

NARRATIVE SUMMARY APPRAISAL

FIRE STATION NO. 54
3200 NE 32ND STREET
FORT LAUDERDALE, FL 33308

FOR

CITY OF FORT LAUDERDALE
PARKS & RECREATION DEPARTMENT
1350 WEST BROWARD BOULEVARD
FORT LAUDERDALE, FL 33312

ATTENTION: MS. STACEY DALEY

DATE OF VALUE: DECEMBER 1, 2012
DATE OF INSPECTION: DECEMBER 1, 2012
DATE OF REPORT: DECEMBER 10, 2012

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December 10, 2012

City of Fort Lauderdale
Parks & Recreation Department
1350 West Broward Boulevard
Fort Lauderdale, FL 33312

Attention: Ms. Stacey Daley

Dear Ms. Daley:

In response to your request and our assignment, we have appraised the subject property for reporting to you our opinion of its market value, in fee simple estate, in "as is" condition, as of December 1, 2012.

Based on our analyses, our opinion is that the subject market value, in fee simple estate, "as is" as of December 1, 2012, is:

\$725,000

(SEVEN HUNDRED TWENTY FIVE THOUSAND DOLLARS)

Market Value of Subject Land "As Is:"

The subject site is developed with a fire station that is near the end of its economic life. The contributed value of the improvements is \$40,000 (\$725,000 - \$685,000).

Land Value As If Vacant:	\$685,000
Less Cost to Demolish Improvements: (6,159 sq. ft x \$5/sq. ft)	<u>\$ 30,000</u>
Land Value "As Is":	\$655,000

The subject property is located at 3200 NE 32nd Street, Fort Lauderdale, Florida 33308. This property consists of one two-story fire station building and other site improvements. It was constructed in 1970 (estimated from a plaque that is fixed to the front of the building) of CBS, built-up roof, finished (tile, vinyl and carpet) floor in the office, sleeping, recreational, kitchen locker and gym areas. The flooring of the garage area is sealed concrete. The office ceiling is finished with acoustical tiles, and the garage ceiling is open showing bar joists structure.

The building contains a total of 6,159 square feet of space, which is divided into 3,718 square feet or 60% air-conditioned office, sleeping, recreational, kitchen and gym space, and 2,441 square feet, or 40% garage space. The ground floor contains a total of 4,075 square feet of the space. It is subdivided into 1,634 square feet of air-conditioned office, sleeping, recreational, and kitchen space, and 2,441 square feet of garage space. The gym and locker areas are located on the second floor that contains 2,084 square feet of air-conditioned space. Access to the second floor is by way of a walk-up stair. The subject property building interior looks worn and needs upgrading. The building is estimated to be 20 feet high and has estimated ceiling height of 18 feet high.

The building also has a "fire hose draining and drying tower", which is functional obsolete. It is functional obsolete because modern fire hoses do not need draining and drying. The subject site is also improved with many coin-operated parking meters and a fuel dispenser and pump for use with the fire engines. An alley separates the building from the fuel dispenser and pump.

The subject building and other site improvements are located on a site that contains 19,637 square feet or 0.451 acre of land. The property is in fair overall condition as of the date of value.

We have not been provided with a contamination assessment report on the subject property. However, we observed a diesel fuel dispenser, an apparent underground pump, and storage tank and observation wells on the rear portion of the subject site. The pumping and dispensing station is believe to be used to fuel fire engines and emergency vehicles. We are aware of no site contamination. If more details and/or greater accuracy are required, the reader should consult an appropriate expert.

We presumed that no adverse environmental soil or sub-soil conditions are present on or near the subject site that would adversely affect the value or marketability of the property. Our opinion of value could be impacted, if this should prove to be incorrect.

Harvel W. Gray has not appraised the subject property in the past three years.

We have complied with the USPAP competency provision and Harvel W. Gray is a State-Certified General Real Estate Appraiser in the state of Florida and is also an MAI and an ASA.

The following presents a summary narrative appraisal. This letter must remain attached to the report, which contains 59 pages plus related exhibits, in order for the value opinion set forth to be considered valid.

Your attention is directed to the ***Assumptions and Limiting Conditions***, which follow later in this report.

Respectfully submitted

Allied Appraisal Services, Inc.

A handwritten signature in black ink, appearing to read 'Harvel W. Gray', with a long horizontal flourish extending to the right.

Harvel W. Gray, FRICS, MAI, Leed AP
State-Certified General Real Estate Appraiser, RZ2166

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EXECUTIVE SUMMARY

Property Name: Fire Station No. 54

Address: 3200 NE 32nd Street, Fort Lauderdale,
Florida 33308.

Location: Southeast corner of NE 32nd Street and NE
32nd Avenue.

Property Type: Fire Station

Current Use: Fire Station

Occupancy: 100%

Proposed Use: Fire Station

Owner Of Record (s): City of Fort Lauderdale

Special Assumptions Reference: See Assumptions and Limiting Conditions
Numbers 14 - 20

Unusual Market Externality: None

Site Area:

Gross Area	19,637 square feet or 0.451 acre
Usable Area	19,637 square feet or 0.451 acre

Building Area:

Gross Area	6,159 square feet
Rentable Area	6,159 square feet

Year Built: 1970 (Estimated from building plaque)

Improvements Description: None

Property Condition: Fair

Land Bldg Ratio: 3.19

Floor Area Ratio (FAR): 0.31

Parking: Available on site

Purpose Of The Appraisal: Provide the client with our opinion of the market value of the fee simple estate of the subject property, as of December 1, 2012.

Intended Use Of The Appraisal: It is our understanding that the intended use of this appraisal is to assist in the City in business and/or disposal decision making.

Intended User Of The Report: City of Fort Lauderdale

County Property Control Number(s): 49-43-19-01-0160

County Tax Values (2012):

Total Market Value \$1,345,160

Total Assessed Value \$1,345,160

Real Estate Taxes (2011): \$0, Government owned property, based on the County Tax Records.

Sales History: We noted transfer within the past three years.

Assignment History: No work or assignment on subject within the past three years.

Hazardous Waste Conditions: See Assumptions and Limiting Conditions Numbers 14 - 20

Flood Zone Panel & Code: Zone "X", Panel Number 12011C 0209 F

Zoning: CB: Community Business Zoning District, City of Fort Lauderdale

Conforming/Nonconforming Use: Appears to be a legal use.

Highest & Best Use - Vacant: Develop the site with commercial improvements when feasibility supports redevelopment.

Highest & Best Use - Improved: NA

Excess/Surplus Land: NA

Property Rights Appraised: Fee Simple Estate

Marketing Time: 12 months

Date of Inspection: December 1, 2012

Date of Value: December 1, 2012

Date of Report: December 10, 2012

Value Summary

Income Approach: NA

Cost Approach: \$725,000

Sales Comparison Approach: NA

Market Value: \$725,000

Appraiser(s):
Harvel W. Gray, FRICS, MAI, Leed AP
State-Certified General Real Estate Appraiser, RZ2166

CERTIFICATION

I certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, impartial unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.

I have no bias with respect to the property that is the subject of this report or the parties involved with the assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors that 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.

My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and the Uniform Standards of Professional Appraisal Practice of the Appraisal Institute, and the American Society Appraisers.

The use of this report is subject to the requirements of the Appraisal Institute, American Society of Appraisers, and the Royal Institute of Chartered Surveyors Americas, and the State of Florida Division of Real Estate, Florida Real Estate Appraisal Board, relating to review by their duly authorized representatives.

The appraiser has made a personal inspection of the property that is the subject of this report.

The appraiser has performed within the context of the competency provision of the Uniform Standards of Professional Appraisal Practice.



Harvel W. Gray, FRICS, MAI, Leed AP
State-Certified General Real Estate Appraiser, RZ 2166

ASSUMPTIONS AND LIMITING CONDITIONS

1. Unless otherwise stated, the value appearing in this appraisal represents our opinion of the market value or the value defined **AS OF THE DATE SPECIFIED**. Values of real estate are affected by national and local economic conditions and consequently will vary with future changes in such conditions.
2. Possession of this report or any copy thereof does not carry with it the right of publication nor may it be used for other than its intended use. The physical report(s) remains the property of the appraiser for the use of the client. The fee is for the analytical services only. The report may not be used for any purpose by any person or corporation other than the client or the party to whom it is addressed or copied without the written consent of an officer of the appraisal firm of Allied Appraisal Services Inc. and then only in its entirety.
3. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations efforts, news, sales or other media without written consent and approval of an officer of Allied Appraisal Services Inc.
4. The appraiser may not divulge the material contents of the report, analytical findings or conclusions, or give a copy of the report to anyone other than the client or his designee, as specified in writing except as may be required by the Appraisal Institute or the American Society of Appraisers, as they may request in confidence for ethics enforcement or by a court of law or body with the power of subpoena.
5. Liability of Allied Appraisal Services, Inc. and its employees is limited to the fee collected for the appraisal. There is no accountability or liability to any third party.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures, which make it more or less valuable. The appraiser assumes no responsibility for such conditions or the engineering, which might be required to discover these facts.
7. This appraisal is to be used only in its entirety. All conclusions and opinions concerning the analysis which are set forth in the report were prepared by the appraisers whose signatures appear on the appraisal report. No change of any item in the report shall be made by anyone other than the appraiser and the appraiser and firm shall have no responsibility if any such unauthorized change is made.
8. No responsibility is assumed for matters legal in character or nature, nor matters of survey, nor of any architectural, structural, mechanical or engineering nature. No opinion is rendered as to the title, which is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report.
9. No responsibility is assumed for accuracy of information furnished by or from others, the clients, his designee or public records. We are not liable for such information or the work of subcontractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit. All are considered appropriate for inclusion to the best of our knowledge and belief.

10. The contract for appraisal, consultation or analytical service is fulfilled and the total fee payable upon completion of the report. The appraiser or those assisting the preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal in full or in part; nor engaged in post-appraisal consultation with client or third parties, except under separate and special arrangement and at an additional fee.

11. The sketches and maps in this report are included to assist the reader and are not necessarily to scale. Various photos, if any, are included for the same purpose and are not intended to represent the property in other than actual status, as of the date of the photos.

12. Unless otherwise stated in this 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 other 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 client is urged to retain an expert in this field, if desired.

13. The distribution of the total valuation of this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal, no matter how similar and are invalid if so used.

14. No environmental or impact studies, special market studies or analysis, highest and best use analysis study or feasibility study has been requested or made unless otherwise specified in an agreement for services or in the report. The appraiser reserves the unlimited right to alter, amend, revise or rescind any of the statements, findings, opinions, values, estimates or conclusions upon any subsequent such study or analysis or previous study or analysis, subsequently becoming known to him.

15. The value estimated in this appraisal report is gross without consideration given to any encumbrance, restriction or question of title, unless specifically defined. The estimate of value in the appraisal report is not based in whole or in part upon the race, color or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

16. This appraisal report has been prepared for the exclusive benefit of the Client. It may not be used or relied upon by any other party. Any party who uses or relies upon any information in this report, without the preparer's written consent, does so at his own risk. If this report is placed in the hands of anyone but the client, client shall make such party aware of all the assumptions and limiting conditions of this assignment.

17. Soil/Environmental Conditions: We have not been provided with a contamination assessment report on the subject property. However, we observed a diesel fuel dispenser, an apparent underground pump, and storage tank and observation wells on the rear portion of the subject site. The pumping and dispensing station is believe to be used to fuel fire engines and emergency vehicles. We are aware of no site contamination. If more details and/or greater accuracy are required, the reader should consult an appropriate expert. We presumed that no adverse environmental soil or sub-soil conditions are present on or near the subject site that would adversely affect the value or marketability of the property. Our opinion of value could be impacted, if this should prove to be incorrect.

