



WALTER DUKE +PARTNERS

C O M M E R C I A L
REAL ESTATE VALUATION

REAL ESTATE APPRAISAL REPORT OF A 0.155-ACRE RAC-EMU ZONED SITE

LOCATED AT

NE 7th Avenue
Fort Lauderdale, Broward County, Florida 33301

FOR

City of Fort Lauderdale
100 N. Andrews Avenue
Fort Lauderdale, Florida 33301
C/O Lee Feldman, City Manager

PREPARED BY

Walter B. Duke, III, MAI, CCIM
2860 W State Road 84, Suite 109
Fort Lauderdale, FL 33312-4804

WALTER DUKE + PARTNERS

COMMERCIAL REAL ESTATE VALUATION

Walter B. Duke, III, MAI, CCIM
State Certified General Appraiser 375

October 30, 2018

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

Re: 0.155 Acre RAC-EMU Zoned Site
NE 7th Avenue (East of Federal Highway and South of NE 6th Street)
Fort Lauderdale, Broward County, Florida 33301

Dear Mr. Feldman:

As requested, Walter Duke + Partners has performed a summary real estate appraisal of the above referenced property. The attached Appraisal Report is intended to comply with the reporting standards set forth under Standard Rule 2-2 of the Uniform Standards of Professional Appraisal Practice (USPAP).

The subject property is a vacant commercial site comprising ± 0.155 acres, currently being used as a parking lot for the surrounding properties. The site is improved with asphalt paving and parking stops, and is zoned RAC-EMU, Regional Activity Center – East Mixed-Use District. The subject property is situated on the west side of Northeast 7th Avenue, just east of North Federal Highway, within the City of Fort Lauderdale.

The purpose of the appraisal is to estimate the Market Value “As Is” of the fee simple interest in the subject property, as of October 15, 2018.

The accompanying appraisal report describes in detail the neighborhood, site, improvements, approaches to value, and other pertinent data that was used to solve the appraisal problem. The Appraisal Report has been prepared in conformance with the appraisal regulations issued by the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation, and the Code of Professional Ethics and Standards of Appraisal Practice of the Appraisal Institute.

This appraisal report was prepared for and submitted to the City of Fort Lauderdale for the intended use of internal decision making. This report cannot be used by any other person/entity or for any other purpose. Use of this report by others is not intended by Walter Duke + Partners. All other parties are advised to consult with appraisers or other professionals of their own choosing.

Extraordinary Assumptions – None employed.

Hypothetical Conditions – None employed.

Mr. Lee Feldman
City of Fort Lauderdale
October 30, 2018
Page 2

As a result of our investigation and analysis, the Market Value "As Is" of the fee simple interest in the subject property, as of October 15, 2018 is \$920,000.

NINE HUNDRED TWENTY THOUSAND DOLLARS

Thank you for the opportunity to serve you.

Sincerely,

Walter Duke + Partners

A handwritten signature in black ink, appearing to read "Walter B. Duke, III".

Walter B. Duke, III, MAI, CCIM
State-Certified General Real Estate Appraiser RZ375

Appraisal Summary

Walter Duke + Partners File Number	181003-L
USPAP Reporting Format	Appraisal Report
Property Type	Residential Development Site
Location	NE 7 th Avenue, just south of NE 6 th Street and just east of Federal Highway in Victoria Park Fort Lauderdale, Broward County, Florida 33301
Parcel Number	50-42-02-01-0730
Site Area	6,750 Square Feet (0.155 Acres)
Zoning District/Land Use	RAC-EMU, Regional Activity Center – East Mixed-Use District
Flood Zone	"X"
FEMA Map Panel Number	12011C0369H; dated August 18, 2014
Type of Value	Market Value "As Is"
Interest Appraised	Fee Simple
Final Estimate of Market Value	\$920,000
Extraordinary Assumptions	None were employed.
Hypothetical Conditions	None were employed.
Date of Appraisal	October 15, 2018
Date of Report	October 30, 2018
Appraisers	Walter B. Duke, III, MAI, CCIM 2860 W State Road 84, Suite 109 Fort Lauderdale, Florida 33312-4804

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Certification of Appraisal

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

- the statements of facts contained in this Appraisal Report, upon which the analyses, opinions, and conclusions were based, are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analysis, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- my compensation is not contingent upon a minimum valuation or an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
- the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- the reported 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 Standards of Professional Practice of the Appraisal Institute, which includes the Uniform Standards of Professional Appraisal Practice (USPAP).
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- the use of this report is subject to the requirements of the State of Florida relating to review by the Real Estate Appraisal Subcommittee of the Florida Real Estate Commission.
- as of the date of this report, Walter B. Duke, III, MAI, CCIM has completed the continuing education program for Designated Member of the Appraisal Institute.
- Walter B. Duke, III, MAI, CCIM made a personal inspection of the property that is the subject of this report on October 15, 2018.
- Kaitlyn Evans, registered trainee appraiser, contributed 10 hours of significant professional assistance to Walter B. Duke, III, including property data collection and verification, selection of comparables, market research, and report production.
- I, Walter B. Duke, III, MAI, CCIM, the supervisory appraiser of a registered trainee appraiser, who contributed to the development or communication of this appraisal, hereby accepts full and complete responsibility for any work performed by the registered trainee appraiser named in this report as if it were my own work.
- no one provided significant professional assistance to the person signing this report. The analyses, conclusions, and opinions contained in the report are the principal effort of the undersigned. However, certain functions, such as data collecting and verification, may have been performed by other members of the staff.
- neither of the undersigned nor any other staff of Walter Duke + Partners have performed appraisal or other services regarding the subject property during the past three years.

As a result of our investigation and analysis, the Market Value "As Is" of the fee simple interest in the subject property, as of October 15, 2018, was estimated to be \$920,000.

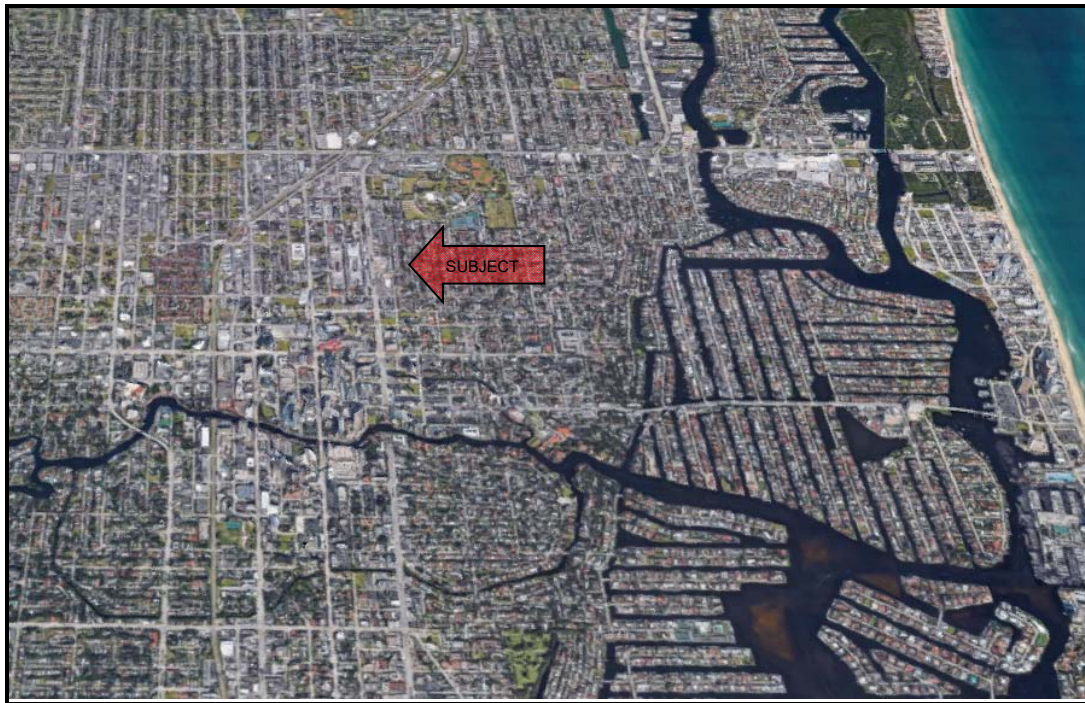
NINE HUNDRED TWENTY THOUSAND DOLLARS

Walter Duke + Partners

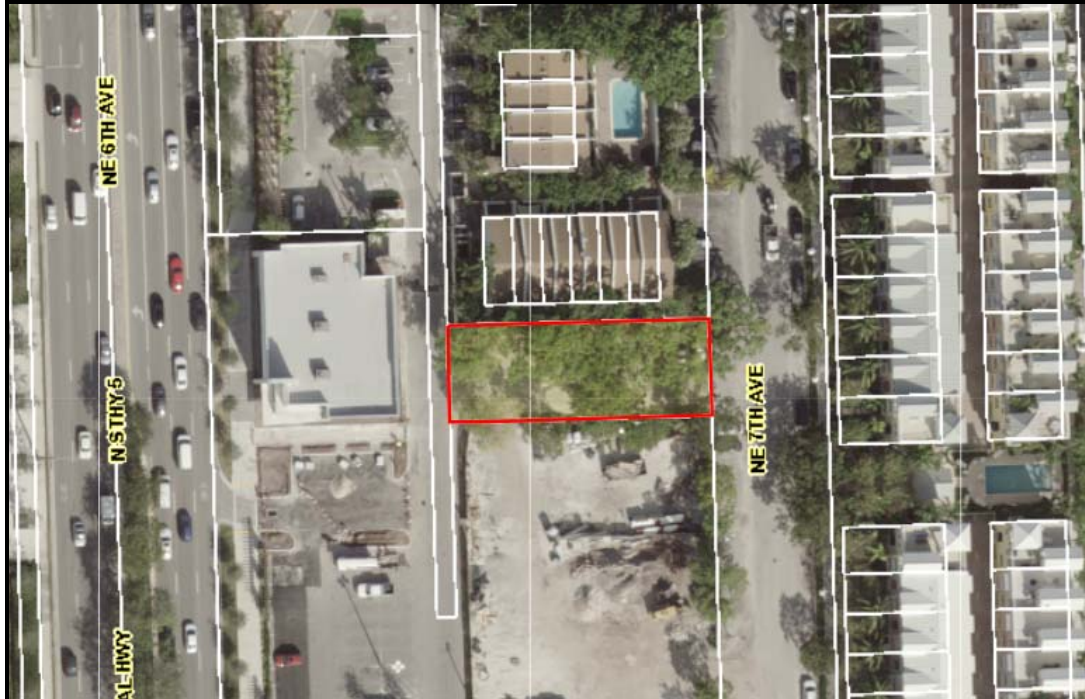


Walter B. Duke, III, MAI, CCIM
State-Certified General Real Estate Appraiser RZ375

PHOTOGRAPHS



SATELLITE VIEW FACING NORTH



CLOSE UP AERIAL VIEW



VIEW OF SUBJECT FACING WEST



VIEW OF SUBJECT FACING EAST



STREET SCENE – VIEW NORTH ON NE 7TH AVENUE



STREET SCENE –VIEW SOUTH ON NE 7TH AVENUE



STREET SCENE – ALLEY VIEWING NORTH



STREET SCENE –ALLEY VIEWING SOUTH

PREMISES OF THE APPRAISAL

Appraisal Format

Per the prior agreement between Walter Duke + Partners and the client, this Appraisal Report is presented in a summary format which conforms to the Uniform Standards of Professional Appraisal Practice (USPAP).

Type and Definition

The value opinion developed within this analysis is that of Market Value, as defined within the addenda of this report.

Intended Use of the Appraisal

This appraisal report was prepared for and submitted to the City of Fort Lauderdale for the intended use of internal decision making. This report cannot be used by any other person/entity or for any other purpose. Use of this report by others is not intended by Walter Duke + Partners. All other parties are advised to consult with appraisers or other professionals of their own choosing.

Terms and Definitions

Real Estate and Appraisal specific terms are defined within Addenda of this report.

Property Rights Appraised

The property rights appraised are all of those rights in the Fee Simple Estate.

Date of Appraisal

The effective date of this appraisal is October 15, 2018. This date coincides with the latest inspection of the subject property and the date the photographs were taken.

Date of Report

The date of report is October 30, 2018.

PRESENTATION OF DATA

Property Identification

The subject property is a well-located, city-owned development site comprising ±0.155 acres, currently being used as a surface parking lot for the surrounding properties. The site is improved with asphalt paving and parking stops. It is zoned RAC-EMU, Regional Activity Center – East Mixed-Use District, a desirable zoning classification that allows for a variety of uses including vertical residential development.

The subject property is situated on the west side of Northeast 7th Avenue, just east of North Federal Highway and south of Northeast 6th Street, within the City of Fort Lauderdale. It is adjacent to 400/500 Federal Highway mixed-use commercial development comprising 24,560 SF of restaurant, 2,000 SF of outdoor dining, 57,078 SF of office and 22,258 SF of retail office. There is also a structured parking garage, a small surface lot, and a residential development site that is located adjacent to the subject to the south.

Scope of Work

The scope of work performed in a real estate appraisal is a description of the amount and type of information researched and the analysis applied in an assignment. Based upon prior agreement between The City of Fort Lauderdale and Walter Duke + Partners the engagement letter, the scope of work for this summary appraisal assignment is as follows:

Property Identification

The subject property was identified by street address, legal description and folio numbers, as provided by the client.

Property Inspection

The subject property was visually inspected by Walter B. Duke, III, MAI, CCIM at various times during October including October 15, 2018 when the photographs were taken. All pictures included in this report are original photos taken by the appraiser on the date of inspection. The visual inspection of the subject property was considered adequate to identify characteristics of the subject property for purposes of this appraisal.

Type and Extent of Data Research

The subject is a single lot within the Regional Activity Center – East Mixed-Use District, adjacent to affluent Victoria Park on the east, and downtown Fort Lauderdale to the west. The site interacts with both single-family and low-density uses to the east and higher density development to the west and south. Therefore, for purposes of this valuation analysis, focus was given to researching and analyzing smaller (less than 5-

acres) residential zoned sites in the immediate area that have occurred over the past few years. During our investigation it was determined that the sites with RAC-EMU zoning reflected premium pricing compared to townhouse or lower density sites. Both were analyzed for purposes of this valuation analysis. Data sources included CoStar and LoopNet, two of the largest and most reliable on-line data-services available in South Florida, as well as MLS. The geographic parameters of the research are consistent with the subject sub-market, which include Victoria Park, and the area zoned RAC-EMU, which runs along the East Side of Federal Highway from NE 6th Street on the north to the north bank of the New River to the south.

The physical characteristics of the sales were ascertained by a combination of public records, physical inspection, appraiser's files, listing information, verification with buyers, sellers, brokers and records contained in the Property Appraiser's Office. The reported sale price and conditions of sale were verified with sources believed to familiar with the transaction when possible.

Analysis Applied to Arrive at Opinion or Conclusions

The Sales Comparison was applied to develop a credible opinion of value.

Extraordinary Assumptions / Hypothetical Conditions

Extraordinary Assumptions – None were employed.

Hypothetical Conditions – None were employed.

Street Address

According to the Broward County Property Appraiser, the subject parcel has not been assigned a street address.

Legal Description

HOLMBERG & MC KEES SUB 1-112 D LOT 12 BLK 4

Owner of Record

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

Property History

There are no past transactions involving the subject property.

Pending Sale and/or Listing

The property was recently declared surplus land by the City of Fort Lauderdale. The City plans on selling the site which necessitates the need for a third-party opinion of value.

Real Estate Tax Analysis

In Florida, the assessed values for real and commercial personal properties are established each year as of January 1, by each County Property Appraiser's Office. Under the Florida Constitution and Statutes, this value is to be the "Just Value" of the property. "Just Value" is considered to be synonymous with "Market Value." The tax due is computed by multiplying the annual millage rate with the assessed value of the property. Millage rates are the amounts paid to each taxing body for every \$1,000 of Assessed Value (25 mills equal \$25 per \$1,000 of Assessed Value). Millage rates are established by all of the various taxing bodies that exist within a given taxing district.

Schedule of Assessment and Taxation

Property taxes are paid in arrears with the assessment and taxation process spread out over the year, as follows:

January 1 to June 30	Assess all parcels in the county
July 1	Tax Roll certified to Department of Revenue
August 1	TRIM Notices are mailed to property owners
September 15	Deadline to apply for appeal of Assessed Value
November 1	Taxes payable with a 4% discount
December 1	Taxes payable with a 3% discount
January 1	Taxes payable with a 2% discount
February 1	Taxes payable with a 1% discount
March 1	Taxes are due
April 1	Taxes are past due
May 31	Two-month grace period ends
June 1	Tax Certificates sold at auction

Subject Property's Assessment and Taxation

The most recent assessment and taxation information for the subject property, as prepared by the Broward County Property Appraiser's Office, is presented in the following table.

Tax Structure - Subject Property			
Address	NE 7th Avenue Fort Lauderdale, Florida 33301		
Folio Numbers	50-42-02-01-0730		
Classification	Parking lots (commercial or patron)		
Tax Year	<u>2018</u>	<u>2017</u>	<u>2016</u>
Land Assessment	\$506,250	\$162,000	\$162,000
Improvement Assessment	\$7,800	\$7,800	\$7,800
Total Assessment	<u>\$514,050</u>	<u>\$169,800</u>	<u>\$169,800</u>
Millage Rate	N/A	18.4753	19.0527
Ad Valorem Taxes	N/A	\$0	\$0
Plus: Non Ad Valorem Taxes	N/A	\$0	\$0
Gross Taxes	N/A	\$0	\$0
Gross Taxes (Discounted)*	N/A	\$0	\$0

*Four percent discount for November payment

If the property were to be sold at current market value as opined herein the property assessment would likely increase accordingly.

Delinquent Real Estate Taxes

As of the appraisal date, the Broward County Tax Collector reports that there are no outstanding real estate taxes owed on the subject property.

Florida's Economic Conditions

The Summary of Commentary on Current Economic Conditions is a regionalized economic report published by the Federal Reserve Board eight times a year. This report is informally referred to by economists as The Beige Book. The Atlanta Fed territory includes Alabama, Florida, Georgia, and portions of Louisiana, Mississippi, and Tennessee.





The most recent *Beige Book*, issued October 24, 2018, indicated that economic activity expanded at a moderate pace from mid-August through September, and most expect the pace to continue through the last quarter of the year. The labor market remained tight, and reports of wage pressures increased. Firms continued to note increasing nonlabor costs and a growing number of contacts reported the ability to pass along those increases. Retailers, including automobile dealers, cited slightly higher sales since the previous report. Tourism activity exceeded expectations. Contacts reported that residential real estate market activity expanded at a modest pace, and commercial real estate activity was robust. Manufacturing activity was solid with purchasing managers noting increased new orders and production since the previous report. Bankers cited that activity was healthy, on balance.

A complete overview of Florida's economic conditions is located in the addenda of this report.

Source: *The Summary of Commentary on Current Economic Conditions (The Beige Book)*

Florida Market

Snapshot

FLORIDA MARKET MSA SNAPSHOT							
MSA		Population	Office SF	Industrial SF	SF Home Sales Inc.	Airport	Seaport
		Median Age	Vacancy	Vacancy	Median SP Inc.	Domestic/Int'l Flights	Tonnage
Orlando		2,440,000 39.1	43.27 million 9.25%	113.1 million 4.53%	+1% +6.0%	Orlando Int'l 84/55 Orlando Sanford Int'l 74/13	Port Canaveral 5.99 million
Includes Orange, Seminole, Lake, and Osceola Counties							
South Florida		6,158,824 39.7	168.60 million 9.23%	385.80 million 3.57%	-4.2% +7.9%	Miami Int'l 53/108 Fort Lauderdale Int'l 78/61 Palm Beach Int'l 23/4	Port Miami 9.16 million Port Everglades 25.30 million Port of Palm Beach 2.48 million
Includes Miami-Dade, Broward, and Palm Beach Counties							
Tampa Bay		4,582,512 42.1	66 million 9.90%	212.40 million 5.80%	+2.3% +9.2%	Tampa Int'l 66/17 St. Petersburg-Clearwater Int'l 55/2 Sarasota-Bradenton Int'l 15/1	Port Tampa Bay 38.1 million
Includes Hillsboro, Pinellas, Hernando, and Pasco Counties							
Jacksonville		1,688,952 38	64 million 7.40%	135 million 3.30%	+9.6% +9.6%	Jax Int'l Airport 39/2	Port of Jacksonville 9.3 million
Includes Baker, Clay, Duval, Flagler, Putnam, Nassau, and St. Johns Counties							

Source: CoStar, Florida Realtors, Census Bureau, South Florida Business Journal

South Florida Regional Analysis

Market Definition

The Miami-Fort Lauderdale-West Palm Beach Metropolitan Statistical Area comprises the area generally known as the South Florida Region (South Florida) which comprises Miami-Dade, Broward and Palm Beach Counties.



Estimates vary slight, but the consensus is, with over 6 million residents, the South Florida metropolitan area is easily the most populous in Florida and in the Southeastern United States, and the eighth most populous in the United States. It is part of the South Florida region and is partially synonymous with the Gold Coast.

The South Florida metropolitan area consists of three distinct metropolitan divisions, subdividing the region into three divisions according to the region's three counties:

- Miami-Dade County,
- Broward County, and
- Palm Beach County.



MIAMI



FORT LAUDERDALE



PALM BEACH

Metropolitan divisions include Miami, Fort Lauderdale, and Palm Beach.

The largest cities by population in the South Florida Region are as noted on the following table:

South Florida MSA Largest Cities

CITY	POPULATION (2016)	COUNTY
Miami	456,089	Miami-Dade
Hialeah	233,431	Miami-Dade
Fort Lauderdale	176,510	Broward
Pembroke Pines	161,256	Broward
Hollywood	146,155	Broward
Miramar	134,037	Broward
Coral Springs	126,264	Broward
Miami Gardens	111,998	Miami-Dade
West Palm Beach	108,650	Palm Beach
Pompano Beach	107,282	Broward

Current Trends

Buoyed by strong job growth, a recovering housing market, rebounding tourism, and increased construction activity, South Florida's economic recovery continues to gain momentum. According to recent statistics, the region added nearly 75,000 jobs year-over-year, and unemployment figures continue to drop, outpacing national averages. The housing market has nearly fully recovered and is generally in equilibrium. Demand by foreign buyers and investors, mainly from South America, has slowed the Miami residential condominium market. Cruise and air travel is up and hotel occupancy is healthy. Gross regional economic output is also increasing.

Other Items of Note:

- Major transportation and infrastructure projects are planned or underway to improve the logistics of the region and therefore, enable it to more effectively compete globally. Major improvements are underway at region airports and seaports.
- The Florida legislature has tabled the matter of expanded gambling in the State of Florida. The most recent bill proposed included two mega casinos in South Florida.
- Foreign investment from South America and Europe has slowed due to geopolitical unrest and a continued strong dollar, which in turn has slowed the Miami condominium market.
- The two Florida gubernatorial candidates offer distinct views and represent an element of risk associated with the upcoming November election.

Regional Location Map



Conclusion

Market data strongly suggests that the South Florida economy is generally robust with only minor headwinds, such as the strong dollar and rising construction costs. Key economic variables such as population growth, employment growth, and housing, have all shown improvement. Key ties to South America and Europe, that have helped fuel a housing market rebound, and strong ties to Latin America and the Caribbean, have slowed but remain a key driving force in the expansion in trade in the region. Tourism has rebounded and there is expansion in the hospitality sector.

Investments in infrastructure will also benefit the region coincident with the opening of the Panama Canal. Led by Miami-Dade County, South Florida commercial real estate has reached, and in some cases, exceed previous peak pricing, with all property types now in play. There is an oversupply of residential condo product in Miami Dade, but Broward and Palm Beach are still in balance.

The Federal Reserve has strongly hinted at raising interest rates one more time in 2018 and new trade deals have had little impact on the robust Miami industrial market. Overall, the South Florida economy is generally healthy. Most analysts agree that South Florida is in the late innings of the current economy with possibly two or so solid years of growth ahead. The economic impact of the new administration's fiscal and business policies on the South Florida policy is still being played out but thus far has been mostly positive.

A complete South Florida Regional Overview is located in the addenda of this report.

Area/Neighborhood Description

Location

The subject property is located in affluent Victoria Park, a desirable residential neighborhood located east of the Fort Lauderdale CBD and trendy Flagler Village. This area is considered to be excellent, offering a good housing stock and is within close proximity to Fort Lauderdale's CBD and other major employment centers. The area is highly walkable.

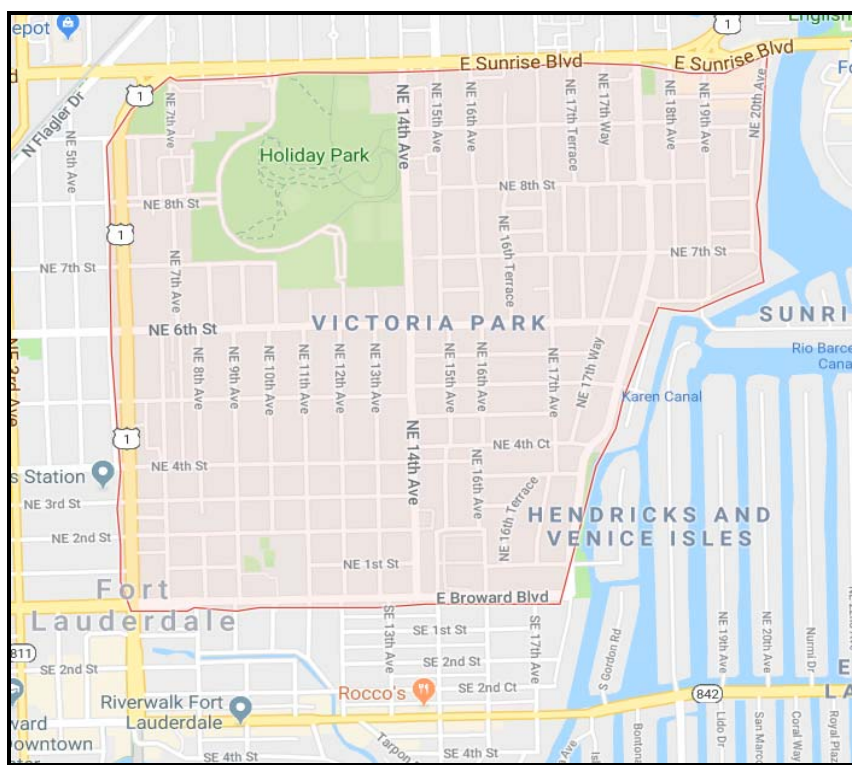


For purposes of this valuation analysis the immediate subject neighborhood is considered to consist of the area located:

- East of Federal Highway, a six-lane thoroughfare considered to be the premier retail corridor in eastern Broward County and home to significant new office, retail, hotel and multi-family rental apartment development. This highway is located just west of the subject and separates Victoria Park from the Fort Lauderdale CBD;
- West of the Middle River, located one mile east and forms the eastern border of Victoria Park;
- South of Sunrise Boulevard, a major six lane thoroughfare located one mile north of the subject. To the north is the Lake Ridge neighborhood; and,
- North of Broward Boulevard, a six-lane highway west of Federal Highway that narrows to three lanes east of Federal Highway located one mile south.

