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Appraisal of

An 8.33-acre vacant parcel of industrially-zoned land

Located

Within the Airport Industrial Park

4400-4500 block of NE 49th Avenue

Gainesville, FL 32609

Within Sections 23 and 24, Township 9 South, Range 20 East

Alachua County, Florida

Prepared for

Mr. Brad Pollitt, AIA, VP

Ms. Joanne Kneal

UF Health Shands Hospital

Facilities Division

1281 Newell Drive, Box 100366

Gainesville, FL 32610

Date of Value

February 25, 2021

(Effective Date of Value)

Santangini Appraisals, LLC

Gainesville, Florida

SANTANGINI APPRAISALS, LLC
REAL ESTATE APPRAISER AND CONSULTANT
1109 NW 23rd Avenue, Ste B
Gainesville, Florida 32609
352-376-3351

State-Certified General Real Estate Appraiser
Laura L. Rutan, Manager RZ3706
santang1109@gmail.com or LauraRutan@gmail.com

October 4, 2021

Mr. Brad Pollitt, AIA, VP
Ms. Joanne Kneal
UF Health Shands Hospital
Facilities Division
1281 Newell Drive, Box 100366
Gainesville, FL 32610

RE: Appraisal of: A vacant ±8.33-acre parcel of land
Located: Airport Industrial Park, Gainesville, FL 32609
Tax Parcel IDs: 08162-005-000 and part of 08161-003-000
Present use: Vacant industrially-zoned land
Apparent owner: The City of Gainesville

Dear Mr. Pollitt and Ms. Kneal:

As per your request, an opinion of market value of the fee simple title of the above-referenced property has been developed. This report complies with the reporting requirements of the Uniform Standards of Professional Appraisal Practice for an appraisal report. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated. The appraiser is not responsible for unauthorized use of this report. **After researching nearby properties with possible historical groundwater contamination, the extraordinary assumption is made that there is no threat of contamination on this property, there may be monitoring wells on the northern property boundary, but the appraiser did not walk to within the property.**

**Based on our analysis, our opinion of market value of the subject property is
\$308,000**

Following this introductory letter is the appraisal report that conforms to the Uniform Standards of Professional Appraisal Practice.

Respectfully submitted,



Laura L. Rutan
State-Certified General Real Estate Appraiser RZ3706

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Addendum

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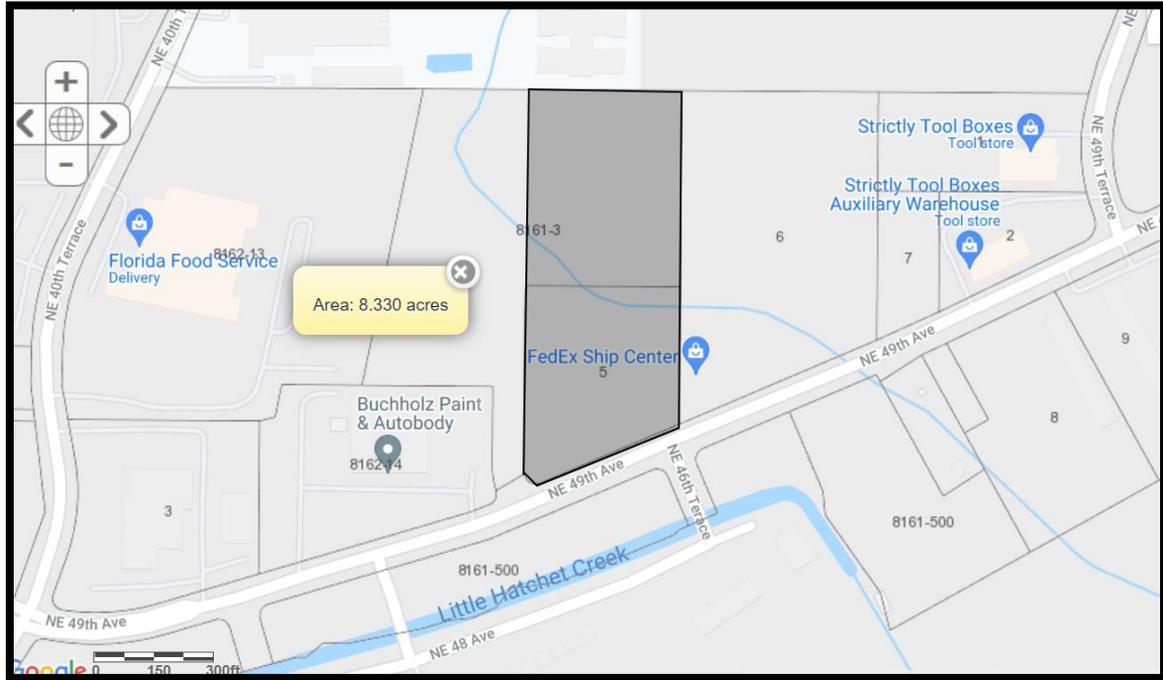
Summary of Important Facts and Conclusions

Location:	4400 block of NE 49 th Avenue east of NE 44 th Terrace within the Airport Industrial Park, Gainesville, FL 32609
Apparent Owner:	The City of Gainesville
Purpose of the Appraisal:	Develop an opinion of market value of the subject vacant land
Land Size:	±8.33 acres
Land Shape:	Fairly rectangular
Zoning/Future Land Use:	I-2/General Industrial
Improvements:	Vacant, unimproved
Assessed Value of Parent Parcel:	\$117,600 + a part of \$269,250
Taxes:	Not applicable, government owned
Date of Value: (Effective Date)	September 25, 2021
Date of Report:	October 4, 2021
Highest and Best Use:	Development with an industrial entity as allowed by zoning
Personal Property:	Not included within this appraisal report, vacant land
Market Value Opinions:	
Cost Approach	Not developed
Sales Comparison Approach	\$308,000
Income Capitalization Approach	Not developed
Final Market Value Opinion:	\$308,000