18 **INSURANCE VALUE ESTIMATE DISCLAIMER**: As part of the client's requested scope of work, an estimate of insurable value (may be/is) provided herein. In response to such a request the appraisal firm and those appraiser(s) responsible for this assignment will follow traditional appraisal standards to develop a reasonable calculation based upon industry practices and industry accepted publications such as the Marshall Valuation Service handbook. The methodology employed as a derivation of the cost approach which is primarily used as an academic exercise to help support the market value estimate and therefore is not reliable for Insurable Value estimates. Actual construction costs and related estimates can vary greatly from this estimate.

19. **WHEN A REPLACEMENT COST ESTIMATE IS INSERTED IN THE ADDENDUM** it should not be relied upon to determine proper insurance coverage which can only be properly estimated by consultants considered experts in cost estimation and insurance underwriting. It is provided to aid the client/reader/user as part of their overall decision making process and no representations or warranties are made by the appraisal firm or any of its appraisers regarding the accuracy of this estimate and it is strongly recommended that other sources be utilized to develop any estimate of insurable value.

20. ACCEPTANCE OF, AND/OR USE OF THIS APPRAISAL REPORT CONSTITUTES ACCEPTANCE OF THE PRECEDING CONDITIONS.

SUBJECT PHOTOS



Looking South at Building Front



Looking Northeast at Building Rear



Looking East at West Elevation



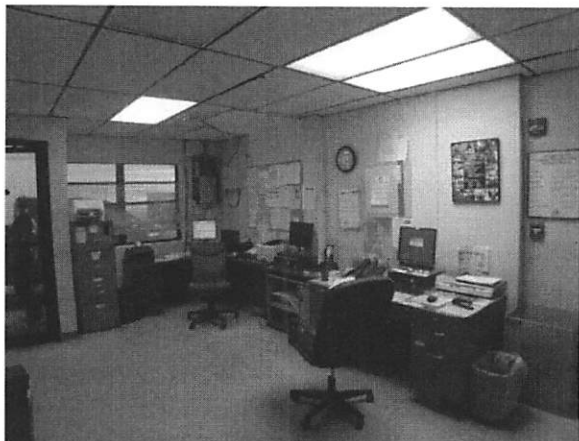
Looking Southwest at East Elevation



North and West Elevations



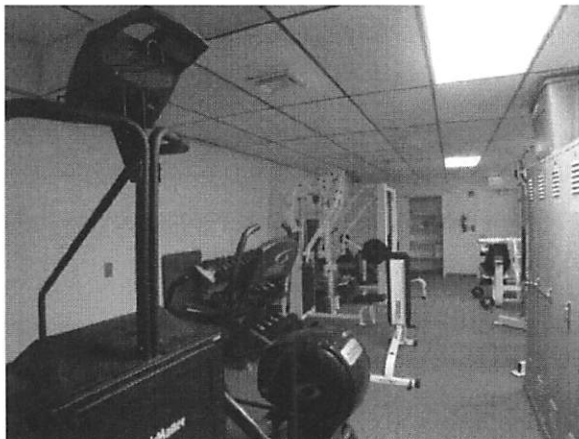
Diesel Fuel Dispenser and Pumping Station



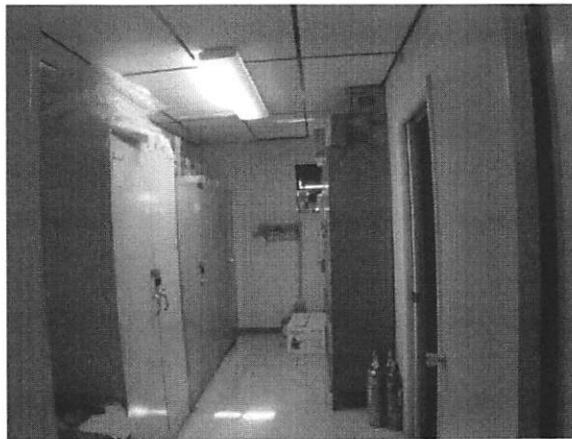
Interior



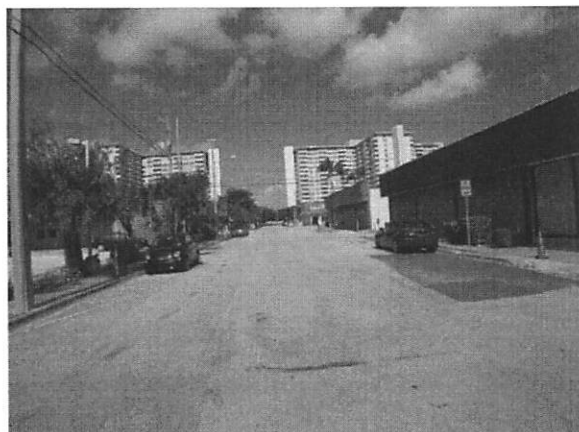
Interior



Interior



Interior



Street View Looking East Along NE 32nd St



Street View Looking West Along NE 32nd St

PURPOSE AND DATE OF APPRAISAL

The purpose of this appraisal is to provide the client with our opinion of the "as is" market value of the fee simple estate of the subject property, as of December 1, 2012. Harvel W. Gray inspected the subject property on this date.

DESCRIPTION OF SUBJECT PROPERTY APPRAISED

The subject property is located at 3200 NE 32nd Street, Fort Lauderdale, Florida 33308. This location is on the southeast corner of NE 32nd Street and NE 32nd Avenue.

This property consists of one two-story fire station building and other site improvements. It was constructed in 1970 (estimated from a plaque that is fixed to the front of the building) of CBS, built-up roof, finished (tile, vinyl and carpet) floor in the office, sleeping, recreational, kitchen locker and gym areas. The flooring of the garage area is sealed concrete. The office ceiling is finished with acoustical tiles, and the garage ceiling is open showing bar joists structure.

The building contains a total of 6,159 square feet of space, which is divided into 3,718 square feet or 60% air-conditioned office, sleeping, recreational, kitchen and gym space, and 2,441 square feet, or 40% garage space. The ground floor contains a total of 4,075 square feet of the space. It is subdivided into 1,634 square feet of air-conditioned office, sleeping, recreational, and kitchen space, and 2,441 square feet of garage space. The gym and locker areas are located on the second floor that contains 2,084 square feet of air-conditioned space. Access to the second floor is by way of a walk-up stair. The subject property building interior looks worn and needs upgrading. The building is estimated to be 20 feet high and has estimated ceiling height of 18 feet high.

The building also has a "fire hose draining and drying tower", which is functional obsolete. It is functional obsolete because modern fire hoses do not need draining and drying.

The subject site is also improved with many coin-operated parking meters and a fuel dispenser and pump for use with the fire engines. An alley separates the building from the fuel dispenser and pump.

The subject building and other site improvements are located on a site that contains 19,637 square feet or 0.451 acre of land. The property is in fair overall condition as of the date of value.

LEGAL DESCRIPTION (FROM PUBLIC RECORDS)

Galt Ocean Mile 34-16 B Lot 1 Thru 4,12,13 And 14 Block 2 And Together With Portion Vacant Alley Lying Between Lots 1,2,3,12,13 And 14 BLK 2, Per OR 44754/572

FUNCTION, INTENDED USE AND INTENDED USER OF THE REPORT

The function of this report is to provide the client with a supportable opinion of the market value, "as is", of the subject fee simple estate. It is our understanding that the intended use of this appraisal is to assist the client in business and/or disposal decision making. The intended user is the City of Fort Lauderdale.

This report has been prepared utilizing generally accepted appraisal techniques, as contained within the current Uniform Standards of Professional Appraisal Practice (USPAP) and of the recognized professional organizations of which the appraisers are members.

This appraisal report has been prepared in a manner believed to be consistent with the guidelines contained in Title XI of the Financial Institution Reform Recovery and Enforcement Act of 1989 (FIRREA) and Federal Regulation 12CFR Part 34.43 (b).

CLIENT

City of Fort Lauderdale
Parks & Recreation Department
1350 West Broward Boulevard
Fort Lauderdale, FL 33312

Attention: Ms. Stacey Daley

DEFINITION OF MARKET VALUE

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

- (A) Buyer and seller are typically motivated;
- (B) Buyer and seller are well informed or well advised, and each is acting in what he considers his and/or her own best interest;
- (C) A reasonable time is allowed for exposure in the open market;
- (D) Payment is made in cash in U. S. dollars or in terms of financial arrangements comparable thereto; and
- (E) The price represents normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

SOURCE (S): Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA").
The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010, Page 123.

PROPERTY RIGHTS APPRAISED

The property rights appraised are those of fee simple estate. "Fee Simple" is defined as absolute ownership unencumbered by any other interest or estate, subject only to the limitation imposed by governmental powers of taxation, eminent domain, police power, and escheat.

SOURCE: The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010, Page 78.

TYPICAL BUYER PROFILE

An important part of an appraisal is the selection of comparable sales that can be used to reach an opinion of the market value of the subject property through the appraisal process. Comparable sales are selected based upon the highest and best use of a property and generally. Sellers and buyers come together on the common ground of this highest and best use. This involves buyers that are attracted to the property being offered for sale based upon the criteria that a buyer uses to make this decision. Thus, comparable sales must be competitive alternatives in the eyes of typical buyers.

Typically, properties of the subject property type, size and location are governmental entities. We have considered the typical buyer in our analysis.

PERSONAL PROPERTY, FURNITURE, FIXTURES AND EQUIPMENT

This appraisal does not consider or value the business of the subject, nor personal property, furniture, or equipment.

SCOPE OF ASSIGNMENT

The purpose of this appraisal is to provide the client with our opinion of the “as is” market value of the fee simple estate of the subject property, as of December 1, 2012. Harvel W. Gray inspected the subject property on this date. The subject consists of a 6,159 square feet fire station building on 19,637 square feet or 0.451 acre of commercially zoned land, according to the public records.

The scope of this real estate appraisal includes the following:

- A physical inspection of the property.
- A search of the public records relative to the subject. This search encompasses, among other things, tax and assessment information, easement, and other private, as well as public, deed restrictions, zoning, history of the property, etc.
- A discussion of neighborhood and regional area characteristics, as well as an analysis of supply and demand within the subject's market segment.
- Analysis of physically possible uses, legally permissible uses, and all feasible uses in order to estimate the highest and best use of the subject.
- Research of public records for comparable sales and listings. Telephone verification, where possible, of all the sales and listings with the buyer, seller, or their representative.
- A physical inspection of each of the comparable properties, as well as deed verification. Comparison of the comparable properties to the subject with consideration of such differences as legal encumbrances, financing terms, conditions of sale, market conditions, location, physical characteristics, availability of utilities, zoning, and highest and best use.

- The preparation of a narrative appraisal report in compliance with the USPAP and the Standards of the recognized professional organizations of which the appraisers are members. We have also followed the guidelines promulgated by the appropriate regulatory agency or agencies that are mentioned elsewhere in this report.

