

Appraisal of
An 8.45 Acre Vacant Industrial Site

Located
4600 Block N.E. 49th Avenue
Gainesville, Florida

Prepared for
Gainesville Regional Airport Authority
At the request of Mr. Allan J. Penksa, A.A.E
3880 NE 39th Avenue, Suite A
Gainesville, Florida 32609

Purchase Order # 9619-99

Date of Value
January 10, 2019

(Effective Date)

Santangini Appraisals, LLC
Gainesville, Florida

SANTANGINI APPRAISALS, LLC
REAL ESTATE APPRAISERS AND CONSULTANTS

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Cert. Gen. Appraisers

G. L. Emmel, IV RZ993
 Laura L. Rutan RZ3706

January 17, 2019

Gainesville Regional Airport Authority
 At the request of Mr. Allan J. Penksa, A.A.E
 3880 NE 39th Avenue, Suite A
 Gainesville, Florida 32609

Purchase Order # 9619-99

RE: Appraisal of: An 8.45 Acre Vacant Industrial Site
 Located: 4600 Block N.E. 49th Avenue, Gainesville, Florida
 Present use: Vacant Industrial Site
 Apparent owner: City of Gainesville, Florida

Dear Members of the Gainesville Regional Airport Authority:

As per your request, we have developed an opinion of market value of the fee simple title of the above referenced property. This appraisal report is intended to comply with the reporting requirements set forth under Standards Rules 2, 8, and 10 of the Uniform Standards of Professional Appraisal Practice for an appraisal report. It presents only summary discussions of the data, reasoning, and analyses used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraiser is not responsible for unauthorized use of this report.

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 January 10, 2019. The definition of market value is included in the Addendum section of the report. This report is being prepared to assist the client, the Gainesville Regional Airport Authority, in the estimation of market value for possible sale purposes. **The subject site has been affected by some historical environmental contamination; the appraiser is of the understanding that there is ongoing cleanup/mitigation of this contamination. In the past, the City of Gainesville has indemnified purchasers of property in this park from liability for prior contamination. The appraiser has assumed that this will be the case for the subject site.**