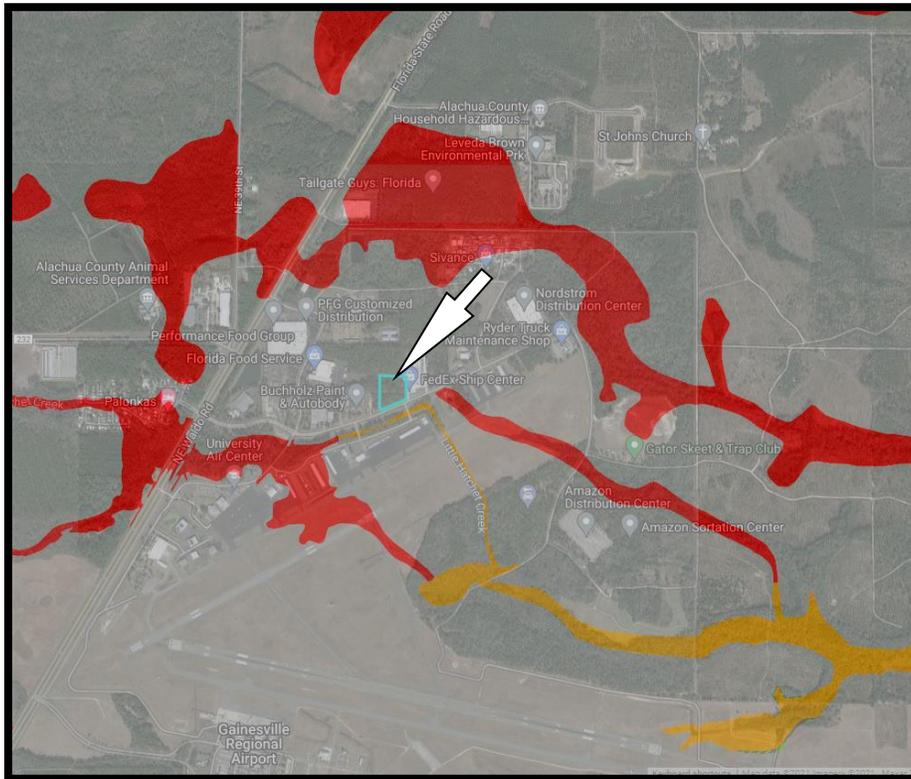
Subject Photographs



Subject Maps

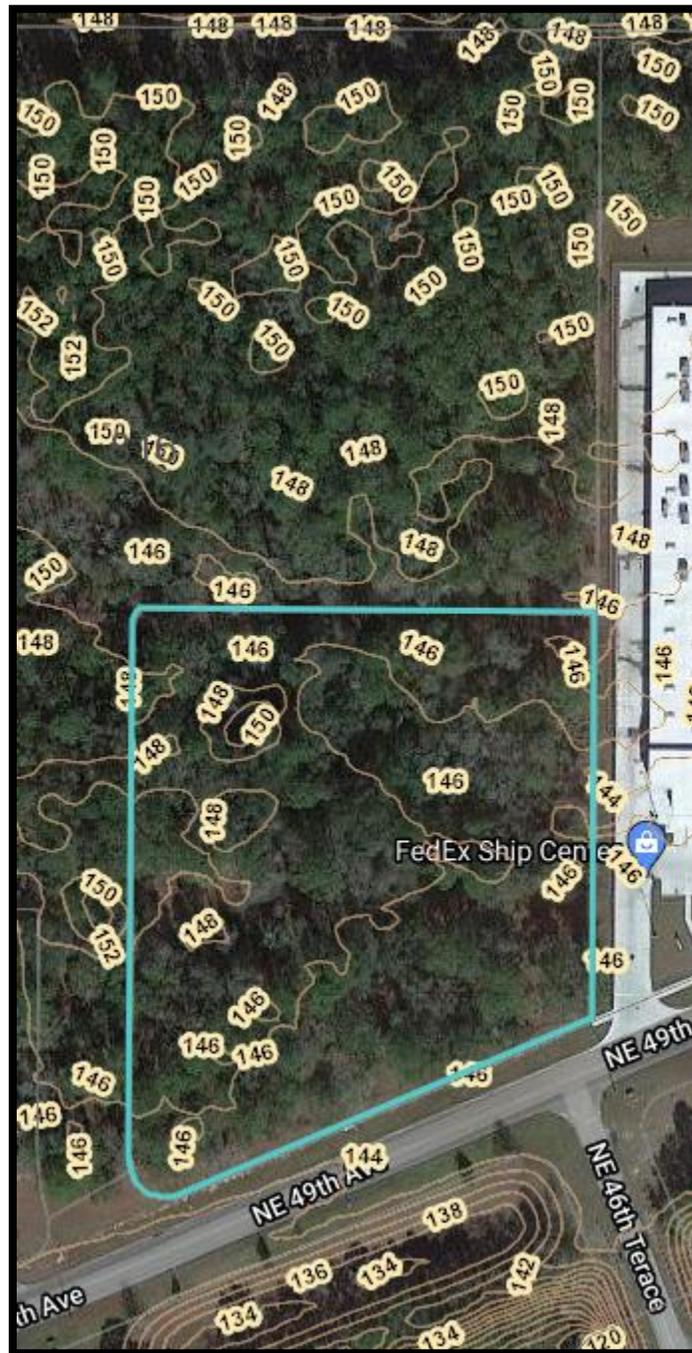


This outlines the proposed subject property and shows a tributary from Little Hatchet Creek to run through the central area of the property. This is below ground and likely may not be seen from the surface.



The floodplain map shows the red as a FEMA flood plain and the yellow as a special flood hazard area, although 'nearby' does not inhibit the subject property development. The white arrow points at the subject property.

Subject Maps



The topographical map shows the subject property to range in elevation levels between 146 and 152, relatively level to rising to the north end of the site. The southern parcel is outlined in turquoise blue and the remainder of the subject property is located above or north in the aerial photograph shown.

Subject Maps



This aerial shows the location of the subject property within the Airport Industrial Park and nearby businesses that have operating within the park. The lower parcel is outlined and the part of the northern parcel is located directly north of the southern parcel to create a nearly rectangular parcel containing an estimated ± 8.33 acres.

Assumptions and Limiting Conditions

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated. The services of an attorney are suggested regarding any issues legal in nature prior to use of the appraisal.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy. The appraiser assumes no responsibility for independently verifying this information. If the client has any question regarding this information, it is the client's responsibility to seek whatever independent verification is deemed necessary prior to use of the appraisal.
5. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them. If the client has any questions regarding these items, it is the client's responsibility to order the appropriate inspections prior to use of the appraisal. The appraiser does not have the skill or expertise needed to make such inspections. The appraiser assumes no responsibility for these items.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is used.
10. **This appraisal, unless otherwise noted, is not intended for third party use.** Should any third party obtain a copy of this appraisal or any part thereof, it is the responsibility of that party to obtain the permission of the appraisers prior to any use whatsoever of the appraisal. Should any third party use the appraisal without doing so, they do so at their own risk.

11. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
12. Possession of this report, or a copy thereof, does not carry with it the right of publication.
13. The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
14. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraiser.
15. The client shall notify the appraiser of any error, omission, or invalid data herein within ten days of receipt and return the report along with all copies to the appraiser for revision prior to any use whatsoever.
16. An appraisal is the product of a professionally trained mind but nevertheless is an opinion only, and not a provable fact. As such values may vary between appraisers based on the same facts. Thus, appraiser warrants only that the value conclusions are his best estimates as of the date or dates of value.
17. The forecasts, projections, or operating estimates and value estimate (or estimates) are based upon current market conditions. These forecasts and market conditions, as is the value estimate or estimates are, therefore, subject to changes in future conditions.
18. Sizes were obtained from the public records or from available surveys. Should a subsequent survey indicate different sizes, the value estimates herein may require changes.
19. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, radon, or other potentially hazardous materials may affect the value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
20. No non-public or confidential information provided by the client for the purpose of completing this appraisal report is released or made available to the public in compliance with the Gramm-Leach-Bliley (GLB) Act, a federal law.

21. The appraisers do not accept responsibility for legal matters. This includes, but is not limited to, the correctness of any title information, any survey information including size of the property and/or configuration boundary lines. As a standard appraisal procedure it is recommended that the services of an attorney-at-law and of a registered surveyor be obtained in order to determine the correctness of all such matters.
22. The outlining of maps such as the FEMA, NRCS soil map, and NWI Wetland map require the appraiser to manually outline the subject property. There are variances and are deemed accurate within a percentage range of error, but not deemed to be exactly correct in the outline. However, for the purpose of the appraisal report, these outlines serve the purpose and are shown as estimations.
23. Should a hypothetical condition be deemed appropriate for this appraisal report, the report resultant opinion of value may be based on this condition. This is clearly and conspicuously stated herein. The usage of this condition may affect the assignment results and the outcome of this report.
24. Although the appraiser is aware of some historical ground contamination and mitigation on adjacent and nearby properties, the appraiser is not aware of any contamination of the subject property. This stems from an incident at the Job Corps facility located north of the subject and continues with water well monitoring on site. The extraordinary assumption is stated that no groundwater contamination exists on the subject property, or that it does not affect the development potential nor the market value of the subject site.