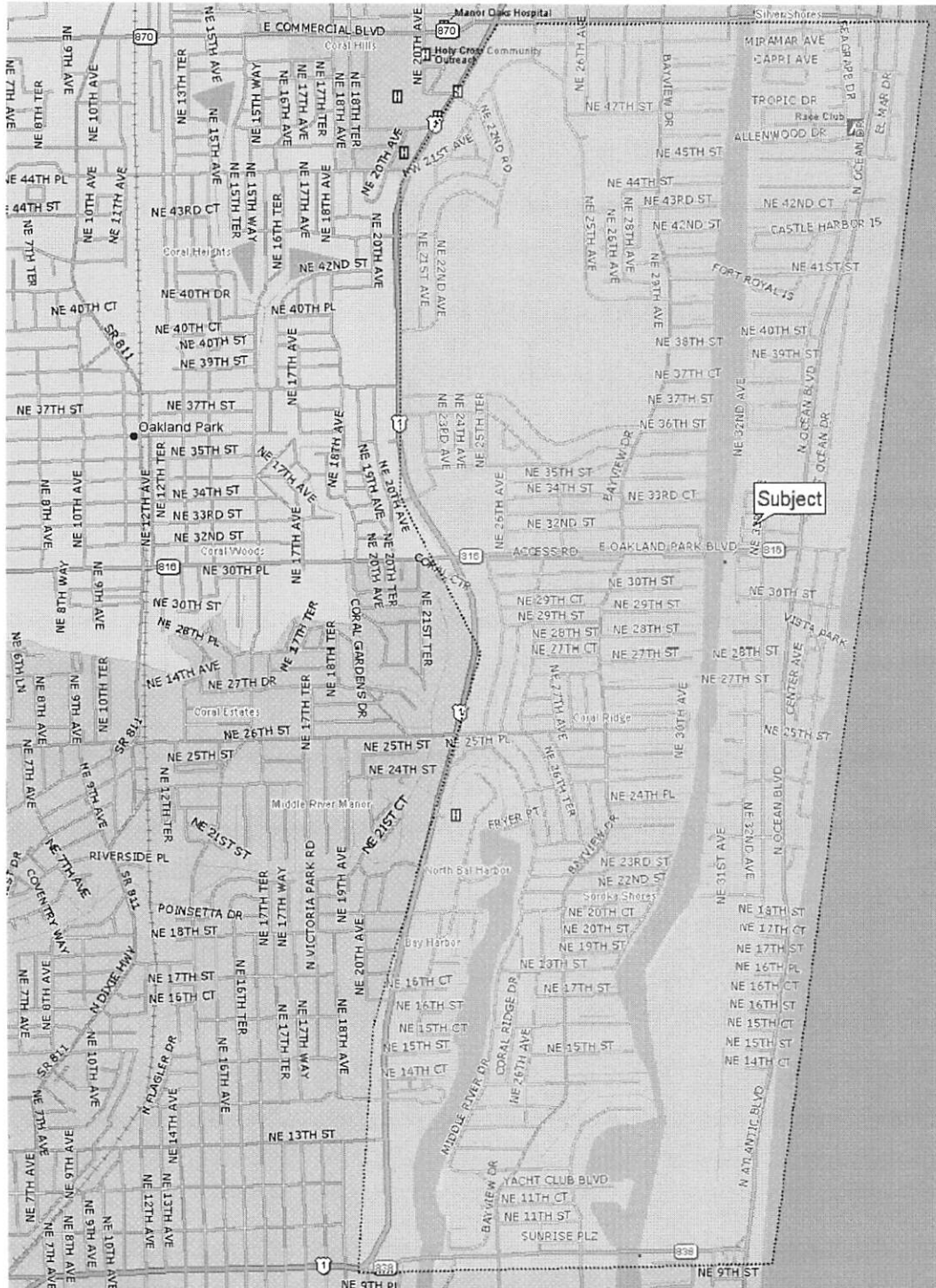
In keeping with the scope of the appraisal and the appraisal process, the appraisers have engaged in original research to provide a complete analysis for the client. Data for analysis has been gathered from various sources, such as the sales of similar properties found in the County through Realquest data, Loopnet Real Estate, and the Multiple Listing Service, local realtors, property owners, and other appraisal offices. County and local planning and zoning departments and websites provided zoning and land use information.

The product of this research and analysis is formulated within this report for analysis of and direct comparison with the subject appraised. Additionally, we have used original research performed in preparation of other appraisals by this office, which is considered appropriate for the subject. This is a narrative summary appraisal report.

APPRAISERS' COMPETENCY RULE COMPLIANCE

The Scope of the Assignment as outlined in the Appraisal Development and Reporting Procedures section is well within the range of experience and knowledge of the responsible appraiser(s). The appraiser(s) responsible for this appraisal report are (is) sufficiently experienced and knowledgeable to accept and complete this appraisal assignment. We (I) have previously prepared and delivered appraisal reports and have provided consultation for similar properties. For additional information about our experience please refer to our Appraisal Qualifications toward the rear of this report.

NEIGHBORHOOD ANALYSIS



Neighborhood Map

Introduction and Boundaries

The subject's immediate neighborhood is located east of the Intracoastal Waterway; west of the Atlantic Ocean; north of Oakland Park Boulevard; and south of NE 36th Street. The general neighborhood boundaries are Commercial Boulevard to the north; Sunrise Boulevard to the south; Atlantic Ocean to the east; and Federal Highway (US-1) to the west. This neighborhood is mostly located within the City of Fort Lauderdale. This neighborhood is a residential, commercial and/or entertainment area, developed with mostly single-family dwellings, apartments, condominiums, hotels, motels, night clubs, restaurants, retail strip shopping, store fronts, and offices.

Access:

Commercial Boulevard to the north of the subject, and Sunrise and Oakland Boulevards to the south provide the main east-to-west access to the neighborhood. Federal Highway (US-1) to the west of the neighborhood, and Ocean Drive (A1A) provide north-to- south access to the neighborhood.

Oakland Park, Commercial, and Sunrise Boulevards all have interchanges with I-95, thus providing very good access to the subject's neighborhood. All of these arterials run from A1A in the east of the county to Sawgrass Expressway in the west, with which they all have interchanges. Interstate 95 provides fast access throughout South Florida, continuing northward to North Florida and beyond. Sawgrass Expressway runs from South Miami-Dade County to North Broward County where it connects to interstate 95, via SW 10th Street in Deerfield Beach. Ocean Drive runs throughout the Atlantic Coast in Broward County and continues northward through Palm Beach County. Federal Highway runs from South Miami-Dade County, throughout Broward and Palm Beach counties and beyond. In addition to these overland accesses, the Intracoastal Waterway provides access via water.

Neighborhood Development

The neighborhood is about 98 percent developed, with residential properties occupying about 75 percent of the developed land, and commercial properties occupying the remaining 25 percent.

Residential properties include single-family dwellings that were developed mostly in the 1950's to 1970's, and condominiums. During the late 1990's and early 2000's this area saw the development of some upscale condominium projects, mostly along the oceanfront. Our observation indicates that properties are well maintained and many of these dwellings have been remodeled and upgraded. Most of these residences are on the interior, with the more expensive ones being on the Intracoastal and oceanfront.

Commercial properties include strip shopping centers, office buildings, neighborhood and community shopping centers, and hotels. Most of these commercial properties are located along the main arterials such as Oakland Park, Commercial and Sunrise Boulevards, and Federal Highway and Ocean Drive.

Demographics

The subject is located in Zip Code 33308. This is a very large area, and it would be misleading to utilize the Zip Code demographics in this appraisal. However, it should be noted that this is an area with a high number of transient residents; hence, the actual total population is not reflective on the level of business in the area.

According to the U.S. Bureau of the Census the projected 2010 census of population data, published by ESRI, the total 2000 population was 22,494; the total to 2010 population was 22,519; and the total projected population for 2015 is 22,003. This indicates a declining trend in population. However, the median household income is increasing. The 2000 median household income was \$51,804; the 2010 median household income was \$58,905; and the projected 2015 median household income is \$69,854.

The 2010 neighborhood demographics indicate that 49.4 percent of the 18,433 housing units was owner occupied; 18.7 percent was renter occupied; and 31.9 percent was vacant. In 2000, there was 16,868 housing units- 56.3 percent owner occupied, 19.0 percent renter occupied and 24.7 percent vacant. The annual rate of change in housing units between 2000 and 2010 was 0.87 percent. The 2010 median home value in the market area is \$247,244, compared to a median home value of \$157,913 for the U.S. In five years, 2015, the median home value is projected to change by 2.89 percent annually to \$285,077. From 2000 to 2010 the median home value changed by 2.92 percent annually.

Neighborhood Economy

The neighborhood economy is based primarily on the service industry. Most employers are retail, at the service, hotels, restaurants, real estate offices, health-care and legal service providers. However, because of the proximity to downtown Fort Lauderdale, and the Federal Highway business district, area residents should have no difficulty finding jobs. Very often, they are attracted by the proximity to their current employment.

Surrounding Land Uses

The surrounding land uses include residential and commercial properties.

Conclusion

In general, the neighborhood was developed primarily in the 1950's to the 1970's. This is mostly a leisure activity area, where tourism is the main business in the neighborhood. There is little potential for new development. This is because all the land has already been developed. Furthermore, we believe that the neighborhood will remain primarily a residential middle to upper-middle income neighborhood; and hence not allowing for new commercial development. We anticipate that the real estate and business activities in this neighborhood will get stronger than the current level when the economy returns to pre-2006 strength.

SUBJECT PROPERTY DATA

Taxpayer of Record

City of Fort Lauderdale
100 N. Andrews Avenue
Fort Lauderdale, Florida 33301

Census Tract:

The subject is located in the 2010 Census Tract No. 0405.03

County Property Control Number(s):

49-43-19-01-0160

Flood Zone Designation

The subject parcel is located on the National Flood Insurance Program Map, Community Panel 12011C 0209 F, which was revised as of August 18, 1992. This map indicates that the subject is situated within the flood zone area, Code "X". These are areas determined to be 500-year floodplain.

Just and Assessed Values and Real Estate Taxes (2012)

The 2012 just/market value for the subject was \$1,345,160, of which \$540,410 was attributed to the land and \$804,750 to the improvements. The 2012 assessed value was \$1,345,160. Total gross real estate taxes for 2011 were \$0, rounded, according to the County Tax Collector's data. The subject property is government owned based on the County Tax Records.

Zoning

The subject property is zoned CB: Community Business District, City of Fort Lauderdale. This zoning district is intended to meet the shopping and service needs of the community. The size and scale of development and allowable uses within the CB district are intended to limit impact on the surrounding residential neighborhoods to be

served by the commercial businesses. The CB district is located on collector and arterial streets, providing for both vehicular and pedestrian traffic to promote a diverse character of uses allowed under this zoning designation includes, but not limited to, automotive service station, boats, watercraft and marinas, fruit and produce store, restaurant, lodging, and police and fire substation.

The maximum height allowed is 150 feet. The front and corner yard build-to line is zero feet. The side and rear yard setback is 10 feet when abutting existing residential zone or use property. It is zero for all other uses. No minimum lot size is required.

Comprehensive Land Use Plan

Each county, city, and town has been required by the State Legislature to have a Land Use Plan in order to organize and control growth. According to the City of Fort Lauderdale Future Land Use Plan, the subject area is designated as commercial. The use of the subject appears not to comply with the existing future land use designation. Thus, an apparent conflict between the current and the future land uses exist. This is because the subject current use is as a plant nursery, and this use is not found in the future land use designation.

