





Public Works Department – Facilities Management Division – **REAL PROPERTY SECTION**
115 S. Andrews Avenue, Room 326 • Fort Lauderdale, Florida 33301 • 954-357-6808 • FAX 954-357-6292

APPRAISAL REVIEW REPORT

April 21, 2014

TO: Alan Hill, Director of Business Administration
Port Everglades Department

THRU: Purvi Bhogaita, Director 
Real Property Section

FROM: C. Kevin Bokoske, MAI, Due Diligence Officer 
Real Property Section

RE: **Broward County Port Everglades Department**
"Florida Department of Agriculture" 5.87 Acres – Land & Buildings
Folios: 5042 23 00 0673 and 5042 23 12 0010
3450 SE 18th Avenue (In the Port)
Hollywood, Florida 33316

This is to confirm that I have reviewed the appraisal report for the captioned property by Scott H. Watson, MAI, of The Coastal Consulting Group, Inc., and a State-Certified General R. E. Appraiser, dated April 11, 2014. I found the appraisal report to be compliant with both the 2014-2015 Uniform Standards of Professional Appraisal Practice (USPAP) and the Uniform Appraisal Standards for Federal Land Acquisitions; and therefore acceptable.

Appraiser's Opinion of Value:	\$4,090,000
<u>Reviewer's Opinions required by USPAP Standards Rule 3-1 through 3-6:</u>	
Completeness of the material within the Scope of Work: <i>Adequate.</i>	
Apparent adequacy and relevance of the data and the propriety of the adjustments to the data: <i>Sufficient for the assignment at hand.</i>	
Appropriateness of the appraisal methods and techniques used (within the Scope of Work) and reasons for any disagreement: <i>The method used, the Sales Comparison Approach, was appropriate for this assignment.</i>	

Appropriateness and reasonableness of analyses, opinions, and conclusions in the work under review (given the Scope of Work) and reasons for any disagreement: *We find no reason for disagreement with the work reported therein. We find it to be USPAP-compliant, as well as compliant with the Uniform Appraisal Standards for Federal Land Acquisitions (also known as "Uniform Act" or "Yellow Book"), and the analyses, opinions, and conclusions in the work under review are appropriate and reasonable.*

Type of Review: There are generally recognized two types of reviews that can be performed; a *technical review* and an *administrative review*. This is a *technical review*. In a technical review, the reviewer renders an opinion concerning whether the opinions of value are adequately supported and in compliance with all appropriate standards, laws, and regulations relating to the appraisal of property. We did not develop our own independent estimate of value.

Scope of Work: Technical reviews may be conducted as either *desk reviews* or *field reviews*. This is a *desk review*. A desk review involves a confirmation that the appraisal report was prepared in accordance with the Uniform Act and the Uniform Standards of Professional Appraisal Practice ("USPAP") and any other appropriate Supplemental Standards that apply. The desk review also involves a thorough review and analysis of the information and analysis contained in the appraisal report under review and a careful examination of the internal logic and consistency. Our review was limited to the information and analysis presented within the appraisal report.

Federal Agency Disclaimer: This appraisal review was performed by the Broward County Real Estate Due Diligence Officer. The client is Broward County. All potential real estate transactions that require due diligence are preceded by a similar appraisal review for the County. The reviewer is geographically competent; and competent by way of appraisal education and experience. The reviewer is a certified general appraiser, and holds the MAI designation from the Appraisal Institute; as well as being a certified USPAP instructor for the Appraisal Foundation, and an instructor for the Appraisal Institute. While it may appear duplicative, it is not the intent of the Due Diligence Officer to substitute for any review function to be performed by, or on behalf of, the Federal Agency as specified in Section C, "Standards for the Review of Appraisals" in the Uniform Standards for Federal Land Acquisitions.

Reviewer's Client: Broward County, FL.

Intended Use of the Reviewer's Opinion: To evaluate compliance with the Uniform Act and USPAP requirements. This assignment was done, and the appraisal report conforms to, all guidelines set out in 49 CFR Part 24/Uniform Relocation Assistance and Federally-Assisted Programs; the Uniform Appraisal Standards for Federal Land Acquisitions ("Yellow Book"); and the 2014-2015 Uniform Standards of Professional Appraisal Practice ("USPAP").

Intended Users: Broward County Port Everglades.

Intended Use of the Appraisal Report Being Reviewed: To form an opinion of Market Value for a possible acquisition.

Purpose of the Assignment: To perform a technical desk review of the appraisal report furnished to this office for that purpose. We did not develop our own opinion of value.

Property Rights Appraised: Fee Simple Interest.

Subject of the Appraisal Review Assignment: See page 1.

Date of the Review: April 21, 2014.

Date of the Appraisal Under Review: March 28, 2014, was the effective date of the conclusion of the work under review; and April 11, 2014, was the date of the appraisal report.

Appraiser Completing the Work Under Review: Scott H. Watson, MAI. Trevor Mildren, a State-Certified Residential Real Estate Appraiser, also signed the report.