Certification

I certify that, to the best of my knowledge and belief the statements of fact contained in this report are true and correct. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions. I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment. My engagement in this assignment was not contingent upon developing or reporting predetermined results. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Standards of Professional Practice of the Appraisal Institute, the Uniform Standards of Professional Appraisal Practice (USPAP) and the State of Florida for State-Certified General Appraisers. I made a personal inspection of the property that is the subject of this report. No one has provided significant professional assistance to the person signing this report. The use of this report is subject to the requirements of the Institute relating to review by its duly authorized representatives. The use of this report is subject to the requirements of the State of Florida. The undersigned member participates in the State's continuing education program and as of the date of the report, the undersigned has completed the requirements of the continuing education program and is currently licensed through November 30, 2022. As required under the Competency Provision of the USPAP, the appraiser has appropriate knowledge and experience to complete the assignment competently. This firm has performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

The real property which is the subject of this appraisal report has an estimated value,
as of September 25, 2021, at \$308,000



Laura L. Rutan
State-Certified General Real Estate Appraiser RZ3706

Purpose of Appraisal, Intended Use, and Intended User

The purpose of this appraisal is to develop an opinion of market value of the fee simple title of the subject as of September 25, 2021. The definitions for market value are included in the following section of the report. This report is being prepared to assist the client, UF Health Shands Hospital, in the estimation of market value for financial planning and potential purchasing purposes. In federal acquisitions, the purpose of an appraisal—whether prepared for the government or a landowner—is to develop an opinion of market value that can be used to determine just compensation. It has been deemed that market value equates to just compensation.

Scope of the Appraisal

The purpose of this appraisal report is to estimate market value for the estimated ±8.33-acre assemblage of land located in the Airport Industrial Park in Gainesville. The property is inspected and photographed from the perimeter. The market area is researched for comparable sales that have recently closed within arm's length transactions. These sales are utilized for comparison purposes in a process called the Sales Comparison Approach. As the land is vacant, the Cost Approach and Income Approach to value are not developed. The comparable sales are visited and photographed. All attempts are made to verify that the transactions of the comparable sales are arm's length market transactions. A series of investigations and analyses are performed on the subject property as well as the comparable sales using data available from various maps and resources. The comparable sales are adjusted for their differences in a qualitative analysis, when necessary, to estimate a range of values in the price per acre of the properties, and further reduced for simplification, to the price per square foot. The comparable properties are presented, and an opinion of market value is derived through this analysis.

Legal Description, Assessments, Taxes, 5-Year Sales History

The subject property is designated as Tax Parcel Numbers 08162-005-000 and part of 08161-003-000. The assessed value of the parent property is \$386,850. Taxes are exempt due to ownership by a Governmental Agency. The owner of record is The City of Gainesville. There have been no known arm's length changes in title to the property within the past five years. There are no indications that the property is currently listed for sale. The legal description of the property, per the county Property Appraiser's records, is as follows:

*AIRPORT INDUSTRIAL PARK UNIT 1 PB Q-31 LOT 5 and
Part of MINOR S/D BK 2 PG 11 PARCEL A & PORTION
OF PARCELS B & C LESS AIRPORT INDUSTRIAL PARK
UNIT II PB T-37) (LESS COM NE COR SEC E 89.36 FT
POB S 10 DEG W 765.98 FT E 68.86 FT E 135.10 FT N 10
DEG E 765.98 FT W 203.96 FT POB PER OR 3532/0150)
NKA-MSD BK 2 PG 78 LOT 2.*

Definitions

Fee Simple - A fee simple estate implies absolute ownership unencumbered by any other interest or estate.

Current Effective Date of Value - The current effective date of value occurs when the effective date of the appraisal is contemporaneous with the date of the report. In this appraisal, the current effective date of value is the date of inspection of the subject property.

Market Value

Per the Uniform Standards of Professional Appraisal Practice - USPAP: **Market Value** - A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal.

Per Federal Treasury Regulation Section 1.170A-1(C)(2) - Fair **Market Value** is the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts.

Per the Interagency Land Acquisition Uniform Appraisal Standards for Federal Land Acquisitions: **Market Value** - The amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of value, after a reasonable exposure time on the open competitive market, from a willing buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property.

Per the Appraisal Institute's Dictionary of Real Estate Appraisal and the 15th Edition - **Market Value** – The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

*Definitions are contained within "The Appraisal of Real Estate, 15th Edition" and
"The Dictionary of Real Estate Appraisal, Sixth Edition"
"The Uniform Standard of Professional Appraisal Practice (USPAP) 2020-2022"*

Market Area Data

The market area in this instance covers any vacant industrial property that has sold within Alachua County or improved industrial property in the northeastern portion of the County and the City of Gainesville. This neighborhood area has good traffic transportation patterns for easy access to other parts of the County and throughout the State. The Airport Industrial Park is an established industrial park with some long-term business occupants. Some vacant land remains for development. Recent development in the immediate area indicates a demand for industrial space. The Airport Industrial Park adjacent site to the subject property did have some groundwater mitigation in the past, the appraiser is not privy to any new data on the subject property; however, some adjacent properties have had some problems in the past marked by water monitoring wells. The roadways within the Airport Industrial Park are paved with concrete curbs, drainage system, and a fire hydrant located on the roadside corner adjacent to the new FedEx facility next door. The properties are kept in good condition, and it is an area with multiple manufacturing and distribution facilities. The nearness to the Gainesville Regional Airport and easy access to transportation routes are some of the positive features of the subject property. The site is considered buildable with road and utility infrastructure in place. Utilities are provided by Gainesville Regional Utilities. The property is located within the City limits of Gainesville.

Land Use and Zoning

The subject property is zoned for industrial usage. The Zoning designation is I-2 and the Future Land Use is General Industrial with the City of Gainesville. Details of this zoning are included within the Addendum section of this report.

Personal Property

There is no personal property included within this appraisal report as the property is vacant land.

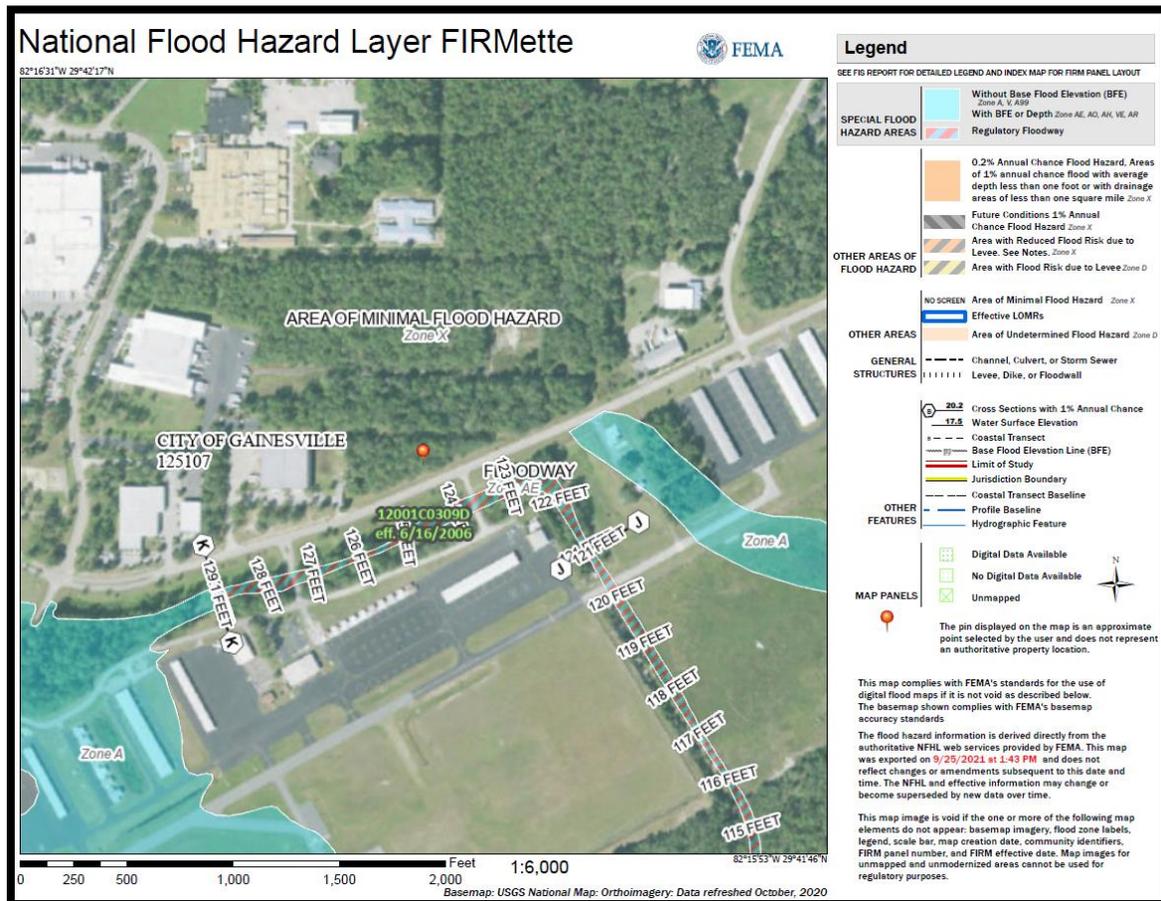
Assessments and Taxes (2020)