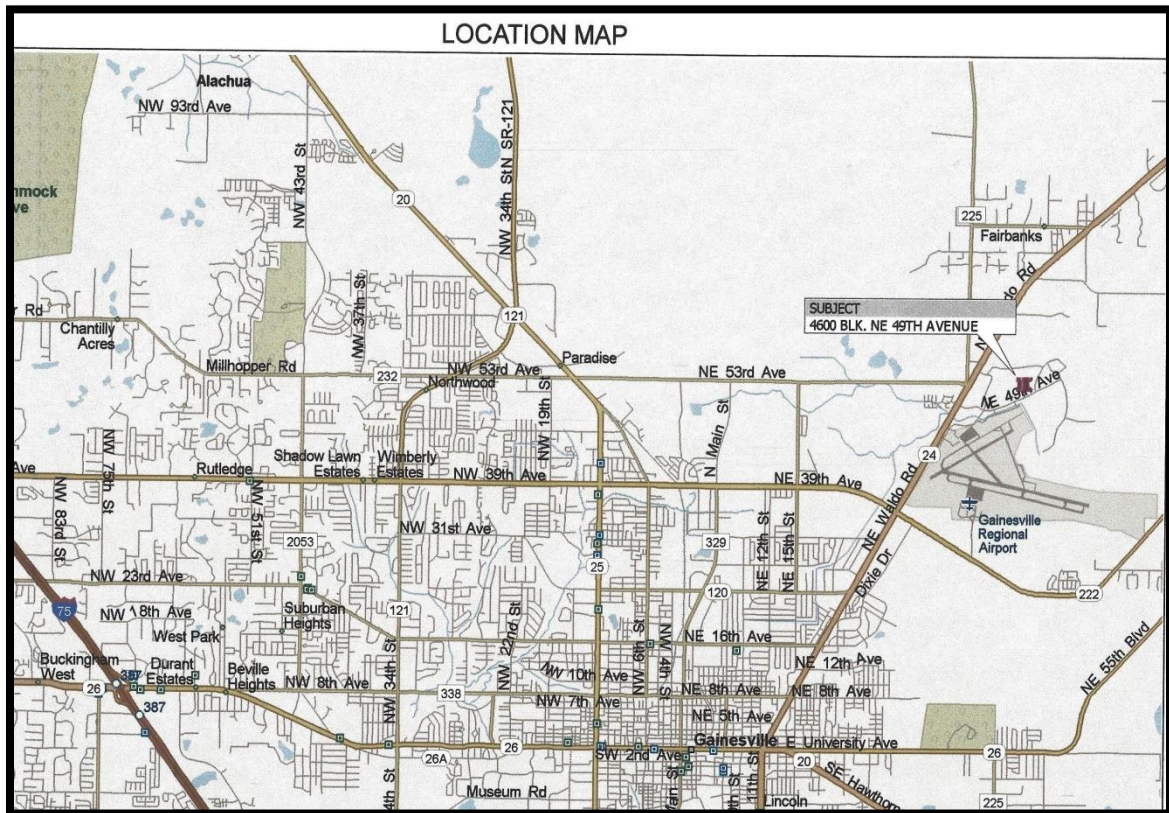
Front of Subject Site



Open Area Towards Middle of Site



Looking East on N.E. 49th Avenue



Legal Description, Assessments, Taxes, 3-Year Sales History

The subject is designated as tax parcel number 08162-006-000. The assessed value of the property is \$211,300. Taxes are \$0, as the site is owned by the City of Gainesville, a municipality. There have been no changes in title to the property within the past three years. There is a pending agreement for possible purchase of the subject site at a price of \$35,000 per acre. The legal description of the property is:

Lot 6, Unit 1 Airport Industrial Park per PB Q-31

Market Area

The market area has as its focal point the intersection of NE 39th Avenue and NE Waldo Road (SR 24). Both of these roadways are major four lane traffic routes of Gainesville. The market area extends along Waldo Road to the North to NE 69th Avenue and to the south to the intersection of NE 8th Avenue. The market area runs along NE 39th Avenue to the eastern end of the Gainesville Regional Airport and to the west to NE 15th Street. This area contains a variety of uses: they vary from institutional uses such as churches, the Gainesville Regional Airport, the Alachua County Fairgrounds, Tacachale, and Ironwood Golf course, to various industrial uses, to retail stores, to offices, and convenience stores with gas pumps. Off of these main roads are residential uses varying from attached and detached residential dwellings, mobile home parks, and scattered multi-family apartments. Industrial uses are a primary usage of properties within this market area and there are several established industrial parks, as well as industrial properties located along these aforementioned major roads. These established industrial parks include Hugh Edwards Industrial Park, Walls Industrial Park, Airport Industrial Park, and Air Park East. These industrial properties vary from distribution warehouses, to office/warehouse buildings of local contractors, to automotive garages, to small rental suites, to mini storage facilities, and manufacturing concerns. These industrial uses are established uses and rely upon the surrounding road network for access to other parts of Gainesville, and North Florida. This area has some vacant land left within it that can still be developed; however, some of these areas contain wetlands, and/or are within the flight path of the Airport, thus making development more difficult. Nevertheless, this is an established market area and one that is desirable for uses found within it.

