

---

**APPRAISAL OF THE FORMER  
“H. D. KING” POWER PLANT SITE  
FRONTING  
N. INDIAN RIVER DR., NORTH 2<sup>nd</sup> ST.,  
BACKUS AVE. & AVE “B”  
FORT PIERCE, FLORIDA**

PREPARED FOR  
Fort Pierce City Commission &  
Directors, Fort Pierce Redevelopment Agency (FPRA)  
C/o Rebecca Grohall, Ft Pierce Planning Director  
100 N. U.S. 1  
Fort Pierce, FL 34950

DATE OF APPRAISAL: April 7, 2017 (Date of inspection)

Prepared by:  
Daniel D. Fuller, MAI  
State-Certified General  
Real Estate Appraisal RZ567  
FULLER-ARMPFIELD-WAGNER  
Appraisal & Research, Inc.  
200 S. Indian River Dr., Suite 309  
Fort Pierce, Florida 34950

Appraisal No. 19930

# **FULLER-ARMFIELD-WAGNER Appraisal & Research, Inc.**

200 S. Indian River Dr., Suite 309, Fort Pierce, FL 34950

Daniel D. Fuller, MAI, SRA

State-Certified General Real Estate Appraiser RZ567

772-468-0787

Fax (772) 468-1103

FAW\_app@bellsouth.net

April 17, 2017

Fort Pierce City Commission &  
Directors, Fort Pierce Redevelopment Agency (FPRA)  
C/o Rebecca Grohall, Ft Pierce Planning Director  
100 N. U.S. 1  
Fort Pierce, FL 34950

**RE: Former "H. D. KING" Power Plant Site, fronting N. Indian River Dr., North 2<sup>nd</sup> St., Backus Ave., Ave. "B", Fort Pierce, FL 34950**

Dear Ms. Grohall:

As per our appraisal services contract, I have inspected the referenced property on April 7, 2017, and I have completed an analysis of the market influences affecting the subject property to provide an opinion of the market value of the fee simple interest in the property. Because the subject's zoning and land use classifications are Industrial and not compatible with the City Commission's development vision within the Central Business District (CBD), the subject is appraised under the "Hypothetical Condition" the subject's zoning classification is PD, Planned Development or compatible classifications, as of the date of inspection.

Additionally, the subject is comprised of four separate parcels, totaling an estimated 7.21 acres, but the subject is appraised as one economic unit.

Your attention is directed to the Scope of Work, and introductory comments within the Sales Comparison Approach section of this report.

The appraisal adheres to the Uniform Standards of Professional Appraisal Practice (USPAP), presented in a USPAP defined "Appraisal Report".

- The Intended Use of this appraisal is for the Fort Pierce City Commission / Fort Pierce Redevelopment Agency asset accounting and potential use and sale negotiations.
- The Intended User of this report are the Fort Pierce City commission & the Fort Pierce Redevelopment Agency and/or affiliates and representatives.
- The appraisal and report are subject to the Ordinary Limiting Conditions, Extraordinary Assumptions, Hypothetical Conditions, and Certification included within this report.

---

Ms. Grohall  
April 17, 2017  
Page Two

In summary, based upon the available data and analysis of the data as presented in this report, it is my opinion the market value of the fee simple interest in the subject, appraised under the "Hypothetical Condition" the subject's zoning classification is PD, Planned Development, or compatible classifications, as of April 7, 2017, is:

**TWO MILLION EIGHT HUNDRED THOUSAND DOLLARS -\$2,800,000-**

I believe you will find the appraisal and report complete, but if there are questions, please contact me at your convenience.

Sincerely,



Daniel D. Fuller, MAI  
State-Certified General Real Estate Appraiser RZ567

DDF/asf -19930

---

TABLE OF CONTENTS

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS ..... 1

PROPERTY TYPE (Current Use) .....2

SCOPE OF WORK.....2

COMPETENCY .....4

REPORT FORMAT .....4

EXPOSURE.....4

ORDINARY LIMITING CONDITIONS AND UNDERLYING ASSUMPTIONS..... 5

EXTRAORDINARY ASSUMPTIONS.....7

HYPOTHETICAL CONDITION .....8

CERTIFICATE OF APPRAISAL..... 9

OWNER OF RECORD AND SALES HISTORY .....10

LEGAL DESCRIPTION .....11

LOCATION MAP .....13

SUBJECT PHOTOGRAPHS .....14

AREA DATA .....18

NEIGHBORHOOD DATA..... 19

NEIGHBORHOOD MAP EXHIBIT ..... 20

CENSUS TRACT ..... 23

ZONING AND LAND USE CLASSIFICATION ..... 24

CONCURRENCY .....29

ASSESSED VALUE AND TAXES .....30

UTILITIES ..... 31

FLOOD ZONE .....31

PROPERTY DESCRIPTION.....32

PROPERTY MAPS EXHIBIT .....34

---

TABLE OF CONTENTS (continued)

HIGHEST AND BEST USE ..... 37

SALES COMPARISON APPROACH ..... 41

    Comparable Selection..... 41

    Adjustments..... 42

    Adjustments for Physical Differences ..... 43

SALES SUMMARY..... 44

SALES ANALYSIS ..... 45

SALES MAP ..... 46

    Summary of Sales Prices..... 47

    Reconciliation & Conclusion of Value via Sales Comparison Approach ..... 49

QUALIFICATIONS OF THE APPRAISER ..... 50

ADDENDUM A – ST. LUCIE COUNTY AREA DATA ..... A1

---

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Property Type: Vacant site, with potential of mixed use development.

Current Use: Vacant.

Address/Location: North Indian River Drive, North 2<sup>nd</sup> St., Backus Ave. & Ave. "B", Ft. Pierce, FL.

Date of Appraisal: April 7, 2017

Date of Inspection: April 7 & 9, 2017

Date of Report: April 17, 2016

Inspected by: Daniel D. Fuller, MAI

Purpose of the Appraisal: Estimate Market Value

Property Rights Appraised: Fee Simple

Report Prepared: April 2017

Report Format: "Appraisal Report" as defined in USPAP.

Land: Area: \*7.21 acres (314,068 square feet)

Frontage: 491.42± feet (N. Indian River Dr.)

559.56± feet (east R/W N. 2<sup>nd</sup> St – split by Moore's Creek)

198.458± feet (west R/W N. 2<sup>nd</sup> St. – split by vacated Ave "B" west of N. 2<sup>nd</sup> St.)

284.27± feet (S. R/W Backus Ave.)

\*Note –your attention is directed to Extraordinary Assumptions and the Property Description sections of this report concerning subject's size and property dimensions.

Improvements: Bulkhead along north/south sides of Moore's Creek.

\*\*Zoning / Land Use: I – Industrial / I - Industrial

\*\*(Note: Zoning change likely to be approved to enhance subject's development potential and the City Commissions vision of the subject's enhancement to the CBD, thus the subject is appraised under the "Hypothetical Condition" the zoning is compatible with the City's PD, Planned Development zoning classification.)

Census Tract: 3801

Flood Zone: Zone(s) X, X – Other Flood Areas, Floodway Areas in Zone AE (FEMA Map12111C0179J, Community Panel #120286 0179J, 2/16/2012)

Highest and Best Use Conclusion: Subject should remain vacant until a through economic study identifies the financially feasible and maximally productive use(s).

**Market value, fee simple interest, appraised under the "Hypothetical Condition" the subject's zoning classification is PD, Planned Development, or compatible classifications, as of April 7, 2017, is: -\$2,800,000-**

---

## PROPERTY TYPE / CURRENT USE

- Property Type: Vacant site, with potential of mixed use development.
- Current Use: Vacant.
- 

## SCOPE OF WORK

Ms. Rebecca Grohall representing the Fort Pierce City Commission and the Fort Pierce Development Agency, engaged my services to provide an opinion of the market value of the fee simple interest in the subject. Because the subject's zoning and land use classifications are Industrial and not compatible with the City Commissions development vision for the CBD, the subject is appraised under the Hypothetical Condition" the subject's zoning classification is PD, Planned Development or compatible classifications. To form an opinion of value the following Scope of Work was required.

## MARKET VALUE DEFINED

*Market Value, as defined in Chapter 12, Code of Federal Regulation, Part 34.42, is:*

The most probable price in terms of money which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition 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 each acting in what he considers his own best interest.
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 a normal consideration for the property sold unaffected by special or created financing or sales concessions granted by anyone associated with the sale.

FEE SIMPLE ESTATE – *Source, Appraisal Institute, Dictionary of Real Estate Appraisal, 5th ed.*

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.

Because the subject is a vacant tract of land, valuation exclusively is prepared via the Sales Comparison Approach.

Valuation within the Sales Comparison Approach developed for this appraisal assignment requires research for sales and list data from physically similar properties with a highest and best use similar to the subject of the appraisal.