Tax Parcel ID	Assessed	Size in Acres	Assessment per SF
All of 08182-005-000	\$117,600	3.92	\$0.69
Part of 08161-003-000	<u>\$269,250</u>	10.77	\$0.57
	\$386,850		

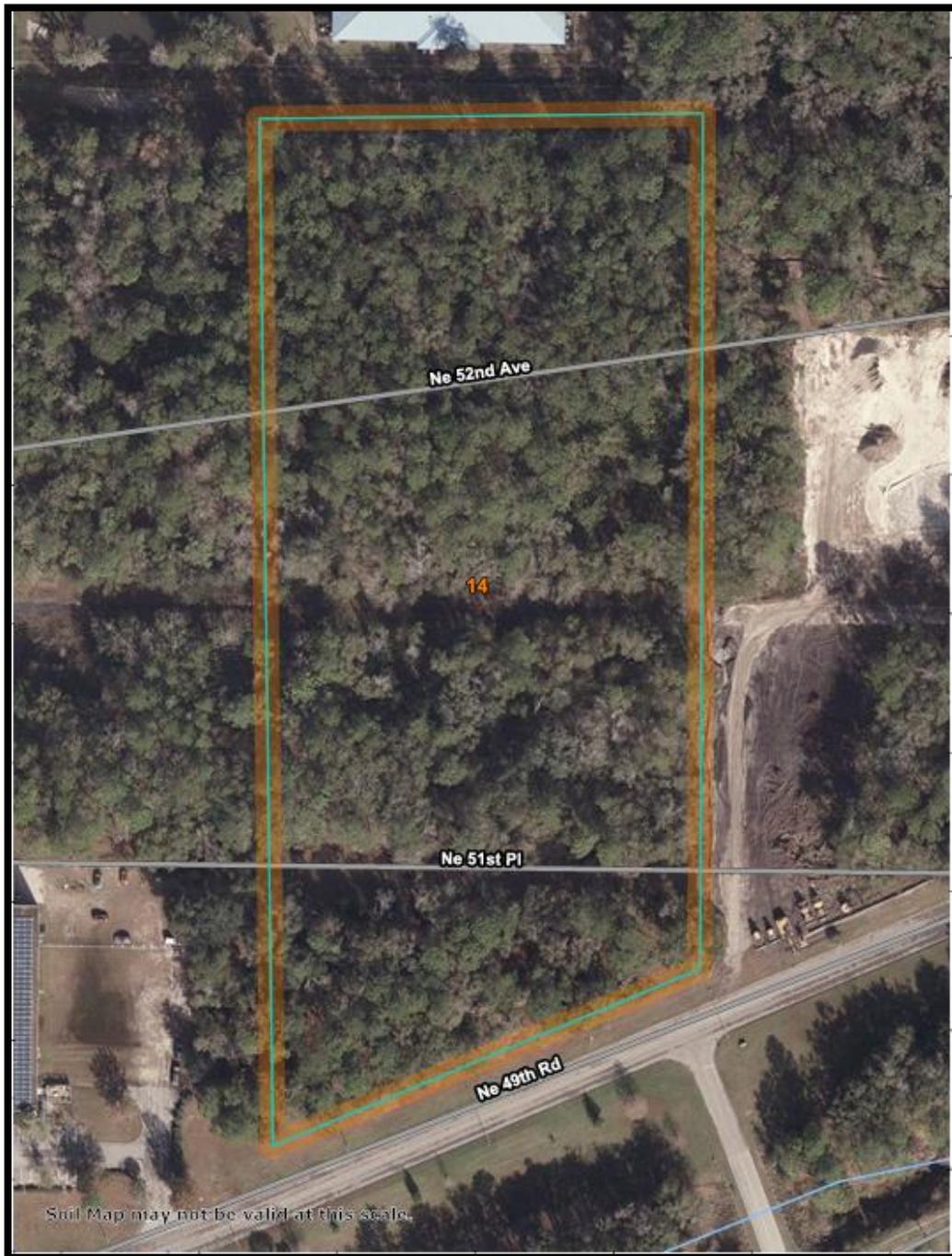
The assessed value of each parcel is shown above. The property is exempt from real estate taxes as it is owned by the City of Gainesville, a governmental entity. The subject encompasses all of Parcel 08182-005-000 (3.92 acres) and a portion of 08161-003-000. Combined, the estimated size of this site is 8.33 acres, pending survey.

Site Data

According to Flood Map panel 12001C0309C, dated June 16, 2006, the property is located within Zone “X,” which is an area of minimal flood hazard. Specifically, this is an area outside of the 0.2% chance flood. The FEMA map is shown below. Little Hatchett Creek runs in a generally east west direction and falls south of the subject property. Topographical maps indicate the subject property to range between 146 and 150 feet above mean sea level.



The USDA Natural Resources Conservation Services maps indicate that the site consists of the soil Pomona Sand, 0-5% slopes, #14, shown in the map below.



The USDA Natural Resource Conservation Service maps show only one soil type on the subject property, that of Pomona Sand with 0-2% slopes. Pomona Sand is a nearly level poorly drained soil, slopes are nearly smooth and range from zero to two percent. Natural vegetation of this soil is longleaf and slash pine. Understory is typically covered with saw palmetto, wax myrtle, gallberry, brackenfern, pineland threeawn, blueberry, huckleberry, bluestem, and/or running oak. Although these roadways NE 51st Place and NE 52nd Avenue are shown on this map, it does not appear that these roadways are a reality today.

Highest and Best Use

Highest and Best Use may be defined as “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 highest and best use of both land as though vacant and property as improved must meet four criteria. The highest and best use must be: physically possible, legally permissible, financially feasible, and maximally productive.

Physically Possible

The utility of land depends on physical characteristics such as size, shape, area, terrain, and the capacity and availability of utilities. For improved properties, physical considerations include size, design, and condition.

Legally Permissible

A determination of what uses are legally permissible must be made. Private restrictions, government and/or environmental regulations may preclude many potential highest and best uses.

Financially Feasible

Uses that meet the first two criteria are analyzed further to determine uses that are expected to produce a positive return. Financial feasibility is a function of supply and demand.

Maximally Productive

Of the financially feasible uses, the use that produces the highest price, or value, consistent with the rate of return required by the market for that use is the highest and best use.