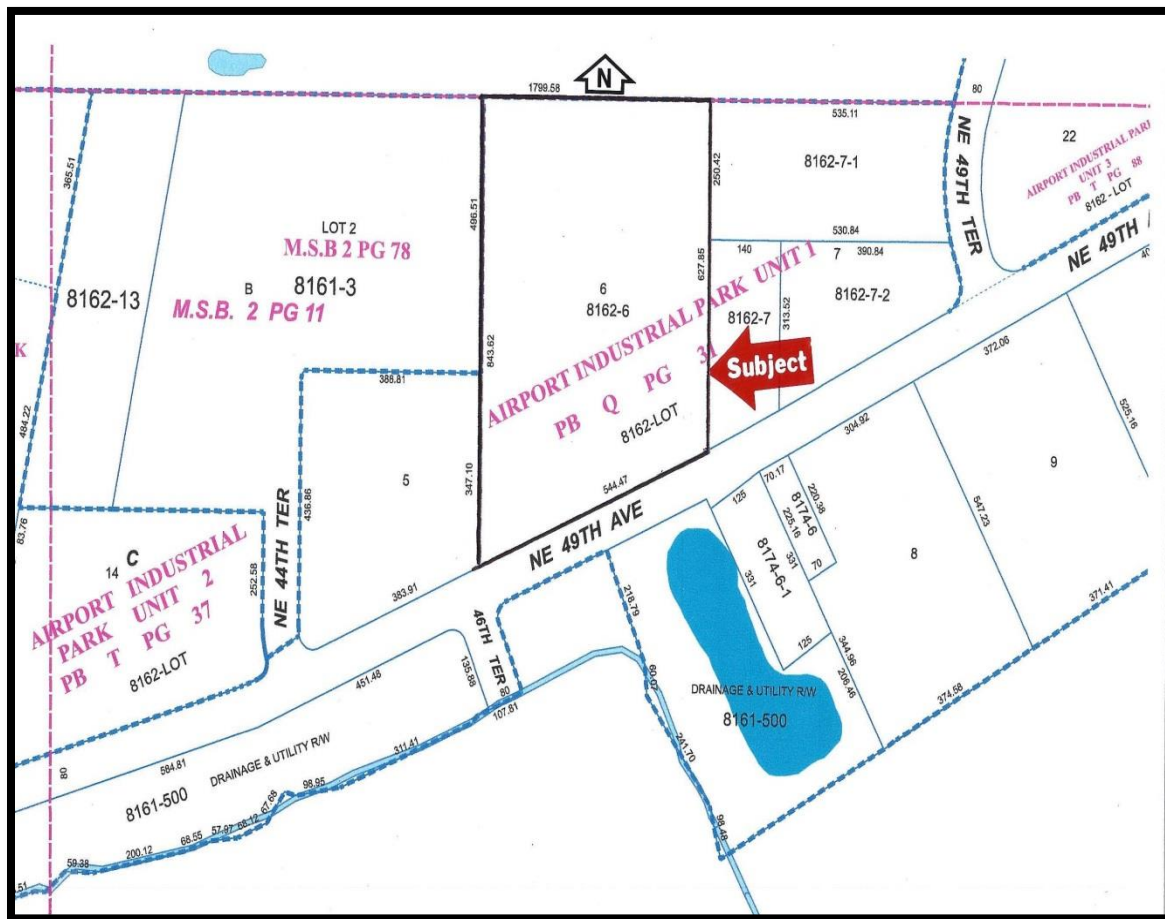
Site Data

According to Flood Map panel 12001C0309D, dated June 16, 2006, the property is located within Zone "X," which is an area outside the .2% annual chance floodplain. USDA soils maps indicate that the site consists of Pomona sand with a 0-2% slope. This