The subject is a unique property in its locations with a CBD, but because of the subject's size one "typical use" found within most CBD environments for communities of the subject's size will not require the total area of the subject site, thus the property is best suited for multiple improvement types which will likely require assembling

---

## SCOPE OF WORK (continued)

various development/business entities appropriate for the neighborhood and city, with obvious examples of say a hotel, restaurant, retailers, and possibly residential development. However, development timing driven by demand may be very different for each use, thus absorption of the property for various improvement types may require several years, but a mixed-use single building project such as "The Renaissance", located within the CBD, with several different uses and one developer, has the potential of becoming a financial unfeasibility project if one or more of the potential improvement types is found to be financially unfeasible. Thus, a more likely development scenario, in my opinion, might be a plan of subdividing the subject into separate parcels, with developers within their respective areas of expertise developing the separate parcels as market demands a use, resulting in spreading the risk between several developers and phased timing of the project to mitigate the collapse of a total project caused by one financially unfeasible use. It is noted that under any development scenario, absorbing a property of the subject's size will likely experience an extended absorption period with subject's size considered when forming my opinion of the subject's value.

Research for sales and listings of similar properties was conducted using public records, commercial data services, multiple listing service (MLS), and interviews with buyers, sellers, investors, etc. The areas research consists of the subject's immediate neighborhood but because of the lack of sales within the subject's immediate neighborhood, research extended throughout the City of Fort Pierce and the Treasure Coast.

Research produced a variety of sales, contracts and listings of properties located within adjacent to the City's CBD, but because the properties were not ideally comparable to the subject, research extended throughout the City of Fort Pierce and the Treasure Coast. Research did not locate any recent sales of similar properties within other Treasure Coast CBDs'. But while the available data did not pin point a value indication, the data provides a range of potential value, and with judgment, I was able to form an opinion of the subject's market value.

Data gathered was verified with a knowledgeable participant of a transaction, and then the data was analyzed to interpret market trends. The analyzed data was then applied to the subject for a value indication. The final step was reconciliation of the values derived in the approaches to a final estimate of value.

The Cost Approach is not applicable as the subject does not include improvements, other than the bulkhead along Moore's Creek which is included within the land value.

Also, the Income Approach is not applicable as properties of the subject's size are not typically purchased for rental income.

---

## SCOPE OF WORK (continued)

- The Intended Use of this appraisal is for the Fort Pierce City Commission / Fort Pierce Redevelopment Agency asset accounting, to assist in the potential use or sale of the subject.
- The Intended User of this report are the Fort Pierce City Commission & the Fort Pierce Redevelopment Agency and/or affiliates and representatives.
- The appraisal and report are subject to the Ordinary Limiting Conditions, Extraordinary Assumptions, Hypothetical Conditions, and Certification included within this report.

### COMPETENCY

Per the Competency Rule of Uniform Standards of Professional Practice, due to experience in the subject's market segment and geographic area the appraiser is competent to complete this appraisal.

### APPRAISAL REPORT FORMAT

*Per Uniform Standards of Appraisal Practice (USPAP 2016-2017) – Standards Rule 2-2, each written real property appraisal report must be prepared under one of the following options and prominently state which options is used: Appraisal Report or Restricted Appraisal Report.*

The following report format is as defined per USPAP as an “Appraisal Report”.

### EXPOSURE

**Exposure time:** - *Source, Appraisal Institute, Dictionary of Real Estate Appraisal, 5th ed.*

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; a retrospective estimate based on an analysis of past events assuming a competitive and open market.

Exposure periods for the sale properties range from a few months to several years, with the extended periods caused by initial above market listing prices. However, it is expected that that assuming the subject listed for sale at or near my opinion of value the subject would have sold within a 12-months period prior to the date of appraisal.

---

## ORDINARY LIMITING CONDITIONS AND UNDERLYING ASSUMPTIONS

1. The opinions value given in this report represents the opinion of the signer as of the DATE SPECIFIED. Real estate is affected by an enormous variety of forces and conditions will vary with future conditions, sometimes sharply within a short time. Responsible ownership and competent management are assumed.
2. This report covers the premises herein described only. Neither the figures herein nor any analysis thereof, nor any unit values derived therefrom are to be construed as applicable to any other property, however, similar the same may be.
3. It is assumed that the title to said premises is good; that the legal description of the premises is correct; that the improvements are entirely and correctly located on the property; but no investigation or survey has been made, unless so stated.
4. The opinion(s) given in this appraisal report is gross, without consideration given to any encumbrance, restriction or question of title, unless so stated.
5. Easements on the subject parcels are unknown. Easements may or may not be recorded or may exist by customary use or other legal means. The appraiser has not nor is he qualified to search legal records as to the existence of other easements.
6. Information as to the description of the premises, restrictions, improvements and income features of the property involved in this report is as has been submitted by the applicant for this appraisal, or has been obtained by the signer hereto. All such information is considered to be correct; however, no responsibility is assumed as to the correctness thereof unless so stated in the report.
7. The physical condition of the improvements described herein was based on visual inspection. No liability is assumed for the soundness of structural members since no engineering tests were made of the same. The property is assumed to be free of termites and other destructive pests.
8. Possession of any copy of this report does not carry with it the right of publication, nor may it be used for any purpose by any but the applicant without the previous written consent of the appraiser or the applicant, and in any event, only in its entirety.
9. Neither all nor part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media, without the written consent of the author; particularly as to the valuation conclusions, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute, or to the SRA or MAI designations.
10. The appraiser herein, by reason of this report is not required to give testimony in court or attend hearings, with reference to the property herein appraised, unless arrangements have been previously made therefore.
11. The Contract for the appraisal/consulting services is fulfilled by the signer hereto upon the delivery of this report duly executed.
12. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and zoning laws unless non-compliance is stated, defined and considered in the appraisal report.
13. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, 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 the field, if desired.

---

## ORDINARY LIMITING CONDITIONS (continued)

14. The Americans with Disabilities Act (ADA) became effective January 26, 1992, we have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

---

## EXTRAORDINARY ASSUMPTIONS

(Note: extraordinary assumptions may have an effect on the appraiser's opinion of value)

EXTRAORDINARY ASSUMPTION – *Source, Appraisal Institute, Dictionary of Real Estate Appraisal, 5th ed.*

An assumption, directly related to a specific assignment, which, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

Extraordinary assumptions presume as fact otherwise uncertain information 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.

1. The main body of the subject is the former site of the City's power plant and as such the site was found to be environmentally contaminated, but per information provided verbally by my client's representative, Ms. Rebecca Grohall, Planning Director for the City of Fort Pierce, per the Florida Department of Environmental Protection (FEDP) the subject is considered a "clean" site, thus my opinion of value assumes there are no detrimental environmental issues on the site negatively affecting the subject's value.

2. Also, per a survey and an email message provided by Ms. Rebecca Grohall, Planning Director for the City of Fort Pierce, "it appears the DEP (prior to issuing a full clearance as a "clean" site) requested the City develop a deed restriction that prohibits within some portions of the subject ground water source (as drinking water, irrigation, etc.), and drainage retention. A survey of the restricted area, prepared by Thomas P. Kiernan, Licensed Professional Surveyor & Mapper, survey identified as Job No, 13-071, dated 3/17/2017, is provided within the Property Description section of this report. My opinion of value recognizes the effects this restriction may have on the subject's development potential, thus value.

3. Ms. Rebecca Grohall, Planning Director for the City of Fort Pierce, provided a sketch of the subject titled Proposed Development Area, approximately 6.25 acres – King Plant Redevelopment RFQ 2014-010, dated 12/4/13. Also, Ms. Grohall obtained from the City Engineer, a copy of a survey of the subject's boundary. The survey was identified as prepared by Clinton H. Knobloch, Professional Surveyor & Mapper, but unsigned by the surveyor, apparently employed by LBFH Civil Engineers, Surveyors & Mappers, with the survey dated 12/8/2000, project 00-0300, with last revision 12/13/2000.

Plus

Per data provided by Ms. Rebecca Grohall, the Avenue "B" right of way lying along the subject's south property line is to be included in the appraisal as a portion of the developable site.

---

## EXTRAORDINARY ASSUMPTIONS (continued)

Finally, per discussions with Mr. Jack Andrews, City Engineer, and further surveys of the subject provided by Mr. Andrews, my opinion of the subject's value assumes the subject appraised is some 7.21 acres in area as identified in the Property Description section of this report.

## HYPOTHETICAL CONDITIONS

HYPOTHETICAL CONDITION – Uniform Standards of Professional Practice (USPAP), 2014-2015, ed.

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.

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.

The subject's zoning and land use classifications are I, Industrial, remnants of the past power plan use and within the subject's location industrial improvements do not appear to be logical or feasible development.