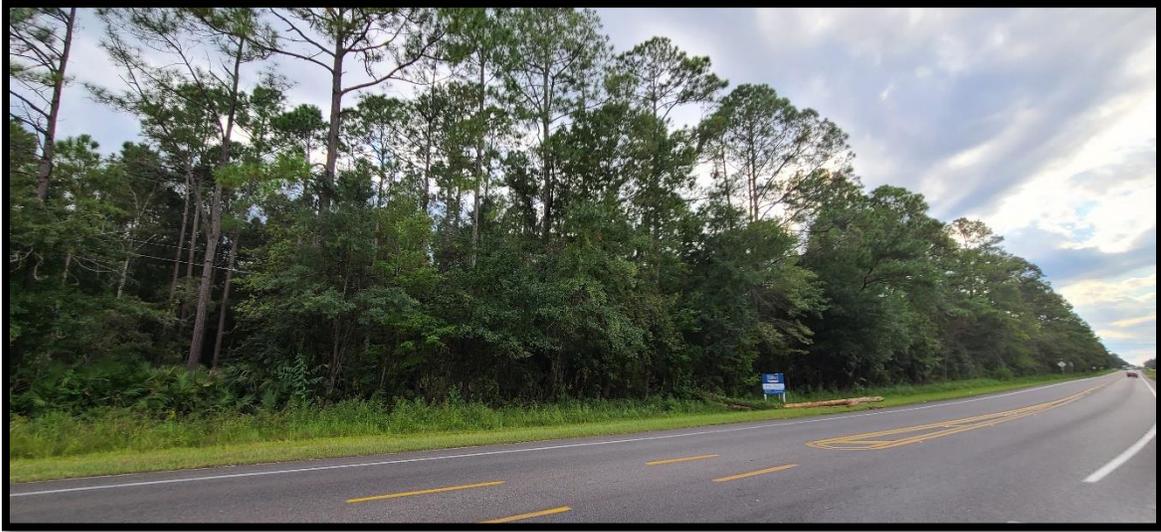
The subject property is vacant land located in an industrial park and zoned for industrial usage. The property is estimated at 8.33 acres with an estimated 383.91 linear frontage feet on paved road NE 49th Avenue, in northeastern Gainesville, in the Airport Industrial Park, located within the Gainesville City limits. The property is naturally wooded and is near developed industrial properties with warehouse/manufacturing/repair facilities. The property to the east is a Fed Ex distribution warehouse and the property to the west is a large automobile auto body repair and paint shop facility, Buchholz. The property is of a size and location to be able to support a manufacturing or industrial usage. The property is zoned for this usage. The Airport Industrial Park has been developing over a number of years and continues to provide a stable and convenient location for industrial developments. Therefore, the highest and best use of the vacant subject property is considered development of a warehouse or manufacturing type of improvement on the vacant site.

Sales Comparison Approach

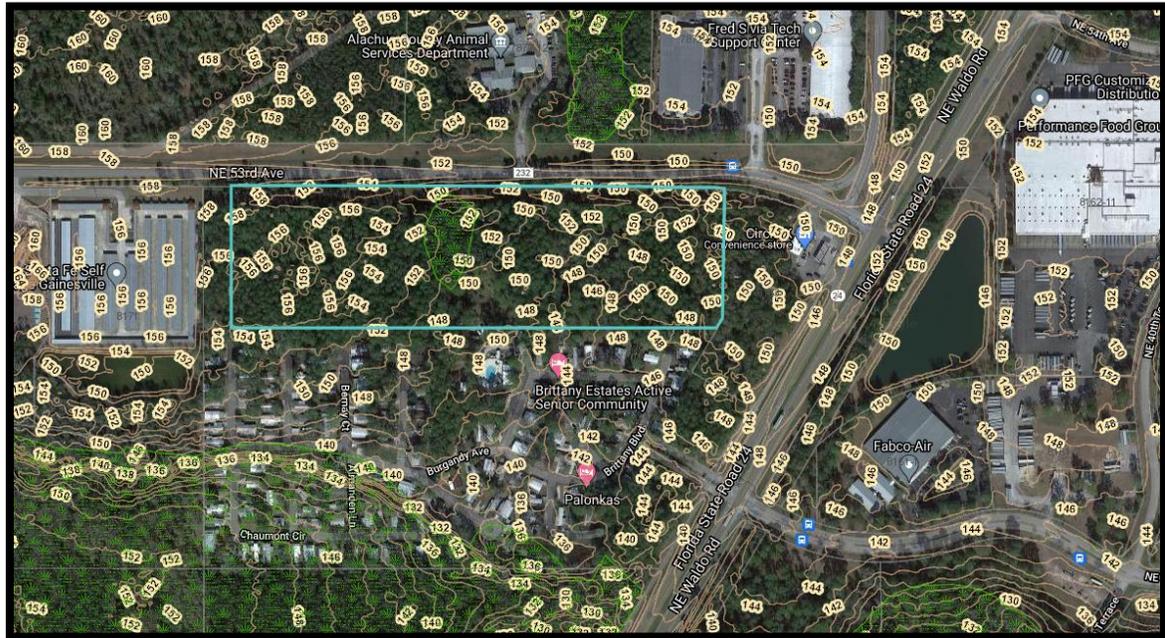
In the Sales Comparison Approach, the appraisers develop an opinion of value by analyzing similar properties and comparing properties with the subject property. The comparative techniques of analysis applied in the Sales Comparison Approach are fundamental to the valuation process. In the Sales Comparison Approach, an opinion of value is developed by comparing properties similar to the subject property that have recently sold, applying appropriate units of comparison, and making adjustments to the sale prices of comparables based upon the elements of comparison. The major premise of the Sales Comparison Approach is that the value of the property is related to the prices of comparable, competitive properties. The Sales Comparison Approach is applicable when sufficient data on recent market transactions is available. A systematic procedure for applying the Sales Comparison Approach includes the following steps: 1) researching transactional data, 2) verifying the data as accurate and representative of arm's length transactions, 3) selecting relevant units of comparison, 4) determining how the comparable sales differ from the subject and adjusting their prices for differences in various elements of comparison, and 5) reconciling multiple value indications into a single value. The best common denominator in this instance is the indicated price per acre further reduced to the price paid per vacant square foot of industrially zoned land. I have found four sales and a current listing to be used in this comparable sales analysis.

Sale	Sale Date	Sale Price	# Acres	Less Improvements	Price per Acre	Price per SF	Tax Parcel ID	Zoning / FLU
Subj	tbd		8.33				08182-005-000 Part of 08161-003-000	I-2/Gen Industrial
1	5/9/2021	\$445,000	19.07 18.125	usable	\$23,335.08 \$24,551.72	\$0.54 \$0.56	08163-002-000	ML/IndManuf
2	11/30/2020	\$2100000	5.23	-1899858	\$38,268.03	\$0.88	08162-014-000	I-2/Gen Industrial
3	12/3/2019	\$296000	8.44		\$35,071.09	\$0.81	08162-006-000	I-2/Gen Industrial
4	10/1/2019	\$220000	9.88 5.53	usable	\$22,267.21 \$39,783.00	\$0.51 \$0.91	05980-000-000	I-2/Gen Industrial
Listing		\$225000	7.63		\$29,488.86	\$0.68	05964-005-000 05964-006-000	ILW/Industrial
original list price		\$349000			\$45,740.50	\$1.05		

Industrial Sale #1



Sale #1 is located in unincorporated Alachua County with 1,727.5 frontage feet on paved NE 53rd Avenue. The site remains undeveloped, but a lease/purchase agreement is recorded for the Alachua County School Board.



The generally rectangular parcel indicates a wetland spot in the central part of the property estimated at right under an acre or 0.945 acres. The topographical levels of this parcel range between 146 and 158 feet above mean sea level.