Concurrency

The strongest growth control measure ever imposed on the County was passed by the Florida Legislature and became effective on February 1, 1990. This was mandated by Chapter 163, Florida Statutes, otherwise known as the "Growth Management Law." One provision of this law is referred to as "Concurrency" which dramatically limits the ability to develop real property. It is basically the requirement that adequate infrastructure be available to serve new development. Eight types of infrastructure are affected including; traffic, potable water, sewer, drainage, solid waste, recreation and open space, mass transit, and fire rescue.

No concurrency issues are currently known to affect the subject. The improvements were built in 1970's, prior to the law. Therefore, we presumed that they were grandfathered into the law. *Our opinion of value could be impacted if our presumption were proven incorrect.*

Utilities

The subject property is serviced with all the customary public utilities, including; water, sewer, electric, and telephone that proximate to the subject.

Sales History

The appraisers have not been provided with a title abstract on the property appraised, nor have they conducted a title search of their own. However, based on a Broward County Tax Rolls research, the subject properties were not transferred in the past three years. We are aware of no current listings, contract for sale or options on the subject.

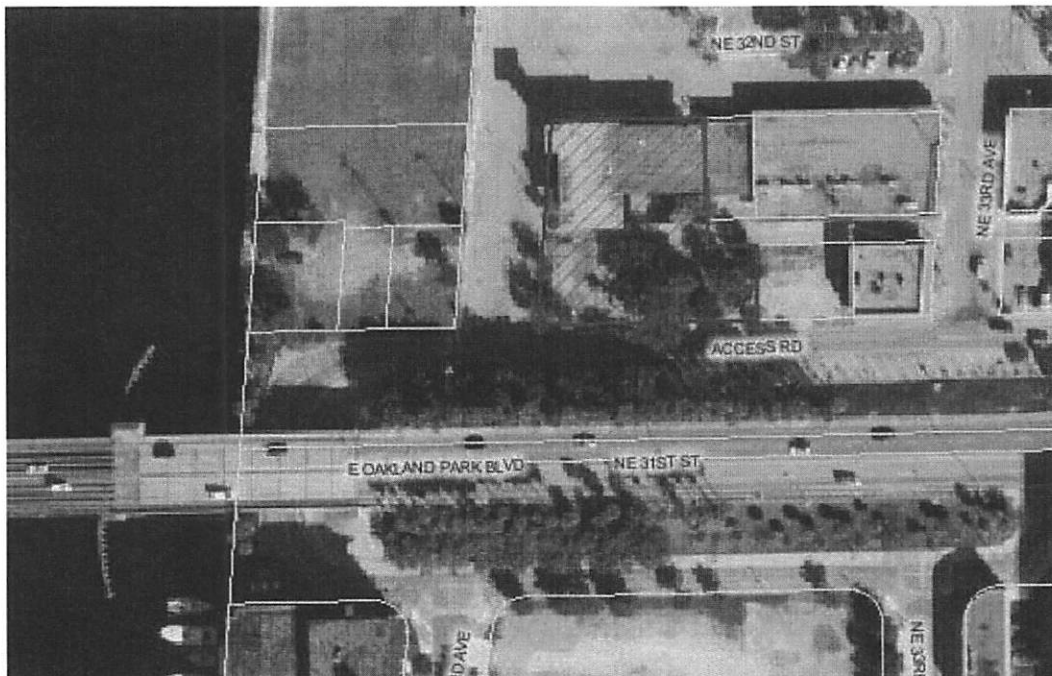
Harvel W. Gray has not appraised the subject property in the past three years.

Site Analysis

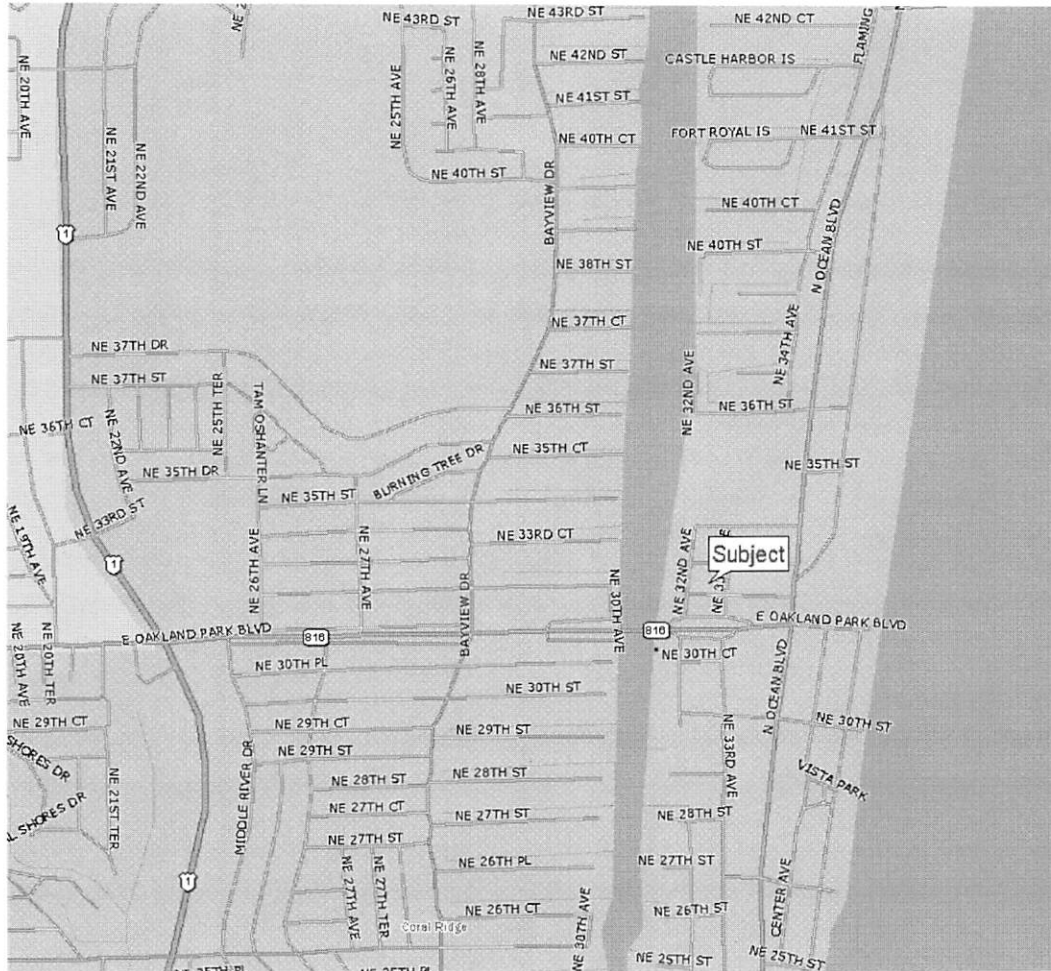
No site survey was provided. Therefore, we relied upon the Broward County Tax Rolls and personal inspection of the site for our description. Please see subject plat and aerial on the next page for further site details.



Subject Plat In Red Outline



Subject Aerial In Red Outline



Location Map

Size and Shape

The subject site is a mostly flag-shaped parcel. It contains 19,637 square feet or 0.451 acre of land. It has dimensions of 112 feet east-to-west along the south side of NE 32nd Street; 145 feet north-to-south along the east side of NE 32nd Avenue; 160 feet east-to-west along the north side of East Oakland Park Boulevard access road; and 110 feet north-to-south along the east property line. The above information is based on the county records and on GIS measurements from the County tax rolls aerial maps. We used the County data because no site survey or plan was provided.

Surrounding Uses

The subject site is surrounded by commercial property on the east, street on the west, street on the south, and street on the north.

Access

The site has access via the south side of NE 32nd Street and the north side of East Oakland Park Boulevard access road. The access is average for the area and similar to other proximate properties.

Topography and Drainage

The site appears to be at road grade. Drainage at the time of inspection appeared adequate.

Easements & Encroachments

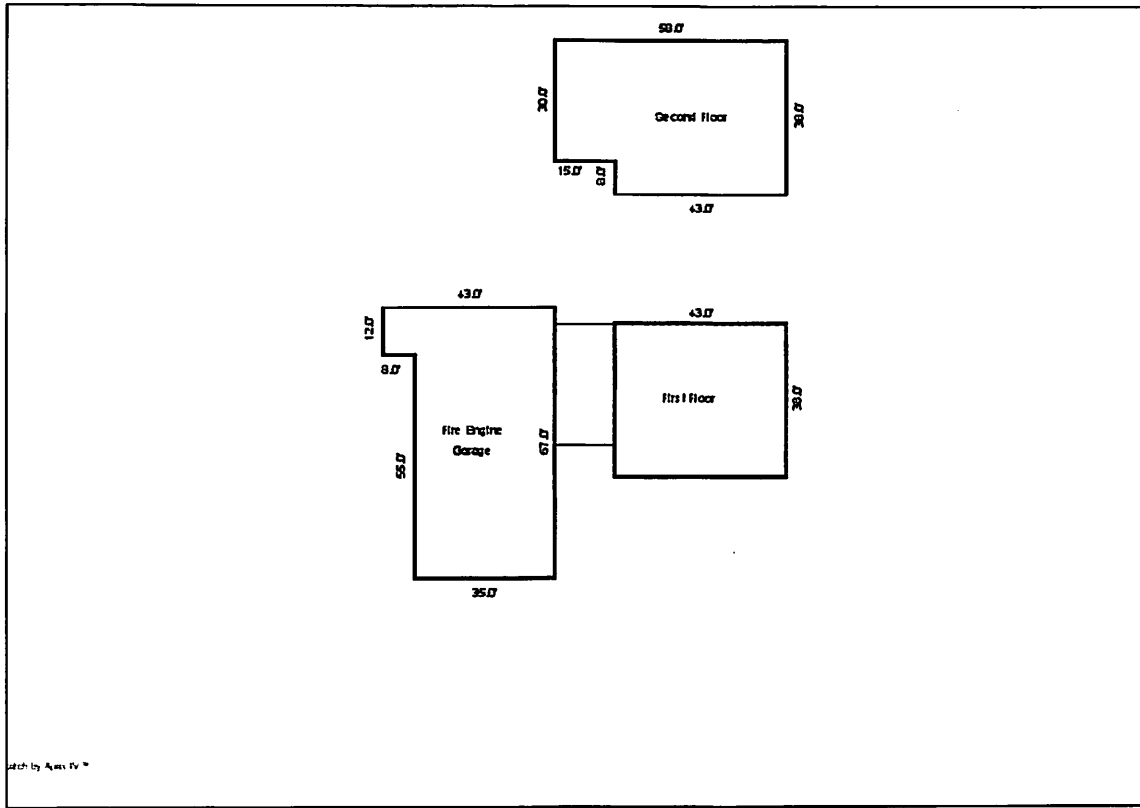
No survey or other documents were provided to assist us in analyzing the site easements or encroachments. However, utility easements are typical in the area. These easements do not typically adversely impact value. We observe no encroachments.

Soil/Environmental Conditions

We have not been provided with a contamination assessment report on the subject property. However, we observed a diesel fuel dispenser, an apparent underground pump, and storage tank and observation wells on the rear portion of the subject site. The pumping and dispensing station is believed to be used to fuel fire engines and emergency vehicles. We are aware of no site contamination. If more details and/or greater accuracy are required, the reader should consult an appropriate expert.

