

**APPRAISAL OF  
A PARCEL OF COMMERCIAL LAND  
LOCATED AT  
1920 WEST BLUE HERON BOULEVARD  
RIVIERA BEACH, FLORIDA 33404**

**FOR**

**RICKEY LITTLE  
INTERIM DIRECTOR OF PROCUREMENT  
CITY OF RIVIERA BEACH**

**BY**

**ROBERT B. BANTING, MAI, SRA  
CERT GEN RZ4**

**AND**

**MICHELLE J. MICKLE  
CERT GEN RZ3316**

**WITH**

**ANDERSON & CARR, INC.  
521 SOUTH OLIVE AVENUE  
WEST PALM BEACH, FLORIDA 33401**

**DATE OF INSPECTION: APRIL 16, 2020**

**DATE OF REPORT: APRIL 21, 2020**

**DATE OF VALUE: APRIL 16, 2020**

**FILE NO.: 2200190.000**

**CLIENT REFERENCE: 1920 WEST BLUE HERON BOULEVARD**



April 21, 2020

Mr. Rickey Little  
Interim Director of Procurement  
City of Riviera Beach  
600 W. Blue Heron Blvd.  
Riviera Beach, FL 33404

Dear Mr. Little:

Pursuant to your request, we have personally appraised the real property being an improved parcel of land having approximately 85,621 square feet or 1.97 acres of land area. The subject property is located on the northeast corner of North Congress Avenue and West Blue Heron Boulevard in Riviera Beach. The property address is 1920 West Blue Heron Boulevard, Riviera Beach, FL, 33404.

The purpose of this appraisal is to estimate the market value of the fee simple estate of the subject property, as-if vacant, as of April 16, 2020, the date of photographs and inspection. The property is currently improved with a single user building containing 15,148 square feet of enclosed building area according to the Palm Beach County Property Appraiser's records. The building was previously occupied by a Walgreens Pharmacy; however, has been vacant for some time. The original lease term expired in April of 2019 according to Marcus & Millichap's offering package from the 2014 sale. Walgreen's closed a total of 200 stores nationwide in late 2019.

The intended use of the report is to assist the client and intended user in acquisition by a public agency. This report has been prepared for no other purpose and for use by no other person or entity than for use by the client for the purpose stated herein. Any other use of this appraisal is considered a misuse and thus the appraisers will not be held responsible for any outcome associated with use by another entity or for another purpose.

As previously stated, the subject property is currently improved with a commercial retail building containing approximately 15,128 square feet of building area which was originally constructed in 1999, for a Walgreen's drugstore. The building is placed in the center of the parcel which contains just below 2 acres of land area.

The client, the City of Riviera Beach, wishes to purchase this property for redevelopment with a fire station and other community serving uses. We have been instructed to value the subject property, as-if vacant, and have therefore, utilized a hypothetical condition.

Because the subject's existing improvements do not lend themselves to redevelopment due to their location on the site, the City anticipates their removal for redevelopment to occur. During the appraiser's research, another property, like the subject, improved with a Walgreen's store, was also purchased for redevelopment. No value consideration was given to the existing improvements as they did not lend themselves to the redevelopment plan of the buyer. This sale has been included in our sales comparison analysis for further review, Comparable Sale 1. It is not uncommon for properties like the subject, to transfer based upon land value as the improvements may be positioned on the site in such a way as to hinder re-development.



Mr. Rickey Little  
Interim Director of Procurement  
City of Riviera Beach  
Page 2  
April 21, 2020

We have utilized the sales comparison approach to value, the most common method used for valuing properties such as the subject property.

The global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). It is currently unknown what direct, or indirect, effect, if any, this event may have on the national economy, the local economy or the market in which the subject property is located. The stock market has already responded negatively. However, the real estate market is much slower to react and there is no measurable evidence available at this time to make an adjustment for this very recent situation. The reader is reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated.

As a result of our analysis, we have developed an opinion that the market value of the fee simple estate (as defined in the report), subject to the definitions, certifications, and limiting conditions set forth in the attached report, as of April 16, 2020 was:

**MARKET VALUE:** **\$2,400,000**

The following presents our analysis and conclusions in a narrative appraisal report. This letter must remain attached to the report, which contains 53 pages plus related exhibits, in order for the value opinion set forth to be considered valid. Your attention is directed to the General Limiting Conditions contained within this report.

Respectfully submitted,

ANDERSON & CARR, INC.



Robert B. Banting, MAI, SRA  
Cert Gen RZ4



Michelle J. Mickle  
Cert Gen RZ3316

RBB/MJM:cmp

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Qualifications for Robert B. Banting, MAI, SRA, Cert Gen RZ4  
 Qualifications for Michelle J. Mickle, Cert Gen RZ3316  
 Addendum: Engagement Letter



**SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS**

|  |  |
|--|--|
| <b>Client:</b>                         | Rickey Little<br>Interim Director of Procurement<br>City of Riviera Beach  |
| <b>Intended User:</b>                  | City of Riviera Beach  |
| <b>Intended Use:</b>                   | Acquisition By A Public Agency   |
| <b>Taxpayer of Record:</b>             | FSADECV FL C4, LLC   |
| <b>Property Rights Appraised:</b>      | Fee Simple Estate  |
| <b>Extraordinary Assumptions:</b>      | None   |
| <b>Hypothetical Conditions:</b>        | Yes, please see page number 6 (As-If Vacant)   |
| <b>Unusual Market Externality:</b>     | COVID-19 Pandemic  |
| <b>Location:</b>                       | Site is located on the northeast corner of North Congress Avenue and West Blue Heron Boulevard in Riviera Beach. |
| <b>Site/Land Area:</b>                 | The subject site contains 85,621 square feet or 1.97 acres.  |
| <b>Improvements:</b>                   | Improvements include a 15,148 square foot retail building constructed in 1999 for a Walgreen's Pharmacy.         |
| <b>Zoning:</b>                         | CG, General Commercial District by City of Riviera Beach   |
| <b>Land Use Plan:</b>                  | Commercial by City of Riviera Beach  |
| <b>Flood Zone &amp; Map Reference:</b> | Zone X (unshaded), Community Panel Number 12099C0387F, effective date of October 5, 2017                         |
| <b>Census Tract:</b>                   | 0013.01  |
| <b>Current Use:</b>                    | Commercial   |
| <b>Highest and Best Use:</b>           | Redevelopment  |



**Exposure Time:** Eight to twelve months

**Marketing Time:** Eight to twelve months

**MARKET VALUE:** **\$2,400,000**

**Date of Inspection:** April 16, 2020

**Date of Report:** April 21, 2020

**Date of Value:** April 16, 2020

**Appraisers:** Robert B. Banting, MAI, SRA  
Cert Gen RZ4

Michelle J. Mickle  
Cert Gen RZ3316



**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 general limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations.

I have 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.

I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.

I have no bias with respect to any 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. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

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.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Michelle J. Mickle has made a personal interior and exterior inspection of the property that is the subject of this report. Robert B. Banting, MAI, SRA has not made a site specific inspection of the property. Mr. Banting is familiar with the area and has seen this property in the past.

As of the date of this report, Robert B. Banting, MAI, SRA has completed the continuing education program of the Appraisal Institute.

No one provided significant real property appraisal or appraisal consulting assistance to the person signing this certification.



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Robert B. Banting, MAI, SRA  
Cert Gen RZ4



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Michelle J. Mickle  
Cert Gen RZ3316

**GENERAL LIMITING CONDITIONS**

1. Unless otherwise stated, the value appearing in this appraisal represents our opinion of the market value or the value defined as of the date specified. Values of real estate are affected by national and local economic conditions and consequently will vary with future changes in such conditions.
2. Possession of this report or any copy thereof does not carry with it the right of publication nor may it be used for other than its intended use. The physical report(s) remains the property of the appraiser for the use of the client. The fee being charged is for the analytical services only. The report may not be copied or used for any purpose by any person or corporation other than the client or the party to whom it is addressed, without the written consent of an officer of the appraisal firm of Anderson & Carr, Inc. and then only in its entirety.
3. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations efforts, news, sales or other media without written consent and approval of an officer of Anderson & Carr, Inc. nor may any reference be made in such public communication to the Appraisal Institute or the MAI, SRA or SRPA designations.
4. The appraiser may not divulge the material contents of the report, analytical findings or conclusions, or give a copy of the report to anyone other than the client or his designee, as specified in writing except as may be required by the Appraisal Institute, as they may request in confidence for ethics enforcement or by a court of law or body with the power of subpoena.
5. Liability of Anderson & Carr, Inc. and its employees are limited to the fee collected for the appraisal. There is no accountability or liability to any third party.
6. It is assumed that there are no hidden or unapparent conditions of the property, sub-soil, or structures which make it more or less valuable. The appraiser assumes no responsibility for such conditions or the engineering which might be required to discover these facts.
7. This appraisal is to be used only in its entirety. All conclusions and opinions concerning the analysis which are set forth in the report were prepared by the appraisers whose signatures appear on the appraisal report. No change of any item in the report shall be made by anyone other than the appraiser and the appraiser and firm shall have no responsibility if any such unauthorized change is made.
8. No responsibility is assumed for the legal description provided or other matters legal in character or nature, or matters of survey, nor of any architectural, structural, mechanical, or engineering in nature. No opinion is rendered as to the title which is presumed to be good and merchantable. The property is valued as if free and clear of any and all liens and encumbrances and under responsible ownership and competent property management unless otherwise stated in particular parts of the report.
9. No responsibility is assumed for accuracy of information furnished by or from others, the clients, their designee, or public records. We are not liable for such information or the work of subcontractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit when possible. All are considered appropriate for inclusion to the best of our knowledge and belief.





10. The contract for appraisal, consultation or analytical service is fulfilled and the total fee payable upon completion of the report. The appraiser or those assisting the preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal in full or in part; nor engaged in post-appraisal consultation with client or third parties, except under separate and special arrangement and at an additional fee.

11. The sketches and maps in this report are included to assist the reader and are not necessarily to scale. Various photos, if any, are included for the same purpose and are not intended to represent the property in other than actual status as of the date of the photos.

12. Unless otherwise stated in this report, the appraisers have no reason to believe that there may be hazardous materials stored and used at the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

13. If applicable, the distribution of the total valuation of this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal, no matter how similar and are invalid if so used.

14. No environmental or impact studies, special market studies or analysis, highest and best use analysis study or feasibility study has been requested or made unless otherwise specified in an agreement for services or in the report. Anderson & Carr, Inc. reserves the unlimited right to alter, amend, revise or rescind any of the statements, findings, opinions, values, estimates or conclusions upon any previous or subsequent study or analysis becoming known to the appraiser.

15. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in this appraisal report.

16. The value estimated in this appraisal report is gross without consideration given to any encumbrance, lien, restriction, or question of title, unless specifically defined. The estimate of value in the appraisal report is not based in whole or in part upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

17. It is assumed that the property conforms to all applicable zoning, use regulations, and restrictions unless a nonconformity has been identified, described, and considered in this appraisal report.

18. It is assumed that all required licenses, certificates of occupancy, consents, and 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 opinion of value contained in this report is based.



19. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

20. This appraisal report has been prepared for the exclusive benefit of the client and intended users, City of Riviera Beach. This report has been prepared for no other purpose and for use by no other person or entity than for use by the client for the purpose stated herein. Any other use of this appraisal is considered a misuse and thus the appraisers will not be held responsible for any outcome associated with use by another entity or for another purpose.

21. The global outbreak of a novel coronavirus known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). It is currently unknown what direct, or indirect, effect, if any, this event may have on the national economy, the local economy or the market in which the subject property is located. The stock market has already responded negatively. However, the real estate market is much slower to react and there is no measurable evidence at this time to make an adjustment for this very recent situation. The reader is cautioned and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of this event, or any event, subsequent to the effective date of the appraisal.