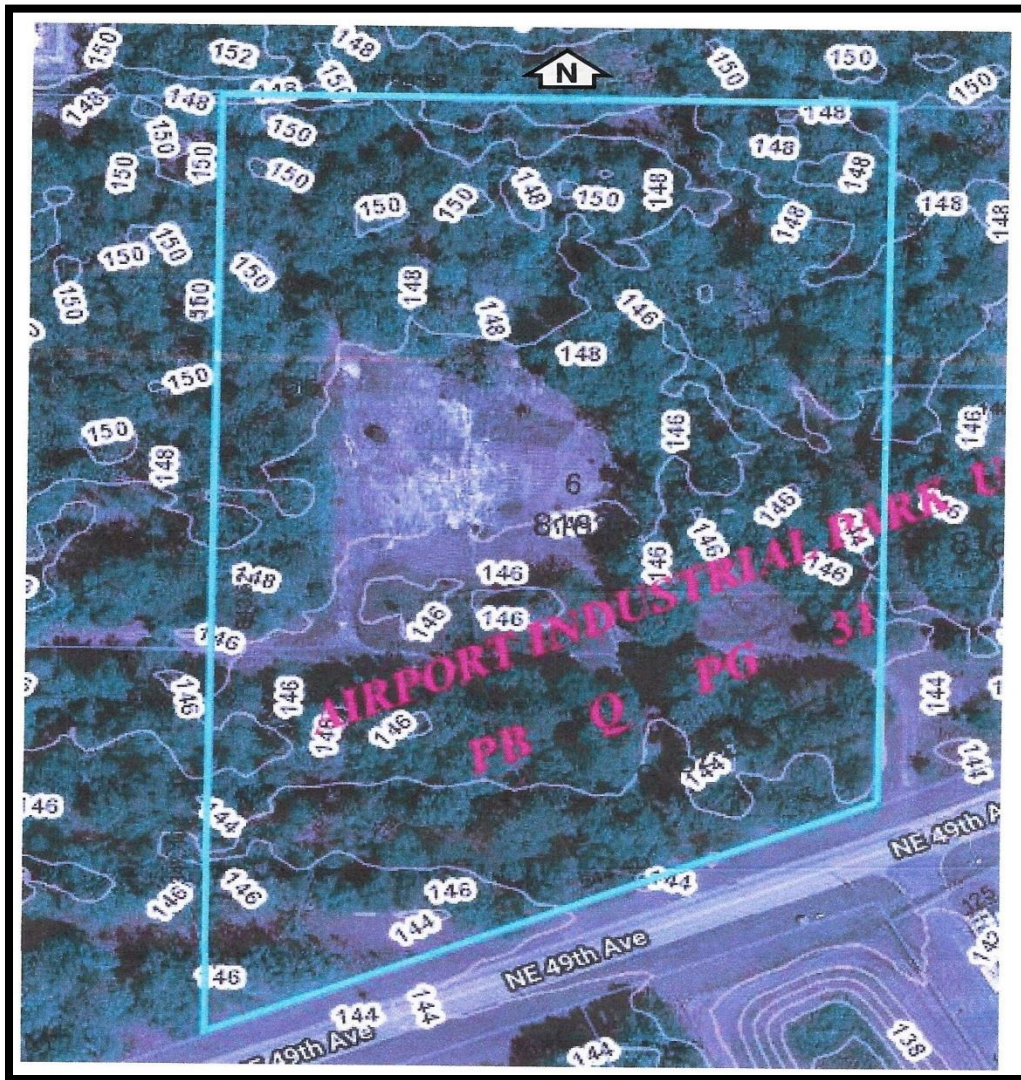
is a nearly level, poorly drained soil and is on poorly defined flats in the broad flatwoods and in shallow depressions in the sandy, rolling uplands. The subject site is estimated to have a size of 8.45 acres with 544.47' of frontage on the north side of N.E. 49th Avenue. N.E. 49th Avenue is a two lane asphalt paved public roadway with concrete curb and gutter, street lights, and storm sewer. Gainesville Regional Utilities supplies the area with underground electricity, water, and wastewater disposal. There appears to be natural gas available in the area to the west of the subject site on the north side of N.E. 49th Avenue. The topographic map included herein indicates that the site is relatively level. The site is a wooded tract of land consisting of oak and pine trees along with native underbrush, and grasses. There is an open area of native grasses in the approximate middle of the site. Some maps indicate a creek flowing through the SW corner of the site, and there appears to be a slight trough area here, but no creek (upon inspection of this area). The site has an interior location within the development.

The subject site has been affected by some historical environmental contamination; the appraiser is of the understanding that there is ongoing cleanup/mitigation of this contamination. In the past, the City of Gainesville has indemnified purchasers of property in this park from liability for prior contamination. The appraiser has assumed that this will be the case for the subject site.

SUBJECT SITE



Topographical Map of Subject Site



Zoning

According to zoning maps of the City of Gainesville, the site is zoned I-2, general industrial district. This district was established for the purpose of providing areas in appropriate locations where various heavy and extensive industrial operations can be conducted without creating hazards or property devaluation to surrounding land uses.

The future land use designation for the site is Industrial.