The subject property primarily interacts within these boundaries that comprise the immediate subject neighborhood. In addition to the above described boundaries, the

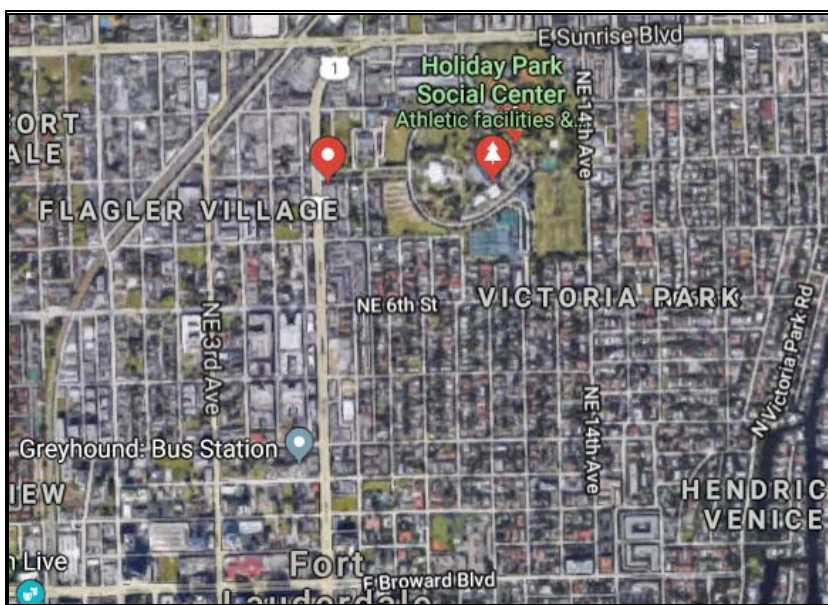
market area also includes a “pocket” of RAC-EMU zoned land south of Broward Boulevard and west of SE 9th Avenue terminating at the north bank of the New River.



Victoria Park

Neighborhood Characteristics

Victoria Park is a well-located and desirable residential community favored by young professionals, families and those who work downtown. The overall desirability is enhanced from excellent walkability to Flagler Village, Las Olas Boulevard and the beaches. Victoria Park is also enhanced by centrally located Holiday Park a ±85-acre municipal park and recreation facility which includes tennis courts at the Jimmy Evert Tennis Center, baseball and softball fields, soccer fields, outdoor roller-hockey rink, open and enclosed basketball courts, jogging paths and ArtServe along Sunrise Boulevard. This park serves as a central location for the recreational activities of the residents within the subject neighborhood, as well as those from surrounding areas.



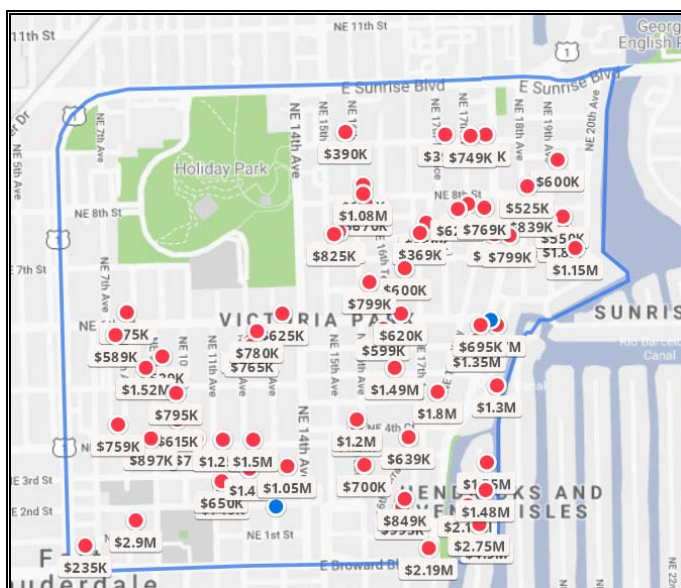
Holiday Park Location Map

The immediate neighborhood is also home to Virginia Shuman Young Elementary school, a highly desirable perennially “A” rated public school. Private school needs are met by St. Anthony’s which serves K-8th grade. Public facilities also nearby by include War Memorial Auditorium and Parker Playhouse. The Fort Lauderdale City Commission and the Florida Panthers have been in discussions to renovate War Memorial Auditorium to accommodate, among other activities, Florida Panther hockey team practices.

Development Trends

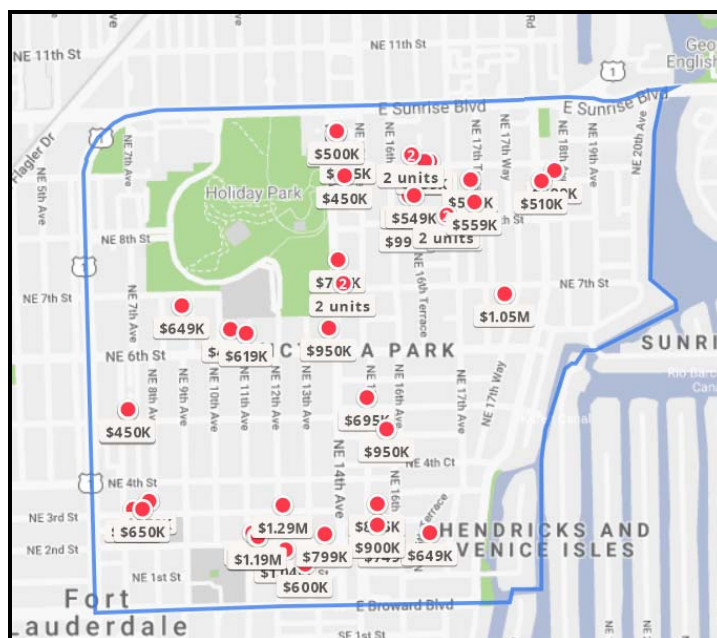
The subject property is in the heart of significant development and re-development activities. Downtown Fort Lauderdale is currently experiencing a building boom with significant multi-family rental, condo, office and hotel development occurring. Flagler Village, a trendy new residential community favored by millennials is home to significant artistic and cultural activities such as Art Walk at Fat City and the Mockingbird Trail. An overview of development activity in the downtown Fort Lauderdale area is presented in the Addenda.

Within Victoria Park there is significant residential development activity including new homes and townhomes. Additionally, older multi-family rental apartments are being gut renovated into contemporary micro units. Zillow reports there are currently 67 homes for sale at prices ranging from approximately \$350,000 to nearly \$3 million. According to Redfin, single-family homes in Victoria Park sell for an average of \$655,000 or \$343 per square foot.



Victoria Park Existing Single-Family Home Sale Inventory

The Victoria Park townhouse market is also very robust. According to Zillow, there are 45 existing townhomes for sale in Victoria Park with an average price of \$410,000. New product is priced to upward to just over \$1 million and generally sell for between \$300 and \$400 per square foot.



Victoria Park Existing Townhome Inventory

There is significant development activity underway and acquisition of sites for townhome and residential development is evident. Zillow reports there are twelve (12) new townhomes for sale predominantly ranging from \$600,000 to just over \$1 million or from \$315 to \$450 per square foot for new townhome product.

Existing older rental apartments in Victoria Park are also being gut renovated and rented at premium rents that are less than new Class "A" product in downtown Fort Lauderdale. As a result of new higher rental rates, sales of renovated apartment properties are robust. Several recent transactions have resulted in sale price per unit pricing between \$240,000 and \$260,000. Non-renovated rental apartments have been trading in the \$150,000 to \$175,000 per unit range.

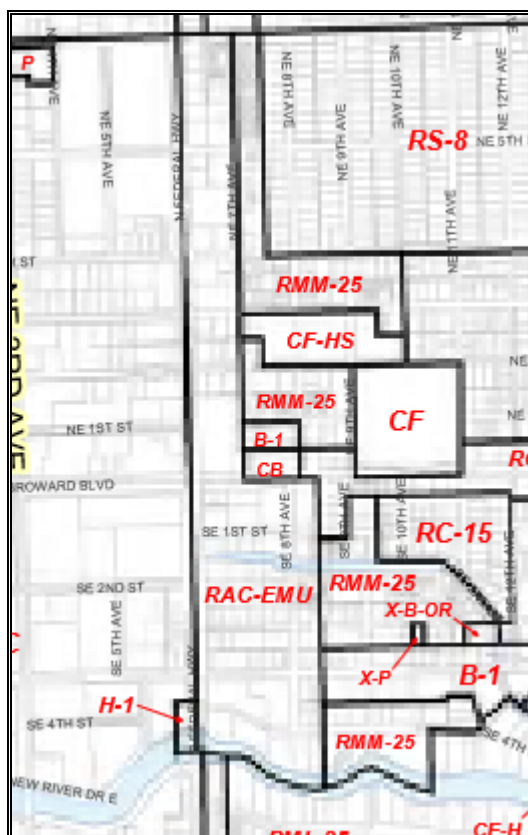
The subject property directly benefits from the newest non-residential development in the area, 400/500 South Federal Highway. This successful new mixed-use commercial development is located adjacent to the subject property to the south and comprises 24,560 SF of restaurant, 2,000 SF of outdoor dining, 57,078 SF of office and 22,258 SF of retail office space. There is also a structured parking garage, a small surface lot and a residential development site which is located adjacent to the subject on the south. Office tenants include the Kelly/Uustal Law Firm, Well Fargo, and Fidelity Investments. Retail development includes Fresh Market and popular new eateries such as Spatch Peri-Peri Grilled Chicken, Press and Grind, Doc B's, Good Spirits Fifth & Fed, and Temple Street Eatery.



Over the past year there has also been considerable development and investment interest in the land zoned Regional Activity Center, (RAC-EMU) which runs along the east side of Federal Highway from Northeast 6th Street south of Broward Boulevard to the New River. EMU is one of three transition areas between the high intensity RAC-CC, district and the lower intensity residential neighborhoods which abut the RAC. The area is intended to support the city center by allowing a wide range of employment, shopping, service, cultural and higher density residential neighborhoods. This area includes the expansion area where the downtown's urban core was expanded so as to provide a transition area surrounding the central urban core in order to protect the adjacent areas. There are three (3) TMU areas identified along the perimeter of the higher intensity RAC districts and EMU is one of them. Developers and investors seeing the achievable rents and sale prices of existing product have been intensely developing and investing in EMU sites. This location east of Federal Highway is extremely walkable which is one of the most desirable attributes of urban and near urban locations such as the subject property.

Development/Investment Highlights within the EMU zoning district in the subject neighborhood include the following:

- Amaray Las Olas – This 30-story, 254-unit Class A rental apartment, located on SE 8th Avenue, sold in 2017 for \$134 million or \$527,559 per unit, setting an all-time record for price paid for rental apartment asset in Fort Lauderdale
- 790 East – This planned 29-story, 327-unit Class A rental apartment is currently under construction at the corner of SE 8th Avenue and Broward Boulevard. Greystone recently paid \$19.5 million for this site which equates to \$234.38 per square foot.
- Las Olas Walk – ZOM is commencing construction on an 8-story, 456-unit Class A rental apartment community. ZOM, who also built Waverly and Flagler Village, paid \$33 million, or \$239.74 per square foot, for this site in early 2018.
- 315 NE 7th Avenue – Two local investors recently sold this 0.31-acre site to a developer for \$2.4 million, or \$176.46 per square foot. The site is planned to be developed with an 11-story residential structure with 6,000 square feet of ground floor retail space. This site is one block south of the subject property.
- 104 and 108 Southeast 8th Avenue – an out-of-state investor recently purchased these adjoining EMU zoned properties comprising 0.4249-acres for a price of \$5.6375 million dollars, or \$304.58 per square foot.

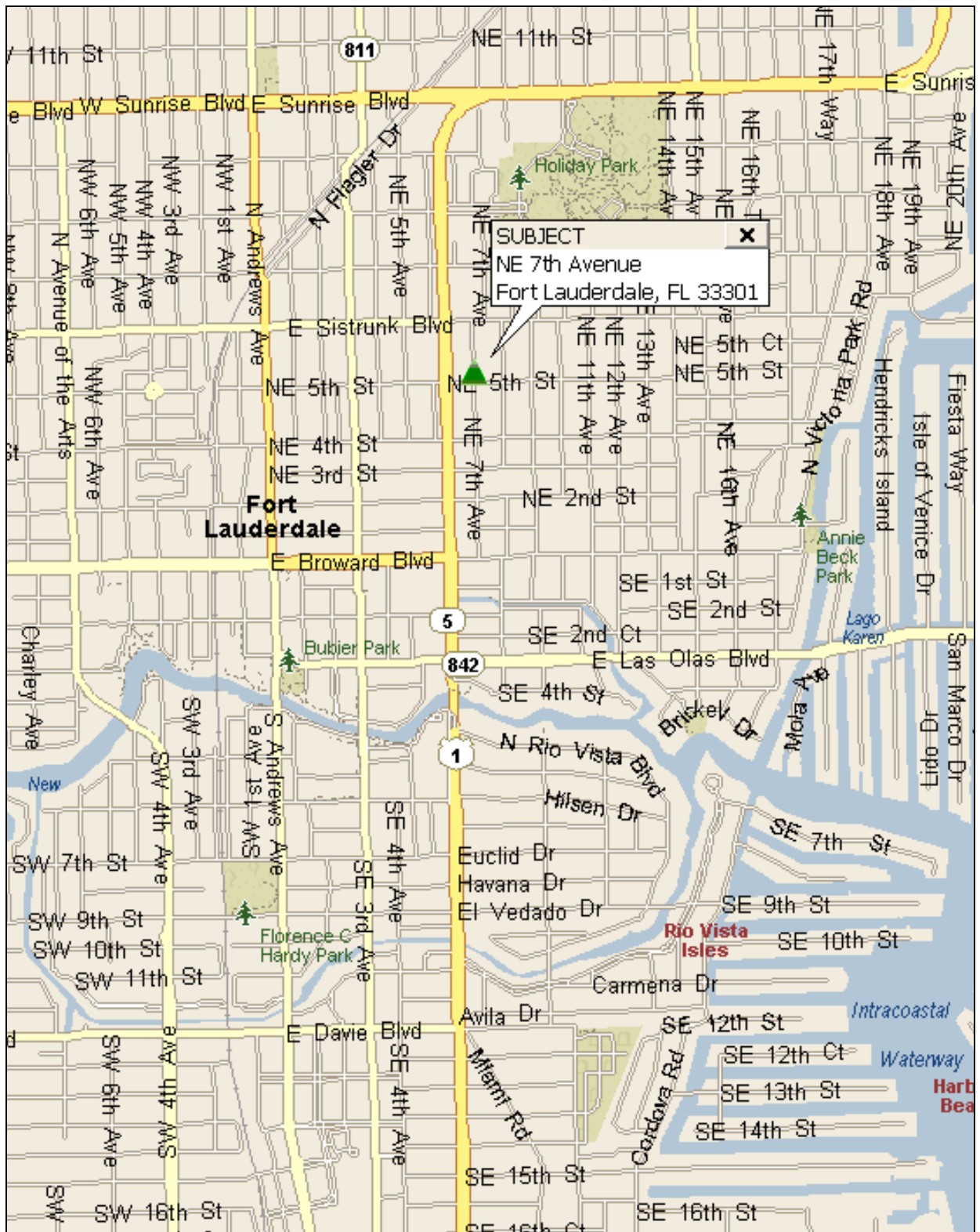


This activity underscores the robust market for EMU zoned sites and is particularly relevant to the valuation of the subject property since the site is zoned RAC-EMU. The difference between less dense townhome zoning in Victoria Park and EMU zoning is that it allows for vertical development

Summary and Conclusions

The subject property is reflective of a prime walkable location east of Federal Highway within affluent Victoria Park near shopping and dining in the shadow of downtown Fort Lauderdale. Just a short walk to the Las Olas shopping district and a short bike ride to the beach, the surrounding area is supportive of contemporary, urban, luxury residential development.

Neighborhood Location Map



Site Description

Physical Characteristics	
Site Area	6,750 Square Feet / 0.155 Acres
Shape	Rectangular/50' by 135'
Topography	Level; Surface parking lot with 13 spaces. 11 permitted and 2 metered.
Street Frontage	NE 7 th Avenue, a two-lane local road.
Zoning Designation	RAC-EMU, Regional Activity Center – East Mixed-Use (criteria presented in Addenda)
Zoning Authority	City of Fort Lauderdale
Flood Zone	"X"
Flood Map Panel Number	12011C0369H; dated August 18, 2014
Adjacent Land Uses – North	Multi-Family Residential (Townhome)
Adjacent Land Uses – South	Vacant EMU zoned development site
Adjacent Land Uses – East	Single and Multi-Family Residential in Victoria Park
Adjacent Land Uses – West	Commercial/Multi-Family Residential uses along Federal Highway and west in downtown/Flagler Village

Comparative Analysis of Site	Evaluation/Rating
Vehicular Access	Ingress-egress is afforded at two points: Along NE 7 th Avenue, a two-lane local road and by a 24-foot paved alley that runs along the west side of the asset.
Vehicular Exposure/Visibility	Local visibility only but suitable to support residential uses
Drainage	Vacant site; No puddling or wet areas observed.

Utilities	Provider
Water, Sewer	City of Fort Lauderdale
Trash Removal	Private contractor
Electricity	FPL
Telephone	Private contractor

Other	
Easements	A survey was not provided
Encroachments	A survey was not provided
Deed Restrictions	No known restrictions
Common Ingress/Egress	None noted on provided survey

Market Participants/Most Probable Purchaser

The subject is reflective of a city-owned, single development lot in a prime location within affluent Victoria Park, east of Federal Highway in the shadow of downtown Fort Lauderdale/Flagler Village, within walking distance to schools, restaurants and the Las Olas Shopping District. It is also a reasonably short bike ride to the beaches. Other similar sites in the area have been purchased by investors and developers. Within Victoria Park, the purchases have been for townhome development due to the more restrictive townhome zoning. However, within the EMU zoned areas of Victoria Park and neighboring Beverly Heights to the south, sites have been purchased for vertical multi-family development. They are encouraged by the robust downtown residential market and the associated profits to be made. The most likely purchaser of the subject property is likely to be an investor or developer. It is unknown whether the owners of the adjacent EMU zoned property to the south would have an interest in assembling, but assemblage is always a possibility due to pottage value (defined in the Addenda).

Marketability (SWOT Analysis)

In order to determine the marketability of the subject property, a SWOT analysis has been undertaken. SWOT stands for Strengths, Weaknesses, Opportunities and Threats. Strengths and Weaknesses are internal to the subject and deal with what a property can and cannot control. Opportunities and Threats are external forces that cannot be controlled directly by the subject but the subject can adapt to external factors. Factors serving to affect the desirability and marketability of the subject include:

Strengths

- Excellent walkable location in affluent Victoria Park
- EMU zoning allows for vertical, higher density development than zoning such as RC-15, RM-10 and RMM-25 which are generally limited to townhome development in Victoria Park.

Weaknesses

- 50-foot wide lot constrains vertical development and limits density compared to larger EMU zoned sites.

Opportunities

- Possible assemblage with other nearby properties
- Residential market conditions currently robust
- EMU zoned sites are in demand and development in the EMU zoning district has been profitable

Threats

- Rise in interest rates
- Real estate cycle risk
- Potential trade war with Asia and Europe that may result in increased construction costs due to tariffs on materials such as steel
- Mid-term Congressional elections
- Unresolved nuclear and chemical weapons threats in the Mideast which may serve to rattle financial markets.

Exposure Time

Exposure time is a historical event, which according to the definition of Market Value, precedes the effective date of the appraisal. The Appraisal Standards Board of the Appraisal Foundation defines Exposure Time as... *"the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market."*

Based upon interviews with market participants, including sellers, investors and brokers, a reasonable exposure time for the subject property is considered to be three to six months. Sales data reflects exposure times from between two weeks and seven months. The value estimate set forth in this report represents our estimate of value, as of the appraisal date, based on a precedent exposure to the open market of **three to six months**.

Reasonable Marketing Time

The reasonable marketing time represents the most probable time required to expose the subject property on the open market to consummate a sale at a market level price. Based upon interviews with market participants, marketing time is a difficult variable to estimate. Participants interviewed within the course of this report indicated that marketing time is a direct function of price and exposure. These variables are interconnected and cannot be estimated independently. Fundamental economic theory indicates that value and marketing time are directly related and must be estimated simultaneously in order to be meaningful. Based on the subject investment criteria, a marketing period of **three to six months** would be required to sell the subject property.

ANALYSIS OF DATA

The Appraisal Process

The Appraisal of Real Estate, 14th ed., 2013, outlines the mechanics of different land valuation methodologies as follows:

Sales Comparison Approach

Sales of similar, vacant parcels are analyzed, compared and adjusted to provide a value indication for the land being appraised.

Allocation

Sales of improved properties are analyzed and the prices paid are allocated between the land and the improvements. Allocation can be used in two ways: to establish a typical ratio of land value to total value, which may be applicable to the property being appraised, or to isolate the value contribution of either the land or the building from the sale for use in comparison analysis.

Extraction

Land value is estimated by subtracting the estimated value of the improvements from the known sale price of the property. This procedure is frequently used when the value of the improvements is relatively low or easily estimated.

Subdivision Development

The total value of undeveloped land is estimated as if the land were subdivided, developed, and sold. Development costs, incentive costs, and carrying charges are subtracted from the estimated proceeds of sale, and the net income projection is discounted over the estimated period required for market absorption of the developed sites.

Land Residual Technique

The land is assumed to be improved to its highest and best use. All expenses of operation and the return attributable to the other agents of production are deducted, and the net income imputed to the land is capitalized to derive an estimate of land value. An alternative land residual technique is applied by valuing the land and improvements and deducting the cost of the improvements and any entrepreneurial profit. The remainder is the residual land value.

Ground Rent Capitalization

This procedure is used when land rents and capitalization rates are readily available such as in well-developed areas. Net ground rent, the net amount paid for the right to use and occupy the land, is estimated and divided by a land capitalization rate. Either actual or estimated rents can be capitalized using rates that can be supported in the market. This procedure may be seen as an extension of sales comparison but, where applicable, it provides a specific unit of comparison.

All of these techniques have been considered for purposes of our analysis. However, based on the subject property types and the availability of comparable data, the Sales Comparison Approach has been used to estimate the value of the subject property.

Highest and Best Use

The definition of highest and best use (*see glossary in Addendum*) implies recognition of the contribution of specific use to the community environment or to community development goals, in addition to wealth maximization of individual property owners. In appraisal practice, the concept of highest and best use represents the premise upon which value is based. In the context of most probable selling price (Market Value), another appropriate term to reflect highest and best use would be most probable use. In the context of investment value, an alternative term would be most profitable use.

Highest and Best Use As Though Vacant

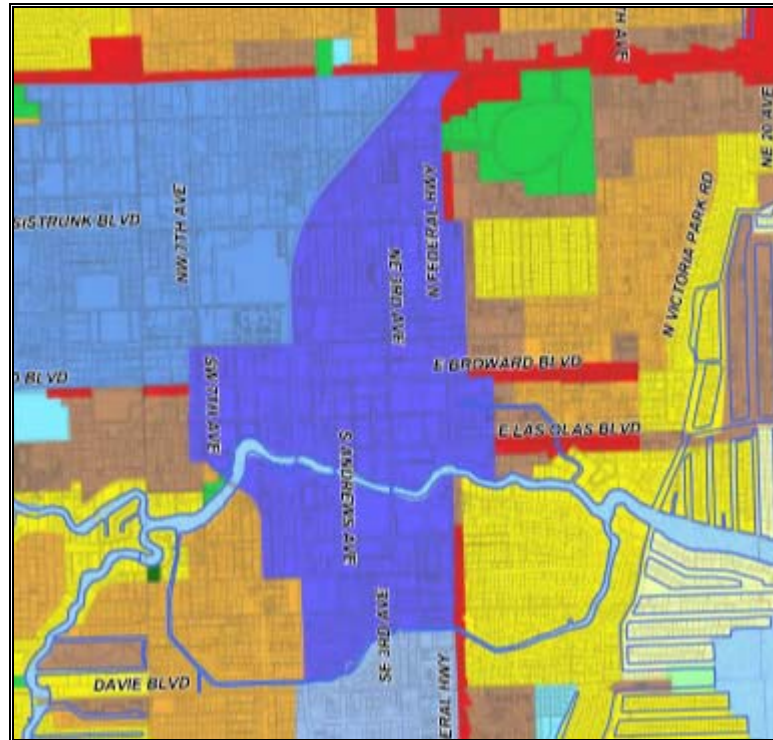
Highest and best use must meet four criteria: Legal Permissibility, Physical Possibility, Financial Feasibility and Maximum Profitability. We have analyzed the criteria with regard to the subject site as follows:

- Legal Permissibility

The most significant legal constraint to land use is zoning which specifies the type and intensity of land use. Zoning laws are designed to allow for the orderly development of communities rather than permitting a disorganized sprawl. The goal in general terms is to provide for comparable neighboring land uses, coordinate the development of primary infrastructure and reduce the overall cost of providing the necessary services to the community.

The subject is zoned RAC-EMU, Regional Activity Center – East Mixed-Use District by the City of Fort Lauderdale. EMU is one of three transition areas between the high intensity RAC-CC, district and the lower intensity residential neighborhoods which abut the RAC. The area is intended to support the city center by allowing a wide range of employment, shopping, service, cultural and higher density residential neighborhoods. This area includes the expansion area where the downtown's urban core was expanded so as to provide a transition area surrounding the central urban core in order to protect the adjacent areas. There are three (3) TMU areas identified along the perimeter of the higher intensity RAC districts and EMU is one of them. Developers and investors seeing the achievable rents and sale prices of existing product have been intensely developing and investing in EMU sites.

Existing uses in the EMU zoning district include office, retail, restaurant, townhomes, condominiums and apartment rentals in excess of 30 stories. Densities vary but recent vertical residential development reflects densities between 90 and 150 units per acre. The site is adequately platted and possess an underlying land use of Downtown Regional Activity Center.



Fort Lauderdale Land Use Map, March 2018

A full list of permitted uses is presented in the Addenda.

- *Physical Possibility*

The subject consists of rectangular parcel totaling 6,750 square feet or 0.155 acres. No drainage, soil, or subsoil problems appear to inhibit development of the site based on our very cursory site tour, and all utilities and services necessary for development are available. Site ingress-egress is suitable for most typical uses in the area. Overall, the site is physically able to accommodate more legally permissible uses with the exception of the 50-foot lot width. That narrow width presents design issues that limit the development potential of the site versus larger EMU sites.

- *Financially Feasible/Maximally Productive*

Financially feasible uses are the logical uses, which are physically possible, and legally permissible that will produce any net return to the owner of the site. Among uses considered to be financially feasible, there is generally a use that provides the criteria to meet a highest rate of return or value, considering it to be the highest and best use of a site. Sites to the east zoned RC-15, RM-10 and RMM 25 are typically

developed at densities of 12 to 13 units per acre. RAC-EMU sites reflected densities between 90 and 171 units per acre in a vertical building design. Due to the site size and width limitations maximum density is not possible on a stand-alone basis without assembling it into a larger parcel. Walter Duke + Partners consulted with local architecture firms familiar with vertical residential development in downtown Fort Lauderdale regarding possible development solutions for the subject property on a stand-alone basis. The suggested solution would be a 4-story structure with covered surface parking with fourteen spaces, three stories of contemporary townhouse style residences above in a total of 7 residential units approximating 2,000 square feet. The reflected density is approximately 45 units per acre which is more than the townhouse zoning designations in adjacent Victoria Park but well below previously approved EMU zoned densities between 140 and 171 units per acre. This solution is considered to be reflective of the highest and best use of the subject lot on a stand-alone basis and would require approval from the City of Fort Lauderdale. Assemblage with an adjoining parcel is also always a potential use due to plottage value.

Highest and Best Use as Improved

Once a parcel of land is improved with a building, the two parts form an integral unit and, for all practical purposes, they are all inseparable. However, when the market value of the land alone, if vacant and available for use, exceeds the value of the property as improved, the improvements are no longer a viable contribution to the property and a new use must be adopted. In analyzing the highest and best use of the property as improved, several principles of real estate values must be considered. They include conformity, supply and demand, change and balance.

The site is a surface parking lot so this analysis is not required.

Sales Comparison Approach to Value

The Sales Comparison Approach is based upon the principal of substitution; that is, when a property is replaceable in the market, its value tends to be set at the cost to acquire an equally desirable substitute property, assuming no costly delay in making the substitution. The application of this traditional appraisal technique requires a systematic procedure, which is outlined as follows:


- Research of the market to obtain information about sale transactions, listings, and other offerings of properties similar to the subject.
- Verification of the factual data pertaining to the transaction and determining if the transactions represent an “arm’s length” sale.
- Conclude relative units of comparison recognized by the market and develop a comparative analysis for each unit.
- Contrast the subject property and the sale transactions based upon elements of comparison.
- Reconcile the multiple value indicators into a single indication of market value.

