

Analysis of
Estimated Market Rent for Parking Lot # 2

Located
200 Block of NW 2nd Avenue
Gainesville, Florida

Prepared for
Ms. Estelle Lens, AICP
Land Rights Coordinator
City of Gainesville-Public Works Department
P.O. Box 490, Station 58
Gainesville, Florida 32627-0490

Date of Value
June 3, 2016

(Effective Date)

Purchase Order # 800 80100531160035

Andrew V. Santangini, Jr., MAI
Gainesville, Florida

ANDREW V. SANTANGINI, JR., MAI
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State-Certified General Real Estate Appraisers
Andrew V. Santangini, Jr., MAI RZ563
G. L. Emmel, IV RZ993
Laura L. Rutan RZ3706

June 14, 2016

Ms. Estelle Lens, AICP
Land Rights Coordinator
City of Gainesville-Public Works Department
P.O. Box 490, Station 58
Gainesville, Florida 32627-0490

RE: Analysis of: Estimated Market Rent for Parking Lot #2
Located: 200 Block of NW 2nd Avenue, Gainesville, Florida
Present use: 73 Space asphalt paved parking lot
Apparent owner: City of Gainesville

Dear Ms. Lens:

As per your request, we have developed an opinion of market value of the fee simple title of the above referenced property. This analysis 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 analysis report. It presents only summary discussions of the data, reasoning, and analyses used in the 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.

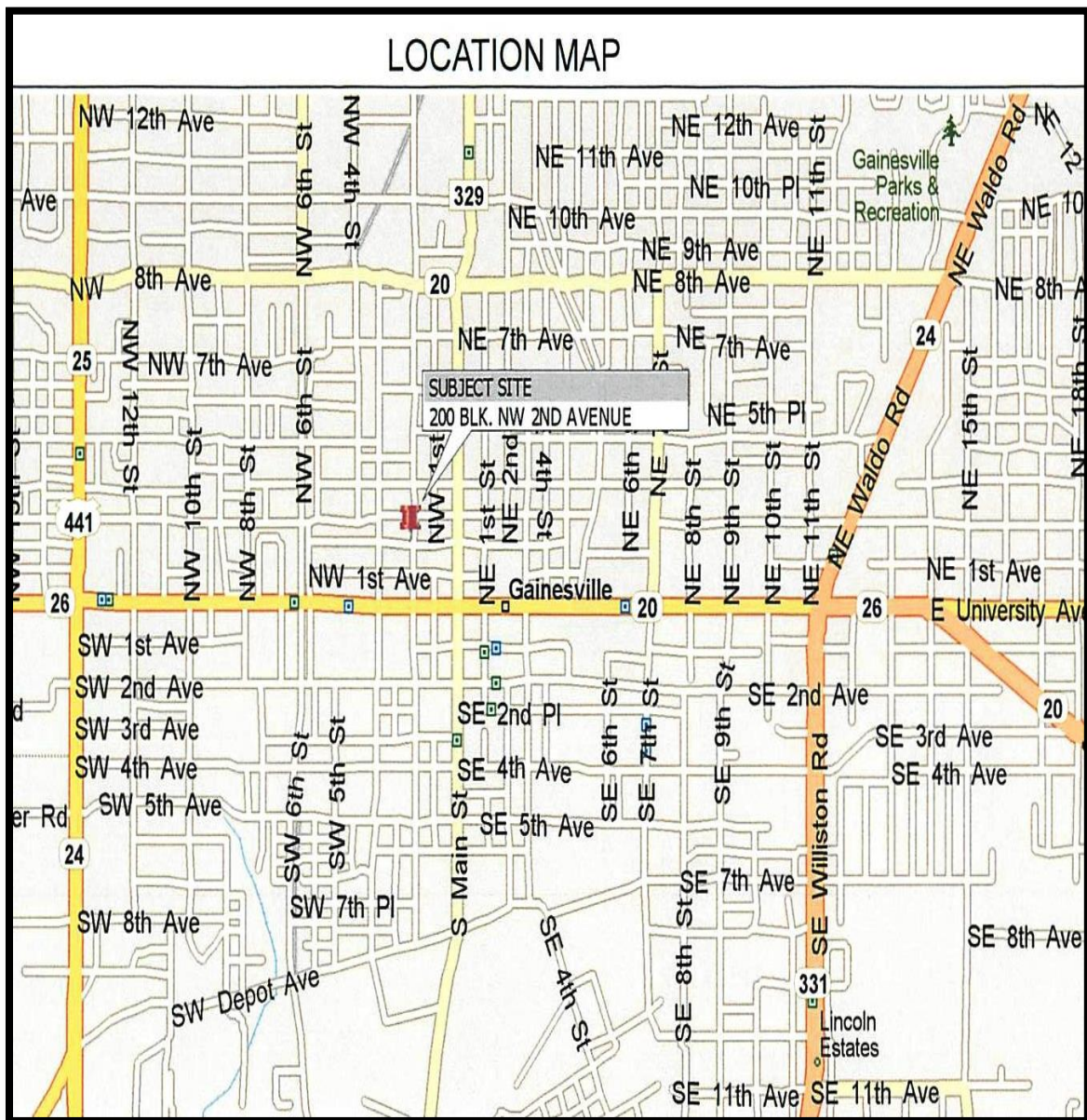
Purpose of Analysis, Intended Use, and Intended User