Per the City's Planning Department Director, Ms. Rebecca Grohall, .....“the City Commission has voiced support for rezoning and understands a rezoning will be needed. Its envisioned that its future as a possible hotel site, restaurant, retail etc. would most likely seek out a PD (Planned Development) type zoning. The PD is best described as a flexible district that supports a variety of uses as well as giving the opportunity to negotiate setbacks, height, etc. without seeking variances (all of that becomes described in the approval of a PD)”.

Also per Ms. Grohall, a few years ago, the City overhauled the PD regulations (used to be PUD and quite inflexible) to help infill development and places where traditional zoning (i.e. like a commercial zoning) may not completely fit the site.

Therefore, my appraisal and opinion of value assumes the subject's legal use is per the city's PD zoning classifications or similar classifications allowing the subject very similar development potential which is considered a Hypothetical Condition as defined above.

---

## CERTIFICATE OF APPRAISAL

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

- a) The statements of fact contained in this report are true and correct.
- b) The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased professional analyses, opinions, and conclusions.
- c) I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- d) I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- e) My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- f) 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.
- g) My analysis, opinion, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- h) I have made a personal inspection of the property that is the subject of this report.
- i) No one provided significant real property appraisal assistance to the person signing this certification.
- j) The reported analyses, opinion, and conclusions were developed, and this report has been prepared, in conformity with the requirement of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute including the Uniform Standards of Professional Appraisal Practice.
- k) The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- l) "As of the date of this report, I, Daniel D. Fuller, MAI, SRA, have completed the continuing education program for Designated members of the Appraisal Institute."
- m) This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- n) I have not previously appraised this property nor have I provided any services in any capacity related to this property in the three years prior to engagement for this assignment.



---

Daniel D. Fuller, MAI  
State-Certified General Real Estate Appraiser RZ 567

---

OWNER OF RECORD AND SALES HISTORY

Owner of Record

Fort Pierce Redevelopment Agency  
100 N. US Hwy. 1  
Fort Pierce, Florida 34950

And

Fort Pierce, City of & Fort Pierce Utilities Authority  
P.O. Box 3191  
Fort Pierce, FL 34948  
(Tax parcel(s) – 2410-503-0030-000/8 & 503-0034-000/6)

And

Fort Pierce, City of  
P.O. Box 1480  
Fort Pierce, FL 34948  
(Tax parcel – 2410-503-0043-000/2)

Sales History

Based on the public records reviewed, there no sales of the subject parcels applicable to the current market.

Lease Data

The subject is owner occupied, thus no leases encumber the subject.

Listing / Contract Data

The subject is not offered for sale and is not under a sale/purchase agreement.

---

## LEGAL DESCRIPTION

The following legal description(s) are from available Public Record information, verified by the legal descriptions included in the survey previously identified in the Extraordinary Assumptions, prepared by Clinton H. Knobloch, Professional Surveyor & Mapper, but unsigned by the surveyor, apparently employed by LBFH Civil Engineers, Surveyors & Mappers, with the survey dated 12/8/2000, project 00-0300, with last revision 12/13/2000 –

Parcel ID: 2410-503-0041-020-4 (Primary parcel)

AARON LEE'S MAP OF FORT PIERCE 10 35 40 BEG AT SW COR OF LOT 2 BLK F RUN NWLY ALG E RD R/W LI OF N 2 ST TO S BANK OF MOORE'S CREEK, TH ELY ALG S BANK OF MOORE'S CREEK TO E RD R/W LI OF IND RIV DR, TH SLY ALG IND RIV DR TO SE COR OF BULKHEAD OF RECREATION PIER, TH WLY TO INT OF ELY RD R/W LI OF N 2 ST AND SW COR OF LOT 2 AND POB-LESS E 20 FT AND LESS S 50 FT AND LESS N 165 FT OF E 75 FT AND LESS S 87 FT OF W 67 FT- (assessed - 3.75 AC)

Parcel ID: 2410-503-0043-000-2 (Avenue "B" R/W & Indian River Dr. frontage)

AARON LEE'S MAP OF FORT PIERCE 10 35 40 E 20 FT AND S 50 FT AND N 165 FT OF E 75 FT AND S 87 FT OF W 67 FT OF THE FOL DESC PARCEL: BEG AT NW COR OF LOT 2 BLK F RUN NWLY ALG E RD R/W LI OF N 2 ST TO SLY LI OF MOORE'S CREEK, TH ELY ALG R/W LI OF MOORE'S CREEK TO E RD R/W LI OF IND RIV DR, TH SLY ALG IND RIV DR TO SE COR OF BULKHEAD OF RECREATION PIER, TH WLY TO INT OF ELY RD R/W LI OF N 2 ST AND SW COR OF LOT 2 AND POB- (assessed - 1 AC - 43,560 SF)

Parcel ID: 2410-503-0012-010-9 (Primary site north of Moore's Creek)

AARON LEE'S MAP OF FORT PIERCE 10 35 40 BLK A LOTS 2, 3 AND 4 AND BLK B LOT 1-LESS W 20 FT AND LESS E 92.70 FT OF THE FOL DESC PARCEL: BLK A LOT 1 AND THAT LAND ABUTTING LOT 1 ON E LYG BTWN E LI OF LOT 1 AND W LI OF TRACT Y OF IND RIV MEMORIAL PARK- (assessed - 0.69 AC)

Parcel ID: 2410-503-0019-000-5 (NE portion of site on west of N. 2<sup>nd</sup> St. & north of Ave. "B" R/W)

AARON LEE'S MAP OF FORT PIERCE BLK B FROM INT OF N RD R/W LI OF AV B AND W RD R/W LI OF N 2 ST, TH RUN NLY 126.3 FT M/L TO POB; TH WLY 87 FT M/L, TH AT RT ANGLE RUN NLY TO MOORE'S CREEK, TH MEANDER ALG CREEK TO W RD R/W LI OF N 2 ST, TH SLY ALG R/W TO POB-LESS NLY 20 FT- (assessed - 0.10 AC)

Parcel ID: 2410-503-0020-000-5 (Primary portion of site on west of N. 2<sup>nd</sup> St. & north of Ave. "B" R/W)

AARON LEE'S MAP OF FORT PIERCE BLK B BEG INT OF N RD R/W LI OF AV B AND W RD R/W LI OF N 2 ST, TH RUN NLY 126.3 FT M/L, TH WLY 87 FT M/L, TH NLY TO MOORE'S CREEK, TH MEANDER ALG CREEK WLY TO R/W LI OF FEC RR, TH SLY ALG R/W LI TO N LI OF AV B, TH ELY TO POB-LESS NLY AND WLY 20 FT- (assessed - 0.41 AC)

Parcel ID: 2410-503-0030-000-8 (SE portion of site on west side N. 2<sup>nd</sup> St. & south of Ave. "B" R/W)

AARON LEE'S MAP OF FORT PIERCE BLK E LOT 1 AND W 3.5 FT OF LOT 2 (assessed - 0.17 ac.)

---

## LEGAL DESCRIPTION (continued)

Parcel ID: 2410-503-0034-000-6 (SW portion of site on west side N. 2<sup>nd</sup> St. & south of Ave. "B" R/W)  
AARON LEE'S MAP OF FORT PIERCE BLK E LOTS 5 AND 6 AND N 15 FT OF W 100 FT OF PALM TERR (assessed - 0.49 ac.)

### Easements

Per a sketch of the subject titled Proposed Development Area - King Plant Redevelopment RFQ 2014-010, dated 12/4/13, the area of the subject fronting Indian River Drive and within the Avenue "B" right of way, also a part of the subject (Parcel ID: 2410-503-0043-000/2) there are utility easements to accommodate existing water, sewer and gas mains. In my opinion, the location of the easement area does not appear to negatively affect the subject's development potential.

I am unaware if there are any other easements on the subject which might negatively affect the subject's value. However, non-recorded easements may be in-place thus your attention is directed to Ordinary Limiting Conditions #5.

### Other Restrictions

As previously discussed within the Extraordinary Assumptions section of this report, per a survey and an email message provided by Ms. Rebecca Grohall, Planning Director for the City of Fort Pierce, "it appears the DEP (prior to issuing a full clearance as a "clean" site) requested the City develop a deed restriction that prohibits within some portions of the subject ground water source (as drinking water, irrigation, etc.), and drainage retention. A survey of the restricted area, prepared by Thomas P. Kiernan, Licensed Professional Surveyor & Mapper, survey identified as Job No, 13-071, dated 3/17/2017, is provided within the Property Description section of this report. My opinion of value recognizes the effects this restriction may have on the subject's development potential, thus value.

A map locating the subject and photographs of the subject comprise the following Exhibits.



