate Appraiser RZ 805 Florida Real Estate Broker BK-0391466
<b>PROFESSIONAL AFFILIATIONS</b>	Bergstrom Center for Real Estate Studies – University of Florida Advisory Board – Vice Chair – 2014-2015 Bergstrom Center for Real Estate Studies – University of Florida – 2012 Alumna of the Year Bergstrom Center for Real Estate Studies – Distinguished Speaker – Alfred A. Ring Distinguished Speaker Series 2010 & 2005 Bergstrom Center for Real Estate Studies – University of Florida – Executive Board Member – 2007-2010; Advisory Board Member since 2003 Appraisal Institute, East Florida Chapter Volunteer of Distinction – 2011 President, East Florida Chapter of the Appraisal Institute – 2002 Orlando Subchapter Chair, East Florida Chapter of the Appraisal Institute – 1995 Young Advisory Council, Appraisal Institute – 1995-1998 – Vice Chair (1996-1997), Chair (1997-1998) Orlando Leadership Alumni

## QUALIFICATIONS OF ANGELA L. BROWN, MAI, VICE PRESIDENT (CONT'D)



Central Florida Commercial Association of Realtors (CFCAR)

Greater Orlando Association of Realtors

Qualified as Expert Witness (Real Estate Appraisal) in Federal Bankruptcy Court, Middle District of Florida

Qualified as Expert Witness in Orange, Seminole, Osceola, Lake and Sumter Counties

RICK SCOTT, GOVERNOR		KEN LAWSON, SECRETARY	
<b>STATE OF FLORIDA</b> <b>DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION</b> <b>FLORIDA REAL ESTATE APPRAISAL BD</b>			
<b>LICENSE NUMBER</b>			
RZ805			
The CERTIFIED GENERAL APPRAISER Named below IS CERTIFIED Under the provisions of Chapter 475 FS. Expiration date: NOV 30, 2016			
BROWN, ANGELA L 1331 SUNDIAL POINT WINTER SPRINGS FL 32708			
ISSUED: 11/16/2014		SEQ # L1411160001742	
DISPLAY AS REQUIRED BY LAW			







## QUALIFICATIONS OF FRANK W. SCHIEBER, MAI, CCIM, SENIOR APPRAISER

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**BUSINESS ADDRESS**                      **Meridian Appraisal Group, Inc.**  
1331 Sundial Point  
Winter Springs, Florida 32708  
Phone: 407.637.8707   Fax: 407.875.1061  
E-mail: [fschieber@meridianag.com](mailto:fschieber@meridianag.com)

**FORMAL EDUCATION**                      **Florida Atlantic University, May 1975**  
Bachelor of Applied Science (Computer Systems)  
**University Of Florida, Gainesville, December 1976**  
Master of Arts (Real Estate and Urban Land Studies)

**REAL ESTATE EDUCATION**      Completion of all MAI course work

### *Course/Seminars/Continuing Education*

- Review Theory – General
- Real Estate Fraud
- Like-Kind Exchanges
- Partial Interest Valuation-Divided
- Appraising Wetlands
- Appraising Conservation Easements
- Highest and Best Use Applications
- USPAP Update/Core Law
- Fundamentals of Separating Real Property, Personal Property and Intangible Business Assets
- Business Practices and Ethics
- Professional Standards (Brokerage)
- Understanding & Using DCF Software
- Valuation of Detrimental Conditions in Real Estate
- Environmental Hazards Impact on Real Estate Value

The Appraisal Institute conducts a mandatory program of continuing education for its designated members. MAI's and SRA's who meet the minimum standards of this program are awarded periodic educational certification. Mr. Schieber is currently certified under this program through December 31, 2017.

### **EXPERIENCE**

**2007 – Present**                      **Meridian Appraisal Group, Inc.**  
**Senior Appraiser, MAI, CCIM**  
Responsible for the preparation of appraisal assignments on various real property including vacant land, subdivisions, retail centers, office buildings, apartments, industrial properties and special use properties.

**2002 – 2007**                      **Realvest Appraisal Services, Inc.**  
**Senior Appraiser, MAI, CCIM**  
Responsible for the preparation of appraisal assignments on various real property including vacant land, subdivisions, retail centers, office buildings, apartments, industrial properties and special use properties.

**1991 – 2002**                      **Basile, Schieber & Associates, Inc.**  
**Owner**  
Responsible for commercial real estate appraisals, appraisal review and consultation. Also responsible for the supervision of associate commercial and residential appraisers.

**1984 – 1991**                      **Pardue, Heid, Church, Smith and Waller, Inc.**  
**Principal and Director**  
Supervised commercial appraisal trainers and journeyman staff appraisers in practical application of appraisal theory to highest and best use analysis and proper application of appraisal techniques.

QUALIFICATIONS OF FRANK W. SCHIEBER, MAI, CCIM  
SENIOR APPRAISER  
(CONT'D)

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1977 – 1984

**Pardue, Heid, Church, Smith and Waller, Inc.**

**Associate Commercial Real Estate Appraiser and Market Analyst**

Property specialties include office buildings, shopping centers, mixed use planned unit developments, light industrial; especially enjoy “problem properties”, which require highest and best use evaluation to determine likely user sub-market/economic viability/marketability.