Industrial Sale #1

<u>Tax Parcel Number</u>	08163-002-000
<u>Location</u>	NE 53 rd Avenue, just west of Waldo Road, Gainesville, FL
<u>Legal Description</u>	<i>COM NE COR OF SECTION RUN W 2129.25 FT TO POB RUN S 456.83 FT S 30 DEG 41 W MIN 117.78 FT W 1641.79 FT N 10 FT W 15 FT N 548.17 FT TO N SEC LINE E 1727.5 FT TO POB LESS R/W PER OR 1619/54) (LESS COM SE COR OF ABOVE DESC PARCEL: POB W 1641.79 FT N 10 FT W 14.95 FT N 54.98 FT E 1694.70 FT S 30 DEG W 75.19 FT POB PER OR 3878/1081) OR 1276/0573</i>
<u>Grantor</u>	Brittany of Michigan, LLC
<u>Grantee</u>	Vital Properties, LLC
<u>Date of Sale</u>	May 19, 2021
<u>Recorded</u>	Official Records Book 4837, Page 215
<u>Site Size</u>	19.07 acres, 18.125 acres upland, 0.945 acres wetlands
<u>Zoning/FLU</u>	ML/Industrial Manufacturing
<u>Sale Price</u>	\$445,000
<u>Less Improvements</u>	Vacant site
<u>Price per Acre/SF</u>	\$23,335.08 per acre/\$0.54 per square foot
<u>Price per Usable SF</u>	\$24,551.72 per acre/ \$0.56 per usable square foot
<u>Financing</u>	Cash purchase
<u>Comments</u>	This property is located west of the Airport Industrial Park on the southern side of NE 53 rd Avenue. The property has 1,727.5 frontage feet along paved NE 53 rd Avenue. Along with this property purchase, a memorandum of lease and option to purchase document was recorded to lease the property to the Alachua County School Board. The site remains vacant.

Industrial Sale #2



The property was purchased improved to Buchholz Paint and Autobody, an industrial usage, the estimated contributory value of the improvements will be extracted by an assessment/ratio process to compare vacant land to vacant land.



Sale #2 is located west of the subject property; the map shows the property to not be affected by wetlands and with topographical levels ranging between 142 and 148 above mean sea level.

Industrial Sale #2

<u>Tax Parcel Number</u>	08162-014-000
<u>Location</u>	4340 NE 49 th Avenue, Gainesville, FL 32609
<u>Legal Description</u>	<i>AIRPORT INDUSTRIAL PARK UNIT II PB T-37 LOT 14 OR 3921/1034</i>
<u>Grantor</u>	HP Investments Properties, LLC
<u>Grantee</u>	Buchholz Properties, LLC
<u>Date of Sale</u>	November 30, 2020
<u>Recorded</u>	Official Records Book 4837, page 215
<u>Site Size</u>	5.23 acres
<u>Zoning/FLU</u>	I-2/General Industrial
<u>Sale Price</u>	\$2,100,000
<u>Less Improvements</u>	By tax assessment ratio, the land represents 9.53% of total assessment. Therefore, 90.47% of the tax assessment represents building improvements or \$1,899,858 is deducted to estimate the underlying land value in this transaction.
<u>Price per Acre/SF</u>	\$38,068.03 per acre/ \$0.88 per square foot
<u>Financing</u>	Capital City Bank
<u>Comments</u>	This property was purchased by the seller in May 1998 for \$1,330,000 from the City of Gainesville. The building is described as 6,000 square feet of office, 23' ceilings, 14 roll-up doors – three dock height and one oversize. Concrete block walls, reinforced roof, 800 amp 3-phase power, two breakrooms and a 6,000-square foot of forklift accessible storage. The roof space is leased for solar power. The building was originally listed in 2014 for \$2,100,000 and had been leased through the years prior to this eventual sale for the same asking price.

Industrial Sale #3



Sale #3 is improved with a Fed Ex facility, the subject property is the wooded area to the left of the photograph



The aerial shows no wetlands and topography levels ranging from 144 to 150 feet above mean sea level.

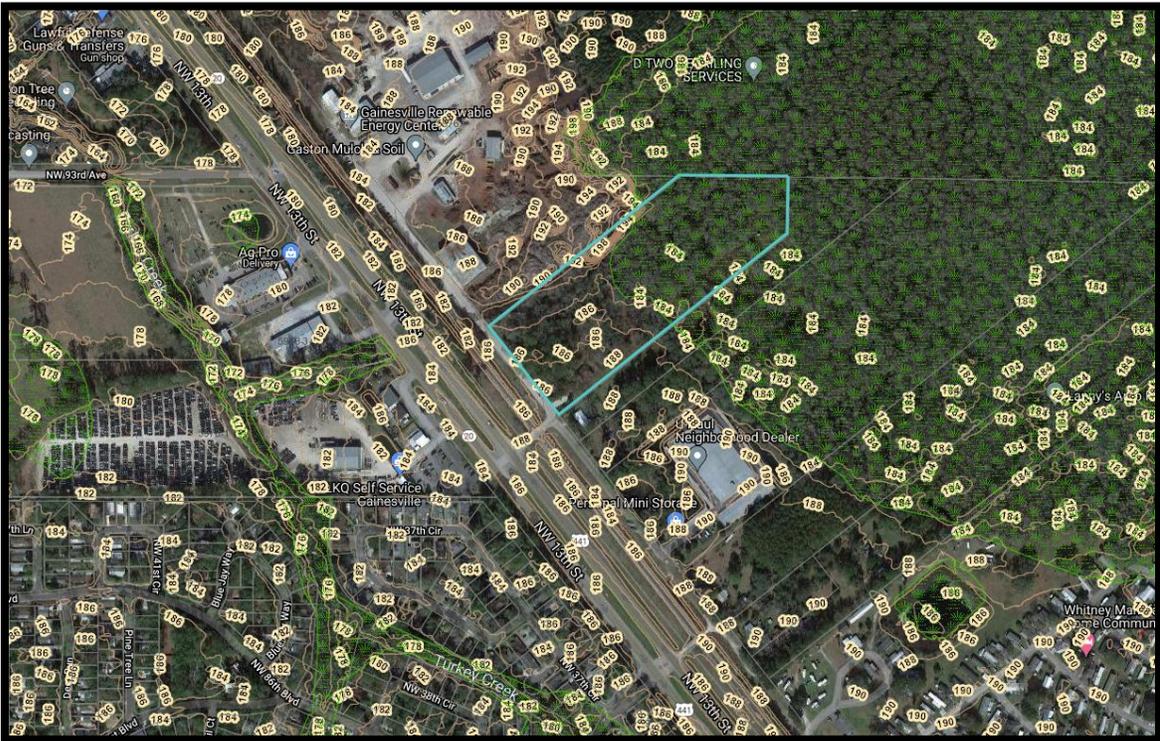
Industrial Sale #3

<u>Tax Parcel Number</u>	08162-006-000
<u>Location</u>	4640 NW 49 th Avenue, Gainesville, FL 32609
<u>Legal Description</u>	<i>AIRPORT INDUSTRIAL PARK UNIT 1 PB Q-31 LOT 6 OR 4736/2203</i>
<u>Grantor</u>	The City of Gainesville
<u>Grantee</u>	Regional Gainesville, LLC
<u>Date of Sale</u>	December 3, 2019
<u>Recorded</u>	Official Records Book 4736, page 2203
<u>Site Size</u>	8.45 acres
<u>Zoning/FLU</u>	I-2/Industrial General
<u>Sale Price</u>	\$296,000
<u>Less Improvements</u>	Purchased vacant
<u>Price per Acre/SF</u>	\$35,071.09 per acre/ \$0.81 per square foot
<u>Financing</u>	Renasant Bank, \$6,700,000 recorded in OR Book 4736, page 2208
<u>Comments</u>	The property is located adjacent to and to the east of the subject property. This parcel has since been improved with a 41,626 square foot commercial building used as a FedEx Center. This property previously was encumbered by some type of hazardous contamination; with water well monitors in place on the site. It is unknown if this contamination was fully remediated and if this same contamination would have any negative effect on the subject property.

Industrial Sale #4



Sale #4 is re-listed for resale as of the date of value and has not been developed. This property has frontage on US441, divided by the railroad track, then frontage on a paved private roadway.