The validity of this approach is very much dependent on the availability or quantity of the data and the relevance or quality of the data. The market data serve as a basis for making comparative sales analyses in order to make a reasonable estimate of the value of the property being appraised. Because no two properties are identical, particularly in regard to income producing, it is necessary to adjust the prices of the market indicators to reflect the value of the property being appraised. Typically, adjustments are considered to reflect significant differences or factors affecting each property. After appropriate adjustments are considered, an indication of market value is estimated.







In order to make an estimate of Market Value, it is imperative to use a unit of comparison that is commonly accepted by those buyers and sellers who are actively engaged in trading particular types of real estate. For purposes of this analysis multiple units of comparison are considered as follows: Price per square of site area, price per unit and price per buildable area.

Walter Duke + Partners performed a search for comparable property sales in the east Fort Lauderdale market focusing on Victoria Park and the EMU zoned areas to the south of Beverly Heights. Comparable Sales Summary and Adjustment Tables of townhouse zoned sites and EMU zoned sites are presented on the next pages along with location maps, followed by analysis of the sales.

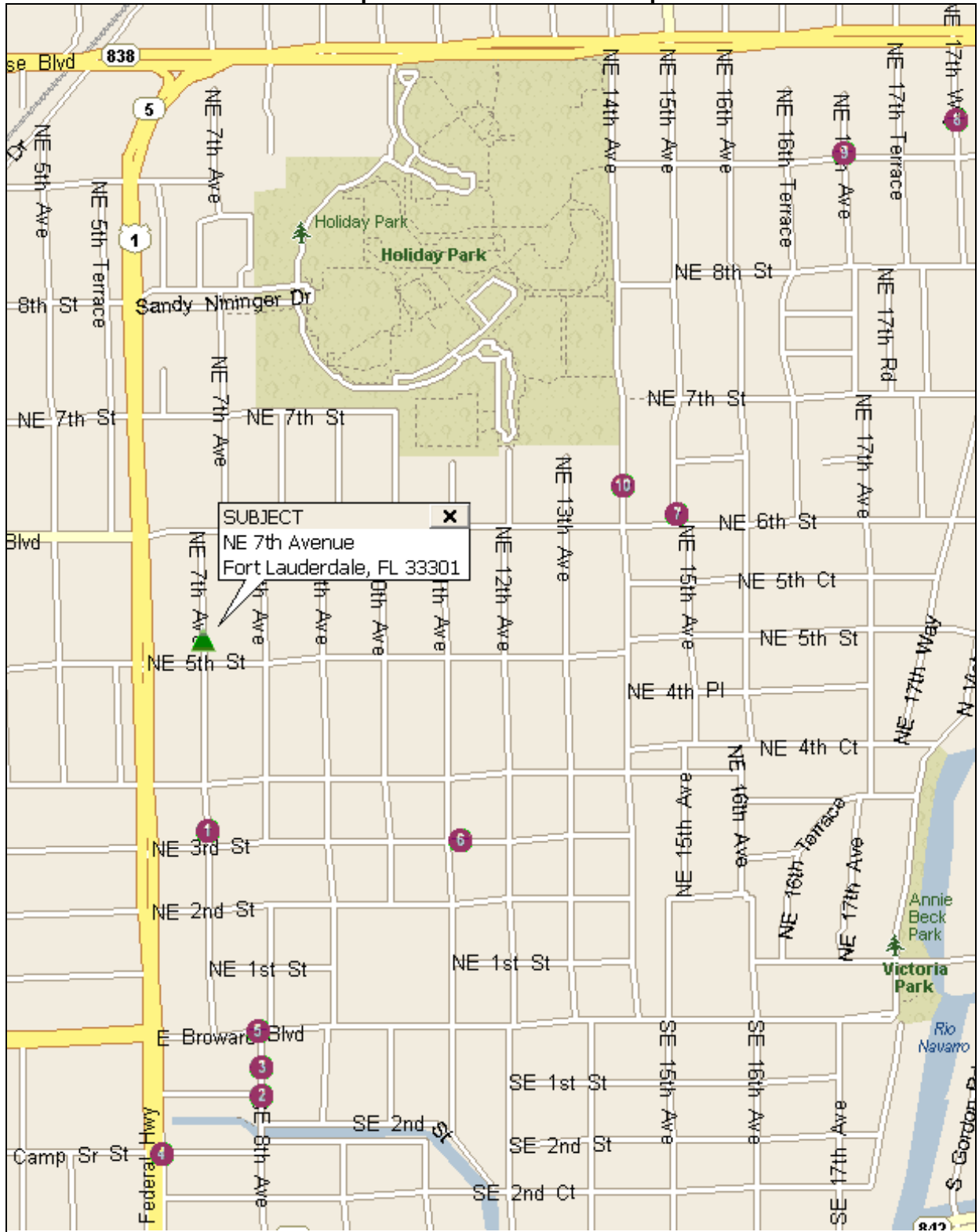
Comparable Sales Summary and Adjustment Table RAC-EMU Zoned Land Sales

Property	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4	SALE 5
						
Address	NE 7th Avenue/NE 5th Street	315-323 NE 7th Avenue	108 SE 8th Avenue	104 SE 8th Avenue	200 S Federal Highway	790 E Broward Boulevard
City	Fort Lauderdale	Fort Lauderdale	Fort Lauderdale	Fort Lauderdale	Fort Lauderdale	Fort Lauderdale
Site Data						
Size - Square Feet	6,750	13,601	11,008	7,501	137,650	83,200
Size - Acres	0.155	0.312	0.253	0.172	3.160	1.910
Utilities	All Available	All Available	All Available	All Available	All Available	All Available
Zoning	RAC-EMU	RAC-EMU	RAC-EMU	RAC-EMU	RAC-EMU	RAC-EMU
Platted	Yes	Yes	Yes	Yes	Yes	Yes
Site Conditions	Surface Parking Lot	Obsolete Buildings	Obsolete Building	Obsolete Building	Obsolete Buildings	Obsolete Buildings
Proposed Use	4-story MF	11-story MF + Retail	Vertical MF	Vertical MF	8-story MF + Retail	29-story MF + Retail
Planned/Allowable Units	7	28	38	26	456	327
Density/Acre	45.17	89.68	150.00	150.00	144.30	171.20
Approvals	No	No	No	No	Yes	Yes
Sale Data						
Sale Date		April 19, 2018	April 25, 2018	March 29, 2018	January 16, 2018	May 3, 2017
Sale Price		\$2,400,000	\$3,550,000	\$1,750,000	\$33,000,000	\$19,500,000
Days on Market		104				
Grantor		John Kuehne/Marc Marcilino	Dettman Fleming Prop.	BPMP Investments LLC	Las Olas Holding Co.	Griffiths Center Prtnshp
Grantee		Global Dynamic Group LLC	104 & 108 SE 8th Ave LLC	104 & 108 SE 8th Ave LLC	ZOM Development	GUGV Broward Property
Tax ID		504202020600	504211070240-0230	504211070250	504211110040-0250	504211070080-0270-0360
O.R. Book/Page		115060418	115036373	115036373	114835093	114364845
Financing		Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Sale Price/SF of Site Area		\$176.46	\$322.49	\$233.30	\$239.74	\$234.38
Sale Price/Planned Unit		\$85,714	\$93,421	\$67,308	\$72,368	\$59,633
Sale Price per Building SF		\$38.71	N/A	N/A	\$70.50	\$58.21
Analysis						
Location		0%	-10%	-10%	-10%	-10%
Site Size		0%	0%	-5%	-10%	-10%
Topography		0%	0%	0%	0%	0%
Approval Status		0%	0%	0%	-10%	-10%
Total Adjustments		0%	-10%	-15%	-30%	-30%
Adjusted Sale Price/SF of Site Area		\$176.46	\$290.24	\$198.31	\$167.82	\$164.06
Adjusted Sale Price/SF per Zoned/Planned Unit		\$85,714	\$84,079	\$57,212	\$57,895	\$41,743
Adjusted Sale Price/SF Buildable SF		\$38.71	N/A	N/A	\$63.45	\$46.57

Comparable Sales Summary and Adjustment Table Townhome Zoned Land Sales

Property	SUBJECT	SALE 6	SALE 7	SALE 8	SALE 9	SALE 10
						
Address	NE 7th Avenue/NE 5th Street	1119 NE 3rd Street	604-08 NE 15th Avenue	929 NE 17th Way	905-09 NE 17th Avenue	617-619 NE 14th Avenue
City	Fort Lauderdale	Fort Lauderdale	Fort Lauderdale	Fort Lauderdale	Fort Lauderdale	Fort Lauderdale
Site Data						
Size - Square Feet	6,750	7,125	9,405	20,250	13,500	6,750
Size - Acres	0.155	0.160	0.216	0.465	0.310	0.155
Utilities	All Available	All Available	All Available	All Available	All Available	All Available
Zoning	RAC-EMU	RC-15	RM-10	RMM-25	RMM-25	RMM-25
Platted	Yes	Yes	Yes	Yes	Yes	Yes
Site Conditions	Surface Parking Lot	Clear; level	Clear; level	Surface Parking Lot	Clear; level	Minor trees; level
Proposed Use	4-story MF	Townhouse	Townhouse	Townhouse	Townhouse	Townhouse
Planned/Allowable Units	7	2	3	6	4	2
Density/Acre	45.17	12.50	13.89	12.91	12.91	12.91
Approvals	No	No	No	No	No	No
Sale Data						
Sale Date		October 1, 2018	May 18, 2018	April 19, 2018	March 8, 2018	May 30, 2017
Sale Price		\$545,000	\$640,000	\$1,050,000	\$820,000	\$330,000
Days on Market		172	206	104	16	N/A
Grantor		Victoria Crown Development	Victoria Park Townhomes	Sivil Investments LLC	Salt Air Investors 16 LLC	Andres Gomez
Grantee		1119 NE 3rd Street LLC	Sunshine State Builders	Wagner Tire	Solid Inv. Group 7 LLC	617 Victoria Park Villas LLC
Tax ID		504202060560	504202220040-41-42	494234058640	494234058360-61	494234073470
O.R. Book/Page		115376920	115094321	115028892	115006588	114413497
Financing		Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Sale Price/SF of Site Area		\$76.49	\$68.05	\$51.85	\$60.74	\$48.89
Sale Price/Planned Unit		\$272,500	\$213,333	\$175,000	\$205,000	\$165,000
Sale Price/Building SF		N/A	\$66.67	N/A	N/A	\$61.11
Analysis						
Location		0%	0%	0%	0%	0%
Site Size		0%	0%	0%	0%	0%
Topography		0%	0%	0%	0%	0%
Approval Status		0%	0%	0%	0%	0%
Total Adjustments		0%	0%	0%	0%	0%
Adjusted Sale Price/SF of Site Area		\$76.49	\$68.05	\$51.85	\$60.74	\$48.89
Adjusted Sale Price/SF per Zoned/Planned Unit		\$272,500	\$213,333	\$175,000	\$205,000	\$165,000
Adjusted Sale Price/SF per Buildable SF		N/A	\$66.67	N/A	N/A	\$61.11

Comparable Sales Location Map



Analysis of Sales

The goal of this analysis is to identify variations between the subject property and the comparable sales so that the value, if any, of these factors can be measured. Direct comparison between the comparables and the subject property was undertaken. Factors such as property rights conveyed, financing terms, conditions of sale, market conditions (time), location, site size, topography, approval status and zoning/density.

Factors

Ten comparable sales were analyzed and a comparative process was undertaken whereby direct comparison was made between the subject and the comparables. Sales 1 through 5 are EMU zoned sales and Sales 6 through 10 are townhome zoned sales. They are generally considered to bracket the subject property which has a highest and best use greater than a townhome density but less than a high-density EMU site.

Property Rights – All sales were reflective of a sale of fee simple interests. No adjustment is warranted.

Financing Terms – All of the sales were cash purchases or resulted in cash to the seller so no adjustments are warranted for favorable financing terms.

Conditions of Sale – The comparable sales were all sold on an arm's length basis. However, Sale 2 is improved with an old office building on the site. The seller reported the annual net income of the office building was approximately \$80,000. The sale price was adjusted accordingly to account for this interim cash flow that offsets holding costs resulting in an adjusted price of \$3,550,000 down from \$3,875,000.

Market Conditions – Market conditions have generally improved over the past several years but no adjustments are required inasmuch as the selected comparable sales all occurred in 2017 and 2018.

Location – The subject location is also considered in this analysis. Adjustments were applied for differences in location. All of the comparable sales possessed similar locations east of Federal Highway in the greater Victoria Park submarket. However, Sales 2, 3, 4 and 5 are located south in Beverly Heights closer to the Las Olas shopping district. These sales were adjusted downward for superior locational attributes.

Site Size – The physical limitation of the subject lot size/width were presented in the highest and best use analysis. Larger sites can accommodate greater densities which drives up land value. Sales 3, 4 and 5 were adjusted downward accordingly due to their larger site sizes.

Topography – The subject is a surface parking lot above road grade. The sales varied with regard to topography but there were no major differences that require or support an adjustment and none were applied.

Approval Status – The subject property does not have development approval. Sites that sell with approvals tend to sell at a premium since approval risk is mitigated. Sales 4 and 5 were sold as approved and therefore adjusted downward accordingly.

Zoning/Density – Zoning and density is the primary difference between the sales. Sales 1 through 5 are zoned EMU but have been developed at much higher densities than the subject. Sales 6 through 10 are zoned RC-15, RM-10 and RMM-25 and have been developed at non-EMU townhome densities. The adjusted value indicators have been arrayed below to determine if a pattern exists:

Adjusted Comparable Sales Arrayed by Density

Sale No.	Density	\$/Unit	\$/SF Site	\$/SF Bldg
5	171.2	\$41,743	\$164.06	\$46.57
2 & 3	150.0	\$70,645	\$244.28	N/A
4	144.3	\$57,895	\$167.82	\$63.45
1	89.7	\$85,714	\$176.46	\$38.71
SUBJECT	45.2			
7	14.0	\$213,333	\$66.67	\$66.67
8,9 & 10	12.9	\$181,667	\$53.83	\$61.11
6	12.5	\$272,500	\$76.49	N/A

For purposes of this analysis, comparable sales 2 & 3 and 8, 9 & 10 were combined and average indicators were used. Additionally, Sales 2 & 3 were assumed to have a density of 150 units per acre which is between Sales 4 and 5 which are nearby.

As expected, a corresponding pattern is reflected based on density whereby the higher density EMU sales produce higher price per square foot of site area but less per unit than townhome zoned land sales. The price per buildable square foot is relatively consistent.

Price per Unit – Using interpolation, it is expected the subject indicator would fall between the density of Sale 1 at 89.7 and Sale 7 at 14, at approximately \$160,000 per unit or \$1,120,000.

Price per Square Foot of Site Area – Using interpolation, it is expected the subject indicator would fall between the density of Sale 1, at \$176.46, and Sale 7, at \$66.67, at approximately \$112 per square foot, or \$762,716 or \$763,000 rounded per unit.

Price per Square Foot of Sellable/Rentable SF – The sale prices per square of sellable/rentable averaged \$55.30 per square foot of buildable area. Townhouse indicators fell between \$61.11 and \$67.67 per square foot. The subject more closely resembles townhome development than high rise rental apartments. Therefore, a figure of \$62.50 is deemed appropriate for the subject. When applied to the potential sellable area of the subject at 14,000 square feet a value indicator of \$875,000 results.

The three methodologies result in the following value indications:

Methodology	Indicator
SP per Unit	\$1,120,000
SP SF Site Area	\$763,000
SP SF Sellable Area	\$875,000

The value indicators form a reasonable range given market imperfections reflecting an average of \$919,333. Each methodology has its respective strengths and weakness.

Therefore, upon consideration of the factors which affect value and as a result of our investigation and analysis, the Market Value “As Is” of the fee simple interest in the subject real property, as of October 15, 2018 is estimated to be \$920,000.

**NINE HUNDRED TWENTY THOUSAND DOLLARS
(\$920,000)**

As an additional check on value, it is often useful to measure residential land value as a percentage of potential gross sellout of residential units. In the case of the subject, it is preliminarily thought that the site could support seven (7) residential units at an approximate size of 2,000 square feet per unit for a total sellable area of 14,000 square feet. New townhome product in Victoria Park currently ranges from \$315 to \$450 per square foot. Application of these parameters to the potential sellable area results in a range of potential sellouts from \$4.4 million to \$6.3 million. Typically, land ranges from 15% to 20% of sellout in residential developments. A land value of \$920,000 equates to between 14.6% and 20.9% of the range of potential gross sellouts and is well supported. Using an average sale price per square foot of \$382.50 results in a ratio of 17.2% for land at the estimated value of \$920,000. This is well within the acceptable range typically desired by residential developers.

ADDENDA

ASSUMPTIONS & LIMITING CONDITIONS

Basic Assumptions and Limiting Conditions

This appraisal report is made expressly subject to the following assumptions and limiting conditions and any special limiting conditions contained in the report, which are incorporated herein by reference.

This appraisal represents the best opinion of the appraiser(s) as to Market Value and Prospective Value of the property as of the appraisal date. The terms "Market Value" and "Prospective Value" are defined in the appraisal report.

The legal description furnished is assumed to be correct. The appraiser(s) assumes no responsibility for matters legal in character, nor does he/she render any opinion as to the title, which is assumed to be good. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.

Any sketch in this report is included to assist the reader in visualizing the property. The appraiser(s) has made no survey of the property and assumes no responsibility in connection with such matters.

The appraiser(s) believes to be reliable the information which was furnished by others, but he/she assumes no responsibility for its accuracy.

Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by any but the client, without the previous written consent of the appraiser(s) or the client, and then, only with proper qualification.

The appraiser(s) is not required to give testimony in deposition or in court, or give testimony at a governmental hearing by reason of this appraisal with reference to the property in question, unless arrangements have been previously made with the approval of the appraiser(s). Said arrangements must be prior to 30 days of the anticipated date. Further, the appraiser(s) reserves the right to consider and evaluate additional data that becomes available between the date of this report and the date of trial, if applicable, and to make any adjustments to the value opinions that may be required.

No testimony will be rendered unless the entire appraisal fee has been paid. Further, all testimony will be subject to expert witness fees previously approved by the appraiser(s).

The distribution of the total value 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 and are invalid if so used.

The land, and particularly the soil, of the area under appraisement appear firm and solid. Subsidence in the area is unknown or uncommon, but this appraiser(s) does not warrant against this condition or occurrence. Subsurface rights (mineral and oils) were not considered in making this appraisal.

The appraiser(s) carefully inspected the buildings involved in this appraisal report and damage, if any, by termites, dry rot, wet rot, or other infestations, was reported as a

matter of information by the appraiser(s), but he/she does not guarantee the amount or degree of damage, if any.

All furnishings and equipment, except those specifically indicated and typically considered as a part of real estate, have been disregarded by the appraiser(s). Only the real estate has been considered.

The comparable sales data relied upon in this appraisal are believed to be from reliable sources; however, it was not possible to inspect the interiors of all of the comparables, and it was necessary to rely on information furnished by others as to physical and economic data.

The appraiser(s) has inspected, as far as possible, the land and the improvements thereon; however, it was not possible to personally observe conditions beneath the soil or hidden structural components within the improvements; therefore, no representations are made herein as to these matters and, unless specifically considered in the report, the value estimate is subject to any such conditions that could cause loss in value. Conditions of heating, cooling, ventilating, electrical and plumbing equipment is considered to be commensurate with the conditions of the balance of the improvements, unless otherwise stated.

Disclosure of the contents of this appraisal report is governed by the Bylaws and Regulations of the Appraisal Institute.

Unless otherwise stated in the report, the existence of hazardous substances including, without limitation, asbestos, radon gas, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of the appraiser(s), nor did the appraiser(s) become aware of such during the appraiser's inspection. The appraiser(s) has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser(s), however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it 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 appraisal is as of the date specified and covers the legally described property only. The current purchasing power of the U.S. Dollar is the basis for the value reported. The appraiser(s) assumes no responsibility for economic or physical factors occurring at some later date, which may affect the opinions herein stated.

This appraisal is presented as a complete, bound report, and may be considered valid only so long as it is presented in its entirety. Further, all pages listed in the Table of Contents must be present and the appraiser's signature accompanied by the raised seal.

Neither all, nor any part of the content of the report, or copy thereof, [including conclusions as to the property value, the identity of the appraiser(s), or the firm with which the appraiser(s) is connected], shall be used for any purposes by anyone but the

client specified in the report, the mortgagee or its successors and assigns, mortgage insurer, consultants, professional appraisal organizations, any state or federally approved financial institution, any department, agency or instrumentality of the United States or any State, or the District of Columbia, without the previous written consent of the appraiser(s); nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales or other media, without the written consent and approval of the appraiser(s).

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The appraiser(s) has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraiser(s) has no direct evidence relating to this issue, the appraiser(s) did not consider possible non-compliance with the requirements of ADA in estimating the value of the property. The appraiser(s) recommends that the entities affected by the Act conduct an "ADA Audit" of the facilities. The ADA Audit should be performed by competent legal professionals who are familiar with the detail and specificity of the Act, in conjunction with architects and engineers versed in its technical requirements. The cost to cure any non-compliant item(s) may serve to reduce the value estimate contained in this report and the appraiser(s) assumes no responsibility for any such condition, or for any expertise or engineering knowledge required to discover them.

Acceptance of delivery or the payment for this report constitutes acceptance of these conditions and all other contingent conditions set forth herein.

DEFINITIONS

APPRAISAL DEFINITIONS

Absolute net (bond) lease. A lease in which the tenant is responsible for payment of all expenses including but not limited to real estate taxes, insurance, maintenance, utilities, janitorial and structural repairs. The intent of this lease type is that the landlord absorbs no expenses relating to the operation or repair of the leased space.

Aggregate of retail values (ARV). The sum of the appraised values of the individual units in a subdivision, as if all of the units were completed and available for retail sale, as of the date of the appraisal. The sum of the retail sales includes an allowance for lot premiums, if applicable, but excludes all allowances for carrying costs.

Appraisal. (Noun) The act or process of developing an opinion of value. (Adjective) Of or pertaining to appraising and related functions such as appraisal practice or appraisal services.

Client. The party or parties who engages an appraiser (by employment or contract) in a specific assignment.

Discounted cash flow (DCF) analysis. The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams as well as the quantity and timing of the reversion and discounts each to its present value at a specified yield rate. DCF analysis can be applied with any yield capitalization technique and may be performed on either a lease-by-lease or aggregate basis.

Effective rent. The rental rate net of financial concessions such as periods of no rent during the lease term; may be calculated on a discounted basis, reflecting the time value of money, or on a simple, straight-line basis.

Extraordinary assumption. An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions.

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

Floor area ratio (FAR). The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area. See also land-to-building ratio.

Full service lease. A lease in which the landlord is responsible for payment of all expenses pertaining to real estate taxes, insurance, maintenance, all utilities and janitorial.

Going-concern value.

1. The market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; also called value of the going concern.
2. Tangible and intangible elements of value in a business enterprise resulting from factors such as having a trained work force, an operational plant, and the necessary licenses, systems, and procedures in place.
3. The value of an operating business enterprise. Goodwill may be separately measured but is an integral component of going-concern value.

Gross lease. A lease in which the landlord is responsible for payment of all expenses pertaining to real estate taxes, insurance, and maintenance, but not tenant utilities and janitorial.

Highest and best use. 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 profitability.

Hypothetical condition. That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. A hypothetical condition may be used in an assignment only if:

- Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;
- Use of the hypothetical condition results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions.

Industrial gross lease. A lease in which the landlord is responsible for all payment of all expenses pertaining to base year real estate taxes, base year insurance, and maintenance, but not tenant utilities and janitorial. Tenant is responsible for any increases over base year (first lease year) real estate taxes and insurance.

Inspection, property inspection. In accordance with generally accepted appraisal standards an inspection is the act of touring or viewing a property. It is a cursory or superficial visual observation of the property which is not intended to be confused with an assessment of a building, structure or mechanical systems performed by a professional engineer or general contractor.

Intended use. The use or uses of an appraiser's reported appraisal, consulting, or review assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment.

Intended user. The client and any other party as identified, by name or type, as users of the appraisal, consulting, or review report, by the appraiser based on communication with the client at the time of the assignment.

Investment value. The value of a property interest to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.

Leased fee estate. An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.

Market value. As defined in the Agencies' appraisal regulations, the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in 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:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interest;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. Dollars, or in terms of financial arrangements comparable thereto; and
5. the price represents a normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

SOURCE: Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472.

Neighborhood shopping center. The smallest type of shopping center, generally with a gross leasable area of less than 100,000 square feet. Typical anchors include supermarkets and pharmacies. Neighborhood shopping centers offer convenience goods and personal services, and usually depend on the market support of more than 1,000 households.

Net lease. A lease in which the tenant is responsible for expenses payment of all expenses pertaining to real estate taxes, insurance, maintenance, utilities and janitorial. The landlord is responsible only for expenses relating to structural repairs.

Overall capitalization rate (R_o). An income rate for a total real property interest that reflects the relationship between a single year's net operating income expectancy and the total property price or value; used to convert net operating income into an indication of overall property value ($R_o = I_o/V_o$).

Personal property. Identifiable portable and tangible objects which are considered by the general public as being "person", e.g. furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment; all property that is not classified as real estate.

Prospective value estimate. A forecast of the value expected at a specified future date. A prospective value estimate is most frequently sought in connection with real estate projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written.

Retrospective value opinion. An opinion of value that is likely to have applied as of a specified historic date. A retrospective value opinion is most frequently sought in connection with appraisals for estate tax, condemnation, inheritance tax, and similar purposes.

Scope of work. The type and extent of research and analyses in an assignment.

Shell space. Space in which no interior finishing has been installed, including even basic improvements such as ceilings, interior walls and floor coverings.

Use value.

1. In economics, the attribution of value to goods and services based upon their usefulness to those who consume them.
2. In real estate appraisal, the value a specific property has for a specific use; may be the highest and best use of the property or some other use specified as a condition of the appraisal; may be used where legislation has been enacted to preserve farmland, timberland, or other open space land on urban fringes.

Vacancy and collection loss. An allowance for reductions in potential income attributable to vacancies, tenant turnover, and nonpayment of rent; also called *vacancy and credit loss* or *vacancy and contingency loss*.

Variable expenses. Operating expenses that generally vary with the level of occupancy or the extent of services provided.

Yield capitalization. The capitalization method used to convert future benefits into present value by discounting each future benefit at an appropriate yield rate or by developing an overall rate that explicitly reflects the investment's income pattern, value change, and yield rate.

Yield rate (Y). A rate of return on capital, usually expressed as a compound annual percentage rate. A yield rate considers all expected property benefits, including the proceeds from sale at the termination of the investment. Yield rates include the interest rate, discount rate, internal rate of return (*IRR*), overall yield rate (Y_O) and equity yield rate (Y_E).

RAC-EMU ZONING

Sec. 47-13.2.1. - Intent and purpose of each district.