Highest and Best Use Analysis

The subject site is zoned for industrial purposes and also has a future land use designation as industrial. Gainesville Regional Utilities supplies the site with electricity, water, and waste water disposal. The site has a size of 8.45 acres with 544.47' of frontage on the north side of NE 49th Avenue. The site is located in an established industrial park that was platted in 1991. This immediate industrial area contains sites that vary widely in their size from as small as 3 acres to over 50 acres; most sites are less than 25 acres. Industrial sites in this other areas of this market vary in size from as small as 10,000 square feet to 10 acres. The subject site is thus of a size of competing sites in this overall market. There are still some vacant sites that can be utilized for industrial purposes in this area; both within established industrial parks and sites located on main roadways that have an industrial zoning. This immediate area is an established industrial area, and one that has good accessibility to other parts of Gainesville, and North Florida. The subject site is within the size constraints of competing sites within this market area, and has both an industrial zoning and future land use designation of industrial. Therefore, the appraiser is of the opinion that the highest and best use of the site is oriented towards an industrial usage.

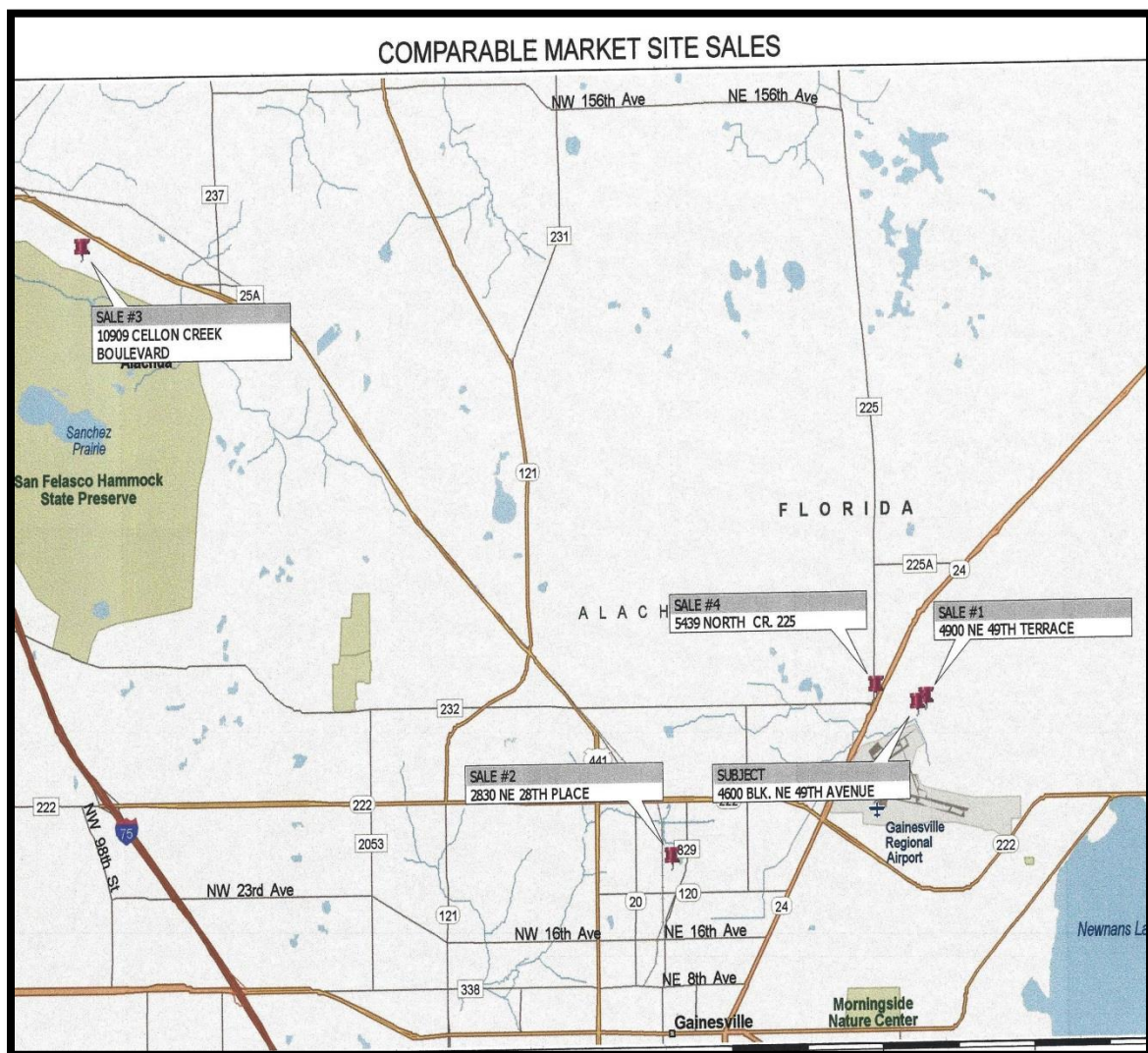
Appraisal Problem and Proposed Solution - Scope