22. ACCEPTANCE OF, AND/OR USE OF THIS APPRAISAL REPORT CONSTITUTES ACCEPTANCE OF THE PRECEDING CONDITIONS.

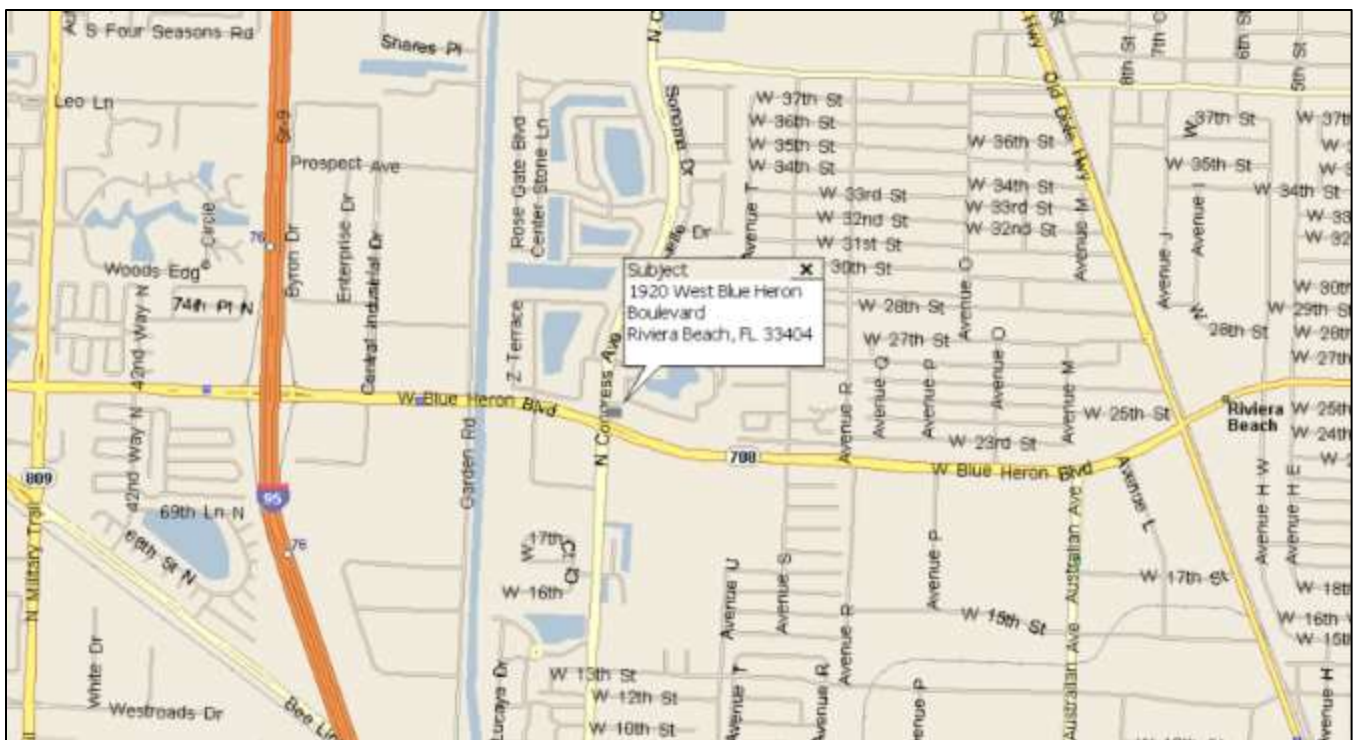
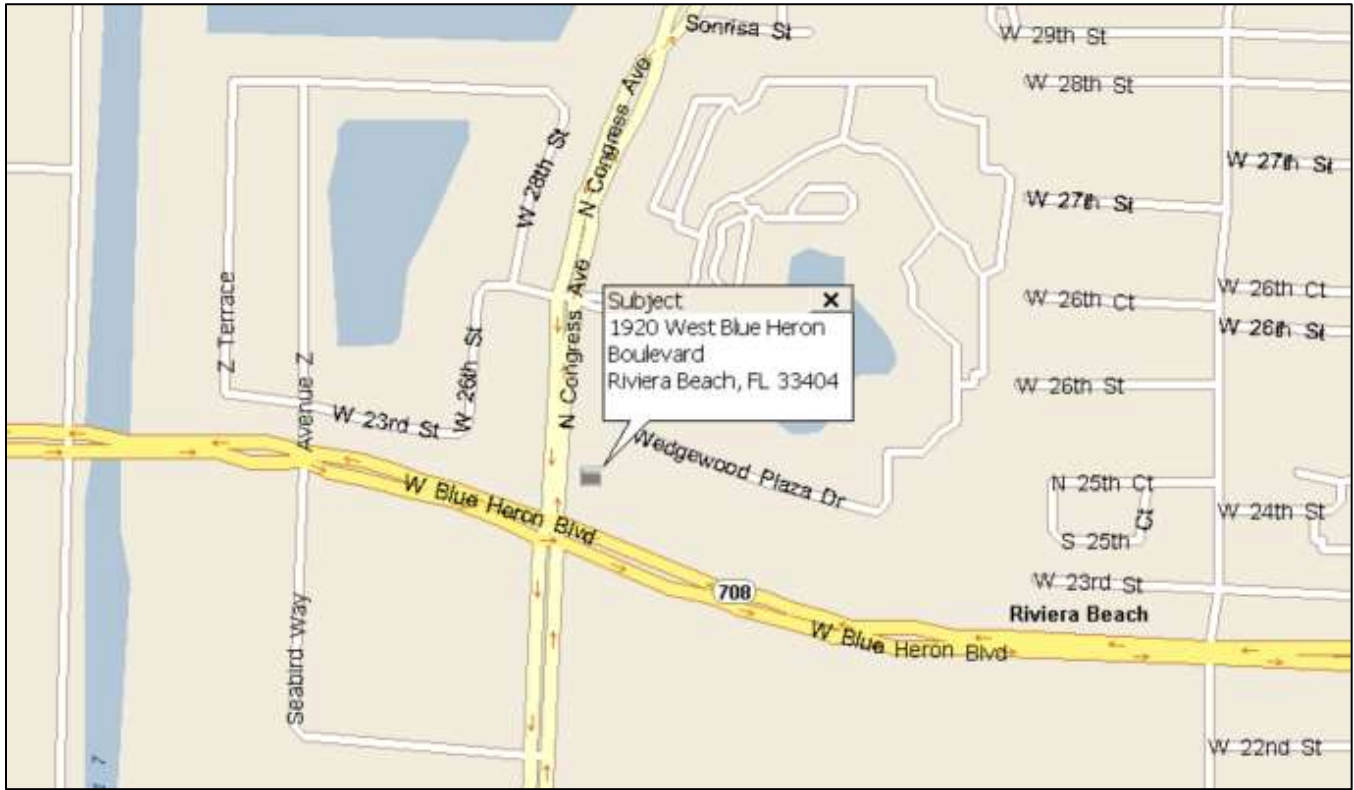
**EXTRAORDINARY ASSUMPTIONS**

No Extraordinary Assumptions were utilized in the preparation of this appraisal.

**HYPOTHETICAL CONDITIONS**

We have appraised the property as-if vacant, giving no value consideration to the existing improvements.

AREA/LOCATION MAPS



AERIAL PHOTOGRAPHS



**SUBJECT PROPERTY PHOTOS (TAKEN APRIL 16, 2020)**



South side of Walgreen's building, looking northeast



West side of Walgreen's building, looking north



East side of property, looking north



North side of property, looking west



West side of property, looking south



South Congress Avenue access



Intersection West Blue Heron Boulevard and South Congress Avenue  
Looking west



South Congress Avenue, looking north





West Blue Heron Boulevard, looking east



Intersection West Blue Heron Boulevard and South Congress Avenue  
Looking south

**PURPOSE AND DATE OF VALUE**

The purpose of this appraisal is to estimate the market value, fee simple estate, of the subject property as of April 16, 2020, the date of inspection and photographs.

**PROPERTY APPRAISED**

The subject property is an improved parcel of land having approximately 85,621 square feet or 1.97 acres of land area. The subject property is located on the northeast corner of North Congress Avenue and West Blue Heron Boulevard in Riviera Beach. The property address is 1920 West Blue Heron Boulevard, Riviera Beach, FL, 33404.

The subject property is currently improved with a commercial retail building containing approximately 15,128 square feet of building area which was originally constructed in 1999, for a Walgreen’s pharmacy. The building is placed in the center of the parcel which contains just below 2 acres of land area. The building was previously occupied by a Walgreen Drugstore; however, has been vacant for some time. The original lease term expired in April of 2019 according to Marcus & Millichap’s offering package from the 2014 sale. Walgreen’s closed a total of 200 stores nationwide in late 2019.

The client, the City of Riviera Beach, wishes to purchase this property for redevelopment with a fire station and other community serving uses. We have been instructed to value the subject property, as-if vacant, and have therefore, utilized a hypothetical condition.

Because the subject’s existing improvements do not lend themselves to redevelopment due to their location on the site, the City anticipates their removal for redevelopment to occur. During the appraiser’s research, another property, like the subject, improved with a Walgreen’s store, was also purchased for redevelopment. No value consideration was given to the existing improvements as they did not lend themselves to the redevelopment plan of the buyer. This sale has been included in our sales comparison analysis for further review, Comparable Sale 1. It is not uncommon for properties like the subject, to transfer based upon land value as the improvements may be positioned on the site in such a way as to hinder re-development.

**LEGAL DESCRIPTION**

The legal description for the subject property was taken from the most recent deed for the subject property, recorded in OR Book 30803, Page 1525.

Tract ‘1’, of BLUE HERON WALGREENS, according to the Plat thereof, as recorded in Plat Book 84, Page 179, of the Public Records of Palm Beach County, Florida.

**DISCLOSURE OF COMPETENCY**

Per the Competency Rule contained within the Uniform Standards of Professional Appraisal Practice, the appraisers hereby affirm that they are competent to complete the appraisal assignment for which they have been engaged by the client.

**INTENDED USE AND USER**

The intended use of this report is to assist the client and intended user in acquisition by a public agency. The intended user of the report is the City of Riviera Beach.

This report has been prepared utilizing generally accepted appraisal guidelines, techniques, and methodologies as contained within the Uniform Standard of Professional Practice (USPAP), as promulgated by the Appraisal Foundation.

**CLIENT**

Mr. Rickey Little  
Interim Director of Procurement  
City of Riviera Beach  
600 W. Blue Heron Blvd.  
Riviera Beach, FL 33404

**DEFINITIONS**

**Market Value**

The most probable price which a property should bring in a competitive and open market under all condition's 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 is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) Buyer and seller are typically motivated; (2) Both parties are well informed or well advised, and acting in what they consider their own best interests; (3) A reasonable time is allowed for exposure in the open market; (4) Payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) The price represents normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) and the Interagency Appraisal and Evaluation Guidelines, Federal Register, Volume 75, No. 237, December 10, 2010).

### **Hypothetical Condition**

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis (USPAP, 2020-2021 ed.).

A hypothetical condition was used in the process of this appraisal as follows:

We have appraised the property as-if vacant, giving no value consideration to the existing improvements.

### **PROPERTY RIGHTS APPRAISED**

The property rights appraised are those of the fee simple estate.

Fee simple estate is defined as absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat (The Dictionary of Real Estate Appraisal, 6th ed., Chicago: Appraisal Institute, 2015).

### **TYPICAL BUYER PROFILE**

The typical purchaser of the subject would be either a developer who would develop the site for lease or resale or an owner/user who would develop the site for his own use. The comparables utilized in the sales comparison approach to value reflect these trends.

### **SCOPE OF ASSIGNMENT**

The traditional appraisal approaches include the cost approach, the sales comparison approach, and the income capitalization approach. We have considered all three approaches in this assignment and determined the sales comparison approach to be applicable in this assignment.

The cost and income capitalization approaches are not applicable in the valuation of land.

In the process of gathering data for the sales comparison approach to value, we conducted a search of our appraisal files and public information sources such as the Palm Beach County Property Appraiser's public access system and the Palm Beach County Clerk's Office, as well as subscription based information services such as CoStar.com for comparable sales in the relevant market area. We searched for the most similar sales to the subject property.

The sales ultimately selected for further analysis were the best comparable sales we were able to find in this market. We obtained and verified additional information on the comparable properties with a party to the transaction, or a broker or agent of the parties when possible.



We inspected the exterior of the subject property and the comparables. Physical data pertaining to the subject property was obtained from an inspection of the premises and public information sources such as the Palm Beach County Property Appraiser's records. Other data pertaining to the subject property was obtained from the Palm Beach County Clerk's and Tax Collector's offices and local planning and zoning departments.

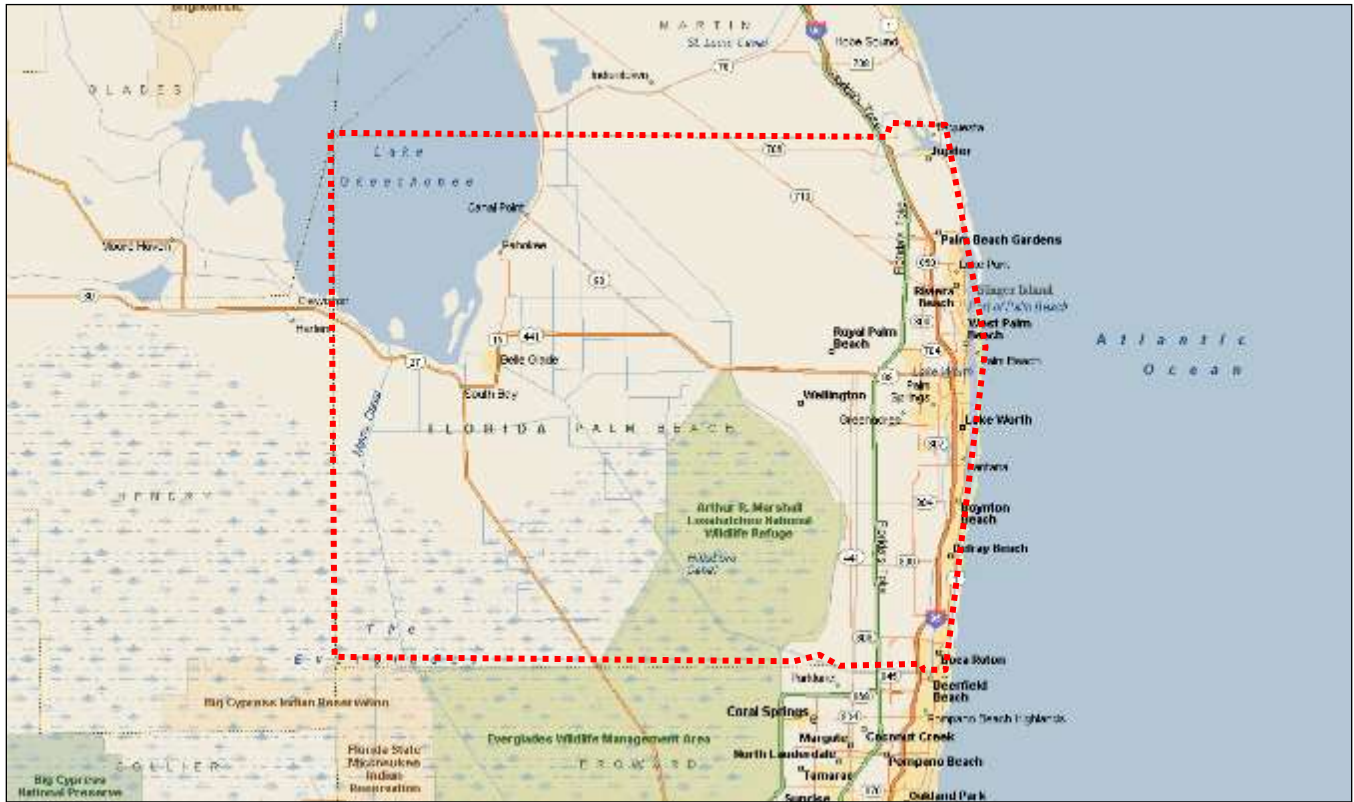
The product of our research and analysis is formulated within this report for analysis of and direct comparison with the subject property being appraised. Additionally, we have used original research performed in preparation of other appraisals by this office, which is considered appropriate for the subject property.