- A. *Downtown Regional Activity Center (RAC)*. This land use designation applies to the geographic area containing a mixture of large scale business, cultural, educational, governmental and residential uses which are in close proximity to mass transit resources (airport, port, rail and bus terminal). The purpose is to foster an active downtown within which one can work, live, entertain and shop without commuting to other districts in the city. The various RAC districts are described below.
1. *RAC-CC City Center District* is the city's high-intensity downtown zoning district, and is intended to be applied to the central downtown core area as a means of accommodating a wide range of employment, shopping, service, cultural, higher density residential and other more intense land uses. The RAC-CC zoning district will permit mixed use development including high intensity commercial uses, as well as downtown residential housing. Commercial retail uses will be required on the ground floor of buildings on those streets where pedestrian activity is encouraged. In order to ensure that development along the boundaries of the RAC-CC district will be compatible with adjacent zoning districts, properties abutting the edges of the RAC-CC district will be subject to regulations that provide a transition from the very intense and dense uses found within the central urban core.
 2. *RAC-AS Arts and Sciences District* is the city's downtown arts and sciences cultural district. It is located in those areas where cultural, civic entertainment, institutional and other complementary high-activity land uses draw patrons from the surrounding region.
 3. *RAC-UV Urban Village District* is intended to support the RAC-CC district by providing a mix of uses including institutional, office, commercial and residential. This area will encourage housing for the Downtown RAC. The RAC-UV regulations require ground floor retail, service and arts activity on the main street where pedestrians are encouraged. Also, residential uses will be permitted above business uses and encouraged to be located abutting the public street/sidewalk to promote an urban character.
 4. *RAC-RPO Residential and Professional Office District* is intended to promote the preservation and enhancement of existing low-density residential neighborhoods south of the downtown area while providing for the continued development of neighborhood-serving commercial land uses, and professional and office uses similar to those which typically complement nearby governmental, judicial and medical centers.
 5. *RAC-TMU Transitional Mixed-Use District* is intended to provide three transition areas between the high intensity RAC-CC, district and the lower intensity residential neighborhoods which abut the RAC. The area is intended to support the city center by allowing a wide range of employment, shopping, service, cultural and higher density residential neighborhoods. This area includes the expansion area where the downtown's urban core was expanded so as to provide a transition area surrounding the central urban core in order to protect the adjacent areas. There are three TMU areas identified along the perimeter of the higher intensity RAC districts.
 - a. The *East Mixed Use (EMU)* is located east of the RAC-CC district, and includes residential areas on either side of Las Olas Boulevard and commercial business uses along Federal Highway and Las Olas Boulevard. Regulations within the EMU are designed to provide for a transition from intense uses permitted within the RAC-CC district to those established neighborhoods east of the EMU.
 - b. The *West Mixed Use (WMU)* is located north of the RAC-AS district and encompasses portions of the Sailboat Bend neighborhood fronting on NW 7 Avenue. Regulations within the WMU are designed to blend with adjacent neighborhoods such as City View, Dorsey Riverbend and Regal Trace and promote mixed use development to support the RAC-CC district, as well as create a "gateway" to the RAC-CC district.
 - c. The *Southwest Mixed Use (SMU)* is located south of the RAC-AS district, along the New River to S.W. 7th Street. Development in this area is intended to preserve marine related uses, as well as promote mixed use development to support the RAC-CC district while blending with the Tarpon River community.
- B. *South Regional Activity Center (SRAC)*.
1. *South Regional Activity Center (SRAC)*. This land use designation applies to the geographical area containing a mixture of professional office, small to medium scale businesses, cultural and residential uses. The purpose is to

foster an active pedestrian friendly environment while maintaining the established eclectic atmosphere of the area.

- a. SRAC-SA is intended to promote an active urban environment with a mix of uses characteristic of the traditional character of the South Andrews neighborhood. To this end, the district will allow residential and mixed-use development to create a true urban area complete with both daytime and evening activity. This will be accomplished by requiring the following: high quality buildings with minimal setbacks and oriented to provide light and air at the street level, active occupied spaces at the ground floor and enhanced streetscape consisting of tree-lined streets encouraging an active and comfortable pedestrian environment. Landscaping should be consolidated into useable park-like areas consisting of plazas and open space. On-site parking will be designed in such a way that the vehicle will be as imperceptible as possible and interference with pedestrian pathways minimized. Crime Prevention through Environmental Design (CPTED) principles shall be incorporated in the design of the streets, parking areas and public areas in a manner that makes the area less attractive to criminal activities. SRAC-SA has been further refined to distinguish between SRAC-SA east (SRAC-SAe) and SRAC-SA west (SRAC-SAw) zoning district.
 - i. The SRAC-SAw zoning district is intended to be an area of more intensive uses consisting of heavy non-residential business uses, wholesale, warehousing, storage operations and establishments conducting activities of the same general character as well as those uses intended to meet the shopping and service needs of the community. Residential uses are permitted and encouraged to promote a diverse character. The SRAC-SAw zoning district is located west of those properties abutting SW 1st Avenue and follows the zoning line of the previous Heavy Commercial/Light Industrial Business District (B-3) zoning district of the area to the east portion of the FEC corridor.
 - ii. The SRAC-SAe zoning district is intended to meet the shopping and service needs of the community as well as limited wholesale uses. Residential uses are permitted and encouraged to promote a diverse character. The SRAC-SAe zoning district is generally located within the same zoning boundaries of the previous Community Business District (CB) zoning district of the area.
- C. *Northwest Regional Activity Center (NWRAC)*. This land use designation applies to the geographical area containing a mixture of small to medium scale businesses, cultural and residential uses. The purpose is to foster an active pedestrian friendly environment while maintaining the established historic and eclectic atmosphere and cultural diversity of the area through long-term sustainable redevelopment and adaptive reuse.
 1. *NWRAC-MU Northwest Regional Activity Center Mixed Use* is intended to promote and enhance the existing commercial and residential character of the main corridors of the NWRAC by providing a wide range of employment, shopping, services, cultural and residential opportunities through allowing a mix of residential and non-residential uses. These areas include higher densities along the corridors transitioning to the lower densities and intensities of the surrounding zoning districts subject to adopted regulations.

(Ord. No. C-97-19, § 1(47-13.2), 6-18-97; Ord. No. C-10-50, § 1, 1-4-11; Ord. No. C-14-51, § 1, 1-21-15)

Note— Formerly § 47-13.2.

Sec. 47-13.10. - List of permitted and conditional uses, Regional Activity Center-City Center (RAC-CC); Regional Activity Center-Arts and Science (RAC-AS); Regional Activity Center-Urban Village (RAC-UV); Regional Activity Center-Residential Professional Office (RAC-RPO); Regional Activity Center-Transitional Mixed Use (RAC-TMU); South Regional Activity Center-South Andrews east (SRAC-SAe); South Regional Activity Center-South Andrews west (SRAC-SAw); Northwest Regional Activity Center-Mixed Use northeast (NWRAC-MUe), Northwest Regional Activity Center-Mixed Use east (NWRAC-MUe) & Northwest Regional Activity Center-Mixed Use west (NWRAC-MUw) collectively known as NWRAC-MU.

District Categories —Automotive; Boats, Watercraft and Marinas; Commercial Recreation; Food and Beverage Sales and Service; Light Manufacturing; Lodging; Manufacturing; Public Purpose Facilities; Residential Uses; Retail Sales; Services/Office Facilities, Including Wholesale Service; Services/Office Facilities; Storage Facilities; Wholesale Sales; and Accessory Uses, Buildings and Structures.

Use Type	Zoning District

	RAC- CC	RAC- AS	RAC- UV	RAC- RPO	RAC- TMU	SRAC- SAe	SRAC- SAw	NWRAC- MUe	NWRAC- MUw	NWRAC- MUne
Key:										
P Permitted										
C Conditional										
Automotive										
Automotive Parts & Supplies Store (installation in wholly enclosed buildings including wholesale sales in the SRAC-SAw NWRAC-MUne, NWRAC-MUe and NWRAC-MUw zoning districts)	P		P	P	P	P	P	P	P	P
Automotive Repair Shop, Major Repair, see Section 47-18.4							P			P
Automotive Repair Shop, Minor Repair, see Section 47-18.4	P									P
Automotive Sales, Rental, new or used vehicles, see Section 47-18.3 (only permitted when abutting Federal Highway in the RAC-CC, RAC-UV and RAC-TMU zoning districts)	P		P		P		P			P

Automotive Service Station, see Section 47-18.5 (only permitted when abutting Federal Highway and Broward Boulevard in RAC-TMU; abutting Federal Highway and Andrews Ave in RAC-RPO; abutting Federal Highway in RAC-CC and RAC-UV zoning districts)	P		P	P	P	P	P	P	P	P
Car Wash, Automatic, see Section 47-18.7 (Car Wash, Outdoor Hand-wash permitted as conditional use in SRAC-SAw and NWRAC-MUe, NWRAC-MUw and NWRAC-MUw zoning districts)	P						P	C	C	C
Motorcycle/Moped Sale, wholesale sales permitted							P			P
Recreation Camper and Trailers, Sales and Rental, new or used, wholesale sales permitted, see Section 47-18.27							P			
Taxi Lot/Operations							P			
Tire sales, including Retreading and Service (wholesale sales permitted in SRAC-Saw)	P				P		P			P

Boats, Watercraft and Marinas										
Charter and Sightseeing Boat, see Section 47-23.8	P	C			C		C	C	C	C
Hotel Marina, see Section 47-23.8	P	C			C		C			
Marina, see Section 47-23.8	P	C		C	C	C	C	C	C	C
Marine Parts and Supplies Store	P	P	P	P	P	P	P	P	P	P
Marine Service Station, see Section 47-18.20	P	C			C		C			
Sailmaking							P			
Shipyard							C			
Watercraft Repair, major repair, see Section 47-18.37							P			
Watercraft Repair, minor repair, see Section 47-18.37 (only allowed within the NWRAC-MUe)								C	C	C
Watercraft Sales and Rental, new or used, see Section 47-18.36 (restricted to S.W. 7th Avenue and accessory uses in RAC-AS), (only allowed within the NWRAC-MUe and NWRAC-MUe)	P	P					P	C	C	C
Commercial Recreation										

Amphitheater		C						P	P	P
Billiard Parlor	P		P			P	P	P	P	P
Bingo Hall							P	P	P	P
Bowling Alley					P		P	P	P	P
Indoor Firearms Range, see Section 47-18.18							C			
Indoor Motion Picture Theater (fewer than 5 screens in RAC-UV; SRAC-SAe and NWRAC-MUe, NWRAC-MUe and NWRAC-MUw zoning districts)	P	P	P	P	P	P	P	P	P	P
Performing Arts Theater, less than 300 seats (unlimited seating permitted in SRAC-SAw zoning district)	P	P	P	P	P	P	P	P	P	P
Professional Sports Clubs, including facilities such as arenas, stadiums, athletic fields and skating centers	P									
Food and Beverage Sales and Service										
Bakery Store	P	P	P	P	P	P	P	P	P	P
Bar, Cocktail Lounge, Nightclub	P	P	P	P	P	P	P	P	P	P
Cafeteria	P	P	P	P	P	P	P	P	P	P
Candy, Nuts Store	P	P	P	P	P	P	P	P	P	P
Catering Service	P		P		P		P	P	P	P

Delicatessen	P	P	P	P	P	P	P	P	P	P
Food and Beverage, Drive-Thru and Carryout (no Drive- Thru permitted in the RAC-CC zoning district) (no Carryout permitted RAC-UV zoning district)	P		P	P	P	P	P	P	P	P
Fruit and Produce Store	P		P	P	P	P	P	P	P	P
Grocery/Food Store (Convenience Store prohibited in the NWRAC-MUe, NWRAC-MUe and NWRAC-MUw zoning districts)	P	P	P	P	P	P	P	P	P	P
Ice Cream/Yogurt Store	P	P	P	P	P	P	P	P	P	P
Liquor Store	P		P	P	P	P	P			
Meat and Poultry Store	P		P	P	P	P	P	P	P	P
Restaurant	P	P	P	P	P	P	P	P	P	P
Seafood Store	P		P	P	P	P	P	P	P	P
Supermarket	P		P	P	P	P	P	P	P	P
Wine Specialty Store								P	P	P
Light Manufacturing										
Apparel, Textile, Canvas and related uses							P			
Contractor's yards							P			

Processing and assembly of previously prepared materials							P			
Lodging										
Bed and Breakfast Dwelling, see Section 47-18.6	P	P	P	P	P	P	P	P	P	P
Hotel, see Section 47-18.16	P	P	P	P	P	P	P	P	P	P
Manufacturing*										
*Permitted only when contiguous to or separated by no more than a 60-foot public right-of-way from a railroad right-of-way in the RAC-CC, RAC-AS, RAC-UV, RAC-RPO, & RAC-TMU zoning districts.										
Apparel, Textile, Canvas and related uses	P		P	P	P		P			
Contractor's yards	P		P	P	P		P			
Industrial Machinery and Equipment	P		P	P	P					
Processing and assembly of previously prepared materials	P		P	P	P		P			
Public Purpose Facilities										
Active and Passive Park	P	P	P	P	P	P	P	P	P	P
Addiction Treatment Center, see Section 47-18.31	C	C	C	C	C	C	C			
Bus Terminal, Railroad Station, Transportation Terminal	P						P			
Civic and Private Club Facility	P	P	P	P	P	P	P	P	P	P

College, University	C		P					P	P	P
Communication Towers, Structures, and Stations, see Section 47-18.11							C	C	C	C
Conservation Area	P		P							
Courthouse	P							P	P	P
Cultural, Educational and Civic Facility	P				P			P	P	P
Detention Center, Jail	C									
Fire Facility	P									
Food Distribution Center, see Section 47-18.31	C	C	C	C	C	C	P			
Government Facility	P		P	P	P	P	P	P	P	P
Helistop, see Section 47-18.14	C									
Hospital, Medical and Public Health Clinic	C					C	P	C	C	C
House of Worship	P		P	P	P	P	P			
Indoor Firearms Range, see Section 47-18.18	C									
Indoor and Outdoor Recreational Facility	P									
Library	P	P	P	P	P	P	P	P	P	P
Museum and Art Gallery	P	P	P	P	P	P	P	P	P	P
Police and Fire Substation	P	P	P	P	P	P	P	P	P	P

Post Office Branch/Substation	P		P	P	P	P	P	P	P	P
Public Maintenance and Storage Facility	P									
Public/Private Meeting Rooms	P							P	P	P
Public/Private Recreation		P	P	P	P	P	P	P	P	P
Railroad Freight							P			
Radio Station (digital)/Broadcast								P	P	P
School, including trade/business school (permitted in RAC-UV only when contiguous to or separated by on more than a 60-foot public right-of-way from a railroad right-of-way)	P		P	P	P	P	P	P	P	P
Social Service Facility-General, see Section 47-18.31	C	C	C	C	C		C			
Social Service Residential Facility, see Section 47-18.32	C	C	C	C	C	C	C	C	C	C
Residential Uses										
Single-Family Dwelling, Standard			P	P	P	P	P			
Cluster Dwellings, see Section 47-18.9			P	P	P	P	P			

Coach Homes, see <u>Section 47-18.10</u>	P	P	P	P	P	P	P			
Multi-family Dwelling	P	P	P	P	P	P	P	P	P	P
Rowhouse, see <u>Section 47-18.28</u>	P	P	P	P	P	P	P			
Townhouse, see <u>Section 47-18.33</u>			P	P	P	P	P	P	P	P
Two-Family/Duplex Dwellings			P	P	P	P	P			
Zero Lot Line Dwelling, see <u>Section 47-18.38</u>			P	P	P	P	P			
Retail Sales										
(*Including Wholesale Sales)										
Antiques Store	P	P	P	P	P	P	*P	P	P	P
Apparel/Clothing, Accessories Store	P	P	P	P	P	P	*P	P	P	P
Apothecary		P								
Art Galleries, Art Studio, Dealer	P	P	P	P	P	P	*P	P	P	P
Arts & Crafts Supplies Store	P	P	P	P	P	P	*P	P	P	P
Bait and Tackle Store	P	P	P	P	P	P	*P	P	P	P
Bicycle Shop	P	P	P	P	P	P	*P	P	P	P
Book Store	P	P	P	P	P	P	*P	P	P	P

Building Supplies, Materials and Equipment with Outdoor Storage, see <u>Section 47-19.9</u> (In the RAC-CC this use is only permitted as Wholesale Sales and only when contiguous to or separated by no more than a 60-foot public right-of-way from a railroad right-of-way.)	P									
Camera, Photographic Supplies Store	P	P	P	P	P	P	*P	P	P	P
Candle Shop		P						P	P	P
Card & Stationery Store	P	P	P	P	P	P	*P	P	P	P
Cigar, Tobacco Store	P	P	P	P	P	P	*P	P	P	P
Computer/Software Store	P		P	P	P	P	*P	P	P	P
Consignment, Thrift Store	P		P	P	P	P	*P	P	P	P
Cosmetics, Sundries Store	P		P	P	P	P	*P	P	P	P
Department Store	P		P	P	P	P	*P	P	P	P
Fabric, Needlework, Yarn Shop	P	P	P	P	P	P	*P	P	P	P
Firearms Store (In the SRAC-SAw zoning district this use is only permitted as Wholesale Sales.)							P			

Flooring Store	P		P	P	P	P	*P	P	P	P
Florist Shop	P	P	P	P	P	P	*P	P	P	P
Furniture Store	P		P	P	P	P	*P	P	P	P
Gasoline Sales on restored premises originally designed for this purpose		P								
General Store in character with historic district		P								
Gifts, Novelties, Souvenirs Store	P	P	P	P	P	P	*P	P	P	P
Glassware, China, Pottery Store	P	P	P	P	P	P	*P	P	P	P
Hardware Store	P		P	P	P	P	*P	P	P	P
Hobby Items, Toys, Games Store	P	P	P	P	P	P	*P	P	P	P
Holiday Merchandise, Outdoor Sales, see Section 47-18.15	P	P	P	P	P	P	*P	P	P	P
Home Improvement Center (abutting railroad track only in RAC-CC zoning district)	P				P		*P			
Household Appliances Store	P		P	P	P	P	*P	P	P	P
Jewelry Store	P	P	P	P	P	P	*P	P	P	P
Lawn and Garden Center, Outdoor Display (abutting railroad track only in RAC-CC zoning district)	P		P	P	P	P	*P	P	P	P

Linen, Bath, Bedding Store	P	P	P	P	P	P	*P	P	P	P
Luggage, Handbags, Leather Goods Store	P		P	P	P	P	*P	P	P	P
Lumber Yards							*P			
Medical Supplies Store	P		P	P	P	P	*P	P	P	P
Mobile Vendor, see Section 47-18.22	P		P				P	P	P	P
Music, Musical Instruments Store	P	P	P	P	P	P	*P	P	P	P
Newspapers, Magazines Store	P	P	P	P	P	P	*P	P	P	P
Nursery, Plants, Flowers							*P	P	P	P
Office Supplies, Equipment Store	P		P	P	P	P	*P	P	P	P
Optical Store	P	P	P	P	P	P	*P	P	P	P
Paint, Wallpaper Store	P		P	P	P	P	*P	P	P	P
Party Supply Store	P	P	P	P	P	P	*P	P	P	P
Pawn Shop							*P			
Pet Store	P		P	P	P	P	*P	P	P	P
Pharmacy	P	P	P	P	P	P	*P	P	P	P

Plumbing Equipment Sales (Only permitted as Wholesale Sales and only when contiguous to or separated by no more than a 60-foot public right-of-way from a railroad right-of-way.)	*P									
Pump and Well Sales (Only permitted as Wholesale Sales and only when contiguous to or separated by no more than a 60-foot public right-of-way from a railroad right-of-way.)	*P									
Restaurant and Hotel Equipment Sales (Only permitted as Wholesale Sales and only when contiguous to or separated by no more than a 60-foot public right-of-way from a railroad right-of-way.)	*P									
Security Systems			P	P		P	P	P	P	P
Shoe Store	P	P	P	P	P	P	*P	P	P	P
Shopping Center				P	P	P	*P	P	P	P
Silversmith		P								

Sign Sales (Only permitted as Wholesale Sales permitted and only when contiguous to or separated by no more than a 60-foot public right-of-way from a railroad right-of-way.)	*P									
Sporting Goods Store	P		P	P	P	P	*P	P	P	P
Swimming Pools, Hot Tubs & Spas, supplies and service (In the RAC-CC this use is permitted as Wholesale Sales when contiguous to or separated by no more than a 60-foot public right-of-way from a railroad right-of-way.)	*P				P		*P			
Tapes, Videos, Music CD's Store	P	P	P	P	P	P	*P	P	P	P
Woodcraft		P								
Services/Office Facilities										
(*Including Wholesale Service)										
Auction House		P	*P		P		*P			
Check Cashing Store	P		*P	P	P	*P	*P			
Child Day Care Facilities, Corporate/Employee Sponsors, see Section 47-18.8							*P	P	P	P

Child Day Care Facilities, Large, see Section 47-18.8	P		P	P	P		*C	C	C	C
Contractors			*P				*P	P	P	P
Copy Center	P		*P	P	P	*P	*P	P	P	P
Dry Cleaner, see Section 47-18.12 (laundering plant permitted only in RAC-UV, SRAC-SAw zoning districts)	P		*P	P	P	*P	*P	P	P	P
Equipment Rental							*P			
Film Processing Store	P	P	*P	P	P	*P	*P	P	P	P
Financial Institution, including Drive-Thru Banks	P		*P	P	P	*P	*P	P	P	P
Formal Wear, Rental	P		*P	P	P	*P	*P	P	P	P
Fortunetellers and Psychic Readers							*P			
Funeral Home			*P				*P	P	P	P
Hair Salon	P	P	*P	P	P	*P	*P	P	P	P
Health and Fitness Center	P	P	*P	P	P	*P	*P	P	P	P
Helistop, see Section 47-18.14	C									
Instruction: Fine Arts, Sports and Recreation, Dance, Music, Theater	P	P	*P	P	P	*P	*P	P	P	P
Interior Decorator	P	P	*P	P	P	*P	*P	P	P	P

Laundromat, see Section 47-18.19	P		*P	P	P	*P	*P	P	P	P
Mail, Postage, Fax Service	P	P	*P	P	P	*P	*P	P	P	P
Massage Therapist	P		*P	P	P	*P	*P	P	P	P
Medical/Dental Office/Clinic	P		*P	P	P	*P	*P	P	P	P
Mover, Moving Van Service							*P			
Nail Salon	P	P	*P	P	P	*P	*P	P	P	P
Nursing Home, see Section 47-18.23	P				P	*C	*C	C	C	C
Parking Facility, see Section 47-20	P	P	*P	P	P	*P	*P	P	P	P
Personnel Services, including Labor Pools	P		*P	P	P	*P	*P	P	P	P
Pest Control			*P				*P			
Pet Boarding Facility, Domestic Animals Only							*P			
Photographic Studio	P	P	*P	P	P	*P	*P	P	P	P
Professional Office	P	P	*P	P	P	*P	*P	P	P	P
Publishing Plant			*P				*P	P	P	P
Security Systems	P		*P	P	P	*P	*P	P	P	P
Senior Citizen Center, see Section 47-18.30	P		*P	P	P	*P	*P	P	P	P
Shoe Repair, Shoe Shine	P	P	*P	P	P	*P	*P	P	P	P

Tailor, Dressmaking Store, Direct to the Customer	P	P	*P	P	P	*P	*P	P	P	P
Tanning Salon	P	P	*P	P	P	*P	*P	P	P	P
Tattoo Artist	P	P	*P	P	P	*P	*P	P	P	P
Taxidermist			*P				*P			
Travel Agency	P	P	*P	P	P	*P	*P	P	P	P
Veterinary Clinic, see Section 47-18.35			*P	P	P	*P	*P	P	P	P
Warehouse Facility			*P							
Watch and Jewelry Repair	P	P	*P	P	P	*P	*P	P	P	P
Storage Facilities										
*Permitted only when contiguous to or separated by no more than a 60-foot public right-of-way from a railroad right-of-way in the RAC-CC, RAC-AS, RAC-UV, RAC-RPO, & RAC-TMU zoning districts.										
Automotive Wrecking and Salvage Yards, Junk Yards, see Outdoor Storage of good and materials, see Section 47-19.9	*P									
Self Storage Facility, see Section 47-18.29	*C						P			
Warehouse Facility	*P		*P				P			
Accessory Uses, Buildings and Structures (See Section 47-19)										
Accessory uses to Hotels, see Section 47-19.8	P	P	P	P	P	P	P	P	P	P

Catering Services (accessory to restaurant, bakery or performing arts theatre in RAC-CC zoning district)	P	P				P	P	P	P	P
Child Day Care - Corporate/Employee Sponsors when accessory to professional office, see Section 47-18.8	P	P	P	P	P	P	P	P	P	P
Concessions, accessory to parks, including refreshment stands, pro shops, souvenir shops	P							P	P	P
Electronic Installation, when accessory to electronic sales, only in wholly enclosed building	P				P			P	P	P
Film Processing, when accessory to a permitted use (when accessory to a pharmacy or copy center in RAC-TMU zoning district)					P	P	P	P	P	P
Outdoor Dining and Sidewalk Cafés, see Section 47-19.9	P	P	P	P	P	P	P	P	P	P
Outdoor storage, see Section 47-19.9							P			
Parks Maintenance and Administrative Facility	P									

Public Restrooms, when accessory to a park	P									
Utility Facilities incidental to other uses	P									
Video Games Arcade, when accessory to a shopping center	P				P		P	P	P	P
Warehouse Facilities							P			
Watercraft Rental Facility, see Chapter 8, Article V, Division 3 of Volume I of this Code, and <u>Section 47-23.7</u>	P									
Watercraft Sales and Rental, new or used when accessory to a Marina		P						C	C	C
Urban Agriculture See <u>Section 47-18.41</u>										

(Ord. No. C-10-50, § 1, 1-4-11 ; Ord. No. C-11-14, § 7, 6-21-11 ; Ord. No. C-11-24, § 1(Exh. 1), 9-20-11 ; Ord. No. C-12-24, § 4, 7-10-12 ; Ord. No. C-14-42, § 7, 10-21-14 ; Ord. No. C-14-51, § 1, 1-21-15 ; Ord. No. C-15-36, § 9, 10-20-15 ; Ord. No. C-17-44, § 9, 11-7-17)

Editor's note— Ord. No. C-10-50, § 1, adopted January 4, 2011, repealed former §§ 47-13.10—47-13.14. Said ordinance enacted provisions designated as new §§ 47-13.10, 47-13.30 47-13.31, 47-13.46 and 47-13.47. See also the Unified Land Development Code Comparative Table for a detailed analysis of inclusion.

Sec. 47-13.21. - Table of dimensional requirements for the RAC District.

RAC District	RAC-CC	RAC-AS	RAC-UV	RAC-RPO	RAC-TMU
Maximum Height	See** South of SE/SW 7 St., and North of NE/NW 5 St., 150 ft. maximum at boundary****	See**	55 ft. up 150 ft.*** Unspecified for South of NE/NW 5 St. See**	55 ft. up to 150 ft.**	See**

Minimum Plot Size	none	none	Nonresidential 5,000 sf (10,000 sf abutting Federal Hwy) Residential and Mixed Use - See Sections <u>47-5.30</u> —47-5.39	Nonresidential and mixed-use 5,000 sf For res. see <u>Section 47-5.38</u> RMH-60	Nonresidential 5,000 sf Residential and Mixed Use - 5,000 sf
Maximum Plot Coverage	95%	90%	90%	85%	Nonresidential - 95% Mixed Use and Residential - 75%
Maximum Density	none	35 du/acre	none	35 du/acre - up to 50 du/acre***	none greater than 25 du/acre see Section 47-13.13
Minimum Front Yard (feet)	See Section 47-13.13				
Minimum Side Yard (feet)	None, unless otherwise provided for in Section 47-13.13	For nonresidential and mixed use, none, unless other provided for in Section 47-13.13			
		For residential apply minimum yards of <u>Section 47-5.38</u> , RMH-60 for Housing type			Greater side yard may be required see Section 47-13.13
Minimum Rear Yard (feet)	None, unless otherwise provided for in Section 47-13.13	For nonresidential and mixed use, none, unless other provided for in Section 47-13.13			
		For residential apply minimum yards of <u>Section 47-5.38</u> , RMH-60 for Housing type			Greater side yard may be required see Section 47-13.13

Notes:

* Side and rear setbacks as provided herein, except as regulated by Section 47-25.3, Neighborhood Compatibility Requirements as described in Table 1 of Section 47-24, Development Permits and Procedures.

** No maximum height, unless otherwise provided in those subsections of Section 47-25.3, Neighborhood Compatibility Requirements, as described in Table 1 of Section 47-24, Development Permits and Procedures.

*** Height: Heights above fifty-five (55) feet and up to one hundred fifty (150) feet shall be reviewed subject to the requirements of Section 47-24.3, Conditional Use Permit, except that parcels abutting Andrews Ave. and Federal Hwy. shall be exempt from Conditional Use Review for height. Density in the RAC-RPO: Above thirty-five (35) du/ac and up to 50 du/ac shall be reviewed subject to the requirements of Section 47-24.3.