We presumed that no adverse environmental soil or sub-soil conditions are present on or near the subject site that would adversely affect the value or marketability of the property. **Our opinion of value could be impacted, if this should prove to be incorrect.**

Description of the Improvements



Arch by A&A Inc.
 11/18:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor - Garage	2441.0	4075.0
	First Floor Office	1634.0	
GLA2	Second Floor - Gym	2084.0	
Net LIVABLE Area		(Rounded)	6159

LIVING AREA BREAKDOWN		
Breakdown		Subtotals
First Floor - Garage		
12.0 x	43.0	516.0
35.0 x	55.0	1925.0
First Floor Office		
38.0 x	43.0	1634.0
Second Floor - Gym		
30.0 x	58.0	1740.0
8.0 x	43.0	344.0
5 Items	(Rounded)	6159

Building Improvements

Building Type:	Fire Station
Year Built:	1970 (estimated from a plaque fixed to building)
Number of Stories:	Two
Basic Construction Shell:	Reinforce concrete block
Foundation:	Poured Concrete
Roof Cover:	Built-up over metal joists
Interior Walls:	Drywall
Ceiling:	Drop ceiling in office and open in garage
Lighting:	Florescent
Floors:	Tile, vinyl and carpet
Windows:	Plate glass in aluminum frame
HVAC:	Multi-zoned central air-conditioning system
Electricity:	Assumed to be adequate
Plumbing:	Assumed to be adequate
Building Size:	6,159 square feet
Condition:	Fair
<i>Estimated of Obsolescence</i>	
Economic Life:	45 years
Actual Age:	42 years
Effective Age:	42 years
Remaining Economic Life:	3 years (Economic Life: 45 – Effective Age: 42)
Total Depreciation:	95% Rounded, (Effective Age: 42/Economic Life: 45)
Physical Deterioration:	80%
Functional Obsolescence:	15%
External Obsolescence:	None observed

HIGHEST AND BEST USE

The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, by the Appraisal Institute, defines Highest and Best Use as follows:

"The reasonably probable and legal use of vacant land or an improved property, which 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 productivity. 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."

In estimating the Highest and Best Use there are essentially four stages of analysis.

1. *Permissible Use (Legal)* -what uses of the site in question are legally permissible.
2. *Possible Use* -what uses of the site in question are physically possible.
3. *Feasible Use* -which possible and permissible use will produce a positive return to the owner of the site.
4. *Maximum Productivity* -among the feasible uses, which use will produce the highest net return.

The analysis of highest and best use normally applies these considerations in a three step process, involving the analysis of the highest and best use of the site as if vacant, determination of the ideal improvement, and a comparison of the existing improvement with the ideal improvement in order to estimate the highest and best use as improved. The highest and best use of the subject property was analyzed both "as if vacant" as well as in its present use, "as developed".

Legally Permissible Use:

The subject property is zoned CB. Uses allowed under this zoning designation includes, but not limited to, automotive service station, boats, watercraft and marinas, fruit and produce store, restaurant, lodging, and police and fire substation. No minimum lot size is required. The subject is vacant land and appears to meet the requirements under zoning, based on the data in Municode. Therefore, the subject appears to be a legal use.

Physically Possible Use:

The subject site contains 19,637 square feet of commercially zoned land that allows industrial uses. There is access to utilities and the subsoil conditions are assumed to be adequate to support the development of improvements. The predominant, immediate surrounding uses are commercial and multifamily residential properties. Based on the uses allowed and the subject 19,637 square feet of land, many commercial uses are possible on site.

Marketable And Feasible Use:

The highest and best use of this property as if vacant, is for commercial development that would be compatible with the surrounding commercial uses to the north and south of the subject, while complying with zoning requirements. Furthermore, the subject site is proximate to a number of densely developed high-rise multifamily residential projects from which demand could be generated for convenience services and office

However, the subject site is developed with a fire station that is near the end of its economic life. Therefore, it will need major upgrading, or redevelopment in the near future. The first option of major upgrading is less likely because the building suffers from function obsolescence, which includes "fire hose draining and drying tower". It is functional obsolete because modern fire hoses do not need draining and drying. We believe that the second option of redevelopment with commercial structure is the marketable and feasible use.

Most Probable And Highest And Best (Maximally Productive) Use:

The maximally productive use of this parcel as if vacant, would be most likely for commercial development. The maximally productive use of the subject as improved is to allow the current improvements to reach the end of their economic life in the next three years and redevelop the site with commercial improvements. This would give the real estate market and the economy time to recover adequately to economically support redevelopment. Because of the poor exposure to vehicular traffic, we believe that the maximally productive use is for commercial office.

Conclusion

Because of the poor exposure to vehicular traffic, we believe that the maximally productive use is to allow the current improvements to reach the end of their economic life in the next three years and redevelop the site with commercial improvements when feasibility supports redevelopment. We estimated that this should be achievable in another 12 to 24 months, subject to the local economy continues to improve.

EXPOSURE TIME/MARKETING TIME

Exposure time is the estimated length of time the property interest being appraised would have been offered on the market prior to the consummation of a sale at market value on the effective date of the appraisal: an estimate based upon an analysis of past events assuming a competitive and open market. Exposure time exists before the effective date of the appraisal.

Source: Appraisal Standards Board ASB Advisory Bulletin Volume III, Number 4, November, 1972.

Marketing time is defined in Advisory Opinion G-7 as "an estimate of the amount of time it might take to sell a property interest in real estate at the estimated market value level during the period immediately after the effective date of an appraisal". The advisory opinion also states "the request to estimate a reasonable marketing time exceeds the normal information required for the conduct of the appraisal process, and should be treated separately from that process."

The real estate market was in a steady expansion for several years and current exposure times were short. However, since 2008 the market has declined and exposure times are longer than several years ago. Average marketing time of nine months is typical for the subject property type. Further, the Korpacz Real Estate Investor Survey, an authoritative source, indicated that marketing time runs from zero to 18 months, with an average of six months for the subject property land for the Southeast Region for the fourth quarter of 2011. In addition to the survey, two local market comparable sales, Sale 2 and Sale 5 in this report, sold within 12 months of competitive offering price listing. This supports our conclusion. Therefore, the exposure time and marketing time for the subject, which is in an active market area, is estimated to be 12 months, respectively.

THE VALUATION PROCESS

Generally, the appraiser uses three approaches in estimating the value of a particular property. These are the cost approach, the income capitalization approach, and the sales comparison approach.

The three approaches are interrelated with each requiring the collection and analysis of data that are relevant to the assignment, such as income, sales, and costs. Each approach provides an indication of value. However, one or more may not be reliable or may be less reliable based on the assignment, available data, or the client's needs.

The Approaches to Value

The cost approach is based on the principle of opportunity cost, or substitution. The premise of the cost approach is that the value of a property is highly affected by the cost to develop a property of equal utility. This approach to value is particularly applicable to the appraisal of special purpose properties or other property types that are not exchanged frequently in the market. This approach is also useful in valuing new improvements for most of the typical property types. However, it is not always reliable for valuing older properties. The subject is a special purpose property that is near the end of its economic life. This approach is applicable to the subject property type and we used it for this appraisal.

The income capitalization approach is based on the principle of anticipation. The premise of this approach is that, value is created by the expectation of future benefits (income) produced by a property. This approach is effective for income-producing properties when market data are available.

When used a property's income streams and its resale value upon reversion may be capitalized into a present, lump-sum value. This approach to value is not applicable to the appraisal of most special purpose properties. It is not applicable to the subject property type.

The sales comparison approach is that the value of a property is directly related to the prices of substitute comparable properties. This approach is useful when data concerning recently sold or currently offered properties similar to the subject property are available. Data is adjusted to reflect the difference between the comparable sales and the subject property. This is an appropriate approach for valuing most property type, including vacant land and special purpose properties. It is applicable to the subject special purpose property type, but was not used it for this appraisal because of the lack of sales data.

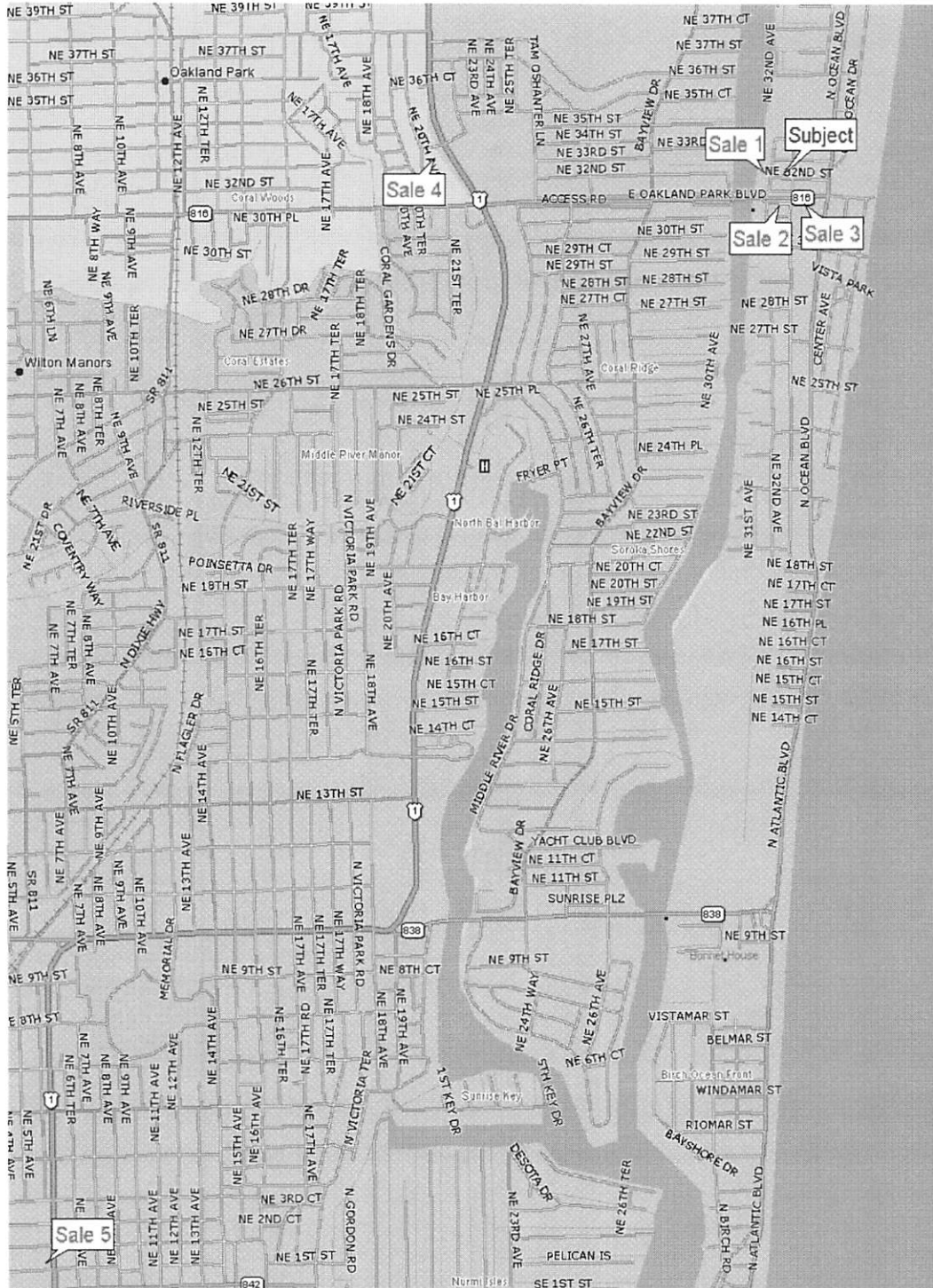
The final step in the appraisal process is the reconciliation of the value indications. In the reconciliation, the appraiser considers the relative applicability of each of the approaches used, and places major emphasis on the approach that appears to produce the most reliable solution to the appraisal problem. The applicable approaches are described in the following section of the report.