---

Subject Photographed 4/9/17



Subject – SE view from Moore's Creek bridge



Moore's Creek & bulkhead installation in progress



South view subject's Indian River Dr. frontage  
(right beyond bridge railing)



Intersection Indian River Dr. & Avenue "B" on left w/ City Marina on right



Westerly view along Avenue "B"  
(also part of subject)



Subject at SE corner N. 2<sup>nd</sup> St. & Backus Ave.



Southerly view along N. 2<sup>nd</sup> St. & Moore's Creek bridge



Subject lying west of N. 2<sup>nd</sup> St.

---

## AREA DATA

A summary of City of Ft. Pierce and St. Lucie County Area Data is found in Addendum A of this report.

- The subject is located within the Fort Pierce CBD.
- There are three incorporated cities within St. Lucie County, Fort Pierce, Port St. Lucie and St. Lucie Village.
- Fort Pierce is the oldest city with a 2000 census population of 38,683 and the 2015 US Census Bureau estimate of total population is 44,484, an increase of approximately 14.9% for the fifteen-year period (1.0%/year).
- Port St. Lucie was incorporated in the early 1960's with population in 2000 of 85,751, and per census data the 2015 population is estimated to total 179,413, an increase of approximately 109% for the fifteen-year period (7.2% per year).
- St. Lucie Village is a mostly residential community with a population of some 600 persons, and historically very little change in the community thus the community has nominal impact on the County.
- The 2000 census placed the County's total population at 190,677 with the US census bureau reporting in 2015 an estimated total population of 298,563, an increase of approximately 57% for the fifteen-year period (3.8% per year).
- Over the past fifteen years, population growth within the City of Fort Pierce has been relatively nominal and expected to continue to grow at a relatively slow pace. A majority of the near-term growth in St. Lucie County is expected to occur in and surrounding the City of Port St. Lucie. To a great degree this occurs because the City of Ft. Pierce has little vacant land for new growth vs. the platted areas of the City of Port St. Lucie approximately 70% developed, plus large acreage tracts in the southwest environs of the City remain available for development.
- Demand in most market segments collapsed between late 2005 and early 2007 and demand remains inadequate to support new project development although within the City of Port St. Lucie housing construction is returning in developed residential projects, and uncertainty remains when adequate demand will return to support financially feasible new projects. As demand returns a majority of the County's near term growth is expected to return in and around the City of Port St. Lucie with near term growth in the City of Ft. Pierce and northerly St. Lucie County is expected to continue growth at its slow pace until strong demand is recognized regionally.

---

## NEIGHBORHOOD DATA

Neighborhoods are defined as – “a group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises” - Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2010)

### Neighborhood Boundaries

- North: Fisherman’s Wharf, 8± blocks north of the subject.
- South: Easter Avenue, 7± blocks south.
- East: Indian River, across street.
- West: 7<sup>th</sup> Street, 5± blocks west.

A Neighborhood Map depicting approximate neighborhood boundaries comprises the following Exhibit.

### Neighborhood Access

- North - South: U.S. 1, Second Street, Indian River Drive and Seventh Street.
- East – West: In the center of the CBD, Orange Avenue and Avenue A. At the north end of the neighborhood, Seaway Drive, and at the south end of the neighborhood, Citrus Avenue east of U.S. 1, and southerly east of the FEC railroad Easter Avenue, and Georgia Avenue west of the FEC railroad tracks, with Delaware Avenue in the middle of the south ½ of the neighborhood.

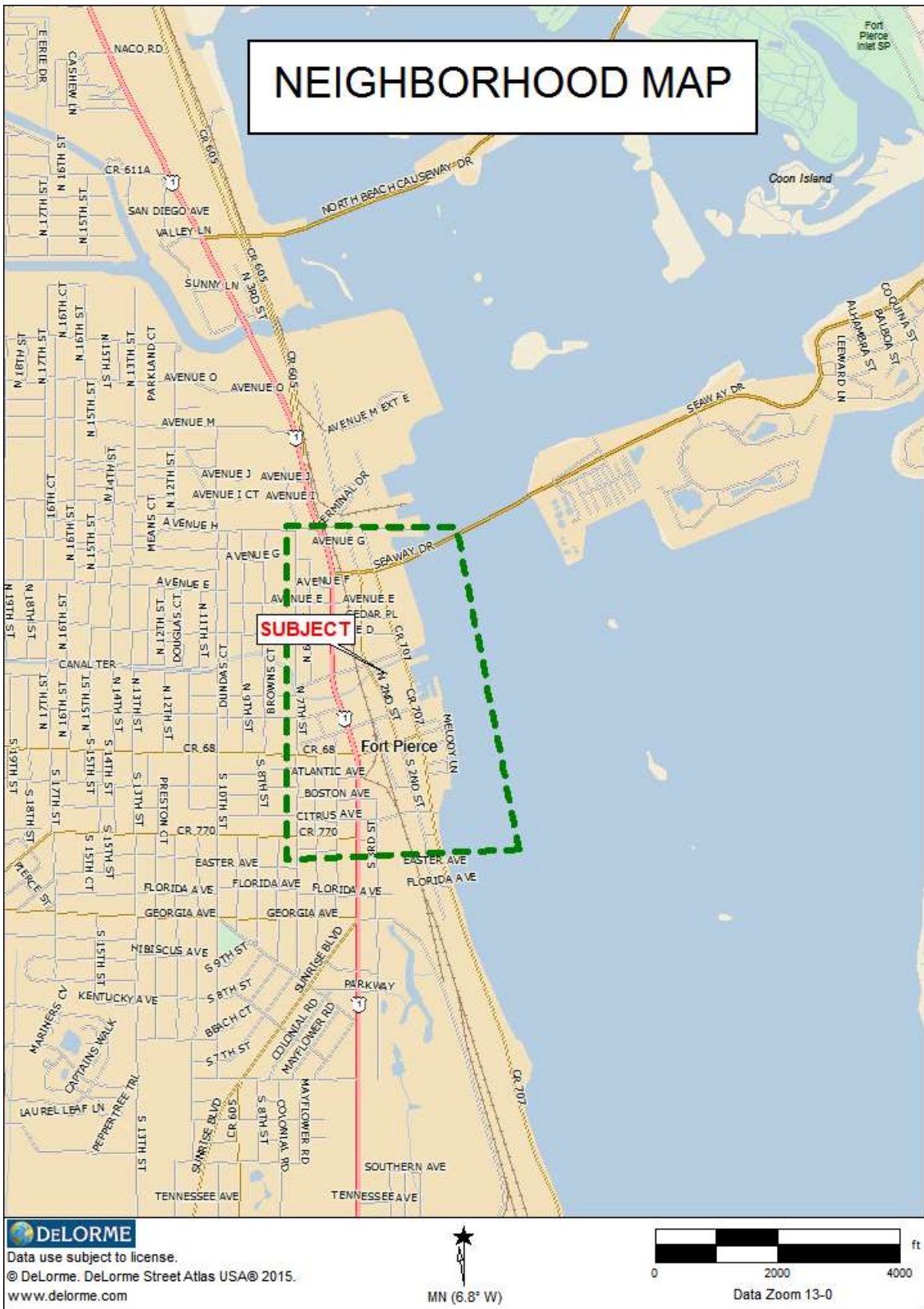
U.S. 1 is a primary high volume highway which in the past was the prominent north-south route along Florida’s east coast and U.S. 1 remains a heavily traveled route for inter and intra county and Treasure Coast connections.

The primary east – west route through the CBD is Orange Avenue (S.R. 68), two blocks south of the subject. Orange Avenue begins at the Indian River and extends westerly through St. Lucie County into the east 1/3 of westerly neighboring Okeechobee County, intersecting with U.S. 441 which runs north-south through the center of the state.

Delaware Avenue, west of the FEC right of way extends west to 17<sup>th</sup> Street, 13 blocks west. At this point, Okeechobee Road runs in a southwest direction and Delaware Avenue continues to the west, across 25<sup>th</sup> Street, terminating at Hartman Road.

Second Street is the center north-south street through the central CBD. Second Street begins at a dead end at the south end of the CBD neighborhood, eight blocks south of the subject, and terminates in the “Port” neighborhood north of and adjacent to the CBD neighborhood.

Throughout its length Second Street is accessed by the primary and secondary east-west routes such as Orange Avenue, Avenue “A”, Citrus Avenue, Delaware Avenue



---

## NEIGHBORHOOD DATA (continued)

and Easter Avenue. Second Street remains the primary street through the CBD and provides direct access to the County Courthouse and access from the CBD to Seaway Drive and the Ft. Pierce Beach neighborhood. Within the area of the subject, Second Street becomes somewhat secondary, primarily servicing immediate neighborhood development, although there is some through traffic accessing the center of the CBD. The subject lays on both sides of Second Street.