Sale #4 is located along NW 13th Street, in Gainesville just southeast of Gaston Mulch & Soil, and alongside the railroad track, and is accessed via a paved private roadway that runs adjacent to US441.

Industrial Sale #4

<u>Tax Parcel Number</u>	05980-000-000
<u>Location</u>	NW US Highway 441, Gainesville, FL
<u>Legal Description</u>	<i>LOTS 1 2 3 4 DB 355/433 LESS LOTS 1 2 & THE NWLY 130 FT M/L OF LOT 3 PER OR 1942/0445) LESS COM NW COR SEC INSIDE GRT E 1836.85 FT S 49 DEG E 112.80 FT PO POB N 49 DEG E 1056.99 FT N 207.29 FT E 451.30 FT S 49 DEG W 1538.79 FT N 40 DEG W 116.27 FT PER OR 2052/2282) OR 4722/1636</i>
<u>Grantor</u>	Timothy J. Myers and Sylvia Stillwell Perlowski
<u>Grantee</u>	Hicks Seal Coating and Striping, LLC
<u>Date of Sale</u>	October 1, 2019
<u>Recorded</u>	Official Records Book 4722, page 1636
<u>Site Size</u>	9.88 acres (5.53 upland acres)
<u>Zoning/FLU</u>	I-2/Industrial General
<u>Sale Price</u>	\$220,000
<u>Less Improvements</u>	2,600 sf barn built in 1957 not considered to contribute to value of site as if vacant
<u>Price per Acre/SF</u>	\$22,000 per acre/\$0.51 per square foot
<u>Price per Upland Acre/SF</u>	\$39,783 per usable acre/ \$0.91 per usable square foot
<u>Financing</u>	Drummond Community Bank, \$179,521.14
<u>Comments</u>	This 9.88-acre site has an estimated 419 frontage feet on US-441 along the railroad track and is located within the Gainesville city limits. The property is encumbered by wetlands on the eastern portion of the site. The usable portion of the site is towards the road frontage and is estimated as usable area. The barn was 62 years old at the time of purchase and is not considered to contribute value. The property is listed for resale at \$295,000, or \$0.69 per overall square foot and \$1.22 per usable square foot. There are no pending contracts on the site.

Industrial Sale Listing



The industrial listing is accessed via a privately maintained partially paved easement and is located within an industrial area within the City of Alachua. Environmental maps show no wetlands and elevation levels ranging between 138 and 158 above mean sea level. The property is located around several other industrial and commercial uses such as an engineering company and a plaster company, there are nearby small industrial parks that have smaller parcels for sale, but none that have recently sold.

Industrial Sale Listing

<u>Tax Parcel Numbers</u>	05964-006-000 and 05964-005-000
<u>Location</u>	13700 NW US Highway 441, Alachua, FL 32615
<u>Legal Description</u>	<i>LOTS 1 2 3 4 DB 355/433 LESS LOTS 1 2 & THE NWLY 130 FT M/L OF LOT 3 PER OR 1942/0445) LESS COM NW COR SEC INSIDE GRT E 1836.85 FT S 49 DEG E 112.80 FT PO POB N 49 DEG E 1056.99 FT N 207.29 FT E 451.30 FT S 49 DEG W 1538.79 FT N 40 DEG W 116.27 FT PER OR 2052/2282) OR 4722/1636 and FERNANDEZ GRANT L L DELL EST PB A-47 COM NW COR SEC 19-8-19 RUN S 922.74 FT TO S R/W US 441 S 64 DEG E ALONG R/W 1337.79 FT S 6 DEG W 1153.82 FT TO POB S 83 DEG E 285 FT S 6 DEG W 585 FT N 83 DEG W 25 FT S 6 DEG W 270 FT N 83 DEG W 290 FT N 6 DEG E 855 FT TO POB OR 2102/1175 & OR 3513/0357</i>
<u>Owner of Record</u>	Pepine & Pepine, Trustees
<u>Last Recorded</u>	Official Records Book 3513, page 357, Dec 2006
<u>Site Size</u>	7.63 acres
<u>Zoning/FLU</u>	ILW/Industrial
<u>Listing Price</u>	\$225,000
<u>Less Improvements</u>	Vacant site
<u>Price per Acre/SF</u>	\$29,488 per acre/\$0.68 per square foot
<u>Comments</u>	This two-parcel assemblage has been on the market since January 2013, listed as high as \$349,000, (\$1.05 per square foot). The property is accessed via a shared unpaved deeded easement and does not have paved road frontage. The property is located within the city limits of Alachua, with similar zoning and similar size. But, the inferior access and lack of infrastructure, this parcel is considered inferior to the subject property.

Comparable Industrial Sales Summary

The four sales present a range reduced to the lowest common denominator of price per usable square foot. The sale indicates this range to be as low as \$0.56 per square foot and as high as \$0.91 per square foot. There are two listings in the range of \$0.68-0.69 per square foot, with the listings being located the furthest in distance from the subject property.

Sale #1 is located west of the subject in unincorporated Alachua County on NW 53rd Avenue. This sale is larger at 19.07 acres, with approximately 18.125 acres outside of the wetlands. The sale has superior road frontage and was purchased with an agreement in place with the Alachua County School District to lease with a purchase option on the property. This sale indicated a price of \$0.54 overall and \$0.56 usable. The zoning is Alachua County zoning vs. City of Gainesville zoning but is similar light manufacturing zoning. This sale is not located within an industrial park. Although this is the most recent sale, the property is given less emphasis based on the differences.

Sale #2 is the sale of an improved parcel located adjacent to and to the west of the subject. The property is improved with a large office/warehouse used for automotive repairs. An assessment ratio was utilized to estimate the vacant land by a process called extraction, wherein the improvements are estimated and deducted from the sale price. The resultant estimate indicates a vacant price per square foot of \$0.88 for a 5.23-acre parcel, smaller than the subject. This sale is emphasized but would be tempered downwards for site size differences.

Sale #3 is the sale of an 8.44-acre parcel adjacent to and to the east of the subject property. The property sold as vacant and is currently improved with a Fedex facility. The indicated price paid for the property is \$0.81 per vacant square foot. This sale is emphasized.

Sale #4 is the sale of a 9.88-acre parcel located along US Highway 441 within the city limits of Gainesville. The property shares the same zoning and future land use; however, is located outside of an industrial park development. The property is encumbered by wetlands. The indicated price paid per overall square foot is \$0.51, and the usable price paid per square foot is \$0.91. The usable acreage is estimated at 5.53 acres. This sale is slightly larger than the subject, but the usable acreage is smaller, is located outside of an industrial park, and has wetland influence. This sale is given less consideration for the differences, as is the re-sale listing at \$0.69 per square foot and \$1.22 per usable square foot.

Listing is a 7.63-acre assemblage zoned industrial by the City of Alachua. This property is accessed via an easement from US Highway 441. The property has similar zoning by the City of Alachua ILW/Industrial but has inferior access in comparison to the subject. The property is currently listed for \$0.68 per square foot, which would be tempered upward for the inferior conditions.

In a qualitative analysis, this narrows the range to >\$0.68 to <\$0.88 per usable square foot. Therefore, giving emphasis to Sale #2 (\$0.88 psf) and Sale #3 (\$0.81 psf) as they are adjacent neighbors to the subject. The appraiser is of the opinion that the subject property is estimated at \$0.85 per square foot or \$37,026 per acre. This may be shown as follows:

$$8.33 \text{ acres} = 362,854.8 \text{ square feet} \times \$0.85 \text{ per square foot} = \$308,426.58$$

Rounded to \$308,000

Exposure Time

Exposure time can be defined as the length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of the sale at a market value on the effective date of the appraisal. Exposure time can be presumed to precede the effective date of appraisal, whereas a marketing period is after the date of value.