The purpose of this analysis is to develop an opinion of the market rent of the subject 73 space parking lot subject to a proposed licensing agreement by The City of Gainesville as of June 3, 2016. The definition of market value is included in the Addendum section of the report. This report is being prepared to assist the client, The City of Gainesville, in the estimation of market rent of the subject as an income producing parking lot facility under a proposed licensing agreement where all of the parking spaces will be leased to one entity.

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

The subject is designated as tax parcel number 04252-000-000. The assessed value of the property is \$119,300. The property is currently tax exempt, as it is owned by the City of Gainesville; real estate taxes are \$0. There have been no changes in title to the property within the past three years. There are no indications that the property is currently listed for sale. The legal description of the property per the Alachua county Property Appraiser is as follows:

Brush Addition DB 0-218 Blk. 18 Baird Replat PBA-96 Lots 1 and 2 City Parking Lot





Looking West along NW 2nd Avenue



Subject viewed from the South



Western Portion of Subject



Typical Parking space with Meter

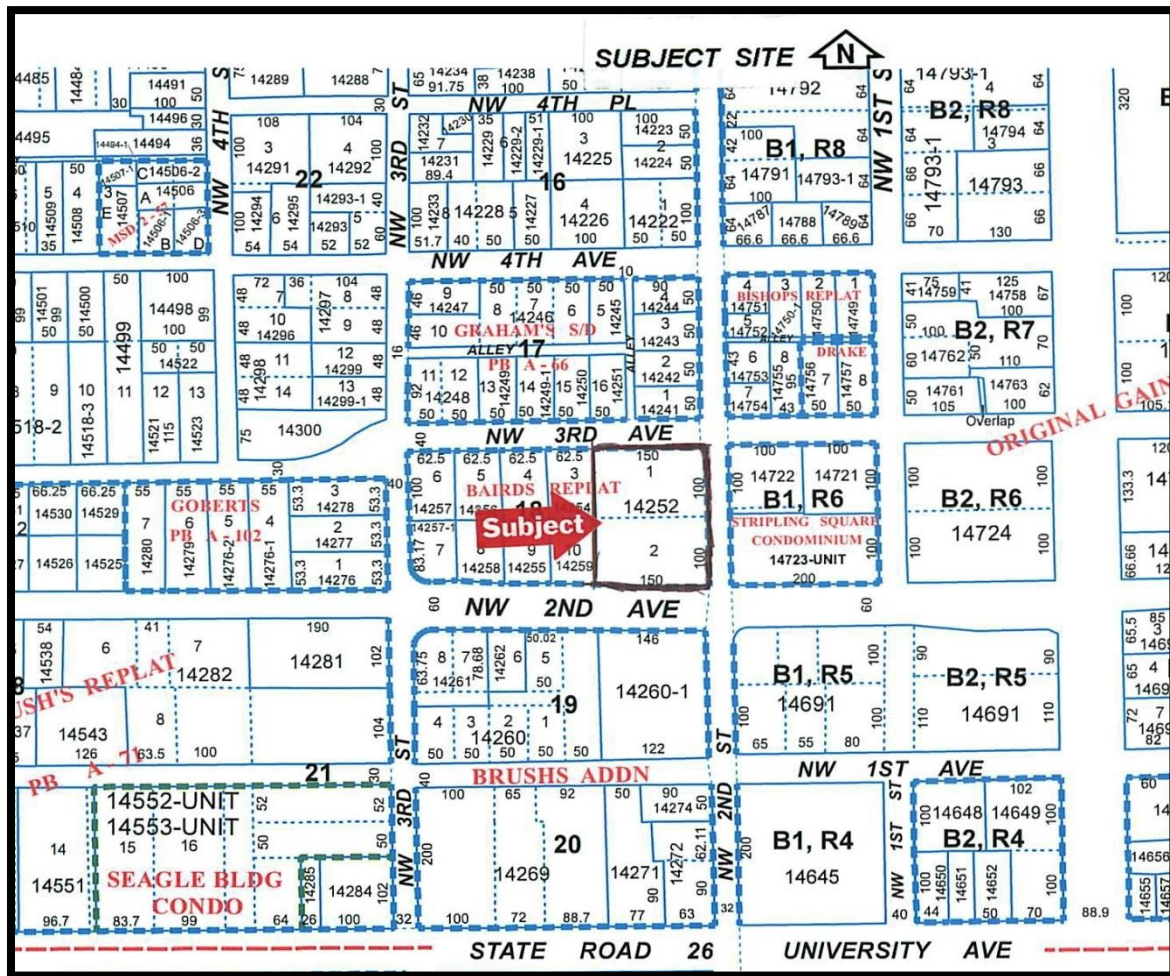
Market Area

The market area can be defined as the downtown central business district of Gainesville. The area is bordered on the south by Depot Avenue, on the north by NW 8th Avenue, on the west by NW 6th Street, and on the east by NE 7th Street. Major transportation routes of this market area include the following north/south roads: Main Street, and NW 6th Street; while University Avenue, NW 8th Avenue, SW 2nd Avenue and Depot Avenue are major east/west traffic routes. Within the market area, University Avenue is the only four lane route. Main Street is a two lane road with turn lane. Main Street, NW 8th Avenue, and University Avenue are also major roads of Gainesville and intersect other major traffic routes of town. Uses within this central business district vary from professional offices to local governmental offices, to institutional uses such as churches, to restaurants and bars, retail establishments, residential condominiums and apartment complexes, as well as some single family detached homes. There are three residential historic districts located within this market area. They are the Southeast Gainesville Historic District, the Northeast Residential Historic District and the Pleasant Street Historic District. This market area is a well-established area and one that has relatively little vacant land left within it as it was the original commercial and residential hub of Gainesville. The area has seen new growth in the past with residential condominiums and apartments. Additionally the “Midtown” area of Gainesville is located to the west of NW 6th Street and is an area which is changing in character due to the