**** Setbacks/Yards of one-half building height do not apply.

***** Height at boundary of RAC-CC district shall be one hundred fifty (150) feet; height may be increased one foot for every one foot of setback from the RAC-CC district boundary, for a distance of 100 feet from the RAC-CC district.

(Ord. No. C-97-19, § 1(47-13.5), 6-18-97)

DOWNTOWN FORT LAUDERDALE OVERVIEW

Neighborhood / Area Description

The subject property is located along the periphery of the “Downtown” or Central Business District (CBD) of Fort Lauderdale, whose boundaries are generally defined as being NE 8th Street to the north, Federal Highway (U.S. Highway 1) to the east, SE 7th Street to the south and SW 4th Avenue, SW 7th Avenue and Flagler Avenue to the west. This neighborhood also includes the area to the east of Federal Highway to the Las Olas Isles residential area, from the East Broward Boulevard commercial corridor area south to the New River. Virtually all land uses may be found within the CBD, but it is primarily characterized by high-density office and retail uses typical of an urban center in South Florida, with lower-density further out from its central core.

Downtown Fort Lauderdale is the financial, business and governmental center of Broward County. All levels of government are represented in this area as well as the headquarters of various corporations and financial institutions. There are a number of proposed and ongoing public and private projects that enhance the desirability of the downtown area.

Six distinct areas within the CBD have evolved over time: (1) the Arts and Historic District, which includes the arts center and museums, and the Himmarshee Village Historic District; (2) the Riverwalk District section of the CBD; (3) the Office/Commercial District to the north; (4) the County Judicial and Administrative Complex; (5) the city's upscale retail areas to the east of Federal Highway, known as Las Olas Shoppes; and (6) Flagler Village.

(1) Arts and Historic District – This area is generally north of the New River between SW 7th Avenue and Andrews Avenue, in the western quadrant of the CBD, where public policy was directed to redevelop properties between the New River and SE 2nd Street.

The former Riverfront entertainment complex was razed in 2017 to make way for two apartment towers with 1,200 units and 40,000 square feet of shops and restaurants on the 2.5 acres overlooking the New River. Riverfront will have a 42-story and a 38-story apartment building; the taller reaching 469 feet which will be the tallest building in the city. The developer plans micro-units to attract young professionals, who would become regular customers of the nearby shops and restaurants. Currently the first tower is under construction.

PMG acquired the majority, 2.4 acres, of the Las Olas Riverfront from Fort Lauderdale-based developer Dev Motwani and his partners for \$29 million but Motwani and his partners retained 18,000 square feet of retail along the Riverwalk and an additional 1.3-

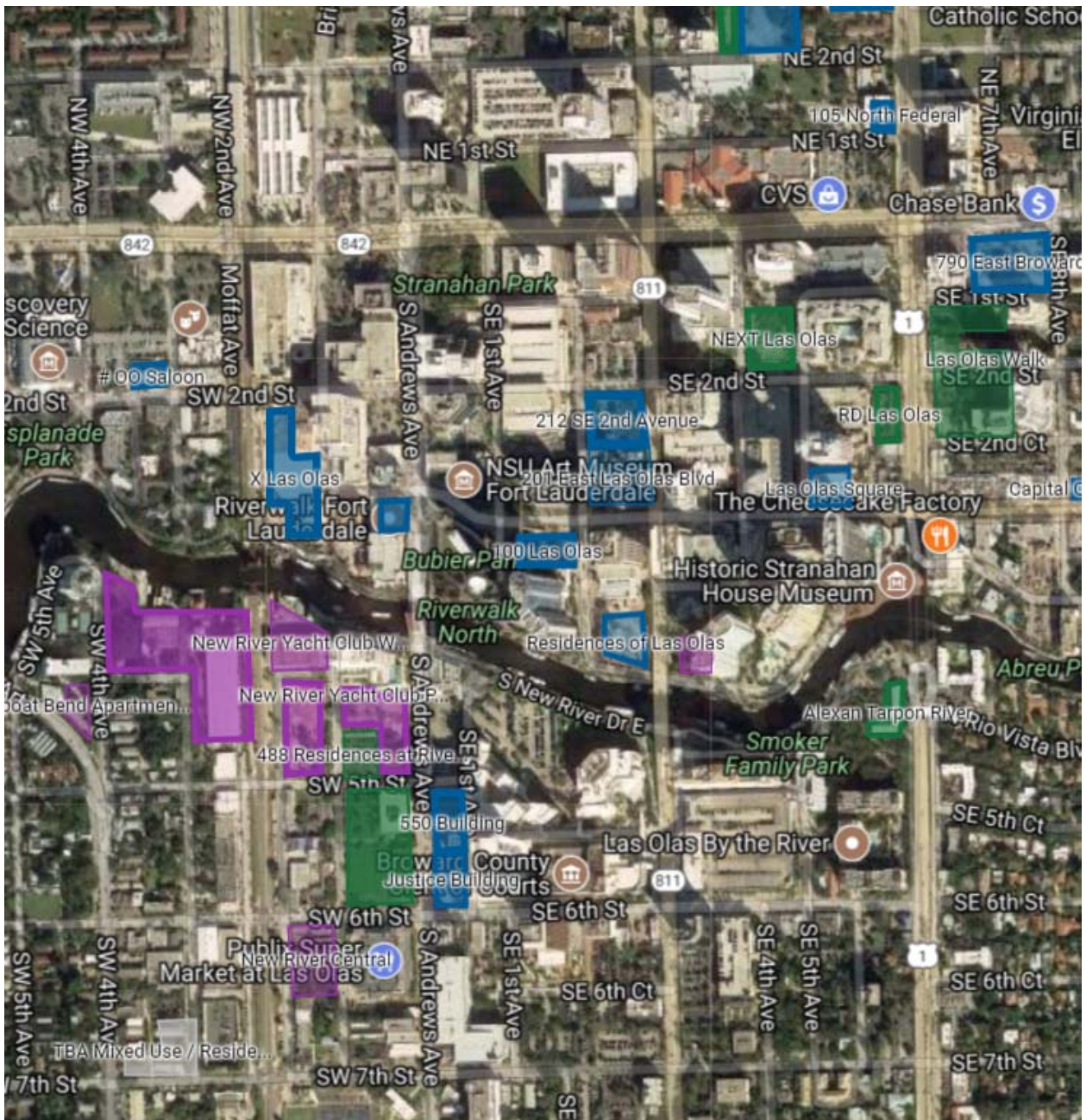
acre parcel, where he said he is considering a large mixed-use project with ground-floor retail, a hotel and condominiums.

The Himmarshee Village district west of the FEC railroad tracks along 2nd Street, has an eclectic mix of retailers, nightclubs and restaurants. The area west of SW 3rd Avenue toward SW 7th Avenue is anchored by the Broward Center for the Performing Arts complex, which contains 2,688 seats in the Au-Rene Theater, 595 seats in the Intimate Theater and a 500-seat banquet and meeting facility. Adjacent to the center across SW 2nd Street is a three-level, 957-car parking garage and a separate valet parking lot. The Museum of Discovery and Science is situated to the northeast of the Broward Center, in an 85,000-square foot building, containing seven exhibit areas and a 300-seat IMAX theater. The Marine Industries headquarter building is also in this district, along with various historical buildings.

(2) Riverwalk District – The Riverwalk is a mile-long "linear park" along the New River, which is anchored by three main development districts. Active retail and residential uses are envisioned to continue to develop along a landscaped park partially lined by streetscaping along New River Drive. Pleasure boats are docked along the river's edge, which softens the visual impact of the more intensely developed parcels. The Riverwalk District also includes Cooley's Landing Park, anchoring the western terminus of the Riverwalk, Esplanade Park, adjacent to the Broward Center of the Performing Arts, Bubier Park near its center, and Smoker Park on the south side of the New River at its easternmost part. The Stranahan House, Fort Lauderdale's first single family dwelling, is located at far east corner of this district on the north side of the river.

The south side of the New River, bordered by SW 4th Avenue to the west and Andrews Avenue to the east is experiencing significant new development. On the following pages is a list of projects currently approved and under review, corresponding with the current development map.

Riverwalk Development Map



Under Construction (shaded in blue):

- X Las Olas – under construction on the site of the former Riverwalk development. New project will comprise two towers at 42 and 46 floors comprising 1,214 residential units and 40,000 square feet of retail area.
- 4 West Las Olas – mixed-use project on corner of Las Olas and Andrews Avenue. Existing parking garage will coupled with new apartment tower containing 260 units.

- 100 Las Olas – Kolter is building a new high-rise building with luxury condo units and Hyatt Centric flagged hotel.
- Residences of Las Olas – Stiles is partnering with PGIM to build a 42-story, 380 unit apartment tower situated on the north side of the river along 3rd Avenue.

Approved projects (shaded in purple):

- Marina Lofts - Developer Asi Cymbal continues to seek investors to develop just under 1,000 units in a project known as Marina Lofts. The high-rise multifamily project is planned for development on the south bank of the New River, west of Andrews Avenue.
- New River Yacht Club - Between the planned Marina Lofts site and Andrews Avenue, The Related Group has completed the first of three phases for its New River Yacht Club project. Phase I, The New River Yacht Club, which contains 249 luxury apartment units, was completed in 2014. Phase II, New River Yacht Club West, will sit just west of Phase I and contain 349 units and 6,400 square feet of retail space. Phase III of the project will be built just south of the Phase I building, at the corner of Andrews Avenue and SW 5th Street, and contain 190 units with 1,800 square feet of retail.
- 1st Avenue Residences - On the property just south of the Marina Lofts site and bordered to the west by the FEC railroad tracks, EDI has city approval to develop a 35-story mixed-use high-rise with 380 residences. EDI is still seeking a developer to carry out the project, which is currently named 1st Avenue Residences.
- New River Central – Located directly behind Publix along the FEC railroad this site is approved for a 35-story 401 apartment tower, adjoining eight-story parking garage, and 5,500 square feet of ground floor retail.

Projects under review (shaded in green):

- 488 Residences at Riverwalk - Another project being led by Jim Ellis of EDI and located one block east of the 1st Avenue Residences site, is currently seeking approval by the Development Review Committee. 488 Residences at Riverwalk is planned to contain 362 units in a 37-story building.
- The Southside City Center – A mixed-use project is planned to be located at Andrews Avenue and SW 6th Street. The two office buildings currently on the property would be demolished and the developer plans to build two 43-story buildings with a total of 879 apartments and a 35-story, 330-room hotel. Each building would have office and retail space, as well as standard amenities. The plans also include a 1,695-space parking garage.

The most recent development in the Riverwalk District, is Icon Las Olas. Facing the river at the eastern end of the Riverwalk District, at Las Olas Boulevard and US-1, the project is nearly fully leased and reportedly on the market. It is currently the city's tallest building, standing 455 feet high. The building includes 272 condo units, ground-floor retail space, and space for 2 world-class restaurants.

(3) The Commercial/Office District – This district is north of the New River and runs between Andrews Avenue and Federal Highway. This district contains the most intense concentration of mid- and high-rise office buildings in Broward County. With two exceptions, all of the CBD's high-rise office properties are located in this district, with more than 11 million square feet of office space and more than a dozen buildings with 10 to 28 stories of building height. As such, this district is also referred to as the core of the Fort Lauderdale CBD.

Much of the CBD was rezoned as an "RAC-CC" (Regional Activity Center-City Center) district in 1997 for a high-intensity mix of office, retail and multifamily residential uses. Some peripheral areas have affiliated zoning, such as the "RAC-UV" (Regional Activity Center-Urban Village) designation. Terry Stiles, a local developer, produced the first large-scale office development in the CBD in 1998 with the completion of the first phase of Las Olas Centre at 450 East Las Olas Boulevard. This tower was sequentially followed by a second phase immediately to the west and 300 Las Olas Place (a nine-story office tower with approximately 100,000 square feet at SE 2nd Street and SE 3rd Avenue). In December 2010, Franklin Templeton purchased 300 Las Olas Place from Stiles for \$29.7 million. Prior to the sale, Stiles relocated its headquarters to 301 Las Olas Boulevard. A portion of the former Franklin Templeton space (±24,300 SF) has now been leased to Fox Sports. Since that time, a number of notable office transactions have occurred in the Fort Lauderdale CBD which are summarized below:

Property	Address	Bldg. Size (SF)	Sale Date	Sale Price	Sale Price/SF
Las Olas Centre	350 & 450 Las Olas	468,815	Sep-10	\$170,000,000	\$362.62
Bank of America Plaza	401 Las Olas Blvd	408,549	Sep-11	\$163,733,800	\$400.77
Las Olas Centre	350 & 450 Las Olas	468,815	Mar-14	\$204,000,000	\$435.14
PNC Center	200 Broward Blvd	225,650	Jul-14	\$66,400,000	\$294.26
Broward Fin Center	500 Broward Blvd	324,429	Nov-14	\$112,000,000	\$345.22
New River Center	200 Las Olas Blvd	281,713	Dec-14	\$108,000,000	\$383.37
SunTrust Center	515 E Las Olas Blvd	278,635	Jun-19	\$90,000,000	\$323.00
Las Olas City Centre	401 Las Olas Blvd	408,079	Sep-16	\$220,000,000	\$539.11
110 Tower	110 SE 6th Street	394,830	Oct-16	\$112,900,000	\$285.95
PNC Center	200 Broward Blvd	225,650	Oct-17	\$81,500,000	\$361.18

Further, the Crocker site at 2nd Street and 4th Avenue is under contract for sale and proposed for high-density multifamily development.

Broward College Board of Trustees approved a lease and pre-development agreement with Stiles Corp. for a new office building proposed for 225 E. Las Olas Blvd. The Main at Las Olas is a planned 350,000 square foot "Class A" office tower with 17,500-square feet of ground-floor retail and restaurants. The project would also include a 5,400-square-foot public plaza with event space. The company also owns the 1.45-acre site directly to the north of the BC property and that will be incorporated into this development, as a residential component. Stiles Corp. is currently constructing a 380-unit, 42-story rental apartment tower on New River fronting site across from the office building.

(4) Governmental District – County government offices and the Broward County Judicial and Administrative Complex (the Courthouse) are located along the south side of the New River between Federal Highway and South Andrews Avenue. Drawbridges across the river are located at Andrews Avenue, S.W. 7th Avenue and SE 3rd Avenue, while a tunnel under the river accommodates Federal Highway traffic.

Between South Andrews Avenue and Federal Highway and south of SE 7th Street, development is predominantly small and mid-sized office buildings and parking lots. Some older residential structures have been renovated and converted for office use for smaller law firms or tenants who have frequent business at the governmental complex. A few light marine land uses are in this section of the CBD south of the New River, while a Publix grocery store with rooftop parking opened in 2007 at the southwest corner of SE 6th Street and Andrews Avenue. There is intense land speculation occurring in this area due to future potential of the area.

New River Village is a residential development along the south bank of the New River between SE 3rd Avenue and Federal Highway. The first phase of this project was completed in 2000 and includes three nine-story luxury apartment towers with 240 units whose owner has attempted a conversion to condominiums called Las Olas by the River. The second phase, with 409 units known as NuRiver Landing condominiums, was completed in 2007. The second phase was developed without adequate parking and the project has leased parking spaces in a nearby garage. Phase III of the project comprising 209 apartment units to be located in a 17-story residential tower was completed in 2015 and subsequently sold. Parking is accommodated in the adjacent Court House parking garage. Another new residential development in this area is The Queue on 8th which is nearing completion and in lease up. The 7-story building contains 202 residential units and is located on 8th street, a couple blocks south of the courthouse.

Ground breaking on the new Broward County Courthouse commenced in the summer of 2012. The new 20-story courthouse building is complete and includes over 700,000 square feet of space, 77 court rooms and 500 parking spaces. The \$213 million project was completed in January 2017.

Blackhawk Properties and Investments has started construction of a seven-story office building on South Andrews Avenue and Courthouse Drive. At this site, a new office building, called the 550 Building, will also have 14,000 square feet of retail and restaurant space on the ground floor, plus an attached 663-space parking garage. On the property just to the south, the company is also redeveloping the Justice Building which will contain mostly office space, with retail and restaurant space on the ground floor.

(5) Las Olas Shoppes and the East Broward Boulevard Commercial Corridor – From just east of Federal Highway, Las Olas Boulevard is a prominent retail area proximate to downtown. This portion of the street, known as Las Olas Shoppes, spans a four-block area from Federal Highway east to SE 11th Avenue, with continuing small-scale retail storefronts east to SE. 17th Avenue. This retail district features a variety of specialty stores and restaurants in attached buildings abutting the immediate street frontage, most of which were originally constructed from the 1940s through the 1960s.

Parking is typically available in lots to the rear of the building structures, with metered parking along its abutting streets. This section of Las Olas features brick pavers at several crosswalks, with an attractive canopy of shade created by numerous trees planted in the median of this roadway. The unique character of this shopping and entertainment district is considered to be a positive influence on the CBD commercial market. Restaurants have added nightlife to the mixture, creating a retail/entertainment mix for both daytime and nighttime visitors to Las Olas Boulevard. The remodeling and expansion of the old Riverside Hotel along Las Olas Boulevard provided another 109 new guest rooms to this market.

Parallel to Las Olas Boulevard and three blocks to the north, East Broward Boulevard continues from Federal Highway eastward to Victoria Park Road. This street separates two residential areas, Victoria Park to the north and Colee Hammock to the south. During the last two decades, both areas have received widespread attention from urban pioneers, who have refurbished the older concrete Florida homes scattered throughout this neighborhood. Immediately along East Broward Boulevard, several older homes have been converted for professional office use, and some low- and mid-rise office buildings have also been developed over the last 20 years.

Amaray Las Olas, a Class “A” 30-story multi-family rental tower was recently completed and sold at a record price of \$133.5 Million. Amaray Las Olas By Windsor LLC, an entity tied to an investment group based in Boston, bought the complex at 215 S.E. Eighth Ave. with a \$65 million mortgage. The seller was the development firm, a joint venture of the Rockefeller Group and the Stiles real estate firm. The 254-unit project one block from Las Olas Boulevard has studios, one-, two- and three-bedroom units offering waterfront views. Amenities include a pool with private cabanas, an entertainment pavilion, a beverage lounge and dog spa.

Three blocks north of Las Olas at Broward Boulevard Greystar is developing a high-rise multifamily tower in downtown Fort Lauderdale, Fla. The 25-story luxury apartment building will feature 327 units and will be located at 790 E. Broward Blvd., at the intersection with SE 8th Avenue. The project will encompass nearly 661,000 square feet of total building including a 508-space parking garage as well as a recreational deck and an array of high-end amenities. The site comprises three separate parcels and includes a 25,925-square-foot office building which formerly served as a Chase Bank location. Greystar paid \$19.5 million for the property.

On an adjacent site developer ZOM USA has commenced construction on Las Olas Walk. The overall project will consist of two buildings, 8-stories each, with a total of 456 residential units, a 656-space parking garage and a roof top amenity terrace. ZOM paid \$33 million for the site.

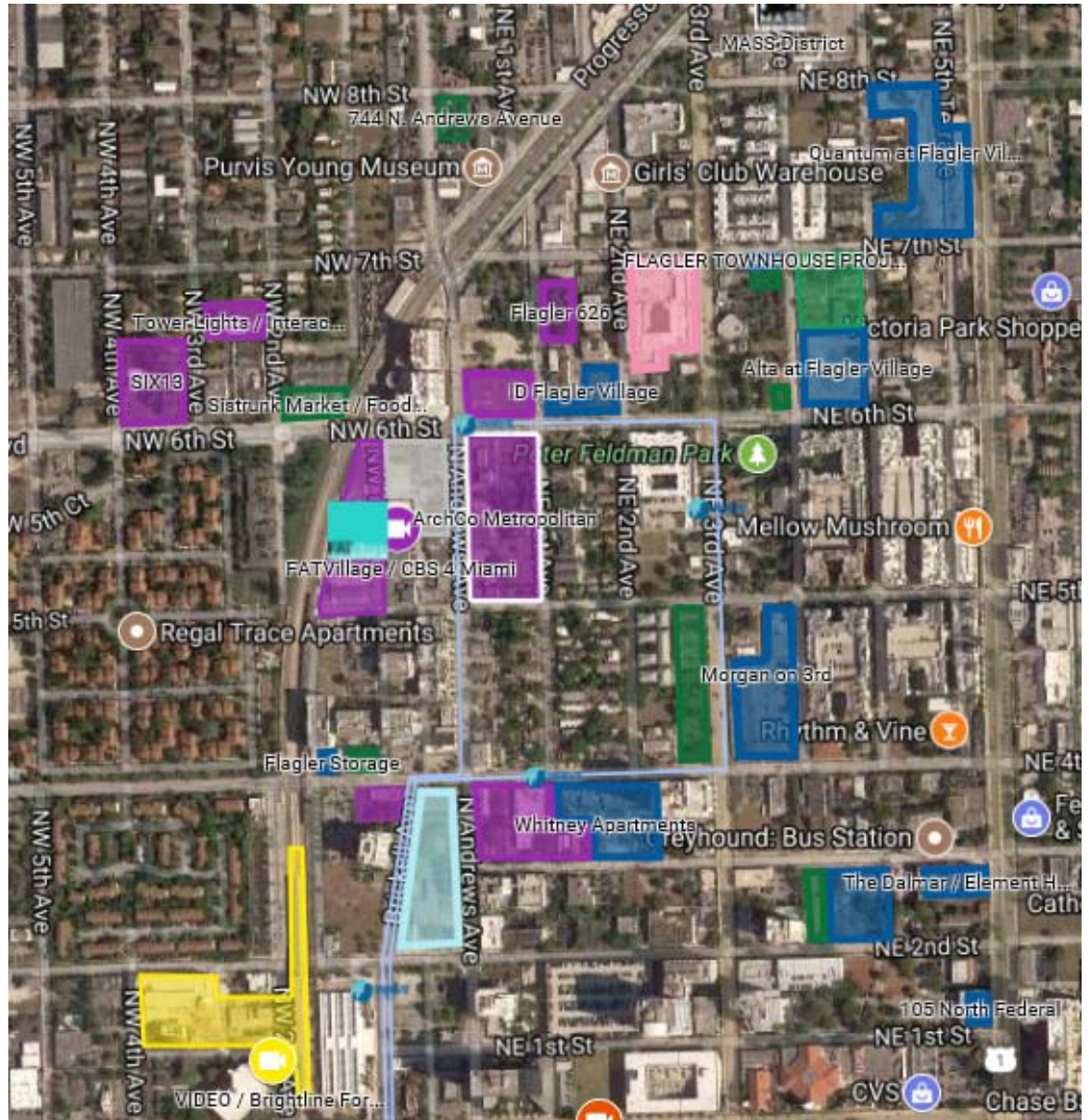
Las Olas Companies has also completed construction of a two-story, 30,000-square foot retail and office space. Las Olas Place, located at 8th Avenue and the boulevard, will represent the first new development on the boulevard in over a decade.

The most recent development is the Fairfield Inn & Suites located one block north of the Las Olas Walk site, on Federal Highway. The hotel has 108 hotel rooms.

(6) Flagler Village – This portion of the CBD is located north of Broward Boulevard and south of SE 6th Street (Sistrunk Boulevard), between the FEC railroad and Federal Highway. This rapidly re-gentrifying area, once predominated by a mixture of neglected commercial buildings, warehouses, and old residential units, is emerging as a favored community for millennials, young professionals and others seeking quality housing in a walkable community. There is an emerging arts scene in Flagler Village that appeals to the millennial and young professionals. FAT Village (Flagler Arts and Technology) serves as the hub for this community and has stemmed the serious momentum of development and attraction to this area. The strip of warehouses along 1st Avenue

between 5th Street and 6th Street has been converted into galleries, performance spaces and trendy businesses that cater to millennials and host local events.

Flagler Village Development Map



Recently Constructed (not shaded on map):

- Edge at Flagler Village – 331-unit apartment building facing Federal Highway, on the south side of 5th Street
- Manor at Flagler Village – 382-unit apartment building, facing Federal Highway, on the north side of 5th Street

- AMLI Flagler Village – 225 Class “A” apartment units one block west of Federal Highway, on 5th Street
- ORA Apartments Flagler Village – Leasing has begun for this 6-story, 292-unit rental complex located on 7th Street and 3rd Avenue. (shaded in PINK)

-

Under Construction (shaded in blue):

- Whitney Apartments – Construction on the building, which will contain 386 apartment homes and 2,012 square feet of ground floor retail space, began in January 2017 and is expected to begin leasing in the Summer of 2018. It is located on 4th Street, between Andrews Avenue and 3rd Avenue.
- Morgan on 3rd – On the property to the west of the AMLI site, The Morgan Group has started construction on the 350-unit rental complex, which will include 525 parking spaces and 4,000 square feet of ground-floor retail space.
- Alta at Flagler Village – Construction has begun on this 208-unit, 12-story rental development. The project will have 175,360 square feet of apartments and 3,250 square feet of commercial space, and is located at the corner of 6th Street and 4th Avenue.
- ID Flagler Village – Fort Lauderdale based Ceiba Group has just closed on a construction loan for the first new townhouse rental development in the area. The 24-unit project broke ground in January 2017 and is planned to be delivered in early 2018. Project is located on 6th Street and 2nd Avenue.
- Quantum at Flagler Village – Construction has just begun on this mixed-use development. The complex will include 328 apartment units within two 15-story towers, ground floor retail space, a 9-story Courtyard by Marriott hotel consisting of 137 guest rooms, and two parking garages. This project is located on the block between 8th Street and 7th Street, facing Federal Highway.
- The Dalmar/Element Hotel – Construction of the 323-room, 24-story project on Federal Highway and 3rd Street has begun, and is expected to finish in early 2018. The dual-branded hotel will feature contemporary amenities, retail, and restaurant space, in an effort to attract millennials, as well as travelers of all ages.
- The Rise – 30-floor building consisting of 398 residential units and 2,200 ground floor retail space, located on 3rd Street between Federal Highway and 3rd Avenue.

Approved Projects (Shaded in purple):

- FATCity – 30-floor mixed-use multi-family residential project consisting of 626 residential units, 96,002 square feet of retail, and 406,958 square feet of office space, located at 4th Street and Andrews Avenue.

- The Gallery at FATVillage – 12 floors of 150 residential units and 4,000 square feet of retail space, located at 6th Street and Andrews Avenue.
- Flagler 626 – 12 floors consisting of 99 residential units, located at 7th Street and 1st Avenue.
- ArchCo Metropolitan – Located on the entire block on Andrews Avenue between 6th Street and 5th Street, the mixed-use project will comprise 385 residential units, 14,717 square feet of retail space, and 12,039 square feet of restaurant space.

Projects under review (shaded in green):

- Alta Flagler Village Phase II – just to the north of the Alta Flagler Village (Phase I) site which is already under construction, plans are awaiting approval for a 12-story, 271-unit residential building.
- URBN @ Flagler Village – Proposals to construct a 16-story, 345-unit rental apartment community have been submitted and are awaiting approvals. The project will also include 21,200 square feet of retail and would be located along 3rd Avenue between 5th Street and 4th Street.
- Aloft Hotel – Plans for the Aloft Hotel include 12 floors and 199 hotel rooms with 6,208 square feet of retail space, located on 3rd Street between Federal Highway and 3rd Avenue.

Transportation Development

All Aboard Florida's Brightline passenger rail system will connect Orlando and Miami, with stops in Fort Lauderdale and West Palm Beach. The Downtown Fort Lauderdale station will provide a new gateway into the city, welcoming passengers with a 60,000-square foot multi-story lobby. The five-acre site includes a large public plaza, two large parking lots and the potential in the future for shops and restaurants. The hub includes an elevated lounge above the tracks, with an 800-foot-long platform stretching from just north of Broward Boulevard to south of NW 4th Street. The station is located at NW 2nd Avenue between Broward Boulevard and NW 4th and is now open and operating between Fort Lauderdale and the West Palm Beach station.

The WAVE street car project was stopped by the City Commission in 2018. Plans are now underway to make Andrews Avenue and Third Avenue one way in each direction to ease traffic in downtown.