The purpose of this appraisal is to develop an opinion of market value for the subject as of January 10, 2019. The Sales Comparison Approach will be utilized to develop an opinion of value for the subject vacant tract of land. The Cost Approach and the Income Capitalization Approach will not be used in the analysis of this vacant tract as these approaches are not applicable. The appraiser made a number of independent investigations and analyses. Vacant property transfers which were utilized in this report occurred from August 2011 through May 2017. Comparable sales are recorded at the Alachua County Courthouse.

The subject site has been affected by some historical environmental contamination; the appraiser is of the understanding that there is ongoing cleanup/mitigation of this contamination. In the past, the City of Gainesville has indemnified purchasers of property in this park from liability for prior contamination. The appraiser has assumed that this will be the case for the subject site.

Sales Comparison Approach

The Sales Comparison Approach is based upon the principle of substitution which states that a prudent purchaser will pay no more for a property than the cost of acquiring a comparable, acceptable substitute. Sales of similar properties are needed in order to accurately reflect the interactions of buyers and sellers within the market. A common denominator unit of comparison is derived from these sales and then applied to the subject. The best common denominator unit of comparison was found to be the indicated price per acre. A sales map included shows the location of each of the comparable sales and also that of the subject.





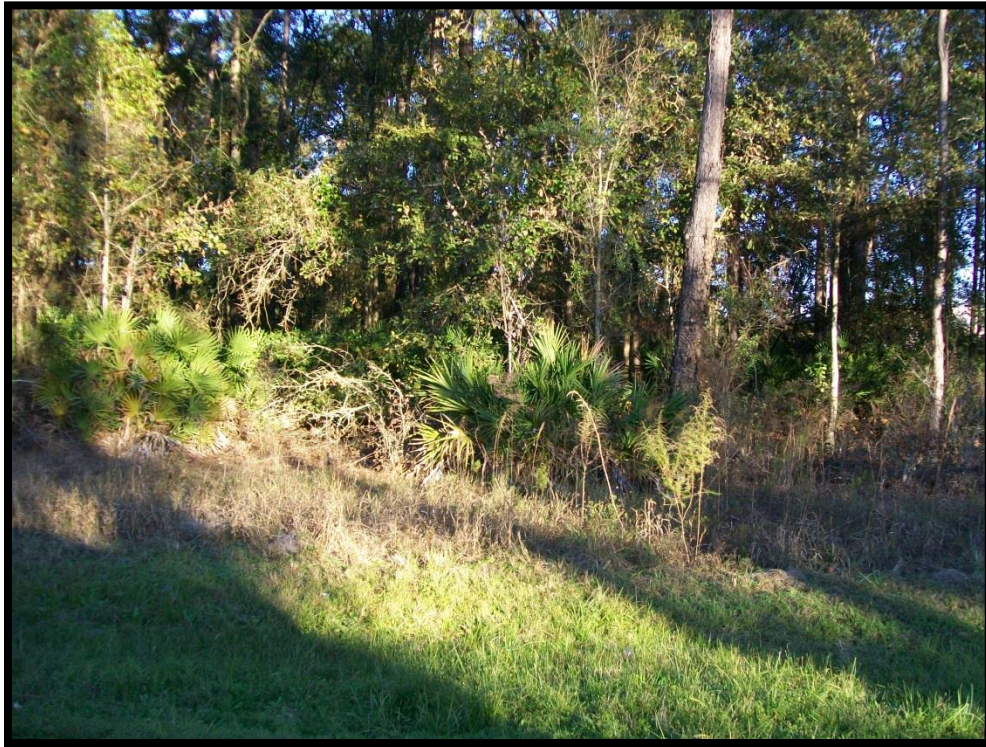
Sale #1 is located at 4900 NE 49th Terrace in Gainesville. This sale closed in August 2011 and is recorded in ORB 4049/1278. This open/wooded triangular shaped parcel of land has approximately 505' of frontage on the north side of NE 49th Avenue and 750' of frontage on NE 49th Terrace. The site was on the market for 554 days before it sold, and it is still vacant as of the current date. The property sold for \$190,000 or \$35,250 per acre.