We make no warranty as to the authenticity and reliability of representations made by those with whom we verified sales, rental, and other information. We have taken due care in attempting to verify the data utilized in this analysis. We based our analysis and conclusions on overall patterns rather than on specific representations.

Per USPAP Standard Rule 2-2 this analysis is an Appraisal Report presented in written format. The analysis and conclusions of this appraisal assignment are presented in a narrative appraisal report.



**PALM BEACH COUNTY SUMMARY**



**Geography**

Palm Beach County is located along Florida’s Southeast coast. It is bordered by Martin County to the north, Hendry and Glades Counties to the west, Broward County to the south and the Atlantic Ocean to the east. The northwestern portion of the county is made up of Lake Okeechobee, the largest freshwater lake in Florida. The county is located approximately 80 miles north of Miami and 260 miles south of Jacksonville.

Palm Beach County encompasses approximately 2,203 square miles with roughly 1,974 square miles of land area, 229 square miles of water, and 47 miles of coastline. According to the U.S. Census Bureau’s 2015 estimate, Palm Beach County has a population of 1,422,789: an increase of 7.8 percent from the 2010 census statistics of 1,320,134. The vast majority of the county’s growth has been a result of in-migration from the northern states as well as from Miami-Dade and Broward Counties to the south. Palm Beach County ranks as the third most populous county in Florida behind Miami-Dade and Broward Counties.

The county includes 38 incorporated municipalities; the largest of which is West Palm Beach, the county seat. Boca Raton, located at the south end of the county, is the second largest city and one of the highest income retail trade areas in the United States.

Miami-Dade, Broward and Palm Beach Counties are known as the “Gold Coast”. This area is approximately 110 miles from north to south, but only 20 miles wide at its widest points. This is the second longest urbanized area in the United States, just behind the New York Metropolitan area.



## Transportation

### Vehicular Travel

Interstate 95 is a major north/south thoroughfare that connects Palm Beach County to the southeastern and northeastern portions of the state, and then continues along the Eastern Seaboard to Maine. Florida's Turnpike also passes through the county and provides connections to Miami-Dade and Broward Counties to the south and Orlando to the north, connecting with I-75 around Leesburg, FL. Other north/south highways include A1A, U.S. Highway 1, Congress Avenue, Military Trail and U.S. 441. A1A connects the coastal communities along the eastern edge of the county while U.S. 441 connects the more western communities such as Wellington and Jupiter Farms. There are numerous local east/west roadways with Southern Boulevard and Blue Heron Boulevard providing access to the most western portions of the county including Belle Glade, as well as Florida's West Coast.

### Airport

Palm Beach International Airport (PBI) is centrally located 2.5 miles from downtown West Palm Beach and adjacent to I-95 providing air service for communities throughout Palm Beach County. PBI opened in 1988 and has expanded over the past 30 years. There are currently fourteen major airlines operating with numerous domestic flights and international flights to the Bahamas and Canada. The airport's growth necessitated a direct access overpass interchange with I-95 which significantly improved ingress and egress for the airport. Palm Beach County is also home to four commercial executive airports.

### Rail Service and Transit

There are two main rail corridors in Palm Beach County, the Florida East Coast railway and CSX railway, partially owned by the Florida Department of Transportation to run the Tri-Rail commuter trains. AmTrak is a passenger train that runs throughout the county connecting passengers to other parts of the country. Brightline, the express intercity high-speed rail system runs service between Miami and West Palm Beach with a single intermediate stop in Ft. Lauderdale. It began service in May 2018, with an extension from West Palm Beach to Orlando via Melbourne planned to open in late 2021. Palm Tran is Palm Beach County's public transportation provider for fixed route passenger bus service. It also operates Palm Tran CONNECTION and provides paratransit services for qualified users. Local municipalities and Tri-rail provide various trolley and shuttle services throughout Palm Beach County.

### Port of Palm Beach and Intracoastal Waterway

The Port of Palm Beach is located in Riviera Beach, FL and is an independent taxing authority district with a five-member Board of Commissioners. It has an annual cargo tonnage of 5.1 and passenger traffic of 550,000. It is the fourth busiest container port of Florida's 14 deepwater ports and 18<sup>th</sup> in the United States. Unlike most ports in the US, the Port of Palm Beach is an export port, with approximately 80% of its cargo being exported. The majority of the cargo goes to support the island nations of the Caribbean, supplying 60% of everything consumed in the Bahamas. It is home to Bahamas Paradise Cruise Line offering two-day cruises to Grand Bahama Island. The Intracoastal Waterway represents one of Palm Beach County's most identifiable marine destinations. Roughly 43 miles of waterway serve as a regional connector between 23 of the county's municipalities.



**Economy**

At 2,000 square miles, Palm Beach County is the largest in Florida. The county has experienced very favorable demographic and economic conditions over the past five years. Local economic, job and demographic growth have outpaced the U.S. across the board.

The county’s current population of 1.5 million has grown by close to 15% over the past decade, more than double the rate of the remainder of the country. The county’s labor market has grown by 15% over the past five years with the current unemployment rate according to the U.S. Bureau of Labor Statistics at 3.6%.

Palm Beach County has greatly benefited from Florida’s lack of a state income tax. The region has always been popular with wealthy individuals from across the country and the world, but over the past five years has seen an even greater influx of wealthy individuals active in the financial services industry living in high tax states, bring significant parts of their wealth and business to the area. The tax dynamic, combined with a very strong business services infrastructure and a large talent pool, has created more jobs.

Palm Beach County’s 650,000 strong labor force is service driven, with over 80% of the labor force employed in private service provision. Trade and transportation are the largest sector with close to 20% of the county’s jobs. Palm Beach County’s agricultural output ranks the highest in the state nearly doubling that of Miami-Dade. It consists of over 1,400 farms with over \$1 billion in sales of crops and a \$10 billion economic impact.

The largest employer in Palm Beach County is the Palm Beach County School Board, the tenth largest school district in the United States, with close to 23,000 employees and a \$3.5 billion dollar budget for the 2019-2020 school year. Palm Beach County employment by industry is shown in the following table.

The forecast calls for continued population growth for Palm Beach County in the region of 1.5% per year over the next couple of years and the labor market is forecast to grow just over 3.5% over the next five years.

**PALM BEACH EMPLOYMENT BY INDUSTRY IN THOUSANDS**

| NAICS Industry                             | Current Jobs |            | Current Growth |               | 10 Yr Historical |               | 5 Yr Forecast |              |
|--|--------------|------------|----------------|---------------|------------------|---------------|---------------|--------------|
|  | Jobs         | LQ         | Market         | US            | Market           | US            | Market        | US           |
| Manufacturing                              | 21           | 0.4        | -2.84%         | 0.37%         | 3.27%            | 1.13%         | -0.62%        | -0.31%       |
| Trade, Transportation and Utilities        | 118          | 1.0        | -0.29%         | 0.43%         | 2.02%            | 1.31%         | 0.66%         | 0.28%        |
| Retail Trade                               | 78           | 1.2        | -1.88%         | -0.12%        | 1.73%            | 0.94%         | 0.62%         | 0.22%        |
| Financial Activities                       | 45           | 1.2        | 3.02%          | 1.39%         | 2.44%            | 1.22%         | 0.49%         | 0.34%        |
| Government                                 | 66           | 0.7        | 2.22%          | 0.68%         | 0.17%            | 0.06%         | 0.72%         | 0.63%        |
| Natural Resources, Mining and Construction | 39           | 1.1        | 1.21%          | 1.72%         | 4.33%            | 2.80%         | 1.17%         | 0.26%        |
| Education and Health Services              | 107          | 1.0        | 3.46%          | 2.58%         | 2.80%            | 2.17%         | 0.62%         | 0.59%        |
| Professional and Business Services         | 120          | 1.3        | 2.13%          | 1.98%         | 3.67%            | 2.73%         | 1.07%         | 0.89%        |
| Information                                | 10           | 0.8        | -4.87%         | 0.61%         | 1.03%            | 0.34%         | 0.55%         | 0.51%        |
| Leisure and Hospitality                    | 93           | 1.3        | 1.76%          | 2.10%         | 3.33%            | 2.69%         | 0.46%         | 0.56%        |
| Other Services                             | 32           | 1.3        | -1.97%         | 1.40%         | 1.75%            | 1.14%         | 0.76%         | 0.30%        |
| <b>Total Employment</b>                    | <b>651</b>   | <b>1.0</b> | <b>1.55%</b>   | <b>-1.37%</b> | <b>2.57%</b>     | <b>-1.61%</b> | <b>0.69%</b>  | <b>0.46%</b> |

Source: Oxford Economics  
LQ = Location Quotient





**Commercial Real Estate**

Industrial

**Leasing-** The vacancy rate for Palm Beach County has always tracked below the national average, currently at 5.3%, but has been trending up due to significant weakening in supply and currently stands at 3.8%. Supply totaled 62,000 SF over the year.

**Rent-** Rent growth has been on the decline, falling about 1% over 2019. Given the weakening demand and rising supply, the forecast for 2020 is for rent growth to continue decelerating.

**Construction-** There is currently 1.1 million SF under construction amounting to 2.2% of all rent inventory, very close to the national average. Supply is on the way and deliveries will rise quickly given the construction pipeline.

**Sales-** Investors have taken an active interest in the Palm Beach industrial market this year. Sales volume increased by more than 50% in 2019 as compared to 2018. 2019 was by far been one of the strongest years in the cycle with surging price hikes standing at \$110.00 per SF, close to 15% above the national average.

**Overview**

|                        |                            |              | Palm Beach Industrial |  |
|------------------------|----------------------------|--------------|-----------------------|--|
| 12 Mo Deliveries in SF | 12 Mo Net Absorption in SF | Vacancy Rate | 12 Mo Rent Growth     |  |
| <b>513 K</b>           | <b>(599 K)</b>             | <b>3.8%</b>  | <b>2.1%</b>           |  |

Industrial rents in the Palm Beach metro increased by 2.1% year-over-year, and have posted an average annual gain of 5.2% over the past three years.

Vacancies in the metro remain below cycle averages but negative pressure is building as demand has weakened. Absorption remained negative throughout this year and totaled -540,000 SF over the past year. The limited impact from the demand fallout on the vacancy rate is largely due to the lack of new supply coming to the market.

But the supply situation is about to change. There is 1.1

million SF currently underway, representing a 1.8% expansion of the existing inventory. Over the past three years, 1,456,000 SF has delivered, or a cumulative inventory expansion of 2.4%.

Sales activity over the past year totaled \$313 million, marking a 30% increase from the prior year.

Employment gains decelerated over the past year but remained substantial, as total employment increased by 2% or about 13,000 jobs. Over the past five years, employment has increased by 3.2% annually on average, compared to a 1.7% average increase nationally.

**KEY INDICATORS**

| Current Quarter        | RBA               | Vacancy Rate       | Market Rent      | Availability Rate | Net Absorption SF | Deliveries SF  | Under Construction |
|------------------------|-------------------|--------------------|------------------|-------------------|-------------------|----------------|--------------------|
| Logistics              | 40,923,238        | 4.0%               | \$11.14          | 7.4%              | (93,079)          | 220,000        | 1,036,483          |
| Specialized Industrial | 11,376,328        | 2.5%               | \$10.93          | 9.2%              | (200)             | 0              | 0                  |
| Flex                   | 11,825,231        | 4.1%               | \$14.81          | 6.7%              | (1,442)           | 0              | 78,650             |
| <b>Market</b>          | <b>64,122,797</b> | <b>3.8%</b>        | <b>\$11.70</b>   | <b>7.6%</b>       | <b>(95,021)</b>   | <b>220,000</b> | <b>1,115,133</b>   |
| Annual Trends          | 12 Month          | Historical Average | Forecast Average | Peak              | When              | Trough         | When               |
| Vacancy Change (YOY)   | 1.0%              | 5.5%               | 4.0%             | 11.0%             | 2009 Q4           | 2.5%           | 2017 Q3            |
| Net Absorption SF      | (599 K)           | 619,666            | 612,156          | 2,195,627         | 2005 Q3           | (2,392,910)    | 2009 Q3            |
| Deliveries SF          | 513 K             | 781,867            | 987,128          | 1,607,138         | 2002 Q1           | 9,060          | 2013 Q2            |
| Rent Growth            | 2.1%              | 2.1%               | 1.3%             | 6.1%              | 2001 Q1           | -4.3%          | 2009 Q4            |
| Sales Volume           | \$309 M           | \$178.8M           | N/A              | \$428.6M          | 2019 Q3           | \$35.6M        | 2010 Q1            |



Office

**Leasing-** While recession remains a possibility, the chances of a sharp decline have decreased over 2019. The forecast calls for the vacancy rate to inch closer to 10% over 2020. The mildly negative pressure on vacancies is driven by weaker demand, but also by new product supply coming to the market.

**Rent-** Average rents for the metro are currently at \$33 per SF, close to the national average. Palm Beach County is South Florida’s highest office rent growth market at 3.2%. On the back of rising construction and deceleration of office job growth rates, the forecast is calling for rent growth to decline in 2020.

**Construction-** The Palm Beach office market saw a new low of office supply over 2019, with deliveries totaling 0.5% of existing inventory, about half the national average. The construction pipeline progressively picked up over 2019 and there is currently 1.2 million SF under construction, just above the national average.