**DESIGNATIONS**

Member, Appraisal Institute (MAI), Certificate 6636

Certified Commercial Investment Member (CCIM), Certificate 4319

**CERTIFICATIONS  
& LICENSES**

(Florida) State-Certified General Real Estate Appraiser RZ 124

(Florida) Real Estate Broker BK-0272856 (inactive)

**PROFESSIONAL  
AFFILIATIONS**

**East Central Florida Chapter of the Appraisal Institute:**

Director (2001-2003), Secretary (2004), Treasurer (2005), Vice President (2006), President (2007)

**Realtor Member of Orlando Regional Realtor Association:**

Professional Standards Vice Chair (2007, 2011), Chair (2008, 2012), Grievance Committee Chair (2009)

**Realtor Member of Space Coast Association of Realtors (1991-2002)**

Chaired Professional Standards (2000, 2001)



Florida Association of Realtors: Appraisal Council Chair (2009)

**EXPERT WITNESS**

Qualified as Expert Witness (real estate appraisal) in Federal Bankruptcy Court, Central District of California, Middle District of Florida and Brevard County Circuit Court

RICK SCOTT, GOVERNOR		KEN LAWSON, SECRETARY
<b>STATE OF FLORIDA</b> <b>DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION</b> <b>FLORIDA REAL ESTATE APPRAISAL BD</b>		
<b>LICENSE NUMBER</b>		
RZ124		
<p>The CERTIFIED GENERAL APPRAISER Named below IS CERTIFIED Under the provisions of Chapter 475 FS. Expiration date: NOV 30, 2016</p>		
<p>SCHIEBER, FRANK W JR 1331 SUNDIAL POINT WINTER SPRINGS FL 32708</p>		
ISSUED: 09/22/2014		SEQ # L1409220002937

DISPLAY AS REQUIRED BY LAW

## ENGAGEMENT LETTER

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1331 SUNDIAL POINT  
WINTER SPRINGS, FLORIDA 32708  
TEL 407.875.6933  
FAX 407.875.1061

December 9, 2014

Mr. Randy Knight, City Manager  
City of Winter Park  
401 Park Avenue South  
Winter Park, Florida 32789

**RE: An "As Is" fee simple Market Value and a Hypothetical fee simple Market Value appraisal as if the entire site is zoned PQP on the property located at 300 N. New York Avenue, Winter Park, Florida, more specifically the land and improvements as referenced as tax parcel ID # 05-22-30-9400-21-010 on the Orange County Property Appraiser's records.**

Dear Mr. Knight:

Thank you for the opportunity to provide a proposal-agreement for appraisal services relative to the valuation of the property located at 300 N. New York Avenue, in the city of Winter Park, Florida. It is my understanding that the City of Winter Park requires an appraisal of the property "As Is" for internal decision making relative to the potential purchase/sale of the property as well as a valuation of the property under the Hypothetical Condition the entire site is zoned PQP as of the date of valuation. The following outlines the scope of services to be provided by Meridian Appraisal Group, Inc.

- The appraisal assignment will provide the "As Is" fee simple Market Value of the property located at 300 N. New York Avenue as of the date of the valuation, which will correspond with our physical inspection of the property. We will also provide a value of the property under the Hypothetical Condition the entire site is zoned PQP as of the date of valuation. The fee simple analysis will be based on current comparable data in the market place relative to the subject property being appraised and will included the Cost Approach and Sales Comparison Approaches to value for the "As Is" fee simple Market Value and the Hypothetical Market Value. The appraisal will be prepared in a Summary format.
- The intended use of the appraisal is for internal decision making by the City of Winter Park Board of City Commissioners regarding the purchase/sale of the property. The intended user of the appraisal report is the Board of City Commissioners of Winter Park. There are no other intended uses or users of the report.
- The appraisal will consist of an appraisal report prepared under the Uniform Standards of Professional Practice, Standards Rule 2-2(a) and performed under Standards Rule 1. Additionally, the appraisal report will comply with all regulations issued by the appropriate regulatory entities, enacting the enactment of Title XI of the FIRREA Act of 1989, and the appraisal reporting requirements of the Office of the Comptroller.
- The total fee for the appraisal assignment will be \$3,800 and can be completed by December 17, 2014. The fee includes the cost of four original copies of the appraisal report with each additional copy at \$150. In addition, we will provide an electronic version of the report in a PDF format.





MR. KNIGHT  
DECEMBER 9, 2014  
PAGE TWO

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Authorization to proceed with this assignment is considered confirmed upon receipt of a signed copy of this letter. Our professional fees are due upon receipt of the appraisal report. Documentation that will be helpful in completing the assignment consists of a boundary survey of the parcel, an "As Built" survey of the property; building plans if available; a topographical survey, environmental reports, engineering reports (if available), a list of capital expenditures that have been made over the last three years and near term capital expenditures budgeted; title report if available, contract or pending contract (if there is one) and any other documentation that you deem might be helpful in completing the assignment. We will contact Enrica Lubrano or the supporting documentation.

Should you request us to abandon this assignment during the progress of our work, billings will be rendered up to the date of our receipt of a written request for such abandonment and shall immediately become due and payable. In the event of any dispute relative to this proposal, the prevailing party shall be entitled to the reimbursement of attorney's fees and costs.

If the scope of services and the terms of this proposal are acceptable to you, please indicate acceptance of the terms by signature at the space provided below and return one executed copy for our files along with the requested supporting documentation.

We appreciate the opportunity to work with you on this assignment. Please feel free to contact me if you have any questions.

Very truly yours,

**Meridian Appraisal Group, Inc.**

*Angela L. Brown*  
Angela L. Brown, MAI,  
Vice President  
2014.12.09 15:40:50  
-05'00'

Angela L. Brown, MAI, Vice President  
State-Certified General RE Appraiser RZ 805

**AGREED AND ACCEPTED**

Mr. Randy Knight, City Manager

By:

Date:

*[Signature]*  
12/9/14

ALB