Indian River Drive is also a primary north-south street running through the east portion of the neighborhood, accessing CBD properties, and providing inter and intra county access to south St. Lucie County and Martin County to the south. Indian River Drive lies one block east of the subject. The subject has extensive frontage on Indian River Drive.

Streets such as Avenue "A", Citrus Avenue and Backus Avenue support Orange Avenue and Indian River Drive providing access from U.S. 1 to north and south portions of the neighborhood. These streets are expected to remain "as is" in their support capacity.

Seventh Street forms the approximate westerly CBD neighborhood boundary and provides a secondary north-south route from just north of the CBD neighborhood to residential neighborhoods lying south of the CBD. Seventh Street, however, primarily serves residential neighborhoods lying west of the CBD.

Overall, access to the subject and all portions of the neighborhood is adequate and typical for a CBD neighborhood.

### Percent Developed and Property Uses

The neighborhood is approximately 90% developed. While there has been very limited new development in the neighborhood in recent years, in approximately 2006 an office project was constructed on a site on Citrus Avenue and South 7<sup>th</sup> Street, and a federal courthouse was completed in December 2012 on a site forming the southwest corner of US 1 and Orange Avenue. Plus, during the past high demand period of 2004 – 2007, The Renaissance, a relatively large mixed use project was constructed within the CBD.

There are a limited number of vacant sites within the neighborhood, but most remaining vacant site are of the size to support a mixed-use project. Redevelopment via razing older improvements is not expected to occur until demand strengthens, but even in a high demand market because of historic designations of older improvements, legally some improvements may not be legally razed.

---

## NEIGHBORHOOD DATA (continued)

The neighborhood consists of a mix of commercial properties including retail, office, restaurants, plus the neighborhood is heavily weighted with governmental properties including the St. Lucie County and Federal court facilities, plus social services agencies and with residential properties located within the north, south and west boundaries of the neighborhood, plus as mentioned, The Renaissance mixed residential / commercial property was constructed in recent years, although there are a modest number of residential units in the project.

The subject's neighborhood is the historical Central Business District (CBD) of the City of Ft. Pierce. Like most CBDs in older Florida cities the neighborhood flourished until the 1960's when modern strip retail centers became vogue and the CBD could not compete with new modern large retail facilities with adequate convenient parking.

The subject's neighborhood experienced its economic bottom approximately thirty years ago and since then economic and property conditions have gradually improved. The City has invested heavily in refurbishing infrastructure in the CBD, the Main Street organization, and Community Redevelopment Agency (CRA) have also invested in the neighborhood, plus until about 2007 individual investor interest increased.

By early 2007 almost all of the properties in the core of the CBD, Avenue "A" to Citrus Avenue and U.S. 1 to the Indian River were restored. Some restorations were total and some to a much lesser degree but in most instances property conditions were vastly improved. Also, as mentioned, one or two new properties were developed. However, beginning in early 2007 the economy moved into a recession with demand in the real estate markets all but totally disappearing. While in recent years' demand in the City's residential markets have significantly strengthened, demand in the commercial markets has only slowly absorbed space with rental rates and sales prices slowly increasing. Within the CBD owners are again refurbishing properties, i.e. a neighborhood 7-11, plus a Subway sandwich shop and local tenants now occupy a once long term vacant building located on the NE corner of Orange Avenue and 2<sup>nd</sup> Street, and a former bank property at the SE corner of Orange Avenue and 2<sup>nd</sup> Street is undergoing a complete remodeling leaning towards retail tenants, and the former "JC Penny" building at the SE corner of 2<sup>nd</sup> Street and Avenue "A" has been remodeled to accommodate a new tenant, and demand for modest finished office space has improved, but there are also properties where vacancy remains relatively high.

### Future Economic Conditions

The City Marina has been redeveloped plus the grounds of the Community Center have been redeveloped, and the Backus Art Gallery recently completed an expansion, however, while governmental or non-profit projects strengthen the neighborhood economics, private investment needs to strengthen, again, and the current economic

---

## NEIGHBORHOOD DATA (continued)

recovery needs to continue for several years to further strengthen the financial feasibility of remodeling existing properties and support financial feasibility of developing new projects.

Although the CBD neighborhood is convenient for residents to access County and federal court facilities, City and Utilities Authorities offices, the Fort Pierce Beach neighborhood, and the northerly adjacent “port neighborhood” which should strengthen demand in the neighborhood, the slowly improving economic conditions are a negative.

Within other City neighborhoods, several new “dollar stores” have opened, catering to the city’s economic base, and in most instances throughout the Treasure Coast the “dollar stores” appear to be successful.

Also, within other city neighborhoods niche market users are in the planning or approval process for construction i.e. a “Chick Fil a” restaurant is proposed for the I-95/Florida Turnpike interchange neighborhood, and an Aldi Grocery store is proposed for a U.S. 1 site south of the CBD neighborhood, however, new development remains soft with only the occasional new project which is a negative to absorbing the subject or other vacant sites within the CBD.

### Conclusion

For many years’ the CBD neighborhood experienced relatively drastic swings in demand. In recent years’ demand has moved in a positive direction but the economic recovery has been slow in all Fort Pierce commercial real estate markets, generally well behind the recovery curve as experienced within the City of Port St. Lucie and southerly coastal communities.

A currently unidentified niche market user may be found to absorb the subject, but in the near-term demand is not expected to fully absorb a property of the subject’s size and while it is unknown when economic strengthening will support the cost of all new construction, but when strengthening occurs the subject is expected to experience positive demand because of its location within the CBD.

<b>CENSUS TRACT</b>
<p>A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tract boundaries normally follow visible features, but may follow governmental unit boundaries and other non-visible features in some instances; they always nest within counties. Designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time of establishment, census tracts average about 4,000 inhabitants. They may be split by any sub-county geographic entity. (U.S. Census Bureau)</p> <p>Source: Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i>, 5th ed. (Chicago: Appraisal Institute, 2010).</p>
<p><b>Per St. Lucie County Census Map, subject is located within Census Tract 3801</b></p>

---

## ZONING/LAND USE CLASSIFICATIONS

Authority - Fort Pierce City Commission

Administration - Ft. Pierce City Planning and Zoning Department.

The subject's legal use is permitted by Zoning and Land Use Classifications. The subject's zoning and land use classifications are I, Industrial, remnants of the past power plan use and within the subject's CBD location, industrial development does not appear to be a compatible or feasible use.

Per the City's Planning Department Director, Ms. Rebecca Grohall, ...."the City Commission has voiced support for rezoning and understands a rezoning will be needed. Its envisioned that its future as a possible hotel site, restaurant, retail etc. would most likely seek out a PD (Planned Development) type zoning. The PD is best described as a flexible district that supports a variety of uses as well as giving the opportunity to negotiate setbacks, height, etc. without seeking variances (all of that becomes described in the approval of a PD)".

Also per Ms. Grohall, a few years ago, the City overhauled the PD regulations (used to be PUD and quite inflexible) to help infill development and places where traditional zoning (i.e. like a commercial zoning) may not completely fit the site.

Thus, while it appears the land use classification will remain Industrial, but the most likely zoning classification for the property is PD, with details of the PD zoning as follows:

### Zoning – **Sec. 22-40. - Planned Development Zone (PD).**

(a) *Purpose.* The PD District is intended to provide a process for the evaluation of individually planned developments which are not otherwise permitted in the zoning districts established by this chapter. The PD District is to be a voluntary process commenced by an applicant for such zoning designation. The standards and procedures of this district are intended to promote flexibility of design and permit planned diversification and integration of uses and structures, while at the same time granting the city commission the absolute authority to establish such limitations and regulations as it deems necessary to protect the public health, safety and general welfare. In so doing, the PD district is designed to:

- (1) Provide for the planning, review and approval of one or a combination of residential, commercial, public and industrial land uses not otherwise allowed under general zoning districts.
- (2) Encourage structures which result in an organized, compatible development within and with surrounding land uses in density and intensity of use.
- (3) Allow flexibility through a more efficient arrangement of structures, utilities, on-site circulation, and ingress and egress than is permitted under conventional zoning and subdivision regulations.
- (4) Encourage the preservation of environmental assets and natural amenities as scenic and functional open-space areas.
- (5) Encourage usable open space by permitting a more concentrated building area than is allowed under conventional zoning and subdivision regulations.
- (6) Encourage innovative site planning and land development concepts in order to create an aesthetically pleasing and functionally desirable living environment while preserving onsite natural elements and cultural resources.
- (7) Promote flexibility and efficiency in site design for more desirable living and working environments.