COST APPROACH

A search of the County Official Records, local multiple listing service records, discussions with local brokers and appraisers and a personal inspection of the subject area produced no sale of similar property type to the subject fire station. However, we found vacant land that we used in this approach. The sales used in the analysis were the best comparables that we were able to verify with a party to the transaction.

We compared the selected sales with the subject, considering differences and possible adjustments. We utilized a qualitative process to compare the subject property site with the comparables to reflect a site-value for the subject property. We added the site value to the depreciated improvements cost to reach our opinion of the subject property value.

VACANT LAND SALES SUMMARY TABLE								
Comp No.	Location	City	OR Book & Page	Sale Price	Sale Date	Site Size (sf)	Price /SF	Zoning
1	XXXX NE 32 St & NE 32 Ave	Ft Lauderdale	49069-0863	\$3,350,000	Sep-12	75,885	\$44.15	CB
2	3200 E Oakland Pk Blvd Access Rd	Ft Lauderdale	47904-0474	\$900,000	Apr-11	35,920	\$25.06	CB
3	3330 E Oakland Pk Blvd	Ft Lauderdale	46971-1517	\$1,875,000	Mar-10	37,387	\$50.15	CB
4	3355 N Fed Hwy	Oakland Pk	48007-1727	\$2,200,000	Jun-11	111,808	\$19.68	B-1
5	105 Federal Hwy	Ft Lauderdale	48667 - 0648	\$790,000	Mar-12	16,134	\$48.96	RAC-CC
Subj	3200 NE 32 St	Ft Lauderdale	NA	\$0	Dec-12	19,637	\$0	CB



Sales Comparables Map

SALE NO. 1 – XXXX NE 32nd Street & NE 33rd Avenue, Fort Lauderdale, Florida
Our File No. 1211-082, 081

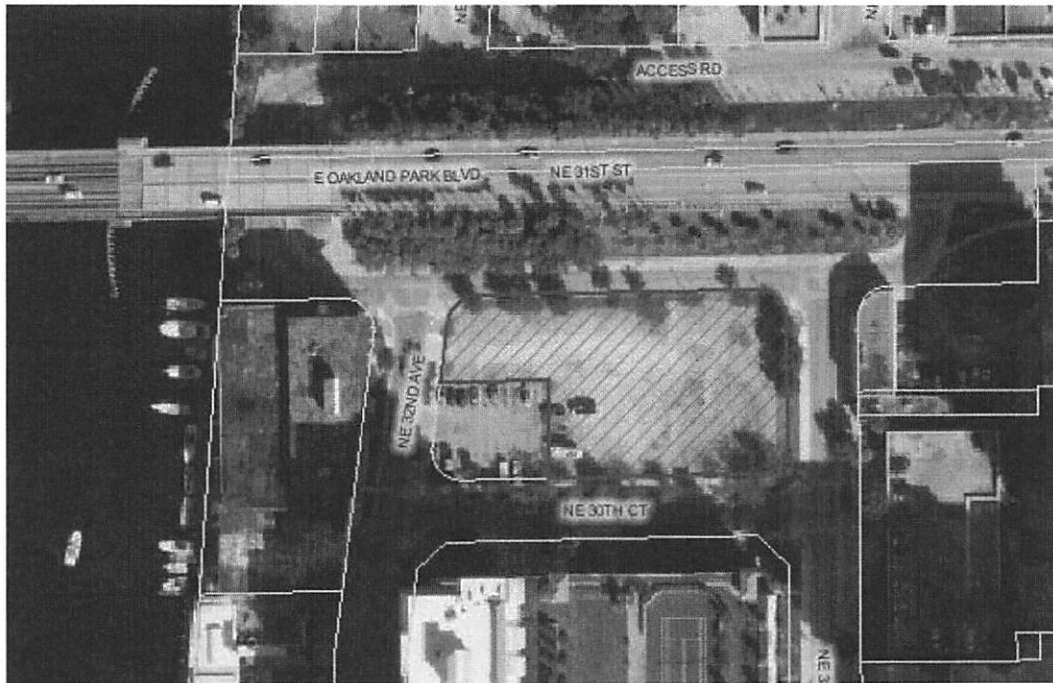


Comments:

This information was obtained from CoStar MLS, Public Records and Deed. This comparable is located on the northeast quadrant of East Oakland Park Boulevard and the Intracoastal Waterway. This was an irregular shaped parcel. This comparable is an assemblage of nine lots that contained a total of 75,885 square feet. Six of the nine lots are contiguous and contained 52,187 square feet that fronts the Intracoastal Waterway. The other three lots are dry and are located across the street from the waterfront lots. Realtor Chris Metzger who was the listing realtor for the property stated that the property was listed for about 20 months and many interested potential buyers tried to buy the property. However, in the end the best-qualified and highest price that he could get were the current owners of the property. He further stated that the owners intended to build a restaurant on the 285-front-foot (52,187 square feet) waterfront portion of the property and use the dry lots for additional parking. At the time of inspection, the property was cleared and ready for construction. The seller of this property was a financial institution. It was on the market for 600 days.

SALE NO. 2 – 3200 E. Oakland Park Blvd. Access Road, Fort Lauderdale, Florida

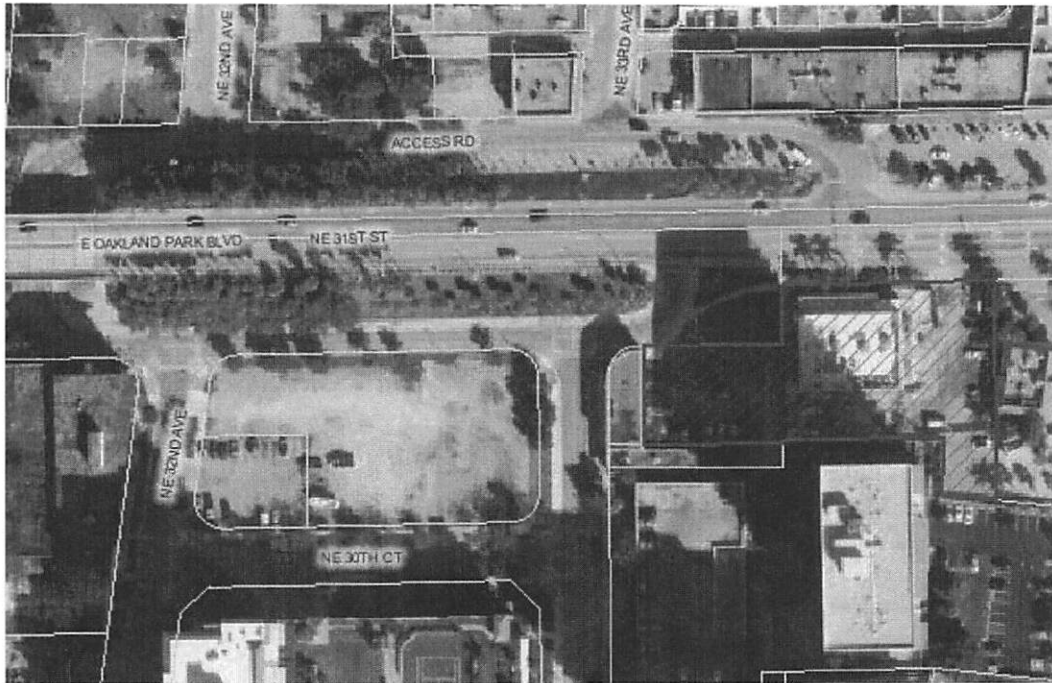
Our File No. 1211-082, 081

Comments:

This information was obtained from CoStar MLS, Loopnet MLS, Public Records and Deed. This comparable is located on the southeast quadrant of East Oakland Park Boulevard and the Intracoastal Waterway. This was a flag-shaped parcel. At the time of sale and inspection, the property was cleared and ready for construction. The seller of this property was a financial institution. It was on the market for 359 days. Listing Realtor Kathleen Alberts stated that the owner would hold the property and develop in the future.

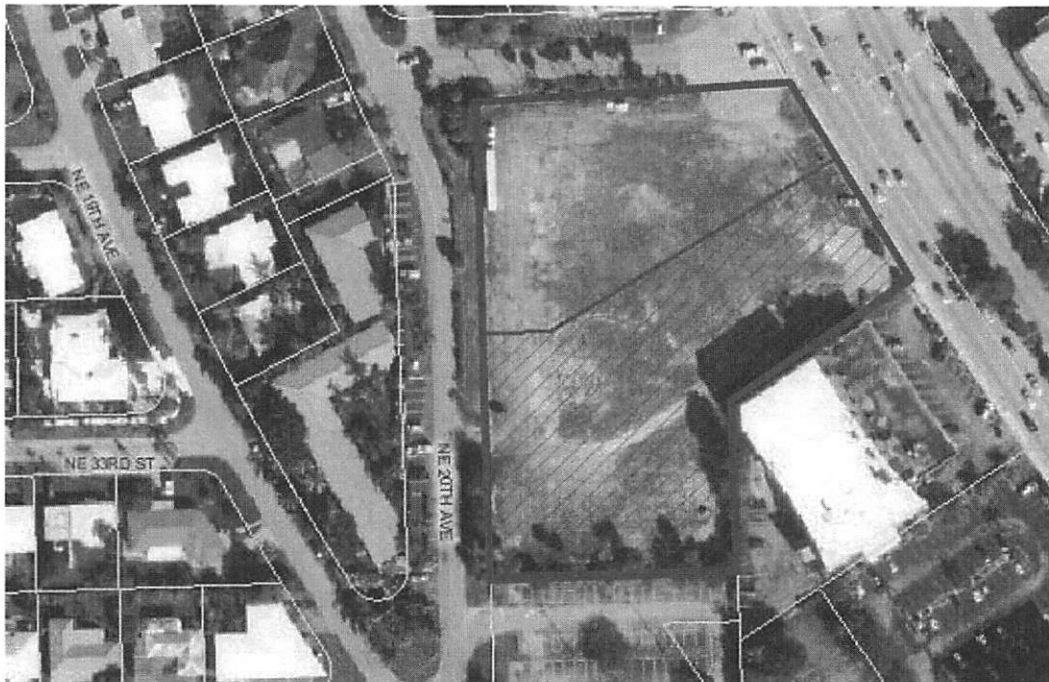
SALE NO. 3 – 3330 E. Oakland Park Blvd., Fort Lauderdale, Florida

Our File No. 1211-082, 081

Comments:

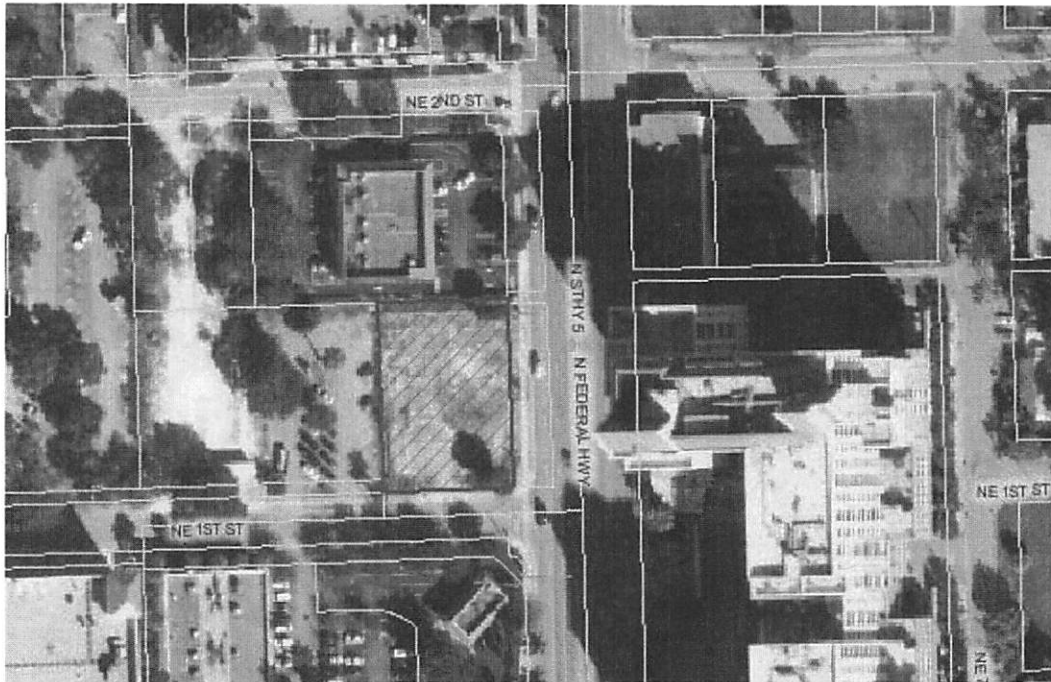
This information was obtained from CoStar MLS, Loopnet MLS, Public Records and Deed. This comparable is located on the southeast quadrant of East Oakland Park Boulevard and the Intracoastal Waterway. This was an irregular shaped parcel. This property had direct frontage on and access to Oakland Park Boulevard at the time of sale. It was purchased with a building on site that the buyers partially demolished and rebuilt into a restaurant. Thasos Taverna, a Greek tavern and restaurant, was built and is operating on site. The seller of this property was a financial institution. It was on the market for 419 days.

SALE NO. 4: - 3355 N. Federal Highway, Oakland Park
Our File No. 1211-082, 081



Comments

This information was obtained from CoStar MLS, Public Records and Deed. This comparable is located on the southwest quadrant of North Federal Highway and the NE 33rd Court. This was an irregular shaped parcel. Buyer's Realtor Nathan Werner stated that the property is being developed with a 4,000-square-foot restaurant and 10,000 square feet of retail space. It was on the market for 439 days.

SALE NO. 5: - 105 N. Federal Highway, Fort Lauderdale
Our File No. 1211-082, 081Comments

This information was obtained from CoStar MLS, Loopnet MLS, the Multiple Listing Service, Public Records and Deed. This comparable is located on the northwest quadrant of North Federal Highway and the NE 1st Street. This rectangular shaped parcel was vacant, cleared, and ready for development at the time of sale. The seller of this property was a financial institution. It was on the market for 236 days. The buyer offered it for sale immediately after purchase, and it is still active. Realtor Inna Pallas states that offers were received, but they were not accepted, because they were lower than the minimum expectation.

Adjustment Discussion

In this analysis, we considered differences between the sales and the subject in terms of property rights sold, financing, conditions of sale, market conditions (trend or time adjustment), location/access, size, site conditions that includes zoning and the overall use potential of each site. The key items of comparison are shown on the sales analysis chart. Because the sales vary in size, we based the comparisons on a standardized unit of measure, the price per square foot of land and the unit typically used by purchasers of small vacant sites. The analysis is summarized in the table several pages above.

Property Rights

The property rights transferred were fee simple in all cases. Therefore, no further consideration of this factor was necessary.

Conditions of Sale

All sales are reportedly market oriented and no adjustment is warranted.

Financing

We considered an adjustment for any indication of favorable financing. All sales were either on a cash basis, or had market oriented financing, therefore no adjustments were necessary.

Market Conditions

The South Florida real estate market has indicated mostly downward movement in the prices paid for the subject property type since the last quarter 2007 to first quarter of 2008. However, the market is now stabilizing, but significant adjustments were warranted for Sale 3 that occurred in the first quarter of 2010. We adjusted it downward by 5% per year.

Location

We considered location differences based on surrounding population, vehicular traffic flow, and nearby competition. Sale 1, Sale 3 and Sale 5 are at superior locations on an overall basis compared to the subject. Sale 1 is an assemblage of three parcels and the largest fronts the Intracoastal Waterway. Sale 3 directly fronts East Oakland Park Boulevard; hence, it had superior access and exposure. Sale 5 is located in downtown Fort Lauderdale, which is superior to the subject's location. We adjusted them downward on subjective and qualitative bases to account for this. The other sales are at similar locations on overall bases, compared to the subject. No adjustments are warranted.

Size

We consider and adjusted this factor on a subjective and qualitative basis.

Site Conditions

We considered differences in site conditions. Consideration includes such items as zoning, the physical condition, approval status of the site, and availability of adequate water and sewer connections, and other utilities at the site. Sale 3 was superior to the subject on an overall basis. It was purchased with a building on site that the buyers partially demolished and rebuilt into a restaurant. The building contributed to value; hence, the sale was superior to the subject. We adjusted it downward for this. Thasos Taverna, a Greek tavern and restaurant, was built and is operating on site. The other sales were similar on overall bases compared to the subject.

Value Per Square-Foot Method

QUALITATIVE & QUANTATIVE ANALYSIS TABLE - SQUARE FOOT BASIS											
Comp No.	Location	Sale Date	Site Size (sf)	Price /SF	Market Conditions	Market Cond. Adj.	Adjusted Sales Price/SF	Location/ Access	Site Size	Site Condition	Overall Ranking
1	XXXX NE 32 St & NE 32 Ave	Sep-12	75,885	\$44.15	Similar	\$0.00	\$44.15	Superior	Larger	Similar	Superior, subject less than \$44.15/sf
2	3200 E Oakland Pk Blvd Access Rd	Apr-11	35,920	\$25.06	Similar	\$0.00	\$25.06	Similar	Larger	Similar	Inferior, subject more than \$25.06/sf
3	3330 E Oakland Pk Blvd	Mar-10	37,387	\$50.15	Superior	-\$6.74	\$43.41	Superior	Larger	Superior	Superior, subject less than \$43.41/sf
4	3355 N Fed Hwy	Jun-11	111,808	\$19.68	Similar	\$0.00	\$19.68	Similar	Larger	Similar	Inferior, subject more than \$19.68/sf
5	105 Federal Hwy	Mar-12	16,134	\$48.96	Similar	\$0.00	\$48.96	Superior	Smaller	Similar	Superior, subject less than \$48.96/sf
Subj	3200 NE 32 St	NA	19,637	\$0	NA	NA	NA	NA	NA	NA	Subject = \$35

All of the comparable sales were located in Eastern Fort Lauderdale and surrounding areas. The comparable sales indicate an unadjusted price range of \$20 to \$50/square foot, rounded.

Sale 4 is at the low end of the range. It contained 111,808 square feet, which is about seven times as large as the subject. We used it because of the scarcity of comparable sales and its location of about one mile west of the subject. Therefore, we placed little weight on the sale.

Sale 3 is at the upper and often the range. The sale had same zoning as subject, but was at a superior location in the subject neighborhood. It was purchased with a building on site that the buyers partially demolished and rebuilt into a restaurant. The building contributed to value; hence, the sale was superior to the subject. It also directly fronts East Oakland Park Boulevard; hence, it had superior access and exposure compared to the subject. We placed weight on this comparable.

Sale 1 is located across the street from the subject property. This comparable is located on the northeast quadrant of East Oakland Park Boulevard and the Intracoastal Waterway. This comparable is an assemblage of nine lots that contained a total of 75,885 square feet. Six of the nine lots are contiguous and contained 52,187 square feet that fronts the Intracoastal Waterway. It is about four times as large as the subject. We used it because of the scarcity of comparable sales and its proximity to the subject. Realtor Chris Metzger who was the listing realtor for the property stated that many interested potential buyers tried to buy the property. However, in the end the best qualified and highest price that he could get were the current owners of the property. He further stated that the owners intended to build a restaurant on the 285-front-foot (52,187 square feet) waterfront portion of the property and use the dry lots for additional parking. We place weight on this comparable.

Sale 2 had same zoning compared subject, and it was at a similar location in the subject neighborhood. The seller of this property was a financial institution. It was on the market for 359 days. Listing Realtor Kathleen Alberts stated that the owner would hold the property and develop in the future. We place weight on this comparable.

Sale 5 is located on a superior street close to downtown Fort Lauderdale. The subject should sell for less than this property. We placed weight on it in the final analysis.

Based on the preceding data and analysis, our opinion of the market of the Fee Simple Estate of the subject, "As If Vacant," as of December 1, 2012 is \$35/square foot. The Hypothetical Market Value for the 19,637 square foot site is \$35/square foot = \$687,295, Rounded to:

**Market Value, Fee Simple Estate, "As If Vacant," as of December 1, 2012 is:
\$685,000**

\$685,000

(SIX HUNDRED EIGHTY FIVE THOUSAND DOLLARS)

Estimated Replacement Cost

We used *Marshall Valuation Service Cost Data* (Marshall) to obtain an estimate of total construction costs. The cost estimate from *Marshall* includes both hard construction costs (including contractor's profit) and soft costs such as architectural and engineering fees, some financing costs, legal and professional fees, etcetera. We used good Class C fire station building for the subject. Construction interest is included but not construction loan fee, or real estate taxes during the planning and construction period. We estimated these costs separately. The cost of normal site preparation is included in the total building costs. The costs of site improvements such as the parking lot are estimated separately based also on cost data in *Marshall*. The total costs are calculated in the Cost Approach Summary following this discussion.

REPLACEMENT COSTS ESTIMATES: USING MARSHALL VALUATION SERVICE DATA			
Cost Category	Construction Class/Quality	Marshall Valuation Reference	Cost/Sq. Ft.
Fire Station Building	Good Class C	Section 15, page 28 x	\$ 85.95
Multipliers were applied as follows:	Current Cost	Section 99, page 3	1.0600
	Local Multiplier	Section 99, page 7 x	1.0000
	Area/Perimeter	Section 15, page 37 x	1.0000
		Aggregate Multiplier	1.0600
Adjusted Building Cost Per Square Foot			\$ 91.11
<i>Site Improvement and other costs</i>			
Paving - Cost Per Square Foot (Asphalt)	Average	Section 66, page 2	\$ 3.00
Curb	Average	Section 64, page 3	\$ 8.25
Landscaped area, based on 20% green area	Average	Section 66, page 8	\$ 5.00
Site Lights	Average	Section 64, page 3	\$ 1,500.00
Marked Parking with Wheel Stops, Per Space	Average	Section 66, page 3	\$ 15.00

Miscellaneous Soft Costs

These costs include the construction loan fee, and real estate tax during planning and construction as estimated are listed in the Cost Approach Summary.

Physical Deterioration

This is the loss in value due to the normal aging of the structural components. The subject is a fire station building that is near the end of its 45-year economic life. It was constructed in 1970, per building plaque, and suffers physical deterioration and other depreciation. Our estimate of the overall depreciation is 93%, rounded to 95%. We estimated 80% of this to be physical deterioration, which we deducted from the replacement cost new. We estimated the remaining 15% to be functional obsolescence.

Functional Obsolescence

Functional obsolescence is a loss of value caused by a defect, deficiency or superadequacy in the structure or design. We estimated 15% functional obsolescence and deducted from the replacement cost new.