Sale #2 is located at 2830 NE 28th Place in Gainesville. This sale closed in May 2013 and is recorded in ORB 4198/2340. The 2.817 acre tract of land has approximately 300' of frontage on the south side of NE 28th Place. The site is utilized as a storage yard, and is within the confines of the Cabot Superfund Tract. This parcel sold for \$97,500 or \$34,611 per acre.



Sale #3 is located at 10909 Cellon Creek Boulevard in Alachua. This sale closed in May 2017 and is recorded in ORB 4513/1649. The 15.41 acre, L shaped tract of land has approximately 729' of frontage on the west side of Cellon Creek Boulevard, and also 384' of frontage on the north side of this roadway after it turns to the west. The site slopes upwards from the road towards the western portion of the tract. This site and the adjacent improved warehouse property were purchased by the grantee in May from two different owners. A large parking lot is currently being constructed on the southern side of the site. The site sold for \$520,000 or \$33,744 per acre.



Sale #4 is located at 5439 North CR 225 in Gainesville. This sale closed in May 2017 and is recorded in ORB 4517/2423. The 4.4 acre wooded site has 637' of frontage on the east side of CR 225 and 812' of frontage on the west side of SR 24 (Waldo Road). The site has a triangular shape and there is an open drainage ditch along SR 24. The grantee intends to improve the site with a storage facility for recreational vehicles, and boats. The site sold for \$210,000 or \$47,727 per acre.

No financing adjustment was made to any of the comparable sales. These sales are the most recent sales of similar types of sites available to the appraiser. There was a lack of recent sale/resale data to justify a time adjustment. Therefore no time adjustment was attempted. No site size adjustment was made due to limited and also conflicting data. Sales #1 and #4 are located in closest proximity to the subject while Sale #3 is the most distant. No locational adjustment is made to the comparable sales. Sale #4 has good major road frontage in the neighborhood in which it is located while the other three sales have secondary road frontage, as does the subject. Sale #3 was a part of a two property purchase by the grantee; it is not apparent that this affected the price of the vacant property. In the final analysis, less emphasis is placed upon Sale #4 even though it is the most recent sale, as it has good major road frontage. Sale #2 is deemphasized as it is the

smallest site and is within the confines of the Cabot Superfund area. The remaining two sales are Sales #1 and #3. They indicate values of \$35,250 and \$33,744 per acre. Sale #1 is the oldest sale and is smaller in size than the subject. However, it is located in the same immediate area as the subject, and is the most recent sale to have occurred in this development. Sale #3 is the more recent of the two sales, but is located the most distant from the subject. It is almost twice the size of the subject, and was a part of a two property purchase by the grantee. In the final analysis, the appraiser would place greatest emphasis on Sale #1, as it is located in the same immediate area of the subject, and is more similar in size to the subject than Sale #3. The appraiser would estimate the market value of the subject as of January 10, 2019 at \$35,000 per acre. The subject site is estimated to contain 8.45 acres. Multiplying these two factors together would indicate a value of \$295,750 which is rounded to \$296,000.

Reconciliation

The purpose of this appraisal was to develop an opinion of market value of the subject as of January 10, 2019. The subject consists of a vacant 8.45 acre tract of land. Therefore the only valuation method applicable is the Sales Comparison Approach. This approach relies upon sales of similar sites in order to reflect the interactions of buyers and sellers in the marketplace. Based upon data presented in this report, the appraiser would estimate the market value of the subject as of January 10, 2019 to be \$296,000.

The subject site has been affected by some historical environmental contamination; the appraiser is of the understanding that there is ongoing cleanup/mitigation of this contamination. In the past, the City of Gainesville has indemnified purchasers of property in this park from liability for prior contamination. The appraiser has assumed that this will be the case for the subject site.