Subject Property Being Appraised

The property is described in the appraisal report as follows:

**Broward County Port Everglades Department
"Florida Department of Agriculture" – 5.87 Acres – Land & Buildings
Land & Improvements – Inside the Port
3450 SE 18th Avenue (In the Port)
Hollywood, Florida 33316**

This property consists of two improved, rectangular-shaped, contiguous parcels with a total land area of approximately 255,559 square feet, or 5.87 acres, near the center of Port Everglades, on the FPL discharge canal. The improvements consists of two 1970-vintage warehouse/office buildings, a 9,791-square foot building on the west and a 11,536-square foot building on the east, for a total building area of 21,327 square feet. For valuation purposes, the site was to be appraised without consideration of dockage or waterway rights, at the instruction of the client; and the lease of the 2.3-acre eastern portion to the Florida Department of Natural Resource was also to be disregarded.

The property has been improved with a one-story, 9,971 square foot, CBS office/laboratory building; and a one-story, 11,536 square foot, metal warehouse building, for a total building area of 21,327 square feet. The appraisers were instructed not to inspect the interior of the buildings. (The appraisers relied upon a description of the buildings contained in an appraisal report provided by Port Everglades.)

The property is zoned "PEDD" or Port Everglades Development District, and is in an "X" flood zone, outside the flood hazard area. The PEDD zoning is intended for shipyards, passenger terminals, ship berthing, marine cargo handling, and warehouse facilities. All utilities necessary to develop the site are available.

The appraiser described the neighborhood as generally bounded on the north by SR-84; on the east by the Intracoastal Waterway; on the south by Griffin Road; and on the west by SR-7. Port Everglades is directly opposite the Fort Lauderdale-Hollywood International Airport.

The appraiser considered the highest and best use, as if vacant, to be development of a port-related use that would complement seaport activities.

As improved, the existing use is only an interim use until eventual redevelopment of the site occurs.

Valuation – Land (Via Sales Comparison Approach)

Property is valued at its highest and best use. The highest and best use of the property being appraised is development, thus, the value of the land was sought.

The appraiser analyzed 6 sales of industrial land and 1 active listing of industrial land.

The industrial land sales took place between May 2012 and January 2014. The properties ranged from 59,804 square feet to 666,473 square feet. (The subject has 255,559 square feet). The unadjusted sales price per square foot of land area ranged from \$11.33 to \$19.29 per square foot.

The appraiser made an extensive analysis of the various elements of comparison, and made quantitative comparisons where warranted, including adjustments for location, visibility or access, or site size. After completing the quantitative comparison process, the range of adjusted sales prices per square foot for the land being appraised was \$10.25 to \$16.40 per square foot, based on closed sales and an active listing.

When reconciling, the appraiser placed the most weight on two sales of \$15.43 and \$16.40 per square foot, and reconciled to \$16.00 per square foot for the subject land. Then, \$16.00 per square foot times 255,559 square feet equals \$4,088,944, rounded to \$4,090,000 as the indicated value of the land portion.

Valuation – Land & Improvements (Via Sales Comparison Approach)

The appraiser analyzed 4 sales of older improved industrial properties. This process resulted in adjusted sales prices of \$13.81 to \$19.29 per square foot, and reconciled to \$16.00 per square foot.

The appraiser concluded to a Final Value of \$16.00 per square foot for the subject property, or \$4,090,000, rounded.

FINAL VALUE OF LAND and IMPROVEMENTS: \$4,090,000

Reviewer's Comment: The concluded value in the appraisal report under review is not unreasonable, based on the data in the appraisal report. My opinions as a reviewer do not constitute evidence of an appraisal by me, and I am not expressing my opinion of value as part of the review process.

Appraised Value compared to Broward County Property Appraiser Value: The property is owned by the State of Florida and is exempt from ad valorem taxation.

CERTIFICATION

(Required by Standards Rule 3-6 of USPAP)

**RE: Broward County Port Everglades Department
"Florida Department of Agriculture" 5.87 Acres – Land & Buildings
3450 SE 18th Avenue (In the Port)
Hollywood, Florida 33316**

According to the Uniform Appraisal Standards for Federal Land Acquisitions, as well as the Uniform Standards of Professional Appraisal Practice ("USPAP"), each technical appraisal review report must contain a signed certification that is similar in content to the following form:

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

- The facts and data reported by the reviewer and used in the review process are true and correct;
- The analyses, opinions, and conclusions stated in this review report are limited only by the assumptions and limiting conditions stated in this review report and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions;
- I have no present or prospective interest in the property that is the subject of the review report and no personal interest or bias with respect to the parties involved with this assignment;
- My engagement in this assignment was not contingent upon developing or reporting predetermined results;
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use; nor is my continued employment by the Client, Broward County, contingent upon any findings or opinions in this review;
- The appraisal review was made, and the review report prepared, in conformity with the Appraisal Foundation's *Uniform Standards of Professional Appraisal Practice*. Compliance with USPAP includes the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute;
- I visited the subject property under review, to familiarize myself with its physical characteristics and surroundings, on March 28, 2014. I have not made a personal inspection of the market comparables cited in the appraisal report under review; and have not verified the factual data presented in the appraisal report reviewed;
- I have not previously completed appraisal review assignments for the property being appraised, and have reviewed appraisals of many other Port Everglades properties, on behalf of the same client.
- No one provided significant appraisal, appraisal review, or appraisal consulting assistance to the person signing this certification.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the continuing education program of the Appraisal Institute. Certification is through December 31, 2015.



C. Kevin Bokoske, MAI
April 21, 2014