- 
- (8) Promote development that is adapted to natural features, including wetlands, trees and other vegetation and habitat, and which avoids the disruption of natural drainage patterns.
- (9) Permit site specific requirements based on the unique characteristics of the individual site.
- (10) Permit site specific limitations where necessary to protect public health, safety, or welfare, or for the protection or preservation of lands either internal or external to the planned development.
- (11) The terms Planned Development (PD) and Planned Unit Development (PUD) are deemed synonymous and may be used interchangeably throughout the city's Code of Ordinances.
- (b) *General standards for approval.* The Planned Development (PD) district is designed to allow an applicant to submit a proposal for consideration, for any use or any mixture of uses, The approval of planned development rezoning rests with the city commission. However, no rezoning or development plan may be approved unless the following conditions are met:
- (1) *Comprehensive plan consistency.* Any residential, commercial, industrial, or public land uses and structures are permitted in this district, provided the proposed development is shown to be consistent with the goals, objectives and policies of the comprehensive plan, and consistent with the future land use element, and the standards and criteria contained in the following sections, unless a corresponding amendment to the comprehensive plan is also adopted.
- a. *Density.* In no event shall the density granted exceed the maximum gross density permitted under the underlying land use in the comprehensive plan.
- (2) *Perimeter setbacks.* Setbacks at the perimeter of the development shall be equal to those of the abutting zoning district(s), except where city commission finds that alternate perimeter setbacks would be appropriate. Conditions under which alternate perimeter setbacks may be considered include, but are not limited to, the following:
- a. Property in the abutting zoning district is located across a major roadway from the PD, and therefore, a reduced setback would have little or no impact on the character of the adjacent property;
- b. The minimum PD perimeter setback required by this section cannot be achieved due to an exceptional narrowness, shallowness, shape, topographic condition or physical or environmental feature uniquely affecting the subject property.
- c. The perimeter setback may be reduced from the required distance by providing a landscape strip in lieu of the perimeter setback, except where driveways are located, meeting these requirements:
1. The strip shall be no less than five (5) feet wide and include at least one tree for every two-hundred (200) square feet of required landscaped strip and contain a hedge of landscape material which shall be installed and maintained so as to form a forty-eight-inch (48") or higher, continuous, unbroken, solid, visual screen within one-year (maximum) after installation, except in clear vision areas required in [section 22-53](#). The remainder of the required landscaped strip shall be completely covered with groundcover or grass.
2. A wall, berm, or other durable, non-wood privacy fence may be included as part of the landscape strip, but not replace it.
- d. The perimeter setback may be reduced from the required distance by no more than one half ( $\frac{1}{2}$ ) if the abutting property is similar in use, and intensity or density.
- (3) *Open space.* In all planned developments at least twenty (20) per cent of the site shall be devoted to open space, regardless of project size or intended use; open space shall be land devoid of any above-ground structures or buildings, except pergolas, gazebos, pavilions or other open-air structures; or landscape structures such as terraces, planters, walls or retaining walls. Open space may include natural areas, buffer areas, upland habitats, including those areas of on-site preservation required by the other provisions of this Code; recreation areas, but not including swimming pools, tennis courts or other impervious activity areas; but may include parks, golf courses, sports fields; bicycle, pedestrian or equestrian paths and facilities; common open space, common landscaping or planting areas; stormwater detention and retention facilities providing that no more than thirty (30) per cent of the overall open space requirement shall be satisfied in this manner; water features, conservation areas or other areas intended for public purposes other than street or road rights-of-way, but shall exclude aquatic areas for conservation and development (A-1 and A-2 zoning).
- (4) *Applicability to other code of ordinances not in conflict herein.* All building code, housing code, and other land use regulations of the City of Fort Pierce not directly in conflict herewith are applicable to the PD district.

- 
- (5) *Easements.* Easements necessary for the orderly extension and maintenance of public utilities and/or other special needs may be required as a condition of approval.
- (6) *Phasing.* When provisions for phasing are included in the development plan, each phase of development must be so planned and so related to previous development, surrounding properties, and the available public facilities and services, that failure to proceed with subsequent phases will not adversely impact drainage, utilities, parking or the traffic flow of the completed phases.
- (7) *Other standards.* All planned developments will comply with regulations affecting signs referred to in [section 22-55](#) and applicable portions of the city's regulations governing subdivisions except that in case of conflict.
- (8) *Additional requirements.* The city commission may also establish additional requirements which it considers necessary to assure that a planned development conforms to the intent of this section.
- (9) *Variances are not necessary.* The specific development standards of the PD district are contained in the approved development plan for each planned development which normally takes into account those matters which might otherwise be the subject of variance review by the board of adjustment.
- (c) *Application requirements.* When an application is submitted to rezone property to a PD zoning district, the following items will be submitted in addition to other information submitted in accordance with [section 22-127](#), the city's subdivision regulations or other city laws:
- (1) *Written documents:*
    - a. *Project narrative:* A statement describing the planned development. This statement should include a description of the character of the proposed development as it relates to the development objectives of the city and the city's comprehensive plan as well as the applicant's intentions with regard to the future selling or leasing of all or portions of the planned development, such as land areas and dwelling units.
    - b. *Unified control and property ownership:* All land intended to be included in the planned development shall be under the legal control of the applicant, whether that applicant be an individual, partnership or corporation or group of individuals, partnerships and/or corporations. Material which presents firm evidence of ownership may include a copy of the recorded deed(s), a title policy or an opinion of title. If necessary, material which presents firm evidence of unified control, such as unity of title, on a form approved by the city, shall be submitted with the application.
    - c. *Phasing:* A development phasing schedule indicating:
      1. The approximate date when construction of the project can be expected to begin.
      2. The number of phases in which the project will be built and the approximate date when construction of each phase can be expected to begin and completed.
      3. A general description of the buildings and streetscapes including standards for height, building coverage, parking areas, and public improvements proposed for each phase of the development.
    - d. *Quantitative data for the following:* Total number and type of dwelling units; parcel sizes; proposed lot coverage of buildings and structures; residential gross densities; total amount of open space; and the total amount of nonresidential acreage (including a separate figure for commercial and industrial acreage).
    - e. A list of any exceptions from the standard zoning ordinance and land development code for any features of the proposed development plan.
    - f. Agreements, provisions and covenants which govern the use, maintenance and continued protection of the planned development and any of its common open space or other shared areas. This material shall include material which binds successors in title to any commitments concerning completion of the project and its maintenance and operation.
  - (2) *Site plan.* A site plan with the following information must be submitted:
    - a. The existing site conditions, shorelines, flood plains, unique natural features and forest cover.
    - b. A landscape and irrigation plan per [Chapter 22-59](#) LDC.
    - c. Proposed lot lines and other divisions of land for management, use or allocation purposes.
    - d. The location, size and height of present and proposed buildings and structures.
    - e. The location and size of all areas proposed to be conveyed, dedicated or reserved for streets, parks, playgrounds, public and semi-public buildings and similar uses.
    - f. The existing and proposed vehicular circulation system, including off-street parking and loading areas.

- g. The pedestrian circulation system, including its interrelationships with the vehicular circulation system, within the development to adjacent streets, showing all curb cuts and sidewalks.
- h. The existing and proposed utility systems, including sanitary sewers, storm sewers and water, electric and gas lines.
- i. Information on land areas adjacent to the proposed planned development, including land uses, zoning classifications, densities, circulation systems, public facilities and unique natural features of the landscape.
- j. The proposed buffering treatment of the perimeter of the planned development, refuse stations, storage areas, or loading areas, including materials and techniques used such as screens, fences and walls.
- k. The location of existing wetlands, proposed preservation and conservation areas.
- l. A statement describing any endangered or threatened species that may be located on the site and potential environmental impacts on flora and fauna.

(d) *Planned development review procedures.*

(1) *Pre-application conference.* The pre-application conference is an informal discussion between the applicant and the staff of any department that will be involved with the technical review of the proposed planned development. The applicant is encouraged to provide the following information related to the proposed development at the meeting.

- a. Consistency with the adopted comprehensive plan.
- b. Adequacy of utilities and other public facilities to serve the proposed development.
- c. Relationship with the surrounding neighborhood.
- d. Compliance concerns.

(2) *Site development plan.* Will include all information specified in this section. The procedure for reviewing the development plan is the procedure set forth in [section 22-128](#), amendment procedures, and [section 22-58](#), site plan review. If the proposed planned development also involves the subdividing of land which is regulated by the city, the preliminary plat should be reviewed concurrently with the development plan as specified in [chapter 18](#). Approval of a development plan or approval of the plan with conditions shall occur concurrently with a change in zoning for the property.

(e) *Adherence to approved development plan.* Building permits for construction shall be issued only if consistent with an approved development plan. No building permit or certificate of occupancy shall be issued for a planned development except in conformity with all provisions of the approved final plan, as amended. All buildings and improvements in a particular phase need not be complete before the issuance of a certificate of occupancy for a completed building in that phase unless otherwise required by the final plan as approved.