Entrepreneurial Incentive

A real estate developer would not undertake a project without a profit incentive. A developer's profit requirement for typical investment properties, is normally 10% to 25% of the building cost or total project cost, although profit requirements vary significantly among developers, depending upon market conditions and other factors.

We believe that because the market is not as buoyant and the subject is a special purpose property that is not typically developed for income earning/investment purposes. Furthermore, the owner is a government entity that does not develop with profit motives. Based on these factors, we estimated 0% entrepreneurial incentive.

Development of the cost estimated and value are below.

COST APPROACH SUMMARY						
<i>Building costs</i>	Column1	Column2	Column3	Column4	Column5	Column6
Fire Station Building	6,159 Sq. Ft. @	\$	91.11 /Sq. Ft.		\$561,146	
Underground Fuel Storage Tank, Pump & Dispenser, etc.	0 Sq. Ft. @	\$	- /Sq. Ft.		\$25,000	
Total replacement costs new, buildings					\$586,146	
Site improvement costs						
Paving	9,000 Sq. Ft. @	\$	3.00 /Sq. Ft.		\$27,000	
Curb	0 Lin. Ft. @	\$	8.25 /Lin Ft		\$0	
Landscaped area, based on 20% green area	4,000 Sq. Ft. @	\$	5.00 /Sq. Ft.		\$20,000	
Site Lights	0 Each @	\$	1,500.00 Each		\$0	
Marked Parking with Wheel Stops, Per Space	0 Each @	\$	15.00 Each		\$0	
Total replacement costs new, Site Improvements					\$47,000	
Total costs of buildings, site, and other improvements (Line 5+Line 12)					\$633,146	
Soft and miscellaneous costs (10% of Line 13)					\$63,315	
<i>Total hard & soft costs: (Line 13 + Line 14)</i>					\$696,461	
<i>Plus Market Value of Land:</i>					\$685,000	
Total Costs (Line 15 + Line 16)					\$1,381,461	
Add entrepreneurial incentive @ 0% of all costs (Line G17 x 0%)					\$0	
<i>Total Project Costs (Line 17 + Line 18)</i>					\$1,381,461	
Less physical deterioration, building, site improvements & other costs (Cell J17 x 80%)					-\$557,168	
Less functional obsolescence, Rounded					-\$100,000	
Less economic/external obsolescence					\$0	
Value Based on Cost Approach (Depreciated Costs + Land Value)					\$724,292	
Rounded to:						
VALUE OPINION VIA THE COST APPROACH:					\$ 725,000	

Conclusion

In our experience, Marshall has been a reliable and accurate guide. We believe that these costs are reasonable. We have also compared these costs with those of local contractors. We therefore conclude that the estimate of replacement cost new and the depreciated replacement costs are reasonable. Finally, we believe that the construction cost, when added to the land value, is a good indicator of the subject property market value.

VALUE VIA THE COST APPROACH: \$725,000

\$725,000

(SEVEN HUNDRED TWENTY FIVE THOUSAND DOLLARS)

Hypothetical Market Value of Subject Land “As If Vacant,” as of December 1, 2012 is: \$685,000.

This is a Hypothetical Market Value because the subject site is not actually vacant. It is developed with a fire station.

Market Value of Subject Land “As Is:”

The subject site is developed with a fire station that is near the end of its economic life. The contributed value of the improvements is \$40,000 (\$725,000 - \$685,000), as follows:

Total Property Value As Is:	\$725,000
Less Land Value As If Vacant:	<u>\$685,000</u>
Contributed Value of the Improvements:	\$ 40,000

Land Value As If Vacant:	\$685,000
Less Cost to Demolish Improvements: (6,159 sq. ft x \$5/sq. ft)	<u>\$ 30,000</u>
Land Value As Is:	\$655,000

ADDENDUM

QUALIFICATIONS FOR HARVEL W. GRAY, FRICS, MAI, CCE, Leed AP**EXPERIENCE**

Harvel Gray has been actively engaged in property valuation since 1983 on a part-time Machinery and Equipment (Personal Property) Appraiser and since 1993 has been full-time Real Estate, and Machinery and Equipment Appraiser, and part-time Business Appraiser. Prior to full-time valuation practice Harvel was a consulting engineer.

His valuation experience for real estate include: office building, **green office building**, office Vacant site, mixed use commercial, Vacant site, strip shopping center, shopping mall, yacht building/repair facility, mini-storage Vacant site, retail property, golf course, hotel/motel, cold storage facility, produce packing plant, restaurant, automotive dealership, automotive repair facility, apartment building, gas service station, veterinary hospital, vacant land including environmentally sensitive land, wetlands, agricultural acreages and subdivision analysis; condemnation, feasibility study, market study, agricultural farms, and residential property.

Machinery and equipment experience include: cement processing equipment, sugar manufacturing plant, food processing plant, bauxite mining equipment, water treatment facility, wastewater treatment facility, construction equipment, gas service station, automotive repairs and servicing, medical office, retail trades, steel fabrication shop, machine shop, metal plating, night clubs, restaurant, produce packing plant, broadcast services equipment, water well, and brick manufacturing.

He has performed real estate appraisals for buy-sell agreements, estate and gift tax purpose, loan transactions, proposed commercial development, insurance placements, and city zoning compliance purposes. Machinery and equipment appraisals have been performed for buy-sell agreements, eminent domain, loan transactions, insurance claims, insurance placements, property tax appeal, liquidation, and estate and gift tax purposes.

Special Magistrate: Harvel Gray served as special master for property tax appeal in Broward County and Fort Lauderdale-Dade County. He has presided over cases in both real estate and machinery and equipment tax appeals cases since 1996.

License: *Florida State-Certified General Appraiser, License #RZ2166*

Professional Designations

- **M.A.I.** *Designated a Member of the Appraisal Institute , Real Estate, by the Appraisal Institute*
- **F.R.I.C.S** *Designated a Fellow of the Royal Institute of Chartered Surveyors, by the RICS Americas*
- **A.S.A.** *Designated an Accredited Senior Appraiser, Real Estate, by the American Society of Appraisers*
- **A.S.A.** *Designated an Accredited Senior Appraiser, Machinery & Equipment by the American Society of Appraisers*
- **LEED AP** Accredited Professional - United States Green Building Council (USGBC)
- **C.C.E.** *Designated a Certified Cost Engineer by The American Association of Cost Engineers*

Education

Diploma of Membership of Imperial College, Engineering, Imperial College, London, England

Master of Science Degree, Mechanical Engineering – University of London

Bachelor of Science, Industrial-Mechanical Engineering, Kingston Polytechnic University, London, England

Graduate Diploma in Management Studies – University of the West Indies, Kingston, Jamaica

Appraisal and Related Education

- *Residential Real Estate Appraising 1*, Gold Coast School of Real Estate
- *Residential Real Estate Appraising 2*, Gold Coast School of Real Estate
- *Residential Income Property Appraising*, Gold Coast School of Real Estate
- *Income (Commercial) Property Appraising*, Gold Coast School of Real Estate
- *Uniform Standard of Professional Appraisal Practice*, Gold Coast School of Real Estate
- *Uniform Standard of Professional Appraisal Practice, A and B*, The Appraisal Institute
- *Advanced Income Capitalization - 510*, The Appraisal Institute
- *Market Analysis and Highest and Best Use - 520*, The Appraisal Institute
- *Sales Comparison (Market) and Cost Approaches - 530*, The Appraisal Institute
- *Report Writing and Valuation Analysis - 540*, The Appraisal Institute
- *Advanced Applications – 550*, The Appraisal Institute
- *Condemnation Appraising: Basic Principles & Applications*, - 710, The Appraisal Institute
- *Condemnation Appraising: Advanced Topics & Applications*, - 720, The Appraisal Institute
- *Separating Real & Personal Property from Intangible Business Assets*, - 800, The Appraisal Institute
- *Report Writing Seminar*, The Appraisal Institute
- *Effective Appraisal Writing Seminar*, The Appraisal Institute
- *Lease Abstracting and Analysis*, The Appraisal Institute
- *Introduction to Appraising & Analysis of Proposed Subdivisions & Condominiums*, The Appraisal Institute
- *Machinery and Equipment Appraising, Level 4 (Audit)*, American Society of Appraisers
- *Inventory Appraising*, American Society of Appraisers
- *Advanced Cost Approach: Machinery & Equipment*, American Society of Appraisers
- *Introduction to Computer Valuation*, American Society of Appraisers
- *Business Valuation Level 1* American Society of Appraisers
- *Business Valuation Level 2 (Audit)* American Society of Appraisers
- *Appraisers as Expert Witnesses Seminar*, American Society of Appraisers
- *Mastering Appraisal Skills for Valuing Closely-Held Business*, 8000 Institute of Business Appraisers
- *The Valuation of Health Care Entities*, 1011 Institute of Business Appraisers
- *Fundamentals & Direct Market Data Methods*, 1012 Institute of Business Appraisers
- *Report Writing and Analysis*, 1010 Institute of Business Appraisers
- *Litigation Support*, 1019 Institute of Business Appraisers

- *Valuing Intangibles*, 1035 Institute of Business Appraisers
- *Advanced Financial Statement Analysis*, 1039 Institute of Business Appraisers
- *Forecasting Net Cash Flow*, 1040 Institute of Business Appraisers
- *Critiquing Business Valuation Report*, 1044 Institute of Business Appraisers
- *Advanced Application Of The Market Approach*, 1045 Institute of Business Appraisers
- *Investment and Security Analysis*, Fort Lauderdale Adult Institute
- *Regression Analysis for Appraisers*, McKissock Data Systems
- *Environmental Auditing*, Lincoln Graduate Center
- *Fundamentals Skills of Cost Engineering*, Iowa State University – Continuing Education
- *Construction Cost Estimating 1*, Florida International University
- *Construction Cost Estimating 2*, Florida International University
- *Construction Unit Cost Estimating*, RS Means Construction
- *Construction Cost Segregation Analysis*, RS Means Construction
- *Construction Cost Works*, RS Means Construction
- *Construction Estimating*, Xactimate Construction Data
- *Energy Conservation Course*, College of Arts Science & Technology
- *An Introduction to Valuing Green Buildings Seminar*, The Appraisal Institute
- *LEED for New Construction & Major Renovations Technical Review Workshop*, USGBC
- *Elements of Green Leases Webinar*, BOMA
- *Energy Star & The Appraisal Process Seminar*, Energy Star & The Appraisal Institute 11/2008, 3 hours
- *The Canary in the Coal Mine Seminar*, Energy Star & The Appraisal Institute 10/2006, 3 hours
- *LEED 101: Green Building Basics Online Seminar*, USGBC 09/2008, 1 hour
- *Introduction to LEED for Homes, Online Seminar*, USGBC 10/2008, 2.5 hours
- *Mediation/Mediator Training – 20 Hours*, National Association of Realtors

Professional Organizations

- Appraisal Institute
- American Society of Appraisers (Past Chapter President, 1st Vice President, 2nd Vice President, Secretary, Treasurer – South Florida Atlantic Chapter)
- Institute of Business Appraisers, Inc.
- The American Association of Cost Engineers
- United States Green Building Council (USGBC), South Florida Chapter
- The Institution of Mechanical Engineers – UK

Community Organizations

- Kiwanis Club of Lauderdale Lakes/West Sunrise

Conferences

- American Association of Cost Engineers: 1997
- Institute of Business Appraisers: 2002 Business Valuation Conference
- American Society of Appraisers: 2004 and 2005