Exposure Time

In developing an applicable exposure time for the subject, the appraiser has analyzed comparable sale data, and taken into account current market conditions. Taking into consideration all of this data would tend to indicate that the subject, once exposed to the market, could be sold within a time frame of slightly in excess of one year.

Respectfully submitted,



G. L. Emmel, IV
State Certified General Real Estate Appraiser RZ993

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 written 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, anticipated short-term supply and demand factors, and a continued stable economy. 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. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have 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 detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.
 21. 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.
 22. The subject site has been affected by some historical environmental contamination; the appraiser is of the understanding that there is ongoing cleanup/mitigation of this contamination. In the past, the City of Gainesville has indemnified purchasers of property in this park from liability for prior contamination. The appraiser has assumed that this will be the case for the subject site.
 - 23.

Certification of Value

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. My 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. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Standards of Professional Practice (USPAP) and the State of Florida for State-Certified Appraisers. Mr. Emmel 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 State of Florida. The State of Florida conducts continuing education programs. The undersigned participates in the State's program, and has completed the requirements of the continuing education program of the State of Florida. As required under the Competency Provision of the USPAP, the appraiser has appropriate knowledge and experience to complete the assignment competently. The appraiser has performed no services as an appraiser or in any other capacity, regarding the subject of this report within the three year period preceding acceptance of this assignment.

The subject site has been affected by some historical environmental contamination; the appraiser is of the understanding that there is ongoing cleanup/mitigation of this contamination. In the past, the City of Gainesville has indemnified purchasers of property in this park from liability for prior contamination. The appraiser has assumed that this will be the case for the subject site.

The real property which is the subject of this appraisal report has an estimated market value as of January 10, 2019 of \$296,000.



G. L. Emmel, IV
State Certified General Real Estate Appraiser RZ993

Addendum

Purchase Order

Page: 1

Gainesville Regional Airport
 3880 Ne 39th Ave, Suite A
 Gainesville, FL 32609
 352.373.0249
 Contact: Lynn Noffsinger
 lynn.noffsinger@flygainesville.com

P.O. Number: **9619-99**
 Order Date: **1/10/2019**

Vendor Number: **00-0010138**

Vendor:
 Andrew V. Santangini Jr. MAI
 Real Est Appraiser/Consultant
 1109 N W 23rd Ave, Suite B
 Gainesville, FL 32609

Ship To:
 Gainesville Regional Airport
 3880 NE 39th Avenue
 Suite A
 Gainesville, FL 32609

Required Date	Ship VIA	F.O.B.	Terms			
1/10/2019			Net 20 Days			
Item Code	Unit	Ordered	Received	Backordered	Unit Cost	Amount
APPRAISAL OF PARCEL 08162-006-000						
AIRPORT INDUSTRIAL PARK						
GL: 647-200-000						
	EACH	2,475.00	0.00	0.00	1.00	2,475.00



Net Order: 2,475.00
 Sales Tax: 0.00
 Freight: 0.00
 Order Total: 2,475.00

Definitions

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

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 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:

- 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.

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.

Definitions are contained within "The Appraisal of Real Estate, 14th Edition"

Qualifications of G. L. Emmel, IV

Licenses

Licensed Real Estate Broker/Salesman, State of Florida
State-Certified General Real Estate Appraiser RZ993

Real Estate Organizations

Broker/Salesman

Education

Graduate of Furman University, 1971
Post Graduate Work - University of Florida
Appraisal Institute Courses Passed. Also attended various appraisal seminars.
Standards of Professional Appraisal Practice
Real Estate Appraisal Principles
Basic Valuation Procedures
Capitalization Theory and Techniques, Part A
Capitalization Theory and Techniques, Part B
Case Studies in Real Estate Valuation

Appraisal Experience

Staff appraiser for First Federal of Mid Florida and Empire of America for 11 years. Independent fee appraiser since July 1984. Assignments have included various types of properties in the State of Florida. Clients have included corporations, attorneys, lending institutions, and federal agencies. Property types have included industrial buildings, offices, right-of-way takings, springs, vacant land, shopping centers, banks, etc.

Court Experience

Qualified as an expert witness before various Circuit Courts in Florida as well as Federal Bankruptcy Court for Florida.

Personal

Rotary Club of Gainesville
Friends of Five
Friends of the Library