(f) *Modification of an approved PD site plans.* Changes to approved PD site plans are either major modifications or minor modifications. A major modification shall require the approval of the city commission, while a minor modification may be done administratively by the planning manager (or designee)

(1) *Modification review criteria.* Generally, additions, deletions, changes in the use, density, sequence of development or other specifications of an approved PD plan are to be viewed as a major modification. Once a determination has been made that a proposed modification constitutes a major modification, the applicant shall follow the same procedure as a new planned development request. An application for a major modification shall be filed in the planning department. Applications for a major modification of PD plans may require an updated, revised PD site development plan or portions thereof indicating the effect of the proposed change, a narrative description of the modification and reasons such a change is necessary, and additional information as required by the planning manager (or designee) to adequately review the proposed modification.

The following alterations shall be considered a major modification, and reapplication as a new development plan will be required:

- a. Increase or decrease in intensity of use. A change of five (5) per cent or more of usable floor area, or a change of five (5) per cent or more in the number of dwelling units, or a change of five (5) per cent or more of outside land area devoted to sales, displays, or demonstrations. In no case shall the intensity or density be increased over the maximum allowed by the future land use element of the comprehensive plan.
- b. Any change in the location of the parking area(s), or a change of ten (10) per cent or more in the number of spaces approved.
- c. Structural alterations significantly affecting the basic size and form of the building(s) as shown on the approved plan including increase in building height of more than one (1) story or twelve (12) feet.

- 
- d. Any reduction in the amount of open space by five (5) per cent or more, or a substantial change in the location or characteristics of open space uses.
  - e. Substantial changes in location or type of pedestrian or vehicular accesses or circulation.
  - f. Any change which would increase traffic generation by more than ten (10) per cent.
  - g. Any change in land use or an increase in density within five hundred (500) feet of the PD boundaries, or within two hundred (200) feet of any part of the planned development which has been constructed or sold to an owner or owners different from the applicant requesting the change.
  - h. Any deviation exceeding twelve (12) inches from the setbacks, area, or dimensional standards approved as part of the site development plan.
  - i. A change to the buffering material that negatively impacts the surrounding neighborhood.
  - j. Any change in the design and/or location of the stormwater facility that negatively impacts the surrounding neighborhood.
  - k. Any addition or reduction to the area of a planned development.
  - l. Changes proposed to three (3) or more of the criteria that do not meet the threshold individually to be considered a major modification.
  - m. Any change in a condition specifically required by the city commissioners as part of the planned development approval.

(2) *Minor modification.* Any modification to an approved PD plan which does not constitute a major modification shall be considered a minor modification. Generally, minor variations, extensions, alterations or modifications of proposed uses, buildings/structures or other improvements which are consistent with the purpose and intent of the approved PD plan are considered minor modifications. Upon determination that the proposed modification is a minor modification, the planning manager (or designee) shall render a decision to the applicant within fifteen (15) working days after submission of a completed modification application. Applications for a modification shall include an updated, revised PD site development plan indicating the effect of the proposed change and a narrative description of the modification and the reasons why such a change is necessary.

(3) Prior to build-out of fifty (50) per cent of the land in a planned development, the property owner shall have the right to initiate any amendments to any developed or undeveloped portions of the planned development. After fifty (50) per cent or more of the land in the planned development has been built-out, the property owner may initiate any amendments to undeveloped portions of the planned development, however, amendments to developed portions of the planned development may only be initiated by:

- a. The property owner, for an amendment to the planned development which is not applicable to all developed portions of the planned development; or
- b. Petition by the owners of more than fifty (50) per cent of the developed property in the PD district for an amendment to the planned development applicable to all of the developed portions of the planned development; or
- c. City commission, where necessary to preserve the health, safety and welfare of the property owners in the planned development.

(g) *Status of previously approved PUD (Planned Unit Development zone) plans.* Any active or completed planned development project approved prior to the adoption of this section shall continue to be governed by the approved PUD plan and any agreements, terms and conditions to which the approval may be subject, as long as the project continues to be actively under development. Any time limitations to which the approved PUD plan may be subject shall also continue to apply. However, whenever any application is made to substantially modify (see major modification), the approved PUD plan or to undertake a new development on part or all of the property, the application shall be made under the terms and procedures of the PD district.

(h) *Expiration of an approved PD plan.* Any planned development approval for a project which has failed to commence by securing a building permit for a vertical improvement in accordance with the approved PD plans within two (2) years of final approval of the planned development, shall be considered expired. However, if the property owner obtains a building permit for a vertical improvement in accordance with the approved PD plans within two (2) years after final approval of the planned development, the property owner's development rights under the PD approval shall be deemed vested and shall not expire. Extensions to the expiration date of the PD approval may be granted by the city commission in two-year increments. Any request for an extension to the expiration date of the PD approval must be submitted in writing to the planning manager for review no later than the expiration date of the PD approval.

---

If the PD expires, the land will retain the PD zoning designation; however the site development plan approved with the PD rezoning will be null and void. Either the previously approved or a new site development plan can be used to reapply.  
(Ord. No. 15-004, §§ 1, 2, 3-2-15; [Ord. No. 15-006, § 1, 6-15-15](#))

**Editor's note**— Ord. No. [15-004](#), §§ 1, 2, adopted March 2, 2015, repealed the former [§ 22-40](#), and enacted a new [§ 22-40](#) as set out herein. The former [§ 22-40](#) pertained to planned unit development zone (PUD). See Code Comparative Table for complete derivation.

It appears the City Commission is open to developing the subject with a mixed-use project, likely high density, giving a developer a relative wide range of flexibility but development potential depends upon the use(s) projected project.

<b>CONCURRENCY</b>
Concurrence is the comparison of any proposed development's impact on public facilities and the capacity of the public facilities that are, or will be, available to serve the proposed development. Compliance with Concurrence is required of all proposed new development in St. Lucie County. Concurrence is determined when a site plan is submitted to the County Commission for approvals.
<b>The subject is vacant thus Concurrence review and approval will be addressed when a site plan is submitted for approval.</b>

### ASSESSED VALUE and TAXES

The major taxing authorities for the subject are the City of Fort Pierce and St. Lucie County. Taxes are based on Just Values estimated by the St. Lucie County Property Appraiser and on millage rates set by the Tax Collector using various taxing districts' approved budgets. Taxes are assessed in arrears based on valuations as of January 1st of the tax year. Tax bills are delivered in November and become payable in total March 31<sup>st</sup> of the following year.

Florida's Constitution requires all property to be appraised as "Just Value", a concept which is not adequately defined by the Florida statutes. While it is generally taken to mean "Full Value", in practice, assessments vary widely and do not provide a reliable indication of Market Value as defined herein.

#### 2016 Assessment and Tax Information

Note: 2016 assessments and taxes are reported as 2017 assessments and taxes remain unpublished as of the date of appraisal.

TAX ID #	Market (Just) Value	Assessed Value	*TAXES / **NON-ADVALOREM ASSESSMENTS
<b>Subject west of N. 2<sup>nd</sup> St.</b>			
2410-503-0019-000/5 (0.10 ac. assessed)	\$63,200 (\$14.50/SF)	\$63,200	*\$0 / **\$16.20
2410-503-0020-000/5 (0.41 ac. assessed)	\$259,000 (\$14.50/SF)	\$259,000	*\$0 / **\$59.40
2410-503-0030-000/8 (0.17 ac. assessed)	\$106,900 (\$14.44/SF)	\$106,900	*\$0 / **\$27.00
2410-503-0034-000/6 (0.49 ac. assessed)	\$265,000 (\$12.42/SF)	\$265,000	*\$0 / **\$70.20
<b>Subject east of N. 2<sup>nd</sup> St.</b>			
2410-503-0041-020/4 (3.75 ac. assessed)	\$2,368,600 (\$14.50/SF)	\$2,368,600	*\$0 / **\$626.40
2410-503-0043-000/2 (1.0 ac. assessed)	\$631,600 (\$14.50/SF)	\$631,600	*\$0 / **\$145.80
<b>Subject north of Moore's Creek</b>			
2410-503-0012-010/9 (0.69 ac. assessed)	\$435,800 (\$14.50/SF)	\$435,800	*\$0 / **\$102.60
Totals (6.61 acres)	\$4,130,100 (\$14.34/SF)	\$4,130,100	*\$0 / \$1,047.60

\*Note: subject is governmental owned, thus not taxed.

\*\* Non Ad-Valorem Assessments are for Fort Pierce Stormwater Maintenance.

---

**ASSESSED VALUE and TAXES (continued)**
Reasonableness of Assessment

The assessed value is 1.48 times my opinion of value. The reason for the current assessment level is unknown, except there has been no change since 2010, and with governmental ownership, thus no taxes applied to the property, questioning the accuracy of the assessed value has not occurred.