**Sales-** Deal volume has continued to be robust over 2109, totaling \$692 million over the past year. Prices are currently at \$280/SF, a rise of just over 3% over the past year. On the back of strong sales activity, healthy rent growth and stable vacancies, the forecast calls for price rises to accelerate.

Overview

| Palm Beach Office      |                            |              |                   |
|------------------------|----------------------------|--------------|-------------------|
| 12 Mo Deliveries in SF | 12 Mo Net Absorption in SF | Vacancy Rate | 12 Mo Rent Growth |
| <b>310 K</b>           | <b>2.4 K</b>               | <b>9.7%</b>  | <b>3.2%</b>       |

Palm Beach remains South Florida’s healthiest office market, as it carries the highest rent growth, a vacancy rate that is close to the national average, and a steady construction pipeline.

Demand over the next year is likely to pick up as most new construction in the CBD delivers in 2021, and that should re-ignite leasing activity over 2020.

Office rent growth in the Palm Beach metro over the past year registers at 3.2% and has posted an average annual gain of 5% over the past three years. Rent growth decelerated across the country, but Palm Beach has seen a lesser drop than both neighboring Miami and Fort Lauderdale, as well as nationally.

Measured supply and healthy demand have supported

market fundamentals well. Vacancies in the metro continue to be close to the national average, registering at 9.7% and trending mildly upwards over the past four quarters.

There is 1.2 million SF currently underway, representing a 2.3% expansion of the existing inventory. The construction is well spaced to deliver over the next three years and does not represent a supply overload.

Over the past three years, 262,000 SF has delivered, or a cumulative inventory expansion of 0.5%, about half the national average.

Sales activity over the past year has totaled \$692 million, flat from the prior year, prolonging a multi-year stretch of good investment conditions.

KEY INDICATORS

| Current Quarter | RBA               | Vacancy Rate | Market Rent    | Availability Rate | Net Absorption SF | Deliveries SF | Under Construction |
|-----------------|-------------------|--------------|----------------|-------------------|-------------------|---------------|--------------------|
| 4 & 5 Star      | 13,618,578        | 13.2%        | \$42.37        | 18.4%             | (36,159)          | 0             | 971,829            |
| 3 Star          | 27,673,578        | 8.9%         | \$31.63        | 12.1%             | (9,457)           | 0             | 234,400            |
| 1 & 2 Star      | 14,719,475        | 7.0%         | \$27.15        | 9.5%              | (1,820)           | 0             | 2,000              |
| <b>Market</b>   | <b>56,011,631</b> | <b>9.7%</b>  | <b>\$33.22</b> | <b>13.0%</b>      | <b>(47,436)</b>   | <b>0</b>      | <b>1,198,229</b>   |

| Annual Trends        | 12 Month | Historical Average | Forecast Average | Peak      | When    | Trough      | When    |
|----------------------|----------|--------------------|------------------|-----------|---------|-------------|---------|
| Vacancy Change (YOY) | 0.1%     | 11.6%              | 10.2%            | 17.3%     | 2010 Q3 | 6.8%        | 2000 Q2 |
| Net Absorption SF    | 2.4 K    | 563,985            | 617,970          | 2,139,959 | 2004 Q4 | (1,304,574) | 2008 Q1 |
| Deliveries SF        | 310 K    | 780,884            | 979,438          | 2,670,378 | 2008 Q4 | 66,005      | 2012 Q2 |
| Rent Growth          | 3.2%     | 2.3%               | 1.3%             | 9.1%      | 2016 Q3 | -7.8%       | 2009 Q4 |
| Sales Volume         | \$683 M  | \$606.7M           | N/A              | \$1.4B    | 2015 Q2 | \$101.4M    | 2009 Q4 |



Retail

**Leasing-** Palm Beach County remains one of the top metros in the National Index for population growth, combined with median household growth above the national median, should translate into increased retail spending that will continue to support long-term demand.

**Rent-** Rent growth has decelerated over the past few years but remains robust. Annual rent growth is currently 3.2% with rental rates at \$28.00 per square foot. The Palm Beach submarket, which encompasses most of the coastal retail property, has the highest retail asking rents in the metro at over \$60/SF.

**Construction-** Palm Beach has historically been active in retail development, but this cycle has been much more moderate, adding about 240,000 SF last year. There is currently 790,000 SF under construction, a 0.7% increase relative to inventory.

**Sales-** Sales activity has been very strong over the past year totaling \$1.1 billion and registering an increase of over 100% over the prior year. The forecast is calling for pricing to remain stable over 2020.

Overview

Palm Beach Retail

12 Mo Deliveries in SF

**526 K**

12 Mo Net Absorption in SF

**346 K**

Vacancy Rate

**4.4%**

12 Mo Rent Growth

**3.2%**

Retail rents in the Palm Beach metro increased by 3.2% year-over-year, and have posted an average annual gain of 4.7% over the past three years. Though rent growth has decelerated, the market remains healthy and fundamentals compare very favorably with national averages.

The vacancy rate is currently at 4.4%. Vacancies in the metro so far this year have been below the cycle average, largely unchanged over the past four quarters.

Construction has been very measured over the cycle. There is 790,000 SF currently underway, representing a

0.7% expansion of the existing inventory. This is very close to the national average retail construction rate. Over the past three years, 1.4 million SF has delivered, or a cumulative inventory expansion of 1.4%.

Sales activity been very strong and totaled \$1.1 billion prolonging a multi-year stretch of great investment. Employment gains decelerated over the past year but remained substantial, as total employment increased by 2% or about 13,000 jobs. Over the past five years, employment has increased by 3.2% annually on average, compared to a 1.7% average increase nationally.

KEY INDICATORS

| Current Quarter      | RBA               | Vacancy Rate       | Market Rent      | Availability Rate | Net Absorption SF | Deliveries SF | Under Construction |
|----------------------|-------------------|--------------------|------------------|-------------------|-------------------|---------------|--------------------|
| Malls                | 10,097,200        | 2.5%               | \$35.13          | 1.9%              | (505)             | 0             | 0                  |
| Power Center         | 3,508,956         | 5.2%               | \$30.46          | 7.1%              | 897               | 0             | 0                  |
| Neighborhood Center  | 30,170,942        | 5.8%               | \$26.24          | 8.5%              | 58,501            | 52,758        | 153,926            |
| Strip Center         | 5,015,974         | 4.6%               | \$24.92          | 7.0%              | (1,052)           | 0             | 0                  |
| General Retail       | 30,114,747        | 3.8%               | \$26.48          | 4.8%              | (18,547)          | 20,234        | 563,951            |
| Other                | 1,120,574         | 1.6%               | \$25.06          | 2.7%              | 0                 | 0             | 69,892             |
| <b>Market</b>        | <b>80,028,393</b> | <b>4.4%</b>        | <b>\$27.58</b>   | <b>6.0%</b>       | <b>38,204</b>     | <b>72,992</b> | <b>787,769</b>     |
| Annual Trends        | 12 Month          | Historical Average | Forecast Average | Peak              | When              | Trough        | When               |
| Vacancy Change (YOY) | -0.1%             | 5.8%               | 4.8%             | 8.7%              | 2010 Q1           | 3.4%          | 2006 Q1            |
| Net Absorption SF    | 346 K             | 505,501            | 369,120          | 1,509,904         | 2013 Q1           | (835,013)     | 2009 Q3            |
| Deliveries SF        | 526 K             | 782,203            | 698,453          | 2,523,899         | 2008 Q4           | 184,212       | 2014 Q1            |
| Rent Growth          | 3.2%              | 1.7%               | 2.2%             | 8.4%              | 2017 Q1           | -5.9%         | 2009 Q3            |
| Sales Volume         | \$1.1 B           | \$632.9M           | N/A              | \$1.6B            | 2015 Q3           | \$136.3M      | 2009 Q3            |



Multi-Family

**Vacancy-** Strong demand has allowed vacancies to compress below the historical average. The metro is forecast to grow at one of the fastest rates in the country. New units built in 2019 are absorbing well, averaging about 25 move-ins per month up from 2018.

**Rent-** Palm Beach continues to experience some of the strongest rent growths in South Florida. The affluence of this metro may help maintain higher rents despite supply-side pressure. Recently the best rent growth has been in Boca Raton and Delray, two of the metro’s most expensive submarkets. Annual rent growth stands at 4.5%, about 1% above the national average.

**Construction-** Palm Beach has been one of the fastest growing metros in the country this cycle. There are currently 3,900 units underway, representing a 5% rise in inventory.

**Sales-** Sales activity has been healthy over the past year, totaling 940 million. Average pricing is now close to \$230,000 per unit and prices rose by over 6% in 2019.

Overview

Palm Beach Multi-Family

|                        |                         |              |                           |
|------------------------|-------------------------|--------------|---------------------------|
| 12 Mo. Delivered Units | 12 Mo. Absorption Units | Vacancy Rate | 12 Mo. Asking Rent Growth |
| <b>1,604</b>           | <b>2,504</b>            | <b>6.6%</b>  | <b>2.9%</b>               |

Strong employment and population trends have enticed developers to be quite active in Palm Beach, with apartment inventory increasing by almost 30% this cycle. Although 2018 was one of the heaviest years in the metro’s history for supply additions, strong demand has allowed vacancies to compress. Another wave of

construction is set to hit the market in the near term, but healthy economic indicators should keep vacancies near the historical average. Rent growth continues to improve and is projected to stay strong in 2019. Investors are flooding into this high-growth market, with sales surpassing \$1 billion each year since 2016.

KEY INDICATORS

| Current Quarter | Units         | Vacancy Rate | Asking Rent    | Effective Rent | Absorption Units | Delivered Units | Under Constr Units |
|-----------------|---------------|--------------|----------------|----------------|------------------|-----------------|--------------------|
| 4 & 5 Star      | 26,836        | 8.2%         | \$1,887        | \$1,846        | 28               | 0               | 2,460              |
| 3 Star          | 25,365        | 5.3%         | \$1,476        | \$1,467        | (17)             | 0               | 430                |
| 1 & 2 Star      | 12,149        | 6.0%         | \$1,076        | \$1,068        | (6)              | 0               | 0                  |
| <b>Market</b>   | <b>64,350</b> | <b>6.6%</b>  | <b>\$1,617</b> | <b>\$1,603</b> | <b>5</b>         | <b>0</b>        | <b>2,890</b>       |

| Annual Trends               | 12 Month | Historical Average | Forecast Average | Peak   | When    | Trough  | When    |
|-----------------------------|----------|--------------------|------------------|--------|---------|---------|---------|
| Vacancy Change (YOY)        | -1.6%    | 7.9%               | 6.8%             | 10.1%  | 2009 Q1 | 5.3%    | 2014 Q3 |
| Absorption Units            | 2,504    | 1,140              | 1,290            | 3,529  | 2018 Q3 | (233)   | 2006 Q3 |
| Delivered Units             | 1,604    | 1,267              | 1,435            | 2,948  | 2017 Q2 | 0       | 2011 Q4 |
| Demolished Units            | 17       | 53                 | 62               | 285    | 2010 Q1 | 0       | 2018 Q4 |
| Asking Rent Growth (YOY)    | 2.9%     | 2.4%               | 1.5%             | 6.8%   | 2006 Q3 | -3.2%   | 2008 Q4 |
| Effective Rent Growth (YOY) | 3.5%     | 2.4%               | 1.5%             | 6.8%   | 2006 Q3 | -3.2%   | 2008 Q4 |
| Sales Volume                | \$1.2 B  | \$527.0M           | N/A              | \$1.9B | 2018 Q2 | \$62.6M | 2009 Q1 |



Residential Real Estate

# PALM BEACH COUNTY

## *Local Market Update*

### DECEMBER 2019

| SINGLE FAMILY HOMES                   | 12/19     | 12/18     | % CHANGE |
|---------------------------------------|-----------|-----------|----------|
| Closed Sales                          | 1,420     | 1,229     | 15.5%    |
| Closed Sales (Paid In Cash)           | 464       | 406       | 14.3%    |
| Median Sale Price                     | \$364,000 | \$344,700 | 5.6%     |
| Median % Original List Price Received | 95.3%     | 94.6%     | 0.7%     |
| Median Days to Contract               | 43 Days   | 53 Days   | -18.9%   |
| Inventory (Active Listings)           | 6,163     | 7,347     | -16.1%   |
| Months Supply of Inventory            | 4.2       | 5.1       | -17.6%   |
| TOWNHOUSES/CONDOS                     | 12/19     | 12/18     | % CHANGE |
| Closed Sales                          | 1,222     | 980       | 24.7%    |
| Closed Sales (Paid In Cash)           | 661       | 576       | 14.8%    |
| Median Sale Price                     | \$189,900 | \$179,750 | 5.6%     |
| Median % Original List Price Received | 94.3%     | 94.1%     | 0.2%     |
| Median Days to Contract               | 45 Days   | 48 Days   | -6.3%    |
| Inventory (Active Listings)           | 5,891     | 6,215     | -5.2%    |
| Months Supply of Inventory            | 5.3       | 5.4       | -1.9%    |

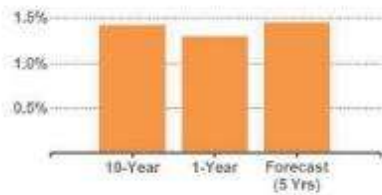


**DEMOGRAPHIC TRENDS**

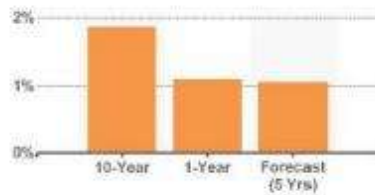
| Demographic Category    | Current Level |             | Current Change |       | 10-Year Change |       | Forecast Change (5 Yrs) |      |
|-------------------------|---------------|-------------|----------------|-------|----------------|-------|-------------------------|------|
|                         | Metro         | U.S.        | Metro          | U.S.  | Metro          | U.S.  | Metro                   | U.S. |
| Population              | 1,512,507     | 330,266,406 | 1.3%           | 0.7%  | 1.4%           | 0.7%  | 1.4%                    | 0.7% |
| Households              | 561,360       | 122,489,109 | 1.2%           | 0.5%  | 0.9%           | 0.7%  | 1.4%                    | 0.6% |
| Median Household Income | \$63,349      | \$64,288    | 2.4%           | 3.5%  | 2.5%           | 2.5%  | 3.2%                    | 3.7% |
| Labor Force             | 746,487       | 164,442,063 | 1.1%           | 0.9%  | 1.9%           | 0.7%  | 1.1%                    | 0.5% |
| Unemployment            | 3.1%          | 3.5%        | -0.3%          | -0.3% | -0.8%          | -0.7% | -                       | -    |