Current Development Trends in the Fort Lauderdale CBD

Historically, the Fort Lauderdale CBD submarket has lacked significant demand for hotel development as most visitors tend to stay in limited service hotels in closer proximity to the airport and port, or luxury hotels along the beach. Market participants have been

discussing the need for a luxury hotel to be located in the Fort Lauderdale CBD for years. However, no development has occurred. As the Fort Lauderdale CBD market has continued to mature during this current development cycle with a number of new multifamily and modern retail development, it appears that one or several hotels will finally be delivered in the Fort Lauderdale CBD, as previously mentioned. Walter Duke + Partners believes that the submarket can accommodate the new product that will likely cater to a wide range of local visitors from the airport and port for professional/business reasons.

Sistrunk Boulevard Corridor

To the west of the downtown area and primarily the Flagler Village neighborhood, the area bordering Sistrunk Boulevard and west of the ECR has remained relatively unchanged despite numerous new development ongoing to the east of the area. In 2012 the city spent \$15 million on new roadway improvements, landscaping and lighting. In 2012, the Shoppes On the Arts was completed on 6th Street and 7th Avenue. The project is anchored by a Save-a-Lot supermarket, Family Dollar and Bank of America with a number of store fronts currently available for lease.

Housing along 1st and 2nd Avenues north of Sistrunk Boulevard is attractive with a few recently completed townhome and single-family homes along these roadways over the recent past and a few other homes currently under construction.

More recently, two developers Felipe Yalale and Peter Flotz have accumulated a number of properties bordering Sistrunk Boulevard in an effort to revitalize the area. The largest project the developers have proposed would be on 2.8-acres that would fill virtually the entire block on the south side of Sistrunk between 7th Avenue and 7th Terrace across the street from the Shoppes On the Arts and would comprise of apartment units and retail store fronts. Further east, the Related Group is contemplating building 196 market rate apartment units at the northwest corner of Sistrunk and the FECR. Related Group is seeking development funds from the City of Fort Lauderdale CRA for the proposed development.

Demographic Profile

Demographic profiles for the one-, three- and five-mile rings surrounding the subject are presented in the Addenda Section of the report.

Conclusion

Downtown Fort Lauderdale is the financial, business and governmental center of Broward County. All levels of government are represented in this area as well as the headquarters of various corporations and financial institutions. There are a number of

proposed and ongoing public and private projects that should enhance the desirability of the downtown area.

Potential headwinds include typical late cycle risk, an oversupply of multi-family product in the area, the potential for added approval risk with a new slower growth city commission elected in March, 2018 and the rampant homeless population in downtown Fort Lauderdale. The latter is currently being addressed by the business community and United Way with participation from the City of Fort Lauderdale and Broward County.

However, the influx of new, high-end apartments is elevating both the lifestyle experience and investment profile of the downtown Fort Lauderdale market. With ongoing and planned multifamily development in and around downtown Fort Lauderdale, fueled by demand, it is the hope of city leaders that it will help the city achieve the critical mass of full-time residents necessary to establish it as a world class urban center.

FLORIDA'S ECONOMIC CONDITIONS

Florida's Economic Conditions

The Summary of Commentary on Current Economic Conditions is a regionalized economic report published by the Federal Reserve Board eight times a year. This report is informally referred to by economists as The Beige Book. The Atlanta Fed territory includes Alabama, Florida, Georgia, and portions of Louisiana, Mississippi, and Tennessee.

The most recent *Beige Book*, issued October 24, 2018, indicated that economic activity expanded at a moderate pace from mid-August through September, and most expect the pace to continue through the last quarter of the year. The labor market remained tight, and reports of wage pressures increased. Firms continued to note increasing nonlabor costs and a growing number of contacts reported the ability to pass along those increases. Retailers, including automobile dealers, cited slightly higher sales since the previous report. Tourism activity exceeded expectations. Contacts reported that residential real estate market activity expanded at a modest pace, and commercial real estate activity was robust. Manufacturing activity was solid with purchasing managers noting increased new orders and production since the previous report. Bankers cited that activity was healthy, on balance.

Employment and Wages – While business contacts across the District reported increasing staffing levels, firms continued to cite that tightening labor markets, particularly among low-skill/hourly jobs, were restraining business activity. Constraints to growth were especially acute in construction, transportation, and manufacturing; while some contacts in food services also indicated turning down new business, reducing shifts, or occasional fast food store closures. Contrastingly, contacts continued to note that technological advances in agricultural, financial, and manufacturing processes had reduced the number of workers needed.

A growing number of firms over the reporting period experienced an uptick in merit increases for workers; several contacts reported average merit raises in the 3 to 3.5 percent range. Many continued to mention that rising labor costs were a challenge, leading some firms to expand their geographical search for workers, relocate operations to lower cost labor markets, outsource work domestically and/or abroad, or "wait it out" by not filling certain positions.

Prices – Firms across the District continued to report rising nonlabor input costs, with some ability to pass along price increases. As noted in the previous report, anticipation of rising costs related to tariffs contributed to vendor price increases

for commodities. The Atlanta Fed's Business Inflation Expectations survey showed year-over-year unit costs were up 2.0 percent in September. Survey respondents indicated they expect unit costs to rise 2.2 percent over the next twelve months.

Consumer Spending and Tourism – District retailers reported a slight increase in sales levels since the last report. Some contacts noted that tourist related retail sales were stronger than expected over the last two months. Automotive dealers reported an uptick in the level of sales of small SUVs and light trucks in September compared to a year ago.

Tourism and hospitality contacts in the District reported higher than expected tourism activity since the previous report. Hotel occupancy and average daily rates were higher than expected in tourist destination cities in Florida, Georgia, and Louisiana. Year-to-date Mississippi casino gaming revenue increased compared to the same time period last year. District contacts remain optimistic about activity in the fourth quarter.

Construction and Real Estate – On balance, reports from District residential real estate contacts indicated decelerating, but still positive, growth. Many builders reported that construction activity was up from the year-ago level. Lot and land availability remain constraints on building activity, but contacts noted that land costs have plateaued. Contacts characterized buyer traffic as steady, but with a low rate of conversion to sales. District builders expect home sales activity to remain at current levels for the next few months.

Many District commercial real estate contacts noted continued strong demand. The majority of commercial contractors indicated that, on balance, the pace of nonresidential construction at least matched the year-ago level. Most contacts reported a healthy pipeline of activity. Industrial contacts noted that backlogs were steady rather than growing and retail contacts described activity as stable. Contacts expressed concern that material price uncertainty presents an ongoing challenge to bidding and fulfilling projects. The outlook for nonresidential and multifamily construction across the District remained positive though uncertain, with the majority of contacts anticipating activity to match or exceed the current level.

Manufacturing – Manufacturing firms reported that overall business activity was solid since the previous report. Most contacts indicated that new orders and production levels were increasing at a healthy pace. Purchasing managers cited

extended delivery times for supply orders and continued upward pressure on input prices. Expectations for future production levels increased slightly from the previous period, with a little more than one-third of contacts expecting higher production over the next six months.

Transportation – On balance, transportation activity across the District was little changed since the previous report. District ports continued to report considerable growth in freight. District railroads noted year-over-year increases in total traffic, led by substantial increases in the volumes of petroleum and petroleum products, pulp and paper products, aggregates and metallic ores; these increases were partially offset by declines in non-metallic minerals (including phosphates) and coke. Year to date, total railroad activity was up slightly over last year. Freight forwarders reported significant capital investments in facilities, aircrafts, and fleets as capacity constraints mounted due to steady increases in domestic and international volume. While noting some challenges, transportation contacts indicated no significant disruptions in the movement of freight as a result of changes in trade policy.

Banking and Finance – Conditions at financial institutions remained healthy. Earnings continued to grow as higher interest rates drove improvement in net interest margins. Credit quality metrics remained positive with charge-offs and nonaccruals still at historic lows. However, financial institutions were reportedly starting to loosen underwriting standards due to slowing demand for credit and increased competition. Contacts indicated that financial institutions were relying more on borrowings and noncore deposits to fund asset growth. In addition, competition for core deposits was fueling an increase in mergers and acquisitions.





Energy – Onshore crude oil and natural gas production continued to accelerate, spurring exports of both products from Gulf Coast terminals. Refinery utilization rates remained high and stable from the previous reporting period. Utilities contacts reported that while residential and commercial demand for power was flat to slightly down, industrial demand was strong. Regarding recently imposed tariffs, many energy contacts shared that their businesses had responded by reorganizing supply chains. Technological advancement in areas such as robotics and global monitoring of control centers and pipelines continued to enhance efficiencies for the District's energy sector. Contacts continued to point out that business growth was constrained by inadequate supply of truck drivers and highly specialized tradespeople.

Agriculture – Agriculture conditions across the District remained mixed. By late September, most of the District was drought-free. District corn, soybean, cotton, and peanut harvests were close to their five-year averages although by late September, significant rain in Tennessee resulted in some crop damage and delays in harvesting. Year-over-year prices paid to farmers in August were up for corn, cotton, rice, and eggs, while soybean, beef, and broiler prices were down. Contacts remained concerned about tariffs and trade conflicts although there was some optimism concerning the newly agreed upon United States-Mexico-Canada Agreement. Recent reports indicated cropland values in the District rose from 2017 to 2018 with the exception of Florida where cropland values were flat.

Source: The Summary of Commentary on Current Economic Conditions (The Beige Book)

Florida Market

Snapshot

FLORIDA MARKET MSA SNAPSHOT							
MSA		Population	Office SF	Industrial SF	SF Home Sales Inc.	Airport	Seaport
		Median Age	Vacancy	Vacancy	Median SP Inc.	Domestic/Int'l Flights	Tonnage
Orlando		2,440,000 39.1	43.27 million 9.25%	113.1 million 4.53%	+1% +6.0%	Orlando Int'l 84/55 Orlando Sanford Int'l 74/13	Port Canaveral 5.99 million
Includes Orange, Seminole, Lake, and Osceola Counties							
South Florida		6,158,824 39.7	168.60 million 9.23%	385.80 million 3.57%	-4.2% +7.9%	Miami Int'l 53/108 Fort Lauderdale Int'l 78/61 Palm Beach Int'l 23/4	Port Miami 9.16 million Port Everglades 25.30 million Port of Palm Beach 2.48 million
Includes Miami-Dade, Broward, and Palm Beach Counties							
Tampa Bay		4,582,512 42.1	66 million 9.90%	212.40 million 5.80%	+2.3% +9.2%	Tampa Int'l 66/17 St. Petersburg-Clearwater Int'l 55/2 Sarasota-Bradenton Int'l 15/1	Port Tampa Bay 38.1 million
Includes Hillsboro, Pinellas, Hernando, and Pasco Counties							
Jacksonville		1,688,952 38	64 million 7.40%	135 million 3.30%	+9.6% +9.6%	Jax Int'l Airport 39/2	Port of Jacksonville 9.3 million
Includes Baker, Clay, Duval, Flagler, Putnam, Nassau, and St. Johns Counties							

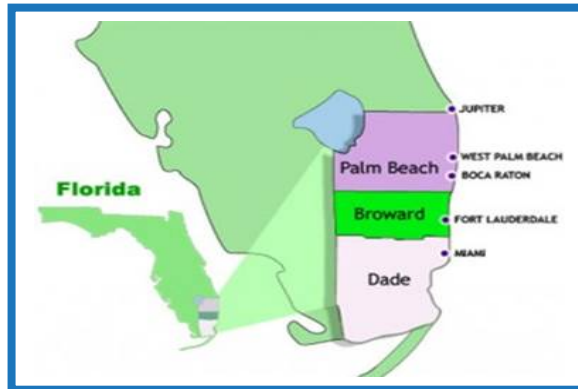
Source: CoStar, Florida Realtors, Census Bureau, South Florida Business Journal

SOUTH FLORIDA REGIONAL OVERVIEW

South Florida Regional Analysis

Market Definition

The Miami-Fort Lauderdale-West Palm Beach Metropolitan Statistical Area comprises the area generally known as the South Florida Region (South Florida) which comprises Miami-Dade, Broward and Palm Beach Counties.



Estimates vary slightly, but the consensus is, with over 6 million residents, the South Florida metropolitan area is easily the most populous in Florida and in the Southeastern United States, and the eighth most populous in the United States. It is part of the South Florida region and is partially synonymous with the Gold Coast.

The South Florida metropolitan area consists of three distinct metropolitan divisions, subdividing the region into three divisions according to the region's three counties:

- Miami-Dade County,
- Broward County, and
- Palm Beach County.



MIAMI



FORT LAUDERDALE



PALM BEACH

Metropolitan divisions include Miami, Fort Lauderdale, and Palm Beach.

The largest cities by population in the South Florida Region are as noted on the following table:

South Florida MSA Largest Cities

CITY	POPULATION (2017)	COUNTY
Miami	467,872	Miami-Dade
Hialeah	236,114	Miami-Dade
Fort Lauderdale	179,063	Broward
Pembroke Pines	163,103	Broward
Hollywood	147,212	Broward
Miramar	136,246	Broward
Coral Springs	127,381	Broward
Miami Gardens	113,201	Miami-Dade
West Palm Beach	110,396	Palm Beach
Pompano Beach	109,441	Broward

Current Trends

Buoyed by strong job growth, a recovering housing market, rebounding tourism, and increased construction activity, South Florida's economic recovery continues to gain momentum. According to recent statistics, the region added nearly 75,000 jobs year-over-year, and unemployment figures continue to drop, outpacing national averages. The housing market has nearly fully recovered and is generally in equilibrium except for the Miami condo market which is overbuilt. Demand by foreign buyers and investors, mainly from South America, has slowed the Miami residential condominium market. Cruise and air travel is up year-over-year, but after six years of increases, the hotel occupancy in the region has dropped slightly in 2017 but mainly due to new supply. Gross regional economic output is also increasing.

Other Items of Note:

- Major transportation and infrastructure projects are planned or underway to improve the logistics of the region and therefore, enable it to more effectively compete globally. Major improvements are underway at region airports and seaports.
- The Florida legislature has tabled the matter of expanded gambling in the State of Florida. The most recent bill proposed included two mega casinos in South Florida.
- Foreign investment from South America and Europe has slowed due to geopolitical unrest and a continued strong dollar, which in turn has slowed the Miami condominium market.

Demographic Characteristics and Trends

Due to its temperate weather and relatively low taxes, South Florida has long been a popular retirement destination. As a result, South Florida's median age of 39.8 years is two years younger than that of Florida, and two years older than the national average. Overall, South Florida's level of affluence and educational attainment is consistent with national averages. Within the South Florida market, however, there are notable differences between counties with regard to income and educational attainment levels with Palm Beach County having the area's highest levels and Miami-Dade County having the lowest. Overall, nearly 30% of the region's population holds a Bachelor's degree or better and approximately 18% of its households have annual incomes of greater than \$100,000.

Other items of note:

- The South Florida population is younger than the state average but older than the national average. Palm Beach County is the oldest with a median age of 43.8 years. Miami-Dade and Broward Counties' median ages are 38.8 years and 39.9 years, respectively. Florida has a median age of 38.7 years compared to the national average of 35.3 years.
- According to the US Census Bureau South Florida's median household income tumbled more than 14% in five years, although the decline appears to be slowing. In 2011, the median household income fell to \$48,880 in Broward County; \$40,552 in Miami-Dade County; and \$48,953 in Palm Beach County. The current median family income for Florida is \$54,777. Real median family income peaked in 2007 at \$63,084 and is now \$8,307 (13.17%) lower.
- The Census Bureau found that the number of South Floridians living below the poverty level has also increased over the past five years. In 2007, about 8.5% of families in Broward County and 6.7% of families in Palm Beach County were in poverty. Last year, 11.1% of Broward families and 11.6% of Palm Beach County families were in poverty. Approximately 15.6% of Miami-Dade residents live below the poverty level versus 15.6% for overall Florida.

Demographic Characteristics – South Florida vs. United States

Characteristic	South Florida	U.S.
Median Age (years)	39.8	37.4
Average Annual Household Income	\$64,767	\$69,636
Median Annual HH Income	\$43,311	\$49,231
<i>by Annual Income Level:</i>		
< \$25,000	29.4%	25.4%
\$25,000 to \$49,999	26.8%	25.3%
\$50,000 to \$74,999	16.9%	18.1%

Characteristic	South Florida	U.S.
\$75,000 to \$99,999	10.2%	11.7%
\$100,000 plus	16.8%	19.5%
<i>Education breakdown:</i>		
< High School	17.3%	14.6%
High School Graduate	27.6%	28.4%
College < Bachelor Degree	26.8%	28.9%
Bachelor Degree	17.9%	17.7%
Advanced Degree	10.4%	10.4%

Source: Claritas, Inc.

Population

According to the 2017 U.S. Census Bureau estimation, Florida's population is nearing 21 million during the past year and added more residents than every state but Texas. No. 1 remains California, with a population of 39.53 million, and No. 2 is Texas, with 28.30 million. The overall U.S. population is 327.02 million. Florida added 328,000 residents from July 1, 2016, to July 1, 2017. That ranked Florida second in number of new residents, as well as fifth in percentage gain, with a 1.84 percent year-over-year increase.

With an estimated population of 20.98 million, the migration rate into Florida from other states and other countries was the highest in the country in the past year. More of Florida's population gain was the result of people moving into Florida, rather than babies born here. The relatively narrow difference between Florida's birth rate and death rate kept the state's overall population from growing even faster.

During the past year, there was a net migration of 202,510 people moving to Florida from other states and a net migration of 129,525 people moving to Florida from other countries. In 2016, there were 225,018 births, which were largely offset by 197,236 deaths.

South Florida Population – April, 2017

County	1990	2000	2010	2017	% Change 2010-2017
Miami-Dade	1,937,194	2,253,786	2,496,457	2,743,095	8.99%
Broward	1,255,531	1,623,016	1,748,066	1,873,970	6.71%
Palm Beach	863,503	1,131,190	1,320,134	1,414,144	6.64%
South Florida	4,056,228	5,007,992	5,564,635	6,031,209	7.73%
Florida	12,938,071	15,982,813	18,810,310	20,484,142	8.17%

Source: State of Florida - EDR

Miami-Dade County is the most populous among the South Florida counties, with just over 45% of the region's population, followed by Broward and Palm Beach Counties with 31.2% and 23.6%, respectively. Population projections are depicted in the following table.

Population Projections by County – South Florida MSA – 2015 – 2025

Population (000's)	2015	2020	2025	Compound Annual Growth Rate 15-20	Compound Annual Growth Rate 15-25
United States	321,369	334,503	347,335	1.0%	0.9%
South Florida	5,859.7	6,219.1	6,540.6	1.2%	1.2%
Miami-Dade County	2,653.9	2,832.0	2,995.9	1.3%	1.3%
Broward County	1,827.4	1,914.5	1,989.8	1.0%	0.9%
Palm Beach County	1,378.4	1,472.6	1,554.9	1.4%	1.3%

Source: Florida Research and Economic Database (BEBR)

While sources vary slightly the consensus is that Florida is growing at a healthy pace and is now the third largest state in the country based on population.

Other population highlights:

- Population growth is the state's primary engine of economic growth, fueling both employment and income growth, and helping various sectors of the local economy, including housing, retailing, and health care. That trend is expected to continue given Florida's favorable climate and low tax environment.
- Florida's population growth is expected to remain above 1.5 percent over the next few years. In the near-term, Florida is expected to grow by 1.58% between 2015 and 2016 –and average 1.52% annually between 2015 and 2020. Most of Florida's population growth through 2030 will be from net migration (92.9%). Nationally, average annual growth will be about 0.75% between 2015 and 2030.
- The future will be different than the past; Florida's long-term growth rate between 1970 and 1995 was over 3%.
- Between 2010 and 2030, Florida's population is forecast to grow by over 5.2 million persons.

- Florida's older population (age 60 and older) will account for most of Florida's population growth, representing 55.8 percent of the gains.
- Florida's younger population (age 0-17) will account for 14.3 percent of the gains, while the young working age group (25-39) will account for 18.3 percent of the growth

Labor Market

Employment Distribution – With nearly 3.01 million in the labor force, South Florida represents nearly one-third of the total labor force in the State of Florida, which is primarily a service-based economy. The number can balloon during peak tourism times due to seasonal staffing. Service jobs represent more than 38% of non-agricultural employment. Trade is the most important industry in South Florida followed by tourism. Employment distribution in the Miami MSA is presented on the following table.

Employment Industries – South Florida Region

Industry	Percentage
Trade, Transportation & Utilities	22.56%
Professional & Business Services	16.65%
Education and Health Services	14.76%
Leisure & Hospitality	12.35%
Government	11.79%
Financial Activities	6.69%
Other Services	4.65%
Construction	5.11%
Manufacturing	3.49%
Information	1.90%
Natural Resources & Mining	< 0.1%

Source: Bureau of Labor Statistics, Southeastern Regional Office, October 2017

Major Employers – The Miami Area MSA is home to four Fortune 500 companies – World Fuel Services (74), AutoNation (177), Office Depot (253) and Ryder System (404), and a number of Fortune 1000 companies. The region's employers include national and international corporations that encompass a variety of industries including retail, biotechnology, and health care. The ten largest private sector employers in the region are ranked as follows:

South Florida MSA – Largest Employers

Rank	Employer	Employees	Product/Service
1	Publix Super Markets	39,098	Super Market
2	Baptist Health South Florida	16,003	Health Care
3	University of Miami	15,091	Private College
4	Tenet Healthcare Corp.	12,500	Health Care
5	Jackson Health System	12,100	Health Care
6	American Airlines	12,000	Airline
7	Florida International University	10,506	Public College
8	Broward Health	8,466	Public Hospital
9	NextEra Energy	8,400	Utility
10	Comcast Cable Communications	7,931	Cable Provider

Source: *South Florida Business Journal, Book of Lists, 2017*

South Florida MSA – Top Public Sector Employers

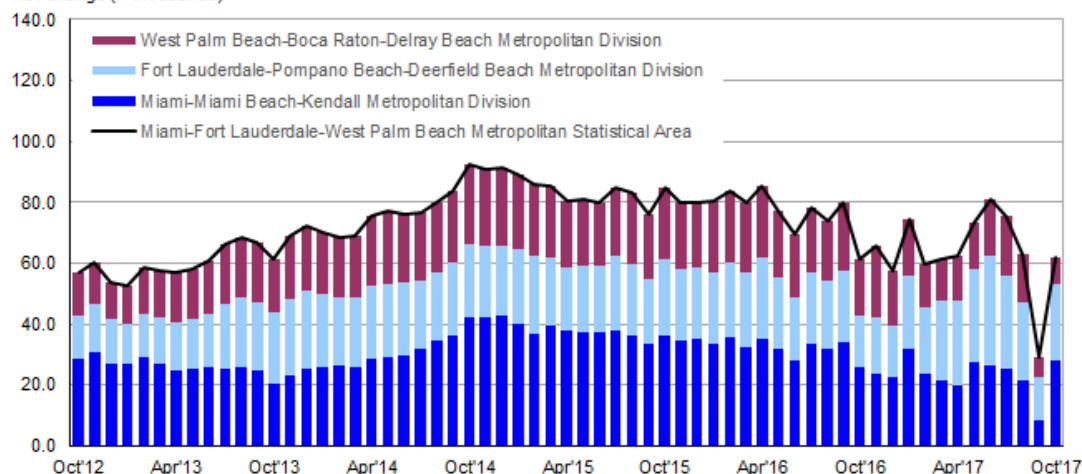
Rank	Employer	Employees
1	Miami Dade Public Schools	38,324
2	Broward County Public Schools	32,899
3	Miami Dade County	28,290
4	Palm Beach County Schools	22,051
5	State of Florida	17,929
6	Broward County	6,312
7	Palm Beach County	6,000

Source: *South Florida Business Journal, Book of Lists, 2017*

Employment – Total nonfarm employment for the Miami-Fort Lauderdale-West Palm Beach Metropolitan Statistical Area stood at 2,668,200 in October 2017, up 2.4 percent over the year, the U.S. Bureau of Labor Statistics reported. Nationally, employment increased 1.4 percent from October 2016 to October 2017. Regional Commissioner Janet S. Rankin noted that the Miami metropolitan area has had over-the-year employment increases each month since August 2010. (See chart 1)

Chart 1. Total nonfarm employment, over-the-year net change in the Miami metropolitan area and its divisions, October 2012–October 2017

Net change (in thousands)

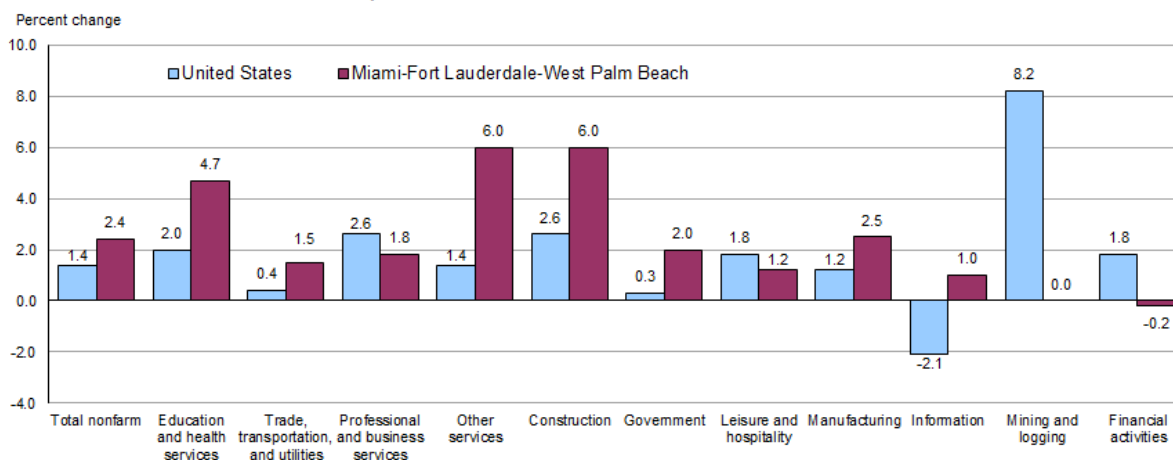


Source: U.S. Bureau of Labor Statistics.

The Miami area is made up of three metropolitan divisions—separately identifiable employment centers within the larger metropolitan area. All three divisions gained jobs over the year. Miami-Miami Beach-Kendall, the largest of the three divisions with 45 percent of the area's employment, added 27,900 jobs from October a year ago. The Fort Lauderdale-Pompano Beach-Deerfield Beach Division, which accounted for 32 percent of Miami area's workforce, added 25,200 jobs. The West Palm Beach-Boca Raton-Delray Beach Division, with 23 percent of the area's workforce, added 8,900 jobs over the 12-month period.

Industry Employment – Education and health services had the largest over-the-year increase in the local area in October 2017, adding 18,000 jobs. All three metropolitan divisions gained jobs from October 2016, with the largest increase in the Fort Lauderdale metropolitan division (+9,800). The super-sector's local rate of job growth, at 4.7 percent, was more than double the 2.0-percent gain nationally. (See chart 2)

Chart 2. Total nonfarm and selected industry supersector employment, over-the-year percent change, United States and the Miami-Fort Lauderdale-West Palm Beach metropolitan area, October 2017



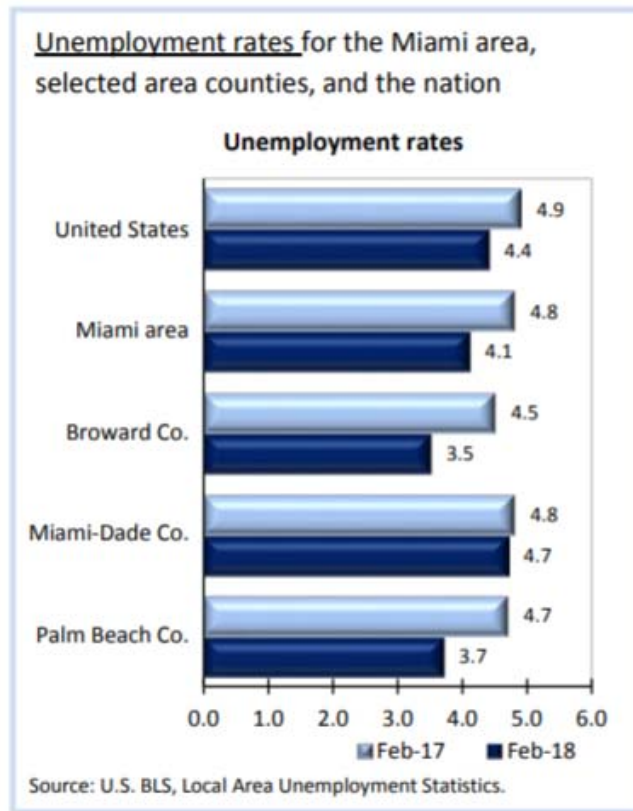
Source: U.S. Bureau of Labor Statistics.