Upon a sale of the subject it is expected the Property Appraiser will adjust the assessment too within the range of the sales price.

Future Tax Increases

In the past tax rates were relatively stable, however, with the decline in values; tax revenues declined and beginning in 2009 various taxing agencies began to increase tax rates. It is unknown if tax rates will continue to increase, but tax increases can be a detriment to the value of income producing properties unless the economy can support passing the increase to occupants.

<b>UTILITIES</b>	
<b>SERVICE</b>	<b>PROVIDER</b>
Electric	Fort Pierce Utilities Authority
Water	Fort Pierce Utilities Authority
Sewer	Fort Pierce Utilities Authority
Gas	Fort Pierce Utilities Authority
Trash	City of Fort Pierce
Utilities are typical for the subject's market segment.	

<b>FLOOD ZONE DESIGNATION</b>		
<b>FEMA MAP #</b>	<b>MAP DATE</b>	<b>FLOOD ZONE</b>
12111 C 0179J Community Panel # 12111 0179 J	February 2, 2012	X
Flood Zone X – Areas determined to be outside the 2% annual chance floodplain. An area within the northeast corner of the subject is within “other flood areas” & Floodway Areas zone AE (Moore’s Creek), but the AE zone does not appear to be a detriment to developing the subject.		

---

PROPERTY DESCRIPTION

Land: Area: \*7.21 acres (314,068 square feet)  
 Frontage: 491.42± feet (N. Indian River Dr.)  
 559.56± feet (east R/W N. 2<sup>nd</sup> St –  
 split by Moore’s Creek)  
 198.458± feet (west R/W N. 2<sup>nd</sup> St. – split by  
 vacated Ave “B” west of N. 2<sup>nd</sup> St.)  
 284.27± feet (S. R/W Backus Ave.)

\*Note –your attention is directed to Extraordinary Assumptions and the Property Description sections of this report concerning subject’s size and property dimensions.

Also, Avenue “B” runs one way easterly along the subject’s south line, and per potential project maps provided by my client’s representative, and client provided information, the Avenue “B” right of way is a part of the subject.

The subject is essentially four sites separated by Moore’s Creek, North 2<sup>nd</sup> Street and Avenue “B” west of 2<sup>nd</sup> Street. See the following Site Map and Survey Exhibits.

Functionally the subject can be developed as four separate parcels and separate unrelated improvements, or developed as an associated economic unit.

Moore’s Creek is a natural drainage waterway emptying into the Indian River. Adjacent to the subject Moore’s Creek is relatively shallow, plus at the northeast corner of the subject clearance is low under the Indian River Drive bridge, limiting watercraft use of the creek to kayak types.

Improvements: Bulkhead along north/south sides of Moore’s Creek.

Topography - Drainage

- Topography: The subject between Indian River Drive and N. 2<sup>nd</sup> Street, north and south of Moore’s Creek, is level, but building sites will likely require fill to build-up floors to building code levels.  
 The subject lying west of N. 2<sup>nd</sup> Street slopes-up from 2<sup>nd</sup> Street thus most of the area likely will not require fill to meet building code floor elevations, although there is an area in the northeast corner expected to require fill if that part of the property is developed.
- Drainage: Drainage should adequate in the level areas, assisted by engineered drainage when developed, and drainage in the up-sloping areas west of 2<sup>nd</sup> Street should be good.

---

## PROPERTY DESCRIPTION (continued)

### Ingress/Egress – Exposure

- Ingress / Egress: The subject has frontage on 2<sup>nd</sup> Street, Indian River Drive, Backus Avenue, and with the extensive street frontage for all parcels ingress / egress should be good to adequate.
- Exposure: The subject fronts primary CBD neighborhood streets thus exposure is rated as good to average for the neighborhood and competing properties.

### Overall Utility of the Site

- The site's overall utility is considered average for the market segment. The subject is comprised of four physically separate parcels identified as follows:

The subject lying between Indian River Drive and 2<sup>nd</sup> Street, and south of Moore's Creek is some 5.27 acres, and capable of supporting a wide variety of improvement types.

North of Moore's Creek the 0.71-acres parcel can be developed either with an independent use or part of a larger project, economically associated with the larger parcel.

Plus, fronting the west side of 2<sup>nd</sup> Street there are two parcels, one north of and one south of Avenue "B" right of way, totaling 1.23 acres. This parcel can also be developed independently from the other parcels or developed as a part of an overall project. However, this parcel is adjacent to the FEC railroad main track which potentially eliminates some project types, i.e. residential and office use is less desirable in this location. But this site could become say a parking garage component of the overall development of the total project.

### Adjacent Land Uses

- North: North of Backus Avenue offices and residentially developed properties.
- South: There is a vacant site and multi-occupant retail / office improvements.
- East: City Marina.
- West: FEC railroad right of way.

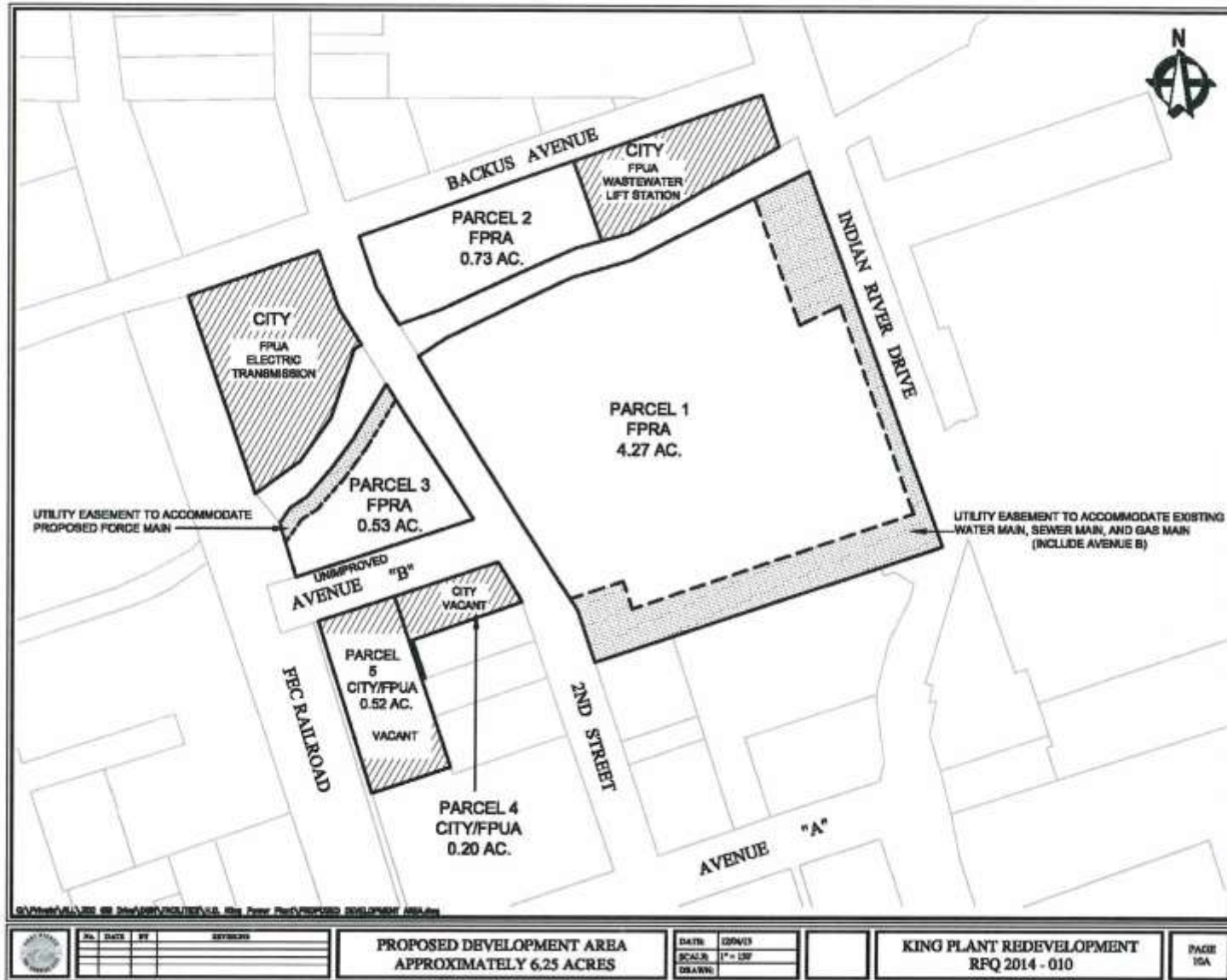
Surrounding uses are typical to the neighborhood and do not adversely affect the subject.