Typically, exposure time is derived from the sales, from the amount of time the sales were listed and available for sale. The exposure time cannot be accurately estimated; therefore, no attempt is made to estimate a marketing period for the subject property. Per JLL Research, the 2021 industrial real estate market sector has been affected by how people work and shop during the pandemic. There are pressures on supply chains and logistic fueled demand; however, there are increasing needs for cold storage pushing demand in the Food and Beverage industry repositioning existing assets to address the limited availability of land and rising steel prices. The immediate market area has not seen any significant surge nor lack of interest in industrial properties. The Airport Industrial Park has held vacant lots for many years; however, these lots are not aggressively marketed. The appraiser is of the opinion that the exposure time would be approximately one year.

Addendum

**Gainesville Florida Code of Ordinances
Chapter 30 Land Development Code**

Article V – Use Standards

Sec. 30-5.15. Industrial uses.

- A. *Standards for manufacturing uses.* All permitted manufacturing uses shall conform to the following standards:
1. Manufacturing uses shall be limited to the fabrication, manufacture, assembly or processing of materials that are already substantially processed.
 2. All activity and uses except storage, loading/unloading operations and parking shall be conducted within completely enclosed buildings.
 3. Outside operations between the hours of 9:00 p.m. and 6:00 a.m., including loading/unloading but not including security operations, are prohibited within 100 feet of the property line of any property in a residential zoning district or a planned development district with predominately residential uses, unless conducted within a completely enclosed building that has no openings other than stationary windows or required fire exits. The appropriate reviewing board may grant a waiver to this prohibition if the board finds that the noise attenuation and screening being provided is sufficient to mitigate the adverse impacts of the night operations.
- B. *Hazardous materials.* Uses involving class D hazardous materials, as classified by Alachua County, shall be considered specially regulated industries and shall require special use permit approval. The following apply to uses designated as subject to specially regulated industry provisions:
1. *Reports.* The applicant for a special use permit shall submit information specifying expected air emissions, surface and groundwater emissions, noise levels, truck traffic volumes, including time-of-day levels, odor levels, glare impacts, and the compatibility of these emissions and impact levels with other properties, uses and neighborhoods within 2,000 feet. The report shall indicate that these impacts will not violate local, regional, state, or federal limits. The report shall also indicate that "best available technology" is being used to control impacts from the specially regulated industry.
 2. *Exemption.* Uses or developments that will result in releases of pollutants to the air and water of no more than one percent of the average release of those pollutants on a list maintained by the city for that industry shall be exempt from the special use permit process, except for the report required in subsection 1. above. The owner requesting this exemption shall provide evidence acceptable to the city manager or designee that the use qualifies. Any use that was permitted under this exemption and is found to be releasing more than one percent of the average release of air or water pollutants reported for that industry shall cease operation until a special use permit is applied for and obtained.

(Ord. No. 190714 , § 7, 6-4-20)

Sec. 30-5.17. Light assembly, fabrication and processing.

Light assembly, fabrication and processing uses in zoning districts outside of the BI, W, I-1 and I-2 districts shall meet the following standards:

- A. The activity shall be conducted entirely within completely enclosed structures.
- B. Storage of hazardous materials shall be in accordance with the county hazardous materials management code.

Covid-19 Appraisal Addendum

The global outbreak of a “novel coronavirus“ known as Covid 19 was officially declared a pandemic by the WHO (World Health Organization) on March 11, 2020. Subsequently, the United States of America identified Covid-19 as a national health pandemic. Directly related to the pandemic financial markets and global economies have experienced significant volatility and turmoil. Unemployment rates have risen, and the US economy has suffered significant negative results. Readers and users of the report are cautioned and reminded that the conclusions presented in this appraisal report apply only as of the effective date indicated. I, the appraiser, make no representations regarding effects caused by the pandemic or other related incidents on the subject property after the effective date of the appraisal. There exists insufficient data in the marketplace to determine the impact of these rapid changes on the real estate market. While the most current data is being used, a large portion of the market data utilized in this report may have been created prior to measures implemented by the Federal Reserve and response by consumers. Many states have been under “Stay-At-Home Orders” or partial restrictions regarding an in-person inspection. Some states have gone through forced openings, while others are re-instating restrictions. The full impact on the real estate market will vary from region to region but is not yet fully understood in any region. Currently, there appears to be a high demand for mortgage refinancing due to historically low-interest rates. The extent of this phenomenon is difficult to determine, it may be short-lived. While high demand exists, limitations on in-person meetings to stem the spread of the virus has, at least temporarily, negatively impacted transaction volume. Based on some parts of our country and other parts of the world, where case numbers of the coronavirus have trended positively, there is optimism the current market disruption will be short-term. The current situation is unprecedented and there is no empirical data to support or extrapolate what the impact to market values may or may not be because of this pandemic. It is likely that we will see prolonged marketing times and exposure times relative to prior norms for the near term while the market continues to suffer from uncertainty. The assumption is made that the market will revert to prior conditions after the public health risk has been mitigated. I have spoken to local commercial brokers and lenders who agree the market reaction is “all over the place” and that most sales under contract are still closing. In residential real estate, rentals and second homes are in high demand. This may be due to the desire to escape the congestion of heavily populated cities. As the pandemic evolves, market reaction also evolves. As the world slowly comes out of the lockdowns and facemask requirements, the real estate market continues to surge in the residential sector while commercial real estate remains fairly steady. Subject to the potential changing markets, a new appraisal reflecting the then-current conditions after the pandemic is over is suggested.

Qualifications of Laura L. Rutan

License

State-Certified General Real Estate Appraiser, RZ3706

Appraisal Education

10/06 - Licensed Residential Course – ABI

Real property concepts and characteristics, Legal consideration, Influences on real estate values, Types of value, Economic principles, Overview of real estate markets and analysis, Ethics and how they apply in appraisal theory and practice, Overview of approaches to value, Valuation procedures, Property description, Residential applications, Uniform Standards of Professional Appraisal Practice, and Florida rules and regulations that pertain to the practice of appraisal.

12/06 – Residential Course II – ABII

Residential market analysis, Sales comparison approach, Residential highest and best use, Residential site valuation, Residential cost approach, Residential report writing, Residential case studies, Statistics, Modeling, Finance, Advanced residential applications, Advanced residential case studies, and Appraisal standards and ethics.

4/07 – National USPAP, National Uniform Standards of Professional Appraisal Practice

Standards and standards rules – Real property appraisal, development; Real property appraisal, reporting; Appraisal review, development and reporting; Real property appraisal consulting, development; Real property appraisal consulting, reporting; Personal property appraisal, development; Personal property appraisal, reporting; Business appraisal, development; Business appraisal, reporting.

07/07 – Non-Residential Property Course – ABIII

Income Capitalization Approach including Lease Analysis, Income analysis, Vacancy and Collection loss, Operating expenses and reserves, Net operating income statements, Direct capitalization, Discounted cash flow, Yield capitalization, and Compound interest; Highest and Best Use including Market fundamentals, characteristics, and definitions, Supply and Demand Analysis, Applications and Special Considerations, and Market Analysis.

04/08 – Florida Laws and Regulations

The course highlights USPAP, hypothetical conditions and extraordinary assumptions, specific Florida laws and regulations which are applicable to real estate appraising.

06/2020 – Valuation of Donated Real Estate including Conservation Easement, Appraisal Institute

To Present – All continuing education and training required per Florida State Department of Business Regulation for Certified General Appraisers in the State of Florida. DBPR license is valid through **November 30, 2022**

Approved Certified General Appraiser for the Florida Department of Environmental Protection 2018

Experience

Manager for Santangini Appraisals, LLC and Andrew V. Santangini, Jr, MAI, Real Estate Appraiser and Consultant, since 2/2005; Commercial Property Appraising since 4/2007

Forty-five years progressive experience in a variety of organizations including government, construction, private enterprise, and education