Source: Oxford Economics

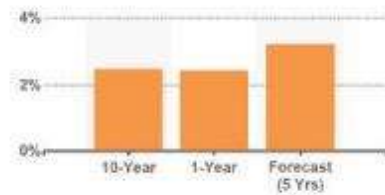
**POPULATION GROWTH**



**LABOR FORCE GROWTH**



**INCOME GROWTH**



Source: Oxford Economics

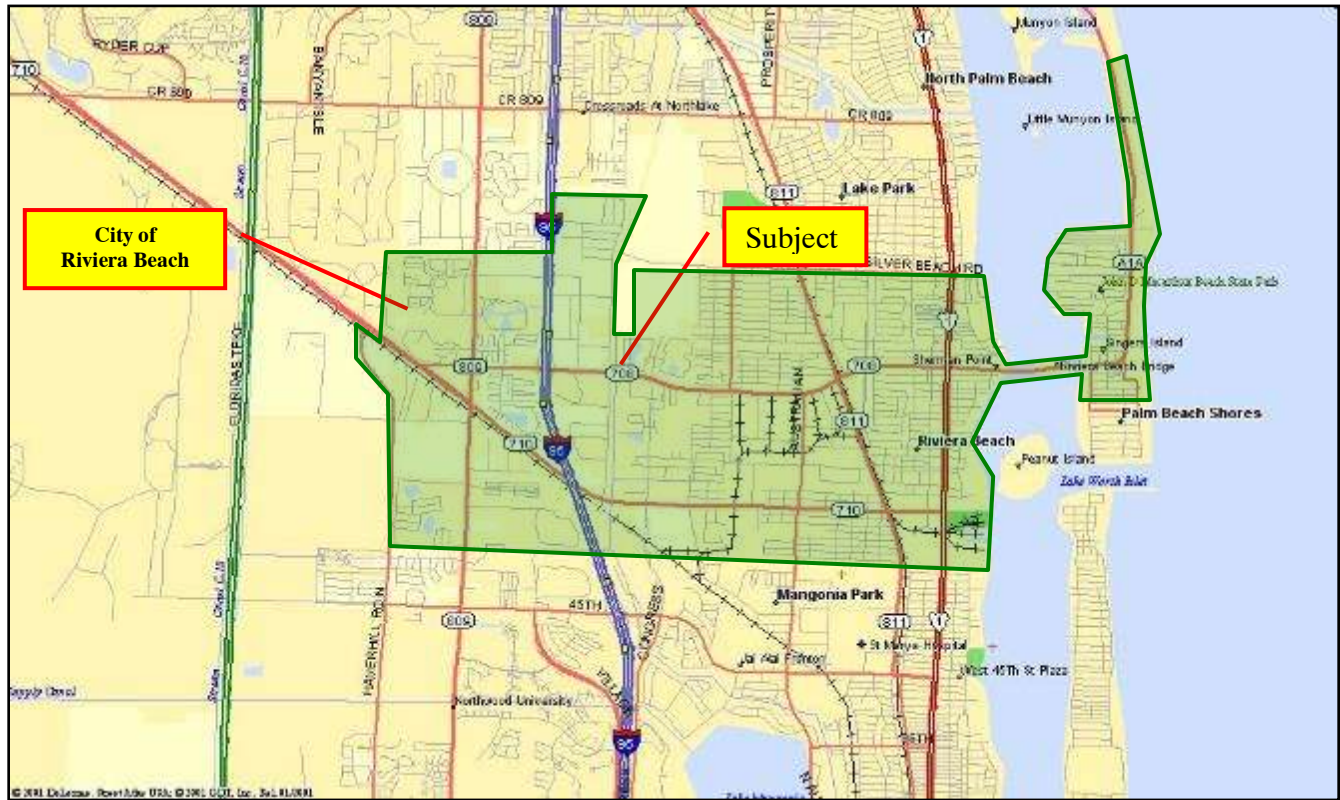
**Conclusion**

Some of the factors that fed Palm Beach County’s past growth diminished in 2007 with a decline in the national economy which included reduced home prices and high unemployment. This trend continued until the middle of 2011 when signs of stabilization began to emerge. In the fourth quarter 2011, sales activity began to show signs of recovery. A slow but steady rebound in the market has continued into the beginning of 2020.

Unemployment rates have steadily decreased, and home prices are trending upward. The market is experiencing a steady climb from the depths of the recession which has spurred investors into action. The long-term outlook for Palm Beach County is considered positive due to the broad employment base and desirability as a winter tourist destination. As population grows, more supporting commercial, industrial, and service development will be required. These factors, combined with a finite quantity of developable land create a positive real estate outlook for the future.



**CITY OF RIVIERA BEACH SUMMARY**



The City of Riviera Beach was incorporated in 1922 and lies within the north/central coastal area of Palm Beach County. It covers a land area of approximately six square miles and is bound on the east by the waters of Lake Worth and the Atlantic Ocean, on the north and south by Lake Park and West Palm Beach, with Mangonia Park and Military Trail on the west.

The population estimate (via UF Bureau of Economic and Business Research) for 2016 was 33,957, which is up slightly from 32,488 persons in the 2010 Census, a change of roughly 4.5%. It is ranked as the ninth largest municipality in Palm Beach County. The population increased by roughly 9% percent in the period 2000-2011. These growth rates are below the median growth rate compared to other cities in Palm Beach County, partly due to Riviera Beach being almost fully built-out.

Major arteries of transportation include Blue Heron Boulevard, Port Road, and Silver Beach Road, which run east/west and US 1, Old Dixie Highway, and Australian Avenue, which run north/south. Blue Heron Boulevard has the only interchange with Interstate 95 and is primarily four lanes and has a modern, 65-foot clearance, fixed span bridge to Singer Island.

The primary direction of growth has been westerly along the major arteries of traffic. This growth trend is expected to continue into the foreseeable future, as the general area becomes more extensively developed. However, over the past few years urban redevelopment has become the norm for coastal Palm Beach County and Riviera Beach is attempting to follow suit.



The city has made several attempts at urban redevelopment over the past. The most ambitious plan includes the renovation of the marina including rebuilding of the docks and a new community center (Newcomb Hall) as well as improvements to the adjacent Bicentennial Park. Phased construction began in 2012 and is ongoing.

The city has made several attempts at urban redevelopment over the past. The most ambitious plan includes the transformation of the Riviera Beach Marina which is underway as a public-private partnership between the Riviera Beach CRA, the City of Riviera Beach and Viking Developers, LLC. Known as Marina Village, this mixed-use project plans to include waterfront restaurants, entertainment, a hotel, and retail and office development that will also provide the hundreds of parking spaces needed to handle the increased number of visitors. Additionally, Johnson Development Associates recently purchased the 7.21-acre industrial site at 1301 President Barack Obama Highway and plan to construct a 120,282 sq. ft. light industrial building. According to the Business Development Board of Palm Beach County, this development is expected to have a capital investment of approximately \$10 million into the local economy.

That said, the picture along Broadway is not as upbeat as is evidenced by the depressed rental rates and a proliferation of storefront churches and thrift stores. It is the hope that successful redevelopment efforts on the waterfront will eventually push westward to Broadway and along the West Blue Heron Boulevard corridor.

Located in the southwest quadrant of Blue Heron Boulevard and North Congress Avenue within Congress Park. Congress Park is a corporate park with a campus like setting. Congress Park has many large companies to include The United States Post Office (main branch), Pepsi Cola Bottling, Tecomet, Hinterland Group, Iron Wear, Excell Refrigeration, South Florida Janitorial & Pool Supply, Hartman Windows & Doors and Community Partners.

The subject locale is centrally located west of the Port of Palm Beach and just east of I-95 with easy access to southern Palm Beach and Broward Counties, northward into Martin and St. Lucy Counties. Commercial property values, demand, occupancy and rental rates have slowly increased over the past several years in and this trend is expected to continue into the foreseeable future.





**PROPERTY DATA**

**Taxpayer of Record**

FSADECV FL C4, LLC

**Palm Beach County Property Control Number(s)**

56-43-42-30-25-001-0000

**Assessed Value and Taxes for 2019**

The following information was taken from the Palm Beach County Property Appraiser's and Tax Collector's web sites.

| <b>Appraisals</b>                  |                           |                              |
|------------------------------------|---------------------------|------------------------------|
| Improvements<br>\$1,290,494        | Land<br>\$1,322,844       | Total Value<br>\$2,613,338   |
| <b>Assessed and Taxable Values</b> |                           |                              |
| Assessed Value<br>\$2,200,000      | Exemption<br>\$0          | Taxable Value<br>\$2,200,000 |
| <b>Taxes</b>                       |                           |                              |
| Ad Valorem<br>\$48,755             | Non Ad Valorem<br>\$2,984 | Total Tax<br>\$51,739        |

A typical informed buyer would recognize the possibility of a reassessment following a sale of the property and the possibility that taxes could change as a result, if the assessed value is substantially different than the true market value.

Our value conclusion does not discount for any taxes owed on the property, current or delinquent. The value assumes the property is free and clear and not subject to any prior year's delinquencies or outstanding tax certificates. The appraisers strongly suggest any potential buyer, mortgagee, or other investor in the property fully investigate the tax status of the subject property with the County's Tax Collectors office.



**Census Tract**

The subject property is located in census tract 0013.01.

Census Tract Map



**Flood Zone Designation**

The subject property is located on the National Flood Insurance Program Map on Community Panel Number 12099C0387F, effective date of October 5, 2017. The subject appears to lie in an area designated as Zone X (unshaded).

Flood Zone X (unshaded) is determined to be outside the 0.2% annual chance floodplain.

Flood Map



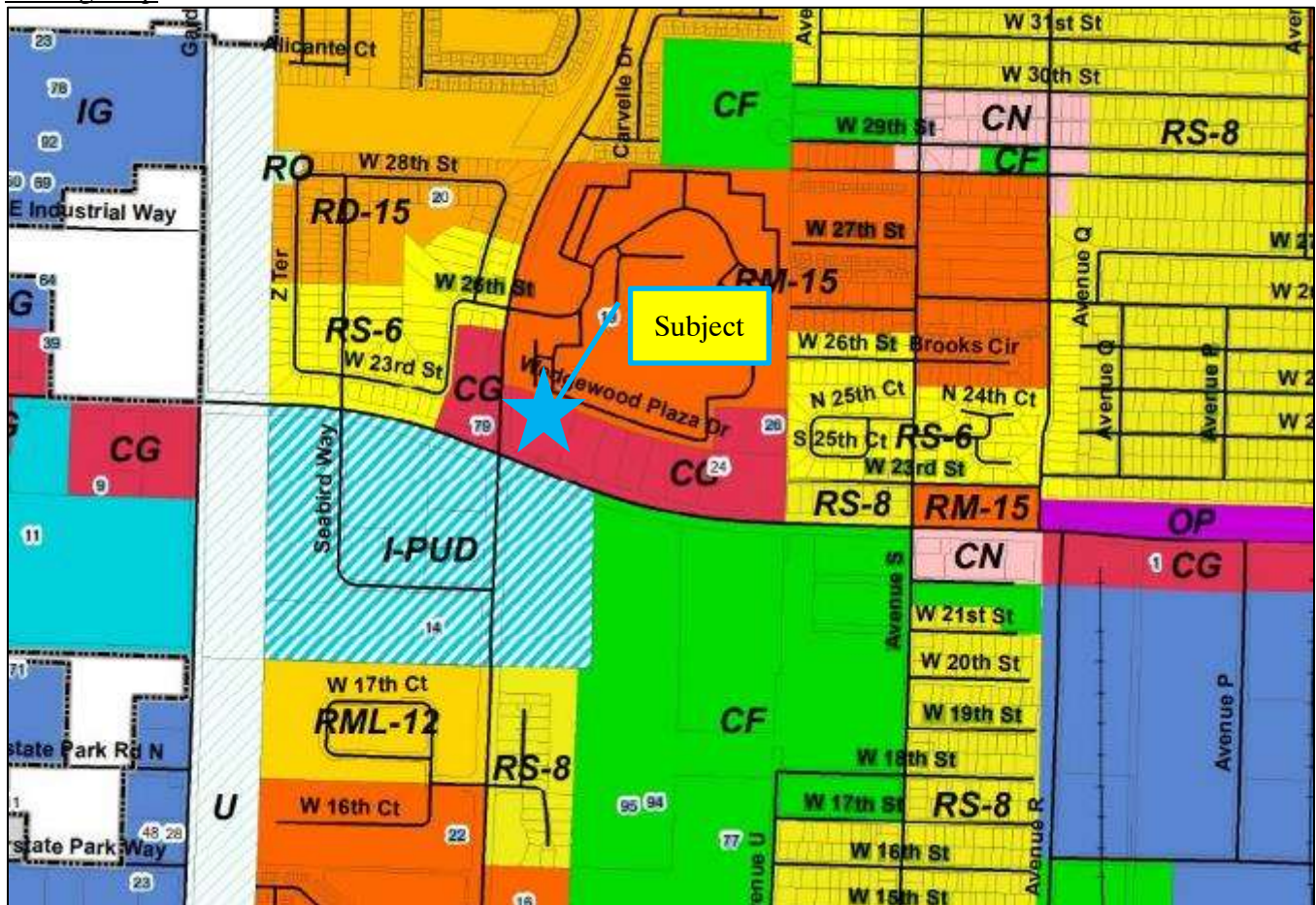
**Zoning and Future Land Use**

The subject property's use is dictated by the City of Riviera Beach Zoning Code and Comprehensive Plan. The City of Riviera Beach zoning and future land use maps indicate the subject property has a zoning designation of CG, General Commercial District with an underlying land use designation of Commercial.