emergence of the Innovation Hub Development. This area is located between University Avenue on the north, and SW 4th Avenue on the south, and is to the west of NW 6th Street and to the east of NW 10th Street. There have been several technological companies locate here within the past two years, and further expansion of this area with a new street network has been completed. Building construction that has occurred within this area has primarily been oriented towards multifamily, and office usages. This developing area is having a positive effect on residential usages in the downtown area due to its proximity and ease of access. Within both the “downtown and midtown areas” there is very little vacant land. Consequently improved parcels have been purchased, and have had their building improvements demolished to make way for more intensive uses currently allowed by zoning. In some instances this has taken the form of assemblage parcels, where two or more adjoining tracts have been purchased and reconfigured into a larger parcel, or an adjacent owner has purchased a property to utilize in conjunction with one he already owns.

Site Data

According to Flood Map panel 12001C0314D, dated June 16, 2006, the property is located within Zone “X,” which is an area outside the .2% annual chance floodplain. Alachua County Soil Conservation maps indicate that the subject site consists of Urban Land; this is where 85% or more of the surface is covered with shopping centers, parking lots, buildings, streets, sidewalks, and related facilities. The natural soil cannot be

observed. Gainesville Regional Utilities supplies this area with electricity, water, wastewater, and in many areas natural gas service. The subject site has a corner location formed by the intersection of NW 2nd Avenue and also NW 3rd Avenue with NW 2nd Street. The site has approximately 150' of frontage on both NW 2nd and NW 3rd Avenues, and 200' of frontage on the west side of NW 2nd Street. Access to the site is via its 150' of frontage on the north side of NW 2nd Avenue via two curb cuts. The subject site is thus estimated to have a size of 30,000 square feet or .6887 acres. The site is currently a seventy three space asphalt paved parking lot; two of the spaces are designated for the handicapped, and approximately five spaces appear to be compact car spaces. The northern, eastern, and parts of the southern portion of the site along with the center of the site is landscaped with native landscaping plants and trees. Some of these areas appear to have an irrigation system within them. There is concrete curbing around the perimeter of the asphalt paving on the site. The western half of the site has meters for each of the parking spaces. The Pleasant Street Historic District lies adjacent to the subject site on its western perimeter and also to the north on the northern side of NW 3rd Avenue. The subject site is not within this Pleasant Street Historic District but does abuts it.



Zoning

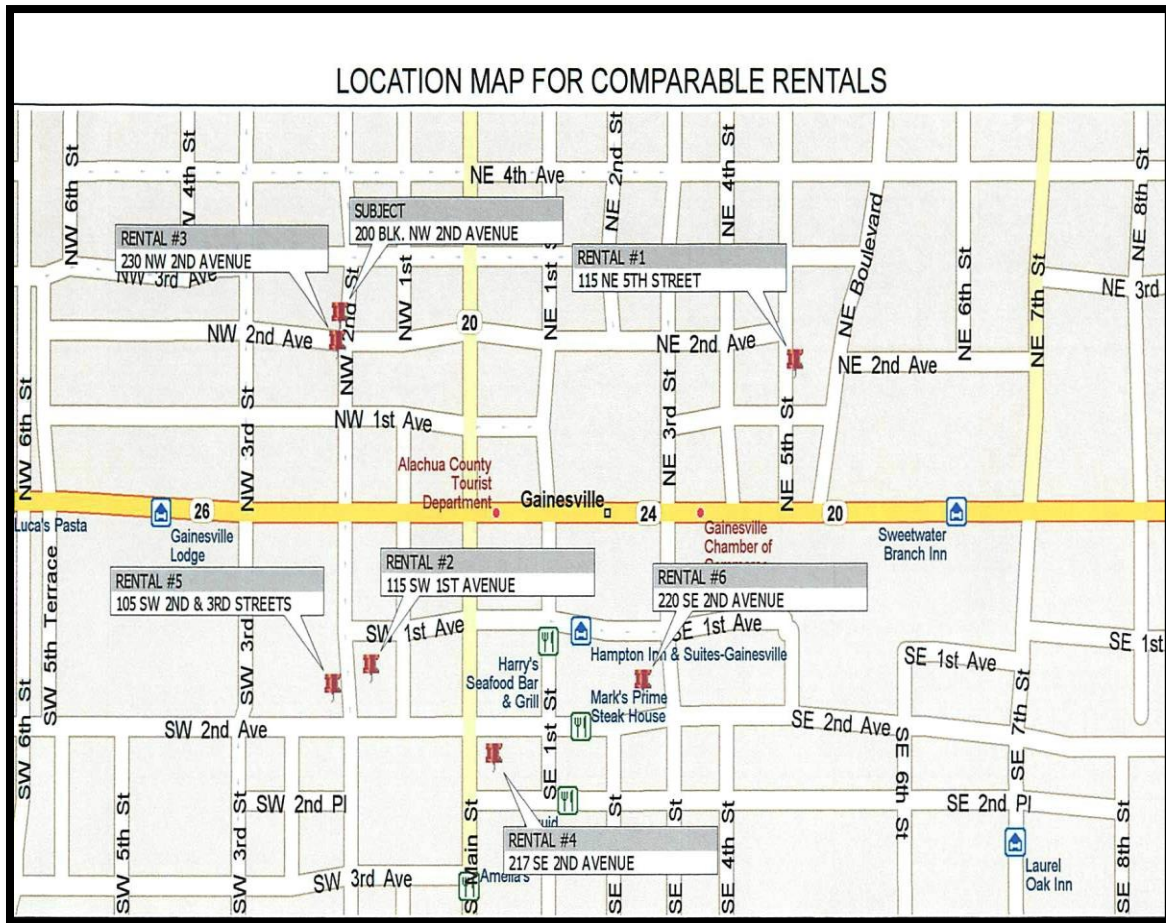
According to zoning maps of the City of Gainesville the site is zoned Central City District, CCD. The market area can be defined as the downtown central business district of Gainesville. The area is bordered on the south by Depot Avenue, on the north by 8th Avenue, on the west by 6th Street, and on the east by 7th Street. Major transportation routes of this market area include the following north/south roads: Main Street, and 6th Street; while University Avenue, 8th Avenue, 2nd Avenue and Depot Avenue are major east/west traffic routes. Within the market area, University Avenue is the only four lane route. Main Street is a two lane road with turn lane. Main Street, 8th Avenue, and University Avenue are also major roads of Gainesville and intersect other major traffic routes of town. Uses within this central business district vary from professional offices to local governmental offices, to institutional uses such as churches, to restaurants and bars, retail establishments, residential condominiums and apartment complexes, as well as some single family detached homes. This market area is a well-established area and one that has relatively little vacant land left within it as it was the original commercial hub of Gainesville. The area has seen new growth in the past with residential condominiums and apartments. Additionally the “Midtown “area of Gainesville is located to the west of 6th Street and is an area which is changing in character due to the emergence of the Innovation Hub Development. This area is located between University Avenue and SW 4th Avenue, is to the west of 6th Street and to the east of 10th Street. There have been several technological companies locate here within the past two years, and further expansion of this area with a new street network has been completed. More building construction has occurred within this area and it has primarily been oriented towards multifamily, and office usages. This developing area is having a positive effect on residential usages in the downtown area due to its proximity and ease of access. Within both the “downtown and midtown areas” there is very little vacant land. Consequently improved parcels have been purchased, and have had their building improvements demolished to make way for more intensive uses currently allowed by zoning. In some instances this has taken the form of assemblage parcels, where two or more adjoining tracts have been purchased and reconfigured into a larger parcel.

Analysis Problem and Proposed Solution

The purpose of this analysis is to estimate the market rent of the subject as an income producing parking lot facility under a proposed licensing agreement where all of the parking spaces will be leased to one entity as of June 3, 2016.

Rental Analysis Approach

The first step in this analysis is to estimate the potential gross income that the subject property is capable of generating. The subject at the current time is vacant, and is apparently not currently generating an income stream. Thus rental rates of competing parking lot facilities need to be analyzed in order to estimate an applicable rental rate for a parking space within the subject lot. A rental map included herein shows the location of the subject, and also that of other parking lot facilities in the downtown market area of Gainesville.





Rental #1: This surface asphalt paved parking lot is located at 115 NE 5TH Street. The lot is accessed via NE 5th Street, but has frontage on both 1st and 2nd Avenues, and is known as the “Bolton” parking lot. There are 32 spaces in this lot which require a parking permit decal. The rental rate is \$30 per month plus sales tax and requires a 6 month lease.



Rental #2: This surface asphalt paved parking lot is located at 115 SW 1st Avenue. It contains 88 spaces and requires a permit to park. Permits are issued for a 6 month period at a rate of \$30 per month plus sales tax. This parking lot is accessed via both SW 1st Avenue and SW 2nd Avenue, but also has frontage on 1st and also 2nd Streets.



Rental #3: This asphalt paved surface parking lot is located at 230 NW 2nd Avenue. This surface parking lot has the apparent capability to accommodate 33 cars. Parking spaces are leased on a quarterly basis at \$60 per space or \$20 per month plus sales tax. The property is accessed via 2nd Avenue, but the exit for spaces is via both NW 2nd and NW 1st Avenues, and also NW 2nd Street.



Rental #4: This partially paved and partially dirt/graded surface parking lot is located at 217 SE 2nd Avenue. The parking lot is accessed via both SE 2nd Avenue and also SE 2nd Place. There are 77 spaces here, and the lot provides both long and short term parking. The long term rate is \$105 per quarter plus sales tax or \$26.25 per month. This lot is referred to as the “Main Street” parking lot. Short term parking is \$5 per space and is paid by dropping money in a drop box.



Rental #5: This is the SW Parking Garage that is owned by the City of Gainesville. It is located at 105 SW 2nd and SW 3rd Streets, and is accessed via both of these roadways. The building contains 855 spaces in five stories. Long term rental rates priced on a monthly basis vary from \$16 to \$30 per space plus sales tax. This facility has rental retail space on the first floor on the SW 2nd Street right of way.



Rental #6: This is the Downtown parking garage that is located at 220 SE 2nd Avenue. This four story parking garage contains 410 spaces. Long term rental rates are quoted at \$52 per month plus tax, and terms vary from one month to six months. The building is accessed via the north side of SE 2nd Avenue. This was the first parking garage to be built in Gainesville.

Rentals # 1-4 are rentals of surface lots while Rentals #5 and #6 are parking garages. Monthly rental rates per space vary from a low of \$16 to a high of \$52 per month plus sales tax. Lease payments vary from monthly to quarterly to semiannual. The number of spaces leased varies from one to one hundred twenty eight. Rental #3 is in closest proximity to the subject and is located across NW 2nd Avenue from the subject. It indicates a rental rate of \$20 per month per space. Rental #1 is similar to the Subject in that it is located on the perimeter of the market area, and indicates a rate of \$30 per month per space, and requires a parking decal/permit. Rental #5 has the largest number of spaces leased to one entity at \$16 per month.

There are 73 parking spaces in the subject asphalt paved parking lot. These spaces will all be leased all at once to one entity. In estimating a market rental rate, greatest emphasis is placed upon the rate being generated by Rental #3 of \$20 per month plus sales tax, and Rental #5 where the rent is \$16 per month plus sales tax for 128 spaces. Based upon this

information, a rental rate of \$18 per space plus sales tax is seen as being a fair market rental rate for the 73 spaces that comprise the subject on a bulk basis. This rental rate would be a triple net rental and would have the lessee paying for all expenses associated with the rental and upkeep of this parking lot. This is equivalent of a monthly rent of \$1,314 per month (73 parking spaces x \$18 per month per space), and an annual rent of \$15,768 (12 months x \$1,314 per month). This market rate rental is also exclusive of sales tax.

Reconciliation

The purpose of this analysis is to estimate the market rent of the subject as an income producing parking lot facility under a proposed licensing agreement by The City of Gainesville where all of the parking spaces will be leased to one entity as of June 3, 2016. The appraiser has estimated a market rental rate of the 73 parking spaces comprising the subject on a triple net basis at \$18 per month per space plus applicable sales tax. This is equivalent to a monthly rental of \$1,314 per month or an annualized rent of \$15,768. This market rent is estimated as of June 3, 2106.

Respectfully submitted,



Andrew V. Santangini, Jr., MAI
State-Certified General Real Estate Appraiser RZ563



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. Per the client's request the appraiser is to estimate the fair market rental rate of the subject 73 space asphalt paved parking lot under a proposed licensing agreement where all of the spaces will be leased to one entity as of June 3, 2106.

Certification of Value

We certify that, to the best of our 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 our personal, unbiased professional analyses, opinions, and conclusions. We 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. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment. Our 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 Appraisers. Mr. Emmel made a personal inspection of the property. No one has provided significant professional assistance to the persons 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. Both the Appraisal Institute and the State of Florida conduct continuing education programs. The undersigned member participates in the State's program and in the Institute's voluntary program. As of the date of the report, the undersigned member has completed the requirements of the continuing education program of the Appraisal Institute. As required under the Competency Provision of the USPAP, the appraisers have appropriate knowledge and experience to complete the assignment competently. The appraisers have 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 real property which is the subject of this analysis report has an estimated market rent subject to a proposed licensing agreement on a triple net basis at \$18 per space per month plus sales tax as of June 3, 2016.



Andrew V. Santangini, Jr., MAI
State-Certified General Real Estate Appraiser RZ563



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

Addendum

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 Andrew V. Santangini, Jr.

License

State-Certified General Real Estate Appraiser #RZ563, Florida
State-Certified General Real Estate Appraiser #330159, Georgia

Professional Designation

MAI - Member, Appraisal Institute since November 1977
Served on various Appraisal Institute committees including
Public Relations, Admissions, and Professional Standards

Appraisal Experience

Independent appraiser since 1972. Appraisal assignments have included many different types of properties primarily within the State of Florida. Other assignments have been within the southeastern United States. Clients include: corporations, attorneys, lending institutions, individuals, municipalities, state and federal agencies.

Court Experience

Qualified as an expert witness before various Circuit Courts in Florida as well as Federal Courts and the Internal Revenue Service.

Education

Graduate Emory University, 1966
Post Baccalaureate studies, University of Florida, 1971

Real Estate Experience

Independent Appraiser and Consultant since 1972
Former Realtor, Florida Association of Realtors
Former Instructor, Lake City Community College: Appraisal and Finance

Personal

U.S. Navy Officer, 1966-1969, Vietnam Veteran – Patrol Boats
Commercial Pilot License: Instrument & Multi-Engine Ratings

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