Trade, transportation, and utilities had the second largest over-the-year increase in jobs locally from October 2016 to October 2017, growing by 8,600 or 1.5 percent. Both the Miami and Fort Lauderdale metropolitan divisions added jobs over the year. Nationwide, employment in this supersector was up 0.4 percent.

Three other supersectors gained at least 7,500 jobs over the year in the local area—professional and business services (+7,700), other services (+7,600), and construction (+7,500). The local rates of job growth for the other services and the construction industry sectors were faster than their respective national rates.

Unemployment – According to the most recent released report from the Bureau of Labor Statistics, the Florida's seasonally adjusted unemployment rate was 3.9% in March 2018.

Southeastern Florida – Unemployment Rate Trends

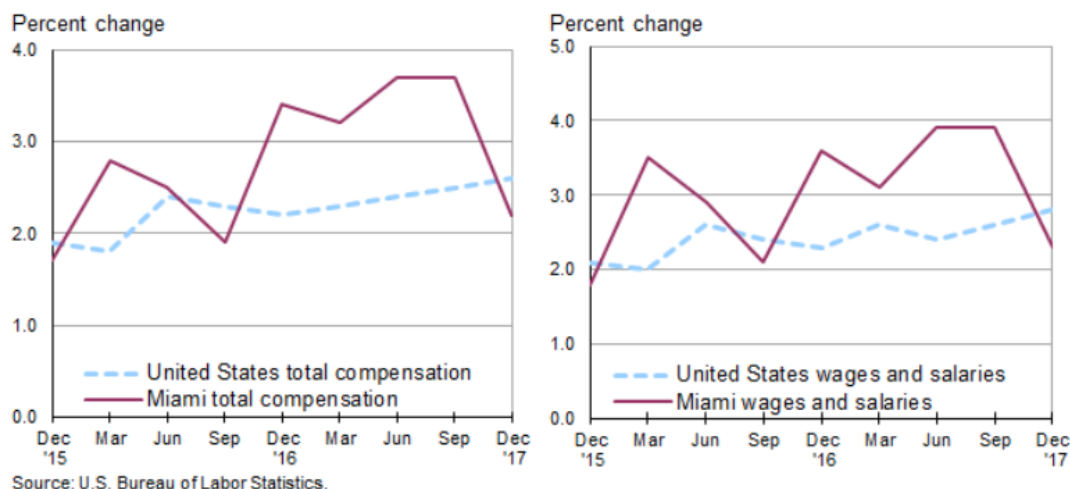


Items of Note:

- Miami-Dade's unemployment dropped from 4.8% to 4.7% from February 2017 to February 2018.
- Broward County's unemployment dropped from 4.5% to 3.5% from February 2017 to February 2018.
- During that time, unemployment also dropped in Palm Beach County – from 4.7% to 3.7%.
- Nationwide, unemployment rates improved from 4.9% to 4.4%.

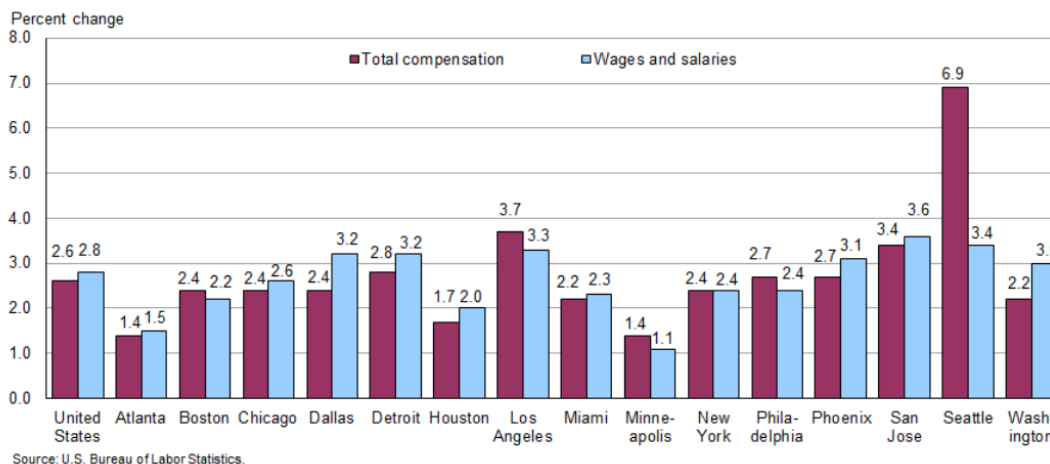
Compensation Costs for Wages and Salaries – Total compensation costs for private industry workers increased 2.2 percent in the Miami-Fort Lauderdale-Pompano Beach, Fla. metropolitan area for the year ended December 2017, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Janet S. Rankin noted that one year ago, Miami experienced an annual gain of 3.4 percent in compensation costs. Locally, wages and salaries, the largest component of compensation costs, advanced at a 2.3-percent pace for the 12-month period ended December 2017. Nationwide, total compensation costs increased 2.6 percent and wages and salaries rose 2.8 percent from December 2016 to December 2017.

Chart 1. Twelve-month percent changes in the Employment Cost Index, private industry workers, United States and the Miami area, not seasonally adjusted, December 2015–December 2017



Miami is 1 of 15 metropolitan areas in the United States and 1 of 5 areas in the South region of the country for which locality compensation cost data are now available. Among these 15 largest areas, over-the-year percentage changes in the cost of compensation ranged from 6.9 percent in Seattle to 1.4 percent in both Atlanta and Minneapolis in December 2017; for wages and salaries, annual changes ranged from 3.6 percent in San Jose to 1.1 percent in Minneapolis. (See chart 2.)

Chart 2. Twelve-month percent change in the Employment Cost Index, private industry workers, United States and localities, not seasonally adjusted, December 2017



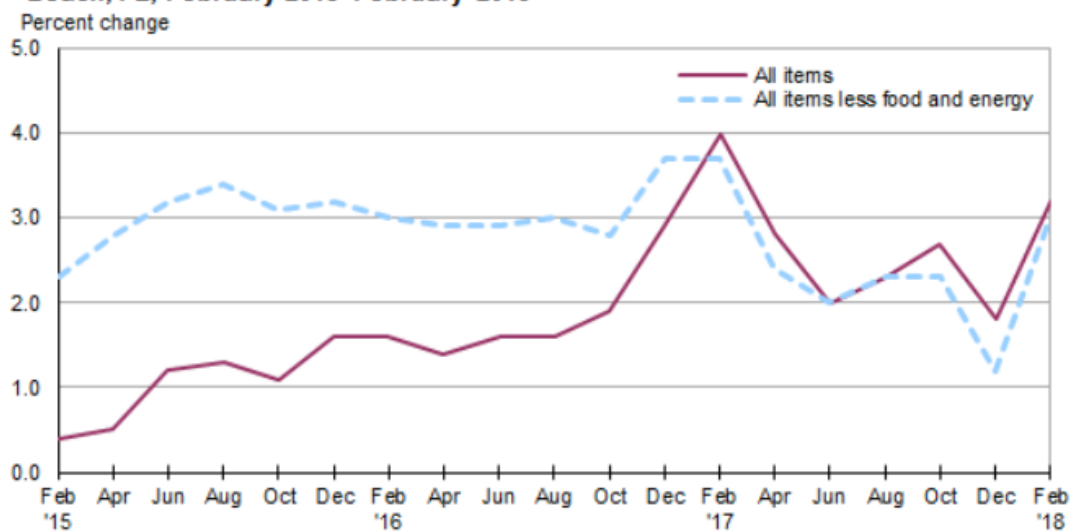
The annual increase in compensation costs in Miami in December 2017, at 2.2 percent, compared to advances that ranged from 2.4 to 1.4 percent in the four other metropolitan areas in the South (Atlanta, Dallas, Houston, and Washington). Miami's 2.3-percent gain

in wages and salaries over this 12-month period compared to rates ranging from 3.2 to 1.5 percent in the four other southern localities.

Consumer Price Index – The Consumer Price Index for All Urban Consumers (CPI-U) for Miami-Fort Lauderdale-West Palm Beach was up 2.6 percent over the January-February pricing period, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Janet S. Rankin noted that the index for all items less food and energy advanced 3.0 percent and the energy index rose 4.0 percent. The food index declined 0.5 percent over the two-month pricing period. (Data in this report are not seasonally adjusted. Accordingly, month-to-month changes may reflect the impact of seasonal influences.)

Over the last 12 months, the CPI-U rose 3.2 percent. The index for all items less food and energy advanced 3.3 percent over the year, and the energy index increased 6.4 percent. The food index was up 0.6 percent since February 2017. (See chart 1.)

Chart 1. Over-the-year percent change in CPI-U, Miami-Fort Lauderdale-West Palm Beach, FL, February 2015–February 2018



The food index declined 0.5 percent over the January-February pricing period, reflecting a 0.8 percent decrease in the food at home index. The food away from home index was unchanged over the two months.

Since February 2017, the food index was up 0.6 percent. A 1.9 percent increase in the food away from home index was partially offset by a 0.4-percent decline in the food at home index.

The energy index rose 4.0 percent over the January-February pricing period, reflecting a 7.1 percent increase in the motor fuel index. The electricity index edged up 0.2 percent over the two months.

Over the year, the energy index advanced 6.4 percent, led by a 12.0-percent increase in the motor fuel index. Since February 2017, the electricity index edged up 0.3 percent.

The index for all items less food and energy was up 3.0 percent over the January-February pricing period as increases were noted for several indexes, including medical care (12.3 percent), shelter (1.4 percent), and motor vehicle insurance (21.2 percent).

From February 2017 to February 2018, the index for all items less food and energy advanced 3.3 percent. The indexes for shelter and medical care contributed to the increase, up 4.3 and 12.1 percent, respectively.

Housing Market

South Florida residential sales rose in all three counties in April, about a 7.85% increase from last year. Miami-Dade experienced the largest surge with nearly 13% increase in closings compared to the same month last year.

Miami-Dade

In Miami-Dade County, condo sales rose 24.6% last month to 1,384 closings, while home sales were up only 2.1% to 1,217, according to the Miami Association of Realtors.

In all, residential closings totaled 2,601 in April, a 12.9% increase from the previous April's 2,303 sales. Sales volume totaled \$1.2 billion, up 17.8%. Prices also continued climbing: single-family home prices rose 7.8% to \$345,000, while condo prices increased by 5.4% to more than \$241,000.

Broward

In Broward County, single-family home sales dipped in Broward, down 1.6% to 1,378. Condo sales rose to 1,631, a 9.5% jump from the previous year. Overall, closings were up 4.15% to 3,009. Sales volume totaled \$986.8 million in April, a year-over-year increase of about 17%.

The median sale price for a single-family home reached \$355,500, a 7.7% increase; while the median price of a condo rose 8.8% to \$161,500.

Palm Beach

In Palm Beach County, the residential market continued to show strength in April, with residential closings up 7.5% to 3,097. Home sales totaled 1,690, and condo sales totaled 1,407, increases of 5.8% and 9.2%, respectively.

The dollar volume totaled \$1.44 billion, up nearly 18% from April 2017. Prices rose to about \$182,000, and increase of 10.2%, for condos and \$350,000 for homes, and increase of 7%.

Housing Summary – Excepting the Miami condo market which is oversupplied, the South Florida housing market is relatively healthy and balanced.

Hospitality and Tourism Market

March is historically the strongest month for tourism in South Florida and occupancy rates proved that true again this year. Palm Beach County reported a three-year high at 88.6% occupancy which is 1.7% higher than the same month in 2017, STR reported.

Broward showed lower occupancy rates at 86.9% occupancy, which is 0.8 points lower than the same month last year. The Greater Fort Lauderdale Convention & Visitors Bureau attributes this decrease to the increase in hotel rooms county wide. Since March 2017, approximately 750 more hotel rooms are available now, with ±700 rooms under construction and expecting to open during 2018. Overall hotel revenue in Broward increased from \$148.5 million in March 2017 to \$170.9 million in March of this year, while the average daily rate jumped to \$204.44 compared with \$180.31 last March, the STR data shows.

Miami-Dade's occupancy rate, meanwhile, increased to 87.9 percent, 2.2 percentage points more than in March 2017. The average daily room rate in the county increased to \$268.22 from \$232.86 a year earlier.

Despite the discouragement from hurricane season, the tri-county area saw growth from the same time last year. Group business has helped to boost occupancy rates in the past, and the tourism bureaus in each county have stated that they intend to attract more meeting and convention business throughout the peak winter season.

Hospitality/Tourism trends in the South Florida market are as follows:

- The sharing economy continues to threaten the hospitality market. A study from the American Hotel & Lodging Education Foundation found that the practice of frequently listing multiple properties on Airbnb was more prevalent in South Florida than in the nation's other largest metropolitan areas. Currently, less than 1 percent of the 15.4 million people who visited Miami-Dade County last year used Airbnb. That portion is

expected to grow coincident with Airbnb's explosive growth, but attempts at regulation are well underway in many South Florida cities.

- Global warming is also a potential challenge to South Florida's hospitality sector. Last year due to the extremely warm winters, less people traveled south. This is a concern.
- Airport and cruise travel is up in all three counties. In Fort Lauderdale alone, the international airport reported to have serviced over 32.51 million passengers in 2017. That is up from 29.21 million passengers in 2016. The airport opened 11 new international gates during 2017 which was part of a \$3.2 billion airport expansion and modernization program still underway. Port Everglades reported more than 3.86 million cruise passengers in 2017, up from 3.82 million in 2016. Miami International had 44.07 million passengers in 2017 – a 6.4% increase in travelers from the prior year. Palm Beach International serviced 6.32 million visitors in 2017. Airport upgrades are planned and underway. The county plans to make changes to waiting rooms, bagging areas and charging stations. It recently added a 60,000-square foot concession mall as well.

Household Formation

During the real estate crisis, housing formation dropped by over half in the region. The following table compares historical and projected growth trends in household formation in South Florida and Florida overall.

Household Formation by County – South Florida – 2000 - 2017

Households (000's)	2000	2010	2017	Compound Annual Growth Rate 00-10	Compound Annual Growth Rate 10-17
Florida	6,338.1	7,420.8	8,125.1	1.7%	1.09%
South Florida	1,905.5	2,107.6	2,276.5	1.1%	1.08%
Miami-Dade County	776.9	867.4	959.2	1.1%	1.1%
Broward County	654.4	686.0	733.6	1.0%	1.07%
Palm Beach County	474.2	554.2	583.7	1.7%	1.05%

Source: UF - BEBR

Miami-Dade County had the largest increase in households state-wide between 2010 and 2017, growing by 91,832, followed by Broward increasing by 47,589, and Palm Beach increasing by 39,441. The recovery of sustained household formation is a concern for the region but a recent surge of millennials has entered the workforce and the housing market has recovered, so it is likely that these trends will help household formation.

South Florida Banking

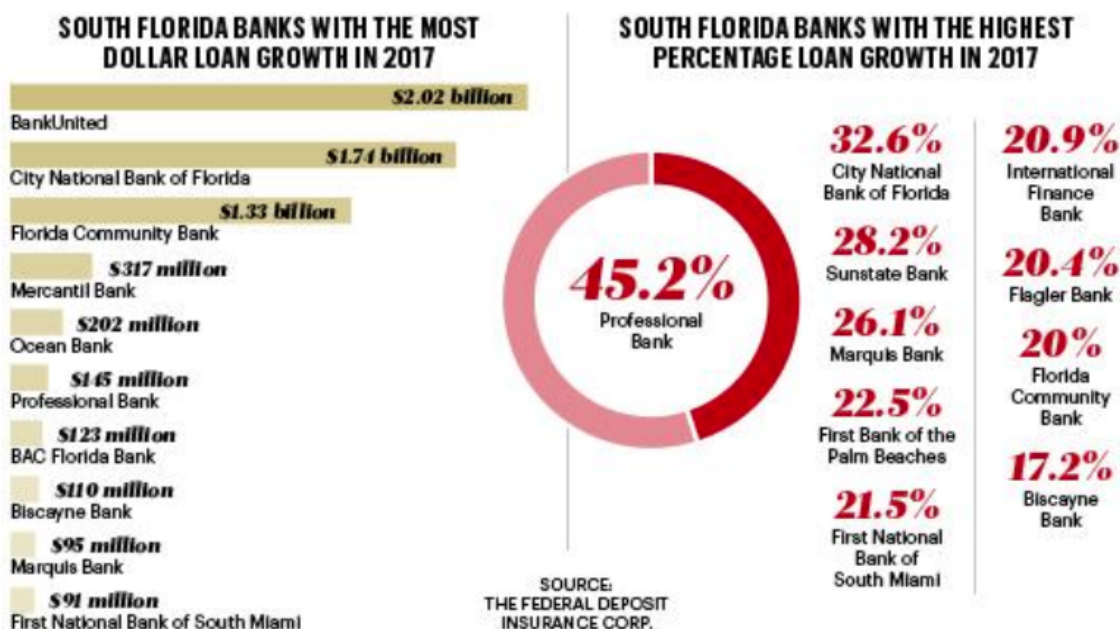
Mergers have thinned the ranks of South Florida-based banks in recent years, but those that remained significantly boosted their lending in 2017.

Eight local banks increased their loan portfolios by more than \$100 million each last year, including three banks with over \$1 billion in loan growth, according to the Federal Deposit Insurance Corp. In addition, 19 of the 42 banks had double-digit percentage loan growth in 2017. Only seven local banks shrank their loan portfolios.

By comparison, the total loans at all Florida banks grew by 6.4 percent in 2017.

Miami Lakes-based BankUnited led all South Florida banks with \$2.02 billion in loan growth, although some of that was in New York and on its national platforms. Miami-based City National Bank of Florida was especially impressive, as it came in second in both dollar volume and percentage increase for loan growth.

Coral Gables-based Professional Bank, which has been adding branches in Broward and Palm Beach counties, took the top spot with 45.2 percent loan growth in 2017.



Source: South Florida Business Journal, April 2018

SunTrust Banks Chairman and CEO Bill Rogers was the keynote speaker of the Miami-Dade Beacon Council Executive Roundtable Breakfast this April. During his visit he

expressed SunTrust Bank's optimism regarding South Florida's banking and finance industry. Rogers called Miami and South Florida "the most diversified and inclusive market in the country."

The banking and finance industry is among the target sectors the Beacon Council is working with to attract more high-paying jobs to South Florida. Although Rogers wouldn't confirm any big local hiring moves from SunTrust, he said the bank's opportunities in the region range from adding more employees to expanding segments of its business such as small business, private wealth and/or ports and logistics services. He also noted their bullish efforts toward millennials and financial technology.

According to the Beacon Council, Miami-Dade County is a competitive market for banking, with the largest concentration of domestic and international banks on the East Coast, south of New York City.

US Banks accelerated their pace of branch consolidations throughout 2017, closing a net of over 2,069 locations. This pace is expected to continue into 2018 as a number of bank holding companies reported plans to deploy a significant portion of expected savings from the tax reform legislation into increased spending on technology, expected to support increasing reliance on digital and mobile technology by bank customers to conduct more of their banking business.

Despite the Trump Administration relaxing regulatory matters, banks continue to operate in a challenging environment particularly community banks. Low interest rates for an extended period have led some institutions to reach for yield, which has increased their exposure to interest-rate risk, liquidity risk, and credit risk. Current oil and gas prices continue to affect borrowers that depend on the energy sector, and have had an adverse effect on asset quality. These challenges will only intensify as interest rates normalize.

Other South Florida banking/lending trends are noted as follows:

- The Fed is expected to raise interest rates further in 2018.
- Branch banking has slowed and the trend is continuing toward mobile banking.
- Mergers and acquisitions should be announced as community banks are motivated due to burdensome Federal regulations.
- The industry has started to lay off employees mostly in the mortgage space.

Conclusion

Market data strongly suggests that the South Florida economy is generally robust with only minor headwinds, such as the strong dollar and rising construction costs. Key economic variables such as population growth, employment growth, and housing, have

all shown improvement. Key ties to South America and Europe, that have helped fuel a housing market rebound, and strong ties to Latin America and the Caribbean, have slowed but remain a key driving force in the expansion in trade in the region. Tourism has rebounded and there is expansion in the hospitality sector, although average occupancy has dropped off a bit with the introduction of new product. Investments in infrastructure will also benefit the region coincident with the opening of the Panama Canal. Led by Miami-Dade County, South Florida commercial real estate has reached, and in some cases, exceed previous peak pricing, with all property types now in play. There is an oversupply of residential condo product in Miami Dade, but Broward and Palm Beach are still in balance. The Federal Reserve has strongly hinted at raising interest rates one more time in in the near future and it remains to be seen what impact any new trade deals could have on the Miami industrial market, but overall, the South Florida economy is generally healthy. Most analysts agree that South Florida is in the late innings of the current economy with possibly two or so solid years of growth ahead. The economic impact of the new administration's fiscal and business policies on the South Florida policy is still being played out.

DEMOGRAPHICS



Household Income Profile

NE 7th Ave, Fort Lauderdale, Florida, 33301
Ring: 1 mile radius

Prepared by Esri
Latitude: 26.12857
Longitude: -80.13673

Summary	2018	2023	2018-2023 Change	2018-2023 Annual Rate
Population	25,724	29,608	3,884	2.85%
Households	13,369	15,470	2,101	2.96%
Median Age	38.7	38.7	0.0	0.00%
Average Household Size	1.81	1.82	0.01	0.11%

Households by Income	2018		2023	
	Number	Percent	Number	Percent
Household	13,369	100%	15,470	100%
<\$15,000	1,752	13.1%	1,592	10.3%
\$15,000-\$24,999	1,217	9.1%	1,159	7.5%
\$25,000-\$34,999	1,235	9.2%	1,238	8.0%
\$35,000-\$49,999	1,496	11.2%	1,638	10.6%
\$50,000-\$74,999	1,965	14.7%	2,284	14.8%
\$75,000-\$99,999	1,542	11.5%	1,916	12.4%
\$100,000-\$149,999	1,981	14.8%	2,651	17.1%
\$150,000-\$199,999	885	6.6%	1,174	7.6%
\$200,000+	1,296	9.7%	1,817	11.7%
Median Household Income	\$60,353		\$72,388	
Average Household Income	\$95,051		\$111,852	
Per Capita Income	\$51,550		\$60,424	

Data Note: Income is reported for households as of July 1, 2018 and represents annual income for the preceding year, expressed in 2017 dollars. Income is reported for households as of July 1, 2023 and represents annual income for the preceding year, expressed in 2022 dollars
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri Forecasts for 2018 and 2023.



Household Income Profile

NE 7th Ave, Fort Lauderdale, Florida, 33301
Ring: 1 mile radius

Prepared by Esri
Latitude: 26.12857
Longitude: -80.13673

2018 Households by Income and Age of Householder							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	730	3,122	2,586	2,322	2,316	1,490	804
<\$15,000	133	292	272	276	373	224	182
\$15,000-\$24,999	92	212	168	156	217	242	130
\$25,000-\$34,999	86	298	218	203	198	133	99
\$35,000-\$49,999	115	373	282	255	221	151	98
\$50,000-\$74,999	125	540	362	299	307	191	141
\$75,000-\$99,999	79	466	333	242	241	132	50
\$100,000-\$149,999	70	576	410	364	306	206	48
\$150,000-\$199,999	15	185	220	201	164	74	27
\$200,000+	16	179	322	327	289	136	29
Median HH Income	\$40,866	\$65,853	\$74,197	\$71,950	\$60,059	\$49,294	\$33,833
Average HH Income	\$57,963	\$87,920	\$109,426	\$111,881	\$101,589	\$87,000	\$57,544
Percent Distribution							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	100%	100%	100%	100%	100%	100%	100%
<\$15,000	18.2%	9.4%	10.5%	11.9%	16.1%	15.0%	22.6%
\$15,000-\$24,999	12.6%	6.8%	6.5%	6.7%	9.4%	16.2%	16.2%
\$25,000-\$34,999	11.8%	9.5%	8.4%	8.7%	8.5%	8.9%	12.3%
\$35,000-\$49,999	15.8%	11.9%	10.9%	11.0%	9.5%	10.1%	12.2%
\$50,000-\$74,999	17.1%	17.3%	14.0%	12.9%	13.3%	12.8%	17.5%
\$75,000-\$99,999	10.8%	14.9%	12.9%	10.4%	10.4%	8.9%	6.2%
\$100,000-\$149,999	9.6%	18.4%	15.9%	15.7%	13.2%	13.8%	6.0%
\$150,000-\$199,999	2.1%	5.9%	8.5%	8.7%	7.1%	5.0%	3.4%
\$200,000+	2.2%	5.7%	12.5%	14.1%	12.5%	9.1%	3.6%

Data Note: Income is reported for households as of July 1, 2018 and represents annual income for the preceding year, expressed in 2017 dollars. Income is reported for households as of July 1, 2023 and represents annual income for the preceding year, expressed in 2022 dollars

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri Forecasts for 2018 and 2023.



Household Income Profile

NE 7th Ave, Fort Lauderdale, Florida, 33301
Ring: 1 mile radius

Prepared by Esri
Latitude: 26.12857
Longitude: -80.13673

2023 Households by Income and Age of Householder							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	875	3,646	3,040	2,379	2,491	1,877	1,163
<\$15,000	138	257	245	219	306	220	208
\$15,000-\$24,999	87	196	146	123	192	250	163
\$25,000-\$34,999	93	297	211	167	189	151	129
\$35,000-\$49,999	139	407	296	236	225	187	148
\$50,000-\$74,999	157	625	417	292	326	248	220
\$75,000-\$99,999	108	572	411	269	287	182	88
\$100,000-\$149,999	107	765	553	434	387	310	95
\$150,000-\$199,999	23	254	302	228	204	109	53
\$200,000+	23	272	459	411	374	219	58
Median HH Income	\$47,246	\$76,304	\$85,732	\$87,586	\$75,466	\$61,019	\$42,069
Average HH Income	\$68,524	\$103,060	\$129,339	\$133,569	\$120,962	\$105,669	\$72,250
Percent Distribution							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	100%	100%	100%	100%	100%	100%	100%
<\$15,000	15.8%	7.0%	8.1%	9.2%	12.3%	11.7%	17.9%
\$15,000-\$24,999	9.9%	5.4%	4.8%	5.2%	7.7%	13.3%	14.0%
\$25,000-\$34,999	10.6%	8.1%	6.9%	7.0%	7.6%	8.0%	11.1%
\$35,000-\$49,999	15.9%	11.2%	9.7%	9.9%	9.0%	10.0%	12.7%
\$50,000-\$74,999	17.9%	17.1%	13.7%	12.3%	13.1%	13.2%	18.9%
\$75,000-\$99,999	12.3%	15.7%	13.5%	11.3%	11.5%	9.7%	7.6%
\$100,000-\$149,999	12.2%	21.0%	18.2%	18.2%	15.5%	16.5%	8.2%
\$150,000-\$199,999	2.6%	7.0%	9.9%	9.6%	8.2%	5.8%	4.6%
\$200,000+	2.6%	7.5%	15.1%	17.3%	15.0%	11.7%	5.0%

Data Note: Income is reported for households as of July 1, 2018 and represents annual income for the preceding year, expressed in 2017 dollars. Income is reported for households as of July 1, 2023 and represents annual income for the preceding year, expressed in 2022 dollars

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri Forecasts for 2018 and 2023.



Household Income Profile

NE 7th Ave, Fort Lauderdale, Florida, 33301
Ring: 3 mile radius

Prepared by Esri
Latitude: 26.12857
Longitude: -80.13673

Summary	2018	2023	2018-2023 Change	2018-2023 Annual Rate
Population	138,431	148,038	9,607	1.35%
Households	63,173	67,653	4,480	1.38%
Median Age	42.6	42.7	0.1	0.05%
Average Household Size	2.13	2.14	0.01	0.09%

Households by Income	2018		2023	
	Number	Percent	Number	Percent
Household	63,173	100%	67,653	100%
<\$15,000	8,662	13.7%	7,342	10.9%
\$15,000-\$24,999	6,352	10.1%	5,622	8.3%
\$25,000-\$34,999	6,627	10.5%	6,255	9.2%
\$35,000-\$49,999	8,445	13.4%	8,663	12.8%
\$50,000-\$74,999	10,245	16.2%	11,154	16.5%
\$75,000-\$99,999	6,615	10.5%	7,802	11.5%
\$100,000-\$149,999	7,648	12.1%	9,712	14.4%
\$150,000-\$199,999	3,287	5.2%	4,083	6.0%
\$200,000+	5,292	8.4%	7,018	10.4%
Median Household Income	\$52,605		\$61,033	
Average Household Income	\$85,304		\$101,282	
Per Capita Income	\$39,915		\$47,222	

Data Note: Income is reported for households as of July 1, 2018 and represents annual income for the preceding year, expressed in 2017 dollars. Income is reported for households as of July 1, 2023 and represents annual income for the preceding year, expressed in 2022 dollars
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri Forecasts for 2018 and 2023.

October 30, 2018



Household Income Profile

NE 7th Ave, Fort Lauderdale, Florida, 33301
Ring: 3 mile radius

Prepared by Esri
Latitude: 26.12857
Longitude: -80.13673

2018 Households by Income and Age of Householder							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	2,264	9,968	10,254	12,100	12,916	9,551	6,120
<\$15,000	422	1,112	1,179	1,385	1,962	1,387	1,216
\$15,000-\$24,999	303	830	739	783	1,163	1,410	1,123
\$25,000-\$34,999	319	1,108	1,043	1,077	1,168	1,058	853
\$35,000-\$49,999	396	1,415	1,413	1,588	1,542	1,215	876
\$50,000-\$74,999	405	1,883	1,665	1,948	2,036	1,350	957
\$75,000-\$99,999	185	1,307	1,245	1,301	1,330	852	396
\$100,000-\$149,999	157	1,421	1,386	1,721	1,561	1,090	311
\$150,000-\$199,999	34	460	621	845	744	410	172
\$200,000+	43	432	963	1,451	1,410	778	216
Median HH Income	\$37,464	\$55,033	\$59,082	\$63,438	\$55,822	\$45,478	\$33,027
Average HH Income	\$52,649	\$76,214	\$92,499	\$101,924	\$94,007	\$80,955	\$55,699
Percent Distribution							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	100%	100%	100%	100%	100%	100%	100%
<\$15,000	18.6%	11.2%	11.5%	11.4%	15.2%	14.5%	19.9%
\$15,000-\$24,999	13.4%	8.3%	7.2%	6.5%	9.0%	14.8%	18.3%
\$25,000-\$34,999	14.1%	11.1%	10.2%	8.9%	9.0%	11.1%	13.9%
\$35,000-\$49,999	17.5%	14.2%	13.8%	13.1%	11.9%	12.7%	14.3%
\$50,000-\$74,999	17.9%	18.9%	16.2%	16.1%	15.8%	14.1%	15.6%
\$75,000-\$99,999	8.2%	13.1%	12.1%	10.8%	10.3%	8.9%	6.5%
\$100,000-\$149,999	6.9%	14.3%	13.5%	14.2%	12.1%	11.4%	5.1%
\$150,000-\$199,999	1.5%	4.6%	6.1%	7.0%	5.8%	4.3%	2.8%
\$200,000+	1.9%	4.3%	9.4%	12.0%	10.9%	8.1%	3.5%

Data Note: Income is reported for households as of July 1, 2018 and represents annual income for the preceding year, expressed in 2017 dollars. Income is reported for households as of July 1, 2023 and represents annual income for the preceding year, expressed in 2022 dollars

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri Forecasts for 2018 and 2023.



Household Income Profile

NE 7th Ave, Fort Lauderdale, Florida, 33301
Ring: 3 mile radius

Prepared by Esri
Latitude: 26.12857
Longitude: -80.13673

2023 Households by Income and Age of Householder							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	2,440	10,793	11,026	11,240	13,099	11,386	7,670
<\$15,000	410	913	1,001	978	1,498	1,294	1,248
\$15,000-\$24,999	276	703	574	551	941	1,362	1,215
\$25,000-\$34,999	304	1,030	949	830	1,029	1,142	971
\$35,000-\$49,999	435	1,432	1,386	1,377	1,479	1,436	1,117
\$50,000-\$74,999	461	2,056	1,781	1,770	2,094	1,683	1,310
\$75,000-\$99,999	232	1,559	1,450	1,323	1,501	1,131	605
\$100,000-\$149,999	222	1,856	1,768	1,890	1,906	1,548	523
\$150,000-\$199,999	48	609	802	878	881	579	287
\$200,000+	52	635	1,313	1,645	1,769	1,210	395
Median HH Income	\$41,598	\$63,719	\$71,596	\$76,685	\$67,413	\$55,162	\$39,306
Average HH Income	\$60,690	\$91,079	\$111,155	\$120,684	\$112,995	\$98,611	\$69,876
Percent Distribution							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	100%	100%	100%	100%	100%	100%	100%
<\$15,000	16.8%	8.5%	9.1%	8.7%	11.4%	11.4%	16.3%
\$15,000-\$24,999	11.3%	6.5%	5.2%	4.9%	7.2%	12.0%	15.8%
\$25,000-\$34,999	12.5%	9.5%	8.6%	7.4%	7.9%	10.0%	12.7%
\$35,000-\$49,999	17.8%	13.3%	12.6%	12.3%	11.3%	12.6%	14.6%
\$50,000-\$74,999	18.9%	19.0%	16.2%	15.7%	16.0%	14.8%	17.1%
\$75,000-\$99,999	9.5%	14.4%	13.2%	11.8%	11.5%	9.9%	7.9%
\$100,000-\$149,999	9.1%	17.2%	16.0%	16.8%	14.6%	13.6%	6.8%
\$150,000-\$199,999	2.0%	5.6%	7.3%	7.8%	6.7%	5.1%	3.7%
\$200,000+	2.1%	5.9%	11.9%	14.6%	13.5%	10.6%	5.1%

Data Note: Income is reported for households as of July 1, 2018 and represents annual income for the preceding year, expressed in 2017 dollars. Income is reported for households as of July 1, 2023 and represents annual income for the preceding year, expressed in 2022 dollars

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri Forecasts for 2018 and 2023.



Household Income Profile

NE 7th Ave, Fort Lauderdale, Florida, 33301
Ring: 5 mile radius

Prepared by Esri
Latitude: 26.12857
Longitude: -80.13673

Summary	2018	2023	2018-2023 Change	2018-2023 Annual Rate
Population	290,379	306,673	16,294	1.10%
Households	123,301	130,151	6,850	1.09%
Median Age	41.7	41.9	0.2	0.10%
Average Household Size	2.32	2.32	0.00	0.00%

Households by Income	2018		2023	
	Number	Percent	Number	Percent
Household	123,301	100%	130,151	100%
<\$15,000	16,367	13.3%	13,736	10.6%
\$15,000-\$24,999	13,392	10.9%	11,651	9.0%
\$25,000-\$34,999	13,795	11.2%	12,801	9.8%
\$35,000-\$49,999	17,737	14.4%	17,956	13.8%
\$50,000-\$74,999	21,382	17.3%	23,154	17.8%
\$75,000-\$99,999	13,007	10.5%	15,266	11.7%
\$100,000-\$149,999	14,006	11.4%	17,790	13.7%
\$150,000-\$199,999	5,682	4.6%	7,159	5.5%
\$200,000+	7,933	6.4%	10,638	8.2%
Median Household Income	\$50,280		\$57,455	
Average Household Income	\$77,711		\$92,562	
Per Capita Income	\$33,581		\$39,837	

Data Note: Income is reported for households as of July 1, 2018 and represents annual income for the preceding year, expressed in 2017 dollars. Income is reported for households as of July 1, 2023 and represents annual income for the preceding year, expressed in 2022 dollars
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri Forecasts for 2018 and 2023.

October 30, 2018



Household Income Profile

NE 7th Ave, Fort Lauderdale, Florida, 33301
Ring: 5 mile radius

Prepared by Esri
Latitude: 26.12857
Longitude: -80.13673

2018 Households by Income and Age of Householder							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	4,146	18,405	19,463	23,291	25,588	19,145	13,263
<\$15,000	715	2,018	2,140	2,494	3,686	2,785	2,529
\$15,000-\$24,999	553	1,703	1,533	1,604	2,428	2,837	2,732
\$25,000-\$34,999	608	2,188	2,099	2,170	2,461	2,306	1,964
\$35,000-\$49,999	803	2,847	2,934	3,305	3,315	2,695	1,840
\$50,000-\$74,999	789	3,628	3,418	4,171	4,463	2,891	2,022
\$75,000-\$99,999	315	2,384	2,410	2,620	2,700	1,700	878
\$100,000-\$149,999	242	2,333	2,552	3,240	3,025	2,006	607
\$150,000-\$199,999	56	694	1,007	1,502	1,355	723	346
\$200,000+	64	612	1,371	2,184	2,154	1,202	346
Median HH Income	\$37,687	\$52,084	\$55,608	\$60,050	\$53,635	\$42,997	\$31,294
Average HH Income	\$50,785	\$70,393	\$83,650	\$93,143	\$85,502	\$73,401	\$51,663
Percent Distribution							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	100%	100%	100%	100%	100%	100%	100%
<\$15,000	17.2%	11.0%	11.0%	10.7%	14.4%	14.5%	19.1%
\$15,000-\$24,999	13.3%	9.3%	7.9%	6.9%	9.5%	14.8%	20.6%
\$25,000-\$34,999	14.7%	11.9%	10.8%	9.3%	9.6%	12.0%	14.8%
\$35,000-\$49,999	19.4%	15.5%	15.1%	14.2%	13.0%	14.1%	13.9%
\$50,000-\$74,999	19.0%	19.7%	17.6%	17.9%	17.4%	15.1%	15.2%
\$75,000-\$99,999	7.6%	13.0%	12.4%	11.2%	10.6%	8.9%	6.6%
\$100,000-\$149,999	5.8%	12.7%	13.1%	13.9%	11.8%	10.5%	4.6%
\$150,000-\$199,999	1.4%	3.8%	5.2%	6.4%	5.3%	3.8%	2.6%
\$200,000+	1.5%	3.3%	7.0%	9.4%	8.4%	6.3%	2.6%

Data Note: Income is reported for households as of July 1, 2018 and represents annual income for the preceding year, expressed in 2017 dollars. Income is reported for households as of July 1, 2023 and represents annual income for the preceding year, expressed in 2022 dollars

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri Forecasts for 2018 and 2023.



Household Income Profile

NE 7th Ave, Fort Lauderdale, Florida, 33301
Ring: 5 mile radius

Prepared by Esri
Latitude: 26.12857
Longitude: -80.13673

2023 Households by Income and Age of Householder							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	4,389	19,383	20,942	21,484	25,586	22,367	16,001
<\$15,000	682	1,643	1,831	1,727	2,770	2,553	2,529
\$15,000-\$24,999	495	1,400	1,216	1,123	1,934	2,655	2,828
\$25,000-\$34,999	576	1,967	1,925	1,650	2,109	2,434	2,140
\$35,000-\$49,999	866	2,823	2,908	2,840	3,126	3,118	2,274
\$50,000-\$74,999	889	3,908	3,702	3,816	4,592	3,555	2,693
\$75,000-\$99,999	393	2,818	2,846	2,659	3,015	2,230	1,306
\$100,000-\$149,999	331	3,011	3,314	3,571	3,675	2,879	1,009
\$150,000-\$199,999	74	926	1,308	1,588	1,639	1,046	578
\$200,000+	82	886	1,893	2,511	2,726	1,898	642
Median HH Income	\$41,235	\$59,394	\$65,437	\$71,298	\$63,248	\$52,106	\$37,531
Average HH Income	\$58,463	\$84,010	\$99,922	\$110,525	\$103,129	\$90,171	\$64,966
Percent Distribution							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	100%	100%	100%	100%	100%	100%	100%
<\$15,000	15.5%	8.5%	8.7%	8.0%	10.8%	11.4%	15.8%
\$15,000-\$24,999	11.3%	7.2%	5.8%	5.2%	7.6%	11.9%	17.7%
\$25,000-\$34,999	13.1%	10.1%	9.2%	7.7%	8.2%	10.9%	13.4%
\$35,000-\$49,999	19.7%	14.6%	13.9%	13.2%	12.2%	13.9%	14.2%
\$50,000-\$74,999	20.3%	20.2%	17.7%	17.8%	17.9%	15.9%	16.8%
\$75,000-\$99,999	9.0%	14.5%	13.6%	12.4%	11.8%	10.0%	8.2%
\$100,000-\$149,999	7.5%	15.5%	15.8%	16.6%	14.4%	12.9%	6.3%
\$150,000-\$199,999	1.7%	4.8%	6.2%	7.4%	6.4%	4.7%	3.6%
\$200,000+	1.9%	4.6%	9.0%	11.7%	10.7%	8.5%	4.0%

Data Note: Income is reported for households as of July 1, 2018 and represents annual income for the preceding year, expressed in 2017 dollars. Income is reported for households as of July 1, 2023 and represents annual income for the preceding year, expressed in 2022 dollars

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri Forecasts for 2018 and 2023.

QUALIFICATIONS

WALTER DUKE + PARTNERS

COMMERCIAL REAL ESTATE VALUATION

Walter B. Duke, III, MAI, CCIM
State Certified General Appraiser 375

QUALIFICATIONS OF WALTER B. DUKE, III, MAI, CCIM

EDUCATION

University of Florida, Gainesville, Florida
Major in Real Estate
B.S. Degree in Business Administration

Appraisal Institute, American Institute of Real Estate Appraisers and Society of Real Estate Appraisers core course, electives, seminars and comprehensive examination.

APPRAISAL/REAL ESTATE EXPERIENCE

1992 – Present	President & CEO, Walter Duke + Partners, Inc.
1988 – 1992	Senior Appraiser, Clobus Valuation Co., Inc.
1985 – 1987	Staff Appraiser, Clobus Valuation Co., Inc.
1983 – 1984	Broker-Salesperson, Carmel Bay Realty

Appraisal assignments include the valuation and/or evaluation of a wide variety of commercial, residential and industrial properties in Florida prepared for banks, savings and loans, savings bank, insurance companies, estates, governmental agencies, REIT's, mortgage bankers, attorneys and individual investors. Property types include, but are not limited to, proposed and existing office buildings, commercial condominiums, warehouse and industrial properties, shopping centers and retail development, market and tax credit apartments, acreage tracts, commercial/industrial land and special purpose properties including marinas, boatyards, religious and/or educational facilities, fixed base operations (FBO).

Qualified Real Estate Valuation Expert Witness:
U.S. Bankruptcy Court, Southern District of Florida
17th Judicial Circuit Court, Broward County

PROFESSIONAL AND BUSINESS AFFILIATIONS

MAI – Member, Appraisal Institute, No. 8584
CCIM – Certified Commercial Investment Member No. 7130
Registered Real Estate Broker-Salesperson – State of Florida, No. 0398146
Certified General Appraiser – State of Florida, No. RZ375
Former Member – Review and Counseling Division – Region X
South Florida-Caribbean Chapter of Appraisal Institute:
President 2000, 2nd Vice President 1999, Secretary 1998, Treasurer 1997
Regional Representative: Region X
Leadership Fort Lauderdale – Class IV, 1998
Appraisal Institute-Leadership Advisory Council, 1997
Institute Affiliate Member – Realtor Association of Greater Fort Lauderdale
Member – Society of Commercial Realtors of Greater Fort Lauderdale
Member – International Council of Shopping Centers (ICSC)
Former Member – Appraisal Journal Editorial Review Board
Member – Marine Industries Association of South Florida (MIASF)

CIVIC AND CHARITABLE ACTIVITIES

Mayor, City of Dania Beach, 2012 - 2014
City Commissioner – City of Dania Beach, 2009 – 2011, 2015-2016
Chairman - Dania Beach Community Redevelopment Agency 2012 - 2014
Member – Broward Metropolitan Planning Organization 2012 - 2016
Director, Marine Industries Association of South Florida
Trustee Member – Riverwalk Trust
Member – Historic Stranahan House and Museum
Member – Greater Fort Lauderdale Chamber of Commerce
Chair – Government Affairs - Fort Lauderdale Chamber of Commerce Marine Advisory Board
Leadership Fort Lauderdale – Class IV, 1998

RECENT AWARDS AND RECOGNITION

Appraisal Institute – Recipient of the Volunteer of Distinction Award - 2015
Jubilee Center of South Broward – Recipient of the Compassion Award 2011 - For support the local homeless population initiatives
Golden Anchor Award Winner - Highest honor bestowed by the Marine Industries of South Florida, (MIASF) for a lifetime of contribution and support to the marine industry
Marine Industry Cares – 2015 Chairman's Gala Honoree for contribution to the South Florida marine industry
Dania Lions Club - Recipient of the 2015 Nicholas James Costello Award for service to the community
Gold Coast Magazine – Fort Lauderdale - named as a 2016 Power Couple along with wife Lisa in 2016
Symphonies of the Americas, Fort Lauderdale – Honored along with wife Lisa as a couple of "Style and Substance"
South Florida Business Journal - Recognized along with five others including Fort Lauderdale Mayor Jack Seiler as one of five notable figures who are "Making Waves in the Marine Industry"

RECENT SPEAKING ENGAGEMENTS

Keynote - Commercial Real Estate Trends" - Berger Commercial Realty Lunch N Learn Series
Keynote - Florida Commercial Real Estate Market" - South Florida Loan Committee
Keynote - Market Update – South Florida Commercial Real Estate" South Florida Chapter of the American Society of Appraisers (ASA)
Keynote - Commercial Real Estate and Dania Beach Development Overview" - Broward Council of the Miami Association of Realtors
Panelist - Market Perspectives on Valuation, National Association of Office and Industrial Properties (NAIOP)
Speaker - South Florida Commercial Real Estate Financing and Valuation" South Florida CCIM Chapter
Panelist - MIA SF Better Business Series" – Marine Industries of South Florida (MIASF)
Speaker - 2040 Regional Transportation Plan Rollout - Southeast Florida Transportation Council
Keynote Global Real Estate Trends Applicable to Fort Lauderdale – Fort Lauderdale Historical Society

RECENT PUBLISHED ARTICLES AND INDUSTRY CONTENT

Author - Top 5 Misconceptions About Commercial Real Estate Appraisals
Author – Dredging of the Dania Cut Off Canal Spurs Economic Growth
Author – What Type of Commercial Lease is Best for You?
Author – How Walkable Communities Increase Property Values
Author – Selling Your Marina? 5 Key Factors to Consider
Author – Millennials Finally Leaving the Nest – Fort Lauderdale Rental Market Booming
Author – The Importance of LIHTC Market Feasibility Studies
Author – When is the right time to sell a marina?" – Boating Industry Magazine – August 13, 2015
Author – Business is Booming at Walter Duke + Partners
Author – Top 10 Takeaways from this year's ICSC Conference
Co-Author – Big Profits/Low Risk: 7 Bank Lease Deal Trends
Author – Top 5 Misperceptions About Commercial Real Estate Appraisals
Author – All you need to know about Florida Charter Schools
Author – Top 4 Reasons Why Baby Boomers Still Own the Share of US Small Businesses
Author – Three Reasons to be Happy in Your Upside Down Condo!



Author – Three Troubling Trends in the South Florida Condo Market”
Author – Free Beer Included in Your Office Space?
Guest Columnist/South Florida Business Journal – Ask these questions before running for office, 2015
Author – Low Income Housing Tax Credit: A Government Program That Works
Contributor - Time to sell that Marina? – Trade Only Today Magazine – December, 2015 Issue
Author – Boom Interrupted: Six Signs Commercial Real Estate Could Be Peaking
Author – Thinking Outside the Box to Create Value in Church Property
Author – From the Desk of Duke: SHIP and SAIL Big Winners!
Guest Columnist/MIASF Soundings – Fort Lauderdale must be vigilant to maintain its title as Yachting Capital of the World
Author - Is the Condo Market Keeping You Up at Night?
Author - Top Three Reasons For An Improved Housing Market?
Author - Sea Level Rise: Does the Business Community Care?
Author – Nine Noteworthy Trends You Should Know

RECERTIFICATION AND CONTINUING EDUCATION

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. MAIs and SRAs who meet the minimum standards of this program are awarded periodic education certification. I am currently certified under this program.

LICENSES

RICK SCOTT, GOVERNOR		KEN LAWSON, SECRETARY	
STATE OF FLORIDA DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION FLORIDA REAL ESTATE APPRAISAL BD			
LICENSE NUMBER			
RZ375			
The CERTIFIED GENERAL APPRAISER Named below IS CERTIFIED Under the provisions of Chapter 475 FS. Expiration date: NOV 30, 2018			
DUKE, WALTER BRYAN III 2860 WEST STATE ROAD 84 STE 109 FT LAUDERDALE FL 33312			
ISSUED: 11/01/2016		DISPLAY AS REQUIRED BY LAW	SEQ # L1611010005766



PARTIAL CLIENT LIST

BANKS / LENDERS

American National Bank
Amerinational
Amarillo National Bank
Bank Leumi
Bank of America, N.A.
Bank of Florida
Bank Midwest
Bank United, F.S.B.
Banesto USA
BB&T
BBCN Bank
BBVA / Compass Bank
Capital Bank
Capital One Bank
Capital Source Bank
Catholic Order of Foresters
Centennial Bank
Centerstate Bank
CIBC World Markets
Citibank, F.S.B.
Citizens Bank
City National Bank
CLI Capital
CNL Bank
Coconut Grove Bank
Comerica
Commerce Bank, N.A.
Credit Suisse
Eastern Savings Bank
ECCU
EverBank
Fidelity Bank of Florida
Fifth Third Bank
Finemark Bank
First American Bank
First Green Bank
First Republic Bank
Florida Shores Bank
First United Bank
Flagler Bank
Floridian Community Bank
Florida Community Bank
GE Capital
Gibraltar Private Bank & Trust
Grand Bank and Trust of Florida
Heartland Bank
HSBC Bank USA
Hudson Valley Bank
Iberia Bank
International Finance Bank
Ironstone Bank
J.P. Morgan Chase Bank, N.A.
Key Bank, N.A.
Landmark Bank
Legacy Bank of Florida
Mack RE Strategies
Marquis Bank
Mercantile Bank
Mercantile Commerce Bank
Mutual of Omaha Bank
Northern Trust Bank of Florida
Oak Grove Capital
Ocean Bank
OptimumBank
Pacific National Bank
PNC Bank
Popular Bank
Popular Community Bank
Professional Bank

RBC Bank
Regions Bank
Sabadell United Bank
Safra National Bank of New York
Seacoast Bank
Seacoast National Bank
Seltzer Management Group
Stonegate Bank
Sun State Bank
SunTrust Bank
Surety Bank
Textron Financial
TD Bank
The Private Bank
Total Bank
U.S. Bank
U.S. Century Bank
United National Bank
Valley View Bank
Wells Fargo Bank
Zeigler Capital Markets

DEVELOPERS / INVESTORS

Allen Morris Commercial Real Estate
Alta Development
Altman Development
American Land Company
Atlantic Pacific Companies
Bergeron Development
Blue Water Developers
Brandon Companies
Bridge Development
Centerline Homes
Colliers International S Florida
Cornerstone Group
Easton & Associates
Eden Multifamily
El Ad National Properties
Flagler/Codina Development
Florida Crystals
Florida East Coast Industries
Gatlin Development Company
Genting Group
Graham Companies
Groupe Pacific
IBI
Ireland Companies
Jeff Greene Partners
Lincoln Property Company
McCourt Development
Mill Creek Residential Trust
Milton & Associates
M.R. McTigue & Co
Netz Real Estate Fund
New Urban Development
Olen Properties
Pebb Capital
Pillar Multifamily
Premier Developers
RAM Real Estate Development
Raza Development
Red Apple Development
Related Companies
Rilea Group
Ross Realty Investments
Segbro Companies
Stiles Corporation
Taplin Companies
Trinsic Residential Group
Turnberry Associates

Woolbright Development
ZOM Companies

CORPORATE / COMPANIES

Aaron's Rents
Aelion Enterprises
Art Institute
AutoNation
Avison Young
BBX Capital
Bradford Marine
Budget Rent-A-Car Corporation
Holman Automotive
Huizenga Holdings
Lowes Home Centers
Miami Dolphins
Pantropic Power
Seminole Indian Tribe of Florida
Tampa Electric (TECO)
The Las Olas Company
Uniform Advantage
Wintrust Financial
Yacht Management Group

GOVERNMENT / MUNICIPAL

Broward County Housing Authority
Broward County Property Appraiser
Broward County, Florida
City of Boca Raton
City of Deerfield Beach
City of Fort Lauderdale
City of Hallandale Beach
City of Hollywood
City of Lake Park
City of Oakland Park
City of Margate
City of Miramar
City of Oakland Park
City of Sunny Isles Beach
City of Sunrise
City of Wilton Manors
Fort Lauderdale DDA
Florida Housing Finance Corp.
Housing Authority City of Ft. Laud.
Miami Parking Authority
Miami-Dade Housing Authority
Palm Beach Housing Authority
School Board of Broward County
Town of Southwest Ranches
United Companies Lending Co.
United States Department of Justice

INSTITUTIONAL / NON-PROFIT

American Maritime Officers (AMO)
Archdioceses of Miami
Boca Raton Community Hospital
Bonnet House Museum & Gardens
Dan Marino Foundation
First Housing Corporation
Florida Inland Navigation District
Habitat for Humanity
Holy Cross Hospital
Memorial Healthcare Systems
Nova Southeastern University
South Broward Hospital District
Urban League

LIFE COMPANIES

AEGON USA Realty Advisors
Aetna Life Insurance

Allstate Life Insurance Company
Berkshire Life Insurance Co.
Genworth Financial
Great American Life Insurance Co.
Guardian Life Insurance
ING Life Insurance
John Hancock Mutual Life
Life of Georgia Insurance Co.
Lincoln National Life Ins. Co.
Met Life Mortgage
Mutual Life Insurance Co.
Nationwide Life Insurance
New York Life
New England Mutual Life
Northwestern Mutual Life
Principal Real Estate Investors
Provident Mutual
Prudential Insurance Corporation
State Farm Life Insurance
Thrivent Financial for Lutherans
TransAmerica Life

LAW FIRMS

Akerman LLP
Armstein & Lehr
Berger Singerman LLP
Buchanan Ingersoll & Rooney PC
Cooney Trybus Kwavnick Peets
Dunay, Miskel & Backman
Frank Weinberg & Black, PL
Greenberg Traurig
Hackelman, Olive & Judd
Kirschbaum, Birnbaum, et al
Mastriana & Christiansen, PA
Moskowitz, Mandell, Salim & Simowitz
Nexterra Law
Rice, Pugatch, et al
Saavedra Goodwin
Shutts & Bowen, LLP
Tripp Scott
White & Case, LLP

MORTGAGE / WALL STREET

Ackman Ziff
AGM Financial
ASB Capital Management, Inc.
Aztec Group
Berkadia
Berkshire Mortgage Finance
Chrysler Credit Corporation
Dockerty Romer & Company
Florida Bond & Mortgage
Gross Mortgage Finance
Guggenheim Pillar Multifamily
Holliday Fenoglio Fowler, L.P.
InterBay Funding
Mercury Capital Corporation
Merrill Lynch Capital
Midland Funding
Morgan Stanley Mortgage Capital
Northmarq Capital
Thomas D. Wood & Company
Walker & Dunlop