Permitted uses under this zoning category generally include but are not limited to office, retail and civic uses. The subject is currently vacant; however, has been used for retail in the past. The current zoning is in harmony with the future land use designation.

The appraisers have not independently verified that the subject complies with current site development regulations (setbacks, site coverage, etc.). It has been assumed that by virtue of the subject's on-going use, should there be any areas of non-compliance, a variance has been issued or some other form of special exception has been made.

Zoning Map



### **Concurrency**

The strongest growth control measure ever imposed was passed by the Florida Legislature and became effective on February 1, 1990. This was mandated by Chapter 163, Florida Statutes, otherwise known as the Growth Management Law. One provision of this law is referred to as Concurrency which dramatically limits the ability to develop real property. It is basically the requirement that adequate infrastructure be available to serve new development. Eight types of infrastructure are affected including traffic, potable water, sewer, drainage, solid waste, recreation and open space, mass transit, and fire rescue.

In May of 2011, House Bill 7172 amended the Growth Management act in an effort to spur economic growth through streamlining and lessening growth management controls. Transportation concurrency requirements were exempted in dense urban land areas with populations of at least 1,000 people per square mile. Also, within dense urban land areas, the DRI process has been exempted. State review of local comprehensive plans was streamlined, and zoning changes are now allowed to be considered concurrently with land use plan amendments.

It is the appraisers' understanding that the subject is not subject to any concurrency restrictions. Should the property be altered or redeveloped, the matter of concurrency would need to be revisited at that time.

### **Utilities**

The following utilities are available to the subject property: municipal water and sewer, electricity, and telephone.

### **Subject Property Sales History**

The appraisers have not been provided with a title abstract on the property appraised nor have they conducted a title search of their own.

The Palm Beach County Property Appraiser's records indicate that the subject property last sold on August 15, 2014 for a recorded price of \$3,300,000. This sale was recorded in Palm Beach County OR Book and Page 27117/1293.

On August 1, 2014, the subject property also sold for a recorded price of \$2,850,000; recorded in OR Book and Page 27114/1293, Palm Beach County Records. The same broker was privy to the two transactions; however, could not recall the details of the transactions.

Most recently, the property transferred in August 2019 for a recorded price of \$10, OR Book and Page 30803/1525 of the Palm Beach County Public Records. The grantor was LT W Palm Beach, LLC and the grantee FSADECV FL C4, LLC.

To the appraisers' knowledge the subject property is not currently listed for sale or subject to a current purchase agreement.



### Site Analysis

The following analysis is based upon a personal inspection of the site and Palm Beach County Public Records.

#### Location

The subject property is located on the northeast corner of North Congress Avenue and West Blue Heron Boulevard in Riviera Beach. The property address is 1920 West Blue Heron Boulevard, Riviera Beach, Florida 33404.

#### Size and Shape

We have relied on the site size for the property from the Palm Beach County Property Appraiser's records. The site is a rectangular shaped parcel of land having roughly 280 feet of frontage along the north side of West Blue Heron Boulevard and 270 feet of frontage along the east side of South Congress Avenue. The subject site area is approximately 85,621 square feet or 1.97 acres.

#### Topography and Drainage

The site is level and near road grade. Drainage appears to be adequate for its current use.

#### Access

Access is via West Blue Heron Boulevard and South Congress Avenue.

#### Easements or Encroachments

Typical utility easements are believed to exist. A survey that would delineate the boundaries of any potentially detrimental easements or encroachments was not made available to the appraisers. The appraisers did not note any such conditions during our on-site inspection, nor did the property owner disclose any. We have no reason to believe that there are any easements or encroachments on the property that would affect its use in such a way as to have a negative impact on value.

#### Soil/Environmental Conditions

We have not been provided with nor have we commissioned a soil or sub-soil condition report. The subject's land appears to be composed of typical loose South Florida sand.

The appraisers have no reason to believe that there may be hazardous materials stored and used at the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

## HIGHEST AND BEST USE

The Appraisal Institute defines highest and best use as follows:

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property—specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value. (Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed., Chicago: Appraisal Institute, 2015).

The analysis of highest and best use normally applies these considerations in a three step process, involving the analysis of the highest and best use of the site as if vacant, determination of the ideal improvement, and a comparison of the existing improvement with the ideal improvement, in order to estimate the highest and best use as improved. The subject is vacant land, therefore only the first two steps apply.

The subject site contains roughly 1.97 acres and could physically support a number of uses. These physically possible uses must be legal, reasonable, probable, and a logical continuation of surrounding uses within the subject property's neighborhood. The subject is currently zoned CG, General Commercial District for Commercial use. The surrounding area has been developed mainly with commercial, retail and office use in the past.

In consideration of the site's location, land use classification, zoning and surrounding uses, the highest and best use for the subject, as if vacant, would be development with some type of commercial or civic use in keeping with the zoning, land use, and neighborhood uses.



## EXPOSURE AND MARKETING TIME

Exposure time is: 1) The time a property remains on the market; 2) The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; 3) A retrospective estimate based on an analysis of past events assuming a competitive and open market.

Marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions address the determination of reasonable exposure and marketing time. (Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed., Chicago: Appraisal Institute, 2015).

Financing for commercial properties appears to be readily available at this time. Most properties offered for sale have been exposed on the market for six to twelve months or longer.

The CoStar Group reported the historical marketing times (exposure time) for 29 vacant commercial land properties in Palm Beach County from April 2019 through April 2020, having under five acres of land area. The marketing time ranged from 21 days to 3,070 days, 701 days or roughly 24 months. It was observed that (5) five of the sales had extremely high market times ranging from over 1,000 days up to 3,070 days. When these sales were removed the average was brought down to 415 days or 14 months. When marketing land properties, it is also customary to have sales contingent upon obtaining approvals which may take an extended period of time in excess of 12 months in some cases. This time is typically figured into the total days on market reported.

We also note that the CoStar data can be skewed by many properties that were significantly overpriced by unmotivated sellers and/or were not properly marketed and languished on the market for several years. We believe if appropriately priced and marketed, the subject would sell in the lower portion of the time frame range exhibited by the CoStar data. Many of the properties in the CoStar research were overpriced and only sold after the asking prices were significantly reduced. A properly priced property would sell more quickly.

Considering the preceding, as well as sales that have taken place in the local market, and assuming a prudent pricing strategy, we estimate an exposure time of eight to twelve months. Looking forward, we feel this would be a reasonable estimate for marketing time as well.

The recent COVID-19 pandemic has slowed general economic activity and the local real estate market. The first phase of a slowing real estate market is a lengthening of the marketing and exposure time. This is due to owners/seller's reluctance to lower asking prices. Sale prices do not normally decline right away and typically wait until sellers are forced to accept lower prices if the event extends over time. This does not appear to have occurred yet, however, some buyer reluctance has been observed.





Discussions with local active brokers indicate that most market participants think the current pandemic will be a short term event that will not result in long term changes to local real estate prices within this market. Expectations are that the pandemic restrictions will last for 2 or 3 months and then things will gradually move back to pre-pandemic conditions for most segments of the economy. Therefore, we have concluded an extended marketing and exposure time in an effort to account for what is expected to be a temporary slowdown in the market.



## SALES COMPARISON APPROACH

The sales comparison approach is the process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making qualitative comparisons with or quantitative adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. (Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed., Chicago: Appraisal Institute, 2015.)

The sales comparison approach requires that the appraiser locate recent sales of similar properties and through an adjustment process arrive at an indication of what these properties would have sold for if they possessed all of the salient characteristics of the subject property. These adjusted sales prices are then correlated into an estimate of the market value of the property via the sales comparison approach to value.

A search of the Palm Beach County official records, local multiple listing service records, discussions with local brokers and appraisers and a personal inspection of the subject area produced several sales of similar type properties. The sales used in the analysis were the best comparables that we were able to verify with public records and/or a party to the transaction.

The following pages feature a detailed write up of each comparable used in the analysis, a location map and summary of the selected comparable sales data, which is followed by a discussion of the pertinent adjustments and conclusion of value.



SALE NO. 1 - 4530 Lantana Road, Lake Worth, FL 33463  
AC File No.: 2200190.000

ID: 911400



OR Book/Page: 30032/0904  
Sale Status: Sale

Type: Land  
Sub-Type: Commercial

Date: July 30, 2018

Grantor: William & Sons Realty of 28th Street, LLC, et al

Grantee: Military Trail Realty, LLC

Legal: Abridged: A parcel of land lying in Lots 1 and 2, Hiatus Tract 37, Township 44 1/2 South, Range 42 East, Palm Beach County, Florida.

Folio No.: 00-42-44-37-02-001-0030

Location: Southeast corner of Interstate 95 and 45th Street in West Palm Beach.

Zoning: MUPD - Multiple Use Planned Development by Palm Beach County

Land Use: CH/5, Commercial High with an underlying MR/5

Utilities: Municipal water and sewer, electricity, and telephone



Site Size:            Square Feet: 92,987            Acres: 2.135  
                         Shape: Irregular            Street Frontage (Ft.): 238  
                         Topography/Elevation: Level, near road grade

Use:                    Use at Time of Sale: Commercial  
                         Intended Use: Re-development with a Wawa gas station  
                         Highest and Best Use: Re-development with a Wawa gas station

Verification:        Source: Marc Strauss  
                         Relationship: Broker  
                         Conditions of Sale: Arm's-length  
                         Verified By: M. Mickle  
                         Date: April 18, 2020

Sales History:        No transactions in the previous five years

Sales Price:            \$4,200,000

Price/SF Land:        \$45.17

Price/Acre:            \$1,967,213

Financing:            Cash to seller

Comments:

This property was purchased for re-development with a Wawa gas station. The property was improved with a 14,500 square foot Walgreen's store which had been vacant for some time. At the time of sale, Walgreens had three years remaining on their lease. Once the deal closed, Walgreen's bought out their lease.

The Walgreen's building is in the process of being demolished to make way for new construction. The demolition permit was issued on March 19, 2020.

Average Daily Traffic Counts

2018 Lantana Road: 44,500



SALE NO. 2 - Forest Hill Boulevard, Palm Springs, FL 33406  
AC File No.: 2190031.000

ID: 910460



OR Book/Page: 30303/0197  
Sale Status: Sale

Type: Land  
Sub-Type: Commercial

Date: December 12, 2018

Grantor: TPRE PS LLC

Grantee: PBFP LLC

Legal: Lot 6 (less the N 30 feet and triangular parcel road right-of-way) and Lot 7 (less the E 202 feet), Block B, Bryant Park, Plat Book 20, Page 89, Palm Beach County, Florida

Folio No.: 70-43-44-07-01-002-0060

Location: Southeast corner of Forest Hill Boulevard and Alice Avenue, roughly 380 feet west of South Congress Avenue, Palm Springs

Zoning: CG - Commercial General by Palm Springs

Land Use: Commercial

Utilities: Municipal water and sewer, electricity, and telephone

## ANDERSON CARR

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Site Size:            Square Feet: 26,964            Acres: 0.619  
                         Shape: Rectangular            Street Frontage (Ft.): 74  
                         Topography/Elevation: Level, above road grade

Use:                    Use at Time of Sale: Vacant  
                         Intended Use: Commercial  
                         Highest and Best Use: Commercial

Verification:        Source: Steven Daniels, public records  
                         Relationship: Attorney who prepared the deed  
                         Conditions of Sale: Arm's-length  
                         Verified By: B. Arnold  
                         Date: February 2, 2019

Sales History:        Previously sold for \$550,000 in August 2015, recorded in County OR Book 27752,  
                         Page 226

Sales Price:            \$610,000

Price/SF Land:        \$22.62

Price/Acre:            \$985,460

Financing:            None recorded

### Comments:

The seller had acquired this property while assembling land for the Wawa gas station that was recently constructed at the southwest corner of the South Congress Avenue and Forest Hill Boulevard. Buyer is a Dr. with an existing practice in the immediate area who plans to build a small medical office building.

### Average Daily Traffic Counts

2018 Forest Hill Boulevard: 45,722



SALE NO. 3 - 2755 10th Ave N, Lake Worth, FL 33461  
AC File No.: 2190421.006

ID: 911046



OR Book/Page: 30510/1651  
Sale Status: Sale

Type: Land  
Sub-Type: Commercial

Date: March 29, 2019  
Grantor: Murphy Oil USA, Inc.  
Grantee: Waters Auto Wash, LLC  
Legal: WAL-MART AT PALM SPRINGS LT 2 REPL LT 2A  
Folio No.: 70-43-44-20-35-002-0010  
Location: Located on the north side of 10th Avenue North, approximately one-quarter mile west of Florida Mango Road.  
Zoning: CG - Commercial General by City of Palm Springs  
Land Use: Commercial  
Utilities: Municipal water and sewer, electricity, and telephone

Site Size:                    Square Feet: 39,204                    Acres: 0.900  
                                  Shape: Rectangular                    Street Frontage (Ft.): 0  
                                  Topography/Elevation: Level, near road grade

Use:                            Use at Time of Sale: Vacant Land  
                                  Intended Use: Development of a commercial building  
                                  Highest and Best Use: Commercial

Verification:                Source: SLC Real Estate, LLC  
                                  Relationship: Buyer's broker  
                                  Conditions of Sale: Arm's-length  
                                  Verified By: A. Reid  
                                  Date: October 7, 2019

Sales History:                No transactions in the previous five years

Sales Price:                    \$925,000

Price/SF Land:                \$23.59

Price/Acre:                    \$1,027,778

Financing:                    Branch Banking & Trust Company provided financing in the amount of \$2,250,000 with a 25 year term

Comments:

The buyer's broker indicated that this was an arm's length transaction. The sellers had intended to build a gas station; however, the buyer intends to build a car wash.

Average Daily Traffic Counts  
2019 10<sup>th</sup> Avenue North: 30,500





SALE NO. 4 - 1580 North Congress Avenue, West Palm Beach, FL 33409

AC File No.: 2190326.012

ID: 910999



OR Book/Page: /  
Sale Status: Contract

Type: Land  
Sub-Type: Commercial

Date: July 16, 2019

Grantor: S & M Services III, LLC

Grantee: Not disclosed

Legal: Lengthy legal, see deed

Folio No.: 00-43-43-29-00-000-3160

Location: East side of North Congress Avenue, approximately .40 miles south of Okeechobee Boulevard in unincorporated Palm Beach County

Zoning: CG - Commercial General by Palm Beach County

Land Use: Commercial

Utilities: Municipal water and sewer, electricity, and telephone



## ANDERSON CARR

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Site Size:            Square Feet: 96,474            Acres: 2.215  
                         Shape: Rectangular            Street Frontage (Ft.): 172  
                         Topography/Elevation: Level, near road grade

Use:                    Use at Time of Sale: Vacant commercial land  
                         Intended Use: Commercial development  
                         Highest and Best Use: Commercial Development

Verification:        Source: Maureen Day  
                         Relationship: Representative of grantor  
                         Conditions of Sale: Arm's-length  
                         Verified By: R. Mickle  
                         Date: September 16, 2019

Sales History:        No transactions in the previous five years

Sales Price:            \$1,825,000

Price/SF Land:        \$18.92

Price/Acre:            \$823,928

Financing:            To be determined

Comments:

This is a current contract on a 2.215 acre tract of commercially zoned land. The contract was signed by the seller on July 16, 2019. The pending sale is contingent on the sellers getting development approvals for an undisclosed development type. The site passed a Phase I Environment survey and is free of contamination.

### Average Daily Traffic Counts

2019 North Congress Avenue: 16,500



SALE NO. 5 - 2300-2350 45th Street, West Palm Beach, FL 33407  
AC File No.: 2200190.000

ID: 911399



OR Book/Page: 30904/1541  
Sale Status: Sale

Type: Land  
Sub-Type: Commercial

Date: September 19, 2019

Grantor: MGC West Palm Beach Corporation and MGC West Palm Beach II Corporation

Grantee: Paradise Riverwalk, LLC

Legal: Long legal. See deed.

Folio No.: 74-43-43-06-17-000-0010; 0020

Location: Southeast corner of Interstate 95 and 45th Street in West Palm Beach.

Zoning: CG - General Commercial by City of West Palm Beach

Land Use: Commercial

Utilities: Municipal water and sewer, electricity, and telephone

Site Size:            Square Feet: 505,732            Acres: 11.610  
                         Shape: Irregular                    Street Frontage (Ft.): 250  
                         Topography/Elevation: Level, near road grade

Use:                    Use at Time of Sale: Vacant Commercial  
                         Intended Use: Re-development with a mixed use project  
                         Highest and Best Use: Re-development with a mixed use project

Verification:        Source: Christopher Wood  
                         Relationship: Broker  
                         Conditions of Sale: Arm's-length  
                         Verified By: M. Mickle  
                         Date: April 18, 2020

Sales History:        No transactions in the previous five years

Sales Price:            \$9,500,000

Price/SF Land:        \$18.78

Price/Acre:            \$818,260

Financing:            Cash to seller

Comments:

This property was purchased for re-development by Cal-American Properties Trust, Greg Horton, out of Los Angeles, CA.

The buyer plans on demolishing the 180 room Days Inn hotel which was constructed in 1973, and is situated on the front portion of the property, closest to 45th Street. The developer is proposing an 8-story apartment building, having 419,166 square feet with 376 units; and a 90,000 square foot self-storage facility. Under a previously filed application, the portion of the site closest to 45th Street would be developed with a Wawa service station and food store. The apartment complex would be set back furthest from the street. The developer would also provide 752 parking spaces for the apartments and self-storage, with 607 of them located within a 4-story parking garage. The property is located within an Opportunity Zone which provides tax incentives for investors.

Average Daily Traffic Counts

2019 45<sup>th</sup> Street: 46,000



Comparable Sales Location Map



| SALES SUMMARY TABLE |               |                                |                          |               |                     |
|---------------------|---------------|--------------------------------|--------------------------|---------------|---------------------|
| Sale No.<br>Date    | OR Bk<br>Page | Property Address               | Land Area<br>SF<br>Acres | Sale<br>Price | Price/SF<br>of Land |
| 1                   | 30032         | 4530 Lantana Road              | 92,987                   | \$4,200,000   | \$45.17             |
| Jul-18              | 0904          | Lake Worth                     | 2.13                     |               |                     |
| 2                   | 30303         | Forest Hill Boulevard          | 26,964                   | \$610,000     | \$22.62             |
| Dec-18              | 0197          | Palm Springs                   | 0.62                     |               |                     |
| 3                   | 30510         | 2755 10th Ave N                | 39,204                   | \$925,000     | \$23.59             |
| Mar-19              | 1651          | Lake Worth                     | 0.90                     |               |                     |
| 4                   | Current       | 1580 North Congress Avenue     | 96,474                   | \$1,825,000   | \$18.92             |
| Jul-19              | Contract      | West Palm Beach                | 2.21                     |               |                     |
| 5                   | 30904         | 2300-2350 45th Street          | 505,732                  | \$9,500,000   | \$18.78             |
| Sep-19              | 1541          | West Palm Beach                | 11.61                    |               |                     |
| Subj.               | N/A           | 1920 West Blue Heron Boulevard | 85,621                   | N/A           | N/A                 |
| Apr-20              |               | Riviera Beach                  | 1.97                     |               |                     |



## **Sales Summary and Discussion**

In this analysis, we considered differences between the sales and the subject in terms of property rights sold, conditions of sale, financing, market conditions (trend or time adjustment), location, land size, and quality and condition of any existing improvements.

The appraisers based the comparisons on a standardized unit of measure, the sale price per square foot of land. The sale price per square foot of land correlates well among the comparable sales and is commonly used by buyers in this type of analysis.

### Property Rights

The property rights transferred were believed to be those of the fee simple estate. No differences between the sales and the subject are reflected.

### Conditions of Sale

All sales were reportedly market oriented. No adjustment consideration for conditions of sale was necessary.

### Financing

We considered any indication of favorable financing. All sales were either on a cash basis or had market oriented financing, therefore, no differences were noted nor were adjustments made.

### Market Conditions

The sales occurred over the period from July 30, 2018 to September 19, 2019. The market has shown improving market conditions through the end of 2019. Due to the uncertainty of the current pandemic, we have not adjusted the sales for the first 4 months of 2020. Any gains during the first part of the year have likely been offset by the current market slowdown. There is not yet any hard market evidence of a change in values, however, we believe that the market has definitely slowed down and may be heading towards a decline in values if there is not a quick resolution of the pandemic.

As a result, all of the sales were adjusted upward using a factor of 1.2% per month of difference through the end of 2019.

### Location

The subject property is located on the northeast corner of West Blue Heron Boulevard and South Congress Avenue in Riviera Beach. This is a highly desirable location in the Riviera Beach area. The average daily traffic count for West Blue Heron Boulevard at this location is 37,500.

Sale 1 is located in an area with a higher traffic count when compared to the subject; however, is on a corner. This sale required downward adjustment.



Sale 2 has a higher traffic count when compared to the subject; however, does not have a corner location like the subject. As a result, this sale required upward adjustment.

Sale 3 has a slightly lower traffic count when compared to the subject, and also does not have a corner location. This sale required upward adjustment.

Sale 4 has a significantly lower traffic count when compared to the subject and is not on a corner. This sale also required upward adjustment.

Sale 5 has a higher traffic count when compared to the subject but is not on a corner. This sale required upward adjustment.

### Size

Generally, larger properties will sell for a somewhat lower price per square foot of land than smaller ones, and vice versa, when all else is equal. The sales in this data set do appear to follow this pattern and some adjustment is warranted. Sale 5 is significantly larger than the subject which required upward adjustment. The remaining sales were close enough in size not to warrant adjustment when compared to the subject.

### Site Conditions

Properties of all different shapes can typically be developed. Some properties, however, allow for a more efficient development of the site providing for the maximum development intensity. Neither the subject nor the comparables appear to be impacted by their shape in such a manner as to limit their development. Another factor considered here is the existence of any physically detrimental site conditions such as contamination or muck. Neither the subject nor any of the comparables were known to suffer from any detrimental site conditions.

### Zoning/Land Use

The subject property has a zoning designation of CG, General Commercial District by City of Riviera Beach with an underlying future land use of Commercial by City of Riviera Beach.

Though they may vary by municipality, all of the comparables have similar commercial oriented designations that allow for similar uses as the subject. No adjustment is warranted.





| QUANTITATIVE SALES ADJUSTMENT CHART - PRICE/LAND/SF |                                |         |                   |                                      |  |   |          |              |                    |                     |                                 |                       |
|---|--------------------------------|---------|-------------------|--------------------------------------|--|---|----------|--------------|--------------------|---------------------|---------------------------------|-----------------------|
| Sale Date   | Property Address               | Land SF | Price/<br>Land SF | Financing/<br>Adj. Price/<br>Land SF | Conditions<br>of Sale/<br>Adj. Price/<br>Land SF | Market<br>Conditions/<br>Adj. Price/<br>Land SF | Location | Land<br>Size | Site<br>Conditions | Zoning/<br>Land Use | Final<br>Combined<br>Adjustment | Overall<br>Indication |
| 1   | 4530 Lantana Road              | 92,987  | \$45.17           | 0%                                   | 0%   | 9%  | -25%     | 0%           | 0%                 | 0%                  | -25%                            | \$36.92               |
| Jul-18  | Lake Worth                     |         |                   | \$45.17                              | \$45.17  | \$49.23   |          |              |                    |                     |                                 |                       |
| 2   | Forest Hill Boulevard          | 26,964  | \$22.62           | 0%                                   | 0%   | 6%  | 15%      | 0%           | 0%                 | 0%                  | 15%                             | \$27.58               |
| Dec-18  | Palm Springs                   |         |                   | \$22.62                              | \$22.62  | \$23.98   |          |              |                    |                     |                                 |                       |
| 3   | 2755 10th Ave N                | 39,204  | \$23.59           | 0%                                   | 0%   | 5%  | 15%      | 0%           | 0%                 | 0%                  | 15%                             | \$28.49               |
| Mar-19  | Lake Worth                     |         |                   | \$23.59                              | \$23.59  | \$24.77   |          |              |                    |                     |                                 |                       |
| 4   | 1580 North Congress Avenue     | 96,474  | \$18.92           | 0%                                   | 0%   | 3%  | 25%      | 0%           | 0%                 | 0%                  | 25%                             | \$24.36               |
| Jul-19  | West Palm Beach                |         |                   | \$18.92                              | \$18.92  | \$19.48   |          |              |                    |                     |                                 |                       |
| 5   | 2300-2350 45th Street          | 505,732 | \$18.78           | 0%                                   | 0%   | 2%  | -15%     | 45%          | 0%                 | 0%                  | 30%                             | \$24.91               |
| Sep-19  | West Palm Beach                |         |                   | \$18.78                              | \$18.78  | \$19.16   |          |              |                    |                     |                                 |                       |
| Subj.   | 1920 West Blue Heron Boulevard | 85,621  | N/A               | N/A                                  | N/A  | N/A   | N/A      | N/A          | N/A                | N/A                 | N/A                             | N/A                   |
| Apr-20  | Riviera Beach                  |         |                   |                                      |  |   |          |              |                    |                     |                                 |                       |



**Conclusion**

Considering all of these differences, we developed the preceding quantitative comparison chart listing the sales as they compare to the subject property, based on a price per square foot of land. Not all categories considered are depicted. Those omitted reflect no differences between the sales and the subject property.

The unadjusted range of value indicated by the sales is roughly \$18.78 to \$45.17 per square foot of land area. The preceding quantitative comparison chart shows the value range for the subject property after adjustment based on a price per square foot of land area to be from \$24.36 to \$36.92 with a mean of \$28.45. Considering all of the salient factors discussed previously and prevailing market conditions, the appraisers feel a conclusion in the middle portion of the indicated range is most appropriate. Given the preceding data and discussions, it is concluded that the market reflects a value per square foot of land area for the subject property of \$28.00 as of April 16, 2020. Total value is calculated as follows:

85,621 Square Feet @ \$28.00 per Square Foot = \$2,397,388

Rounded To:

**MARKET VALUE VIA SALES COMPARISON APPROACH: \$2,400,000**



# QUALIFICATIONS OF APPRAISER ROBERT B. BANTING, MAI, SRA

## PROFESSIONAL DESIGNATIONS - YEAR RECEIVED

MAI - Member Appraisal Institute - 1984

SRA - Senior Residential Appraiser, Appraisal Institute - 1977

SRPA - Senior Real Property Appraiser, Appraisal Institute - 1980

State-Certified General Real Estate Appraiser, State of Florida, License No. RZ4 - 1991

## EDUCATION AND SPECIAL TRAINING

Licensed Real Estate Broker - #3748 - State of Florida

Graduate, University of Florida, College of Business Administration, BSBA (Major - Real Estate & Urban Land Studies) 1973

Successfully completed and passed the following Society of Real Estate Appraisers (SREA) and American Institute of Real Estate Appraisers (AIREA) courses and/or exams: Note: the SREA & AIREA merged in 1991 to form the Appraisal Institute.

SREA R2: Case Study of Single Family Residence  
SREA 201: Principles of Income Property Appraising  
SREA: Single Family Residence Demonstration Report  
SREA: Income Property Demonstration Report  
AIREA 1B: Capitalization Theory and Techniques  
SREA 101: Introduction to Appraising Real Property  
AIREA: Case Studies in Real Estate Valuation  
AIREA: Standards of Professional Practice  
AIREA: Introduction to Real Estate Investment Analysis  
AIREA 2-2: Valuation Analysis and Report Writing  
AIREA: Comprehensive Examination  
AIREA: Litigation Valuation  
AIREA: Standards of Professional Practice Part C

## ATTENDED VARIOUS APPRAISAL SEMINARS AND COURSES, INCLUDING:

|                                    |   |   |
|------------------------------------|---|---|
| The Internet and Appraising        | Golf Course Valuation                     | Discounting Condominiums & Subdivisions         |
| Narrative Report Writing           | Appraising for Condemnation               | Condemnation: Legal Rules & Appraisal Practices |
| Condominium Appraisal              | Reviewing Appraisals                      | Analyzing Commercial Lease Clauses              |
| Eminent Domain Trials              | Tax Considerations in Real Estate         | Testing Reasonableness/Discounted Cash Flow     |
| Mortgage Equity Analysis           | Partnerships & Syndications               | Hotel and Motel Valuation                       |
| Advanced Appraisal Techniques      | Federal Appraisal Requirements            | Analytic Uses of Computer in the Appraisal Shop |
| Valuation of Leases and Leaseholds | Valuation Litigation Mock Trial           | Residential Construction From The Inside Out    |
| Rates, Ratios, and Reasonableness  | Analyzing Income Producing Properties     | Development of Major/Large Residential Projects |
| Standards of Professional Practice | Regression Analysis In Appraisal Practice | Federal Appraisal Requirements                  |

Engaged in appraising and consulting assignments including market research, rental studies, feasibility analysis, expert witness testimony, cash flow analysis, settlement conferences, and brokerage covering all types of real estate since 1972.

President of Anderson & Carr, Inc., Realtors and Appraisers, established 1947

Past President Palm Beach County Chapter, Society of Real Estate Appraisers (SREA)

Realtor Member of Central Palm Beach County Association of Realtors

Special Master for Palm Beach County Property Appraisal Adjustment Board

Qualified as an Expert Witness providing testimony in matters of condemnation, property disputes, bankruptcy court, foreclosures, and other issues of real property valuation.

Member of Admissions Committee, Appraisal Institute - South Florida Chapter

Member of Review and Counseling Committee, Appraisal Institute - South Florida Chapter

Approved appraiser for State of Florida, Department of Transportation and Department Natural Resources.

Instructor of seminars, sponsored by the West Palm Beach Board of Realtors.

Authored articles for The Palm Beach Post and Realtor newsletter.

Real Estate Advisory Board Member, University of Florida.

## TYPES OF PROPERTY APPRAISED - PARTIAL LISTING

|                   |                       |                           |                        |
|-------------------|-----------------------|---------------------------|------------------------|
| Air Rights        | Medical Buildings     | Apartment Buildings       | Churches               |
| Amusement Parks   | Department Stores     | Hotels - Motels           | Marinas                |
| Condominiums      | Industrial Buildings  | Office Buildings          | Residences - All Types |
| Mobile Home Parks | Service Stations      | Special Purpose Buildings | Restaurants            |
| Auto Dealerships  | Vacant Lots - Acreage | Residential Projects      | Golf Courses           |
| Shopping Centers  | Leasehold Interests   | Financial Institutions    | Easements              |

"I am currently certified under the continuing education program of the Appraisal Institute."

**QUALIFICATIONS OF APPRAISER  
MICHELLE J. MICKLE**

GENERAL INFORMATION

State – Certified General Real Estate Appraiser RZ3316  
Special Magistrate, Palm Beach County Value Adjustment Board

EDUCATION AND SPECIAL TRAINING

Palm Beach Community College, Lake Worth, Florida  
Areas of study - Architecture and Fine Art 1984

Practiced Architectural Design in Palm Beach County, Florida from 1985 through 1993.

Successfully completed and passed the following courses:

FREAB Residential Appraisal Course I, January 2005  
MREA Residential Appraisal Course II, June 2006  
FREAB Certified General Appraisal Course, October 2007  
AI- General Appraiser Income Approach (Part I), April 2008  
AI – Uniform Appraisal Standards for Federal Land Acquisitions, November 2017  
USPAP, November 2018

Engaged in appraising real estate on a full time basis with:

Appraisal Realty Institute, March 2005-2006  
North Palm Beach, Florida

Anderson & Carr, Inc., March 2006  
West Palm Beach, Florida

MJJ & Company, Inc., April 2009  
Hobe Sound, Florida

Resident of Palm Beach County since 1971

TYPES OF PROPERTIES APPRAISED

|  |                        |
|--|------------------------|
| Vacant Commercial Land                                   | Schools                |
| Vacant Residential Land                                  | Financial Institutions |
| Commercial Buildings                                     | Leasehold Interests    |
| Office Buildings   | Churches               |
| Industrial Buildings                                     |                        |
| Insurable Value Reports – Residential and Commercial     |                        |
| Single Family Residences                                 |                        |
| Condominiums - Residential and Commercial                |                        |
| 2-4 Family Residential Buildings                         |                        |
| Retail Stores  |                        |
| Self-Storage Facilities                                  |                        |
| Film Production Studios                                  |                        |
| Eminent Domain   |                        |
| Easements and Right-of-ways                              |                        |
| Automobile Dealerships                                   |                        |
| Service Stations   |                        |
| Multi-Family Apartment Buildings                         |                        |
| Proposed Residential and Industrial Development Projects |                        |



RICK SCOTT, GOVERNOR

JONATHAN ZACHEM, SECRETARY



**STATE OF FLORIDA  
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION**

**FLORIDA REAL ESTATE APPRAISAL BOARD**

THE CERTIFIED GENERAL APPRAISER HEREIN IS CERTIFIED UNDER THE  
PROVISIONS OF CHAPTER 475, FLORIDA STATUTES

**BANTING, ROBERT B**

521 S OLIVE AVE  
WEST PALM BEACH FL 33401

**LICENSE NUMBER: RZ4**

**EXPIRATION DATE: NOVEMBER 30, 2020**

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RICK SCOTT, GOVERNOR

JONATHAN ZACHIFM, SECRETARY



**STATE OF FLORIDA  
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION**

**FLORIDA REAL ESTATE APPRAISAL BD**

THE CERTIFIED GENERAL APPRAISER HEREIN IS CERTIFIED UNDER THE  
PROVISIONS OF CHAPTER 475, FLORIDA STATUTES

**MICKLE, MICHELLE JONES**

8454 SE RETREAT DR  
HOBE SOUND FL 33455

**LICENSE NUMBER: RZ3316**

**EXPIRATION DATE: NOVEMBER 30, 2020**

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# **ADDENDUM**

# ANDERSON CARR

APPRAISERS • REALTORS • CONSULTANTS • DEVELOPERS

## AGREEMENT FOR PROFESSIONAL SERVICES

Client hereby engages Anderson & Carr, Inc. to complete an assignment as follows:

### Client Information

**Date:** April 20, 2020 **Proposal No.:** 2200190  
**Name:** Rickey Little  
**Title:** Interim Director of Procurement  
**Company:** City of Riviera Beach  
**Address:** 600 W. Blue Heron Blvd.  
**City, State, Zip:** Riviera Beach, FL 33404  
**Phone:** (561) 845-3479  
**Email:** rlittle@rivierabeach.org

### Property Information

**Property Address:** 1920 West Blue Heron Boulevard  
Riviera Beach, Florida 33404  
**Property Description:** An improved parcel of land  
**Parcel ID(s):** 56-43-42-30-25-001-0000

### Interest Valued / Intended User(s) / Intended Use

**Interest Valued:** Fee Simple Estate  
**Intended User(s):** City of Riviera Beach and/or otherwise specified in writing.  
**Intended Use:** Establishing a purchase or selling price  
**Type of Value:** Market value **Date of Value:** Current

### Appraisal Report Type & Terms

**Report Type:** Narrative  
**Delivery Time:** April 21, 2020  
**Delivery Method:** Email (PDF) # of Report Paper Copies: 0  
**Fee:** \$2,500.00 Deposit: \$2,500.00 (Return with signed agreement)  
**Approaches:**  Sales  Cost  Income  Insurable Value  Review  Other  
**Scope of Work:** Estimate the current market value of the land, as-if vacant, for acquisition purposes and re-development with a multi-purpose complex.  
**Items Needed: (If Available)**  
 Survey and/or site plan  Detailed current rent roll  Prior 3 years income and expenses  
 Copies of all leases  List of any recent major repairs or renovations  
 Prior appraisal reports  Copy of current agreement for sale  
Other: \_\_\_\_\_

**Hypothetical Conditions/Extraordinary Assumptions:** Appraise the subject property as-if vacant, giving no consideration to the existing improvements.

RBB: MJM

- ESTABLISHED 1947 -

ANDERSON & CARR INC. • 521 S OLIVE AVE., W. PALM BEACH, FL 33401 • 561.833.1661 • ANDERSONCARR.COM





## Conditions of Report

1. The report may not be used for any purpose by any person or corporation other than the client or the party to whom it is addressed or copied without the written consent of an officer of the firm of Anderson & Carr, Inc. and then only in its entirety.
2. Liability of Anderson & Carr, Inc., its employees, and any subcontractors is limited to the fee collected for the assignment. There is no accountability or liability to any third party.
3. No responsibility is assumed for matters legal in character or nature, or matters of survey, nor of any architectural, structural, mechanical or engineering nature. No opinion will be rendered as to the title which is presumed to be good and merchantable. The property will be valued as if free and clear, unless otherwise stated in particular parts of the report.
4. No responsibility is assumed for accuracy of information furnished by or from others, the clients, his designee or public records. We are not liable for such information or the work of subcontractors.
5. The interpretation and enforcement of this Agreement shall be governed by the laws of the state in which the Appraiser's principal place of business is located, exclusive of any choice of law rules.

**Report Delivery:** The base fee covers the cost for electronic delivery of a PDF report unless agreed otherwise. If hard copies are requested by the client, they are available at an additional cost of \$25 per copy for form type reports and \$50 per report for narrative reports.

**Proposed Improvements:** If the subject property consists of proposed improvements, Client shall provide plans, specifications, or other documentation sufficient to identify the extent and character of the proposed improvements.

**Properties Under Contract For Sale:** If the subject property is currently under contract or listed for sale, Client shall provide a copy of said contract including all addenda.

**Confidentiality:** Anderson & Carr, Inc. shall not provide a copy of the written Report to, or disclose the results of the report prepared in accordance with this Agreement with, any party other than Client, unless Client authorizes, except as stipulated in the Confidentiality Section of the ETHICS RULE of the Uniform Standards of Professional Appraisal Practice (USPAP).

**Cancellation:** Client may cancel this Agreement at any time prior to delivery of the Report upon written notification to the Appraiser. Client shall pay for work completed on assignment prior to receipt of written cancellation notice, unless otherwise agreed upon by Anderson & Carr, Inc. and Client in writing.

**No Third Party Beneficiaries:** Nothing in this Agreement shall create a contractual relationship between Anderson & Carr, Inc. or the Client and any third party, or any cause of action in favor of any third party. This Agreement shall not be construed to render any person or entity a third party beneficiary of this Agreement, including, but not limited to, any third parties identified herein.

**Use Of Employees Or Independent Contractors:** Contractor may use employees or independent contractors at Contractor's discretion to complete the assignment, unless otherwise agreed by the parties. Notwithstanding, Contractor shall sign the written Report and take responsibility for the services provided as a result of this Agreement.

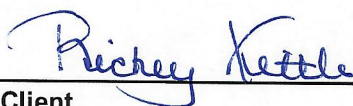
**Testimony At Court Or Other Proceedings:** Unless otherwise stated in this Agreement, Client agrees that contractor's assignment pursuant to this Agreement shall not include the participation in or preparation for, whether voluntarily or pursuant to subpoena, any oral or written discovery, sworn testimony in a judicial, arbitration or administrative proceeding, or attendance at any judicial, arbitration, or administrative proceeding relating to this assignment. If additional services are required, such as courtroom testimony, depositions, preparation for depositions, travel time and related expert witness fees, our fees will be billed at our normal hourly rates, which are as follows: \$300 per hour for MAI/Principal time, \$150 per hour for staff appraiser time, and \$85 per hour for researcher time. A retainer fee will be required if additional services are needed. If expert witness testimony is required, client agrees to pay appraiser a minimum fee of \$1,000 to be paid in advance of any depositions and payment in full prior to any court testimony.

**Appraiser Independence:** Appraiser cannot agree to provide a value opinion that is contingent on a predetermined amount, or guarantee the outcome of the assignment in advance, or insure that the opinion of value developed as a result of this Assignment will serve to facilitate any specific objective by Client or others in advance any particular cause. Appraiser's opinions will be developed competently and with independence, impartiality and objectivity.

**Collections:** It is further agreed and understood that if any portion of the compensation or costs due to Anderson & Carr, Inc. becomes delinquent, The Client will pay interest thereon at the rate of 12% per annum on said account from the due date until paid, and further agrees to pay all costs of collection thereof, including reasonable attorney's fees, court costs, etc.

**Payment in U.S. Dollars:** Client agrees to pay fee in U.S. currency or by check from a U.S. bank account.

**Prior Appraisal:** Anderson & Carr and/or its agents/appraisers have not previously appraised the subject of this agreement within the prior three years.



Client

4/20/2020

Date



4/20/2020

Anderson & Carr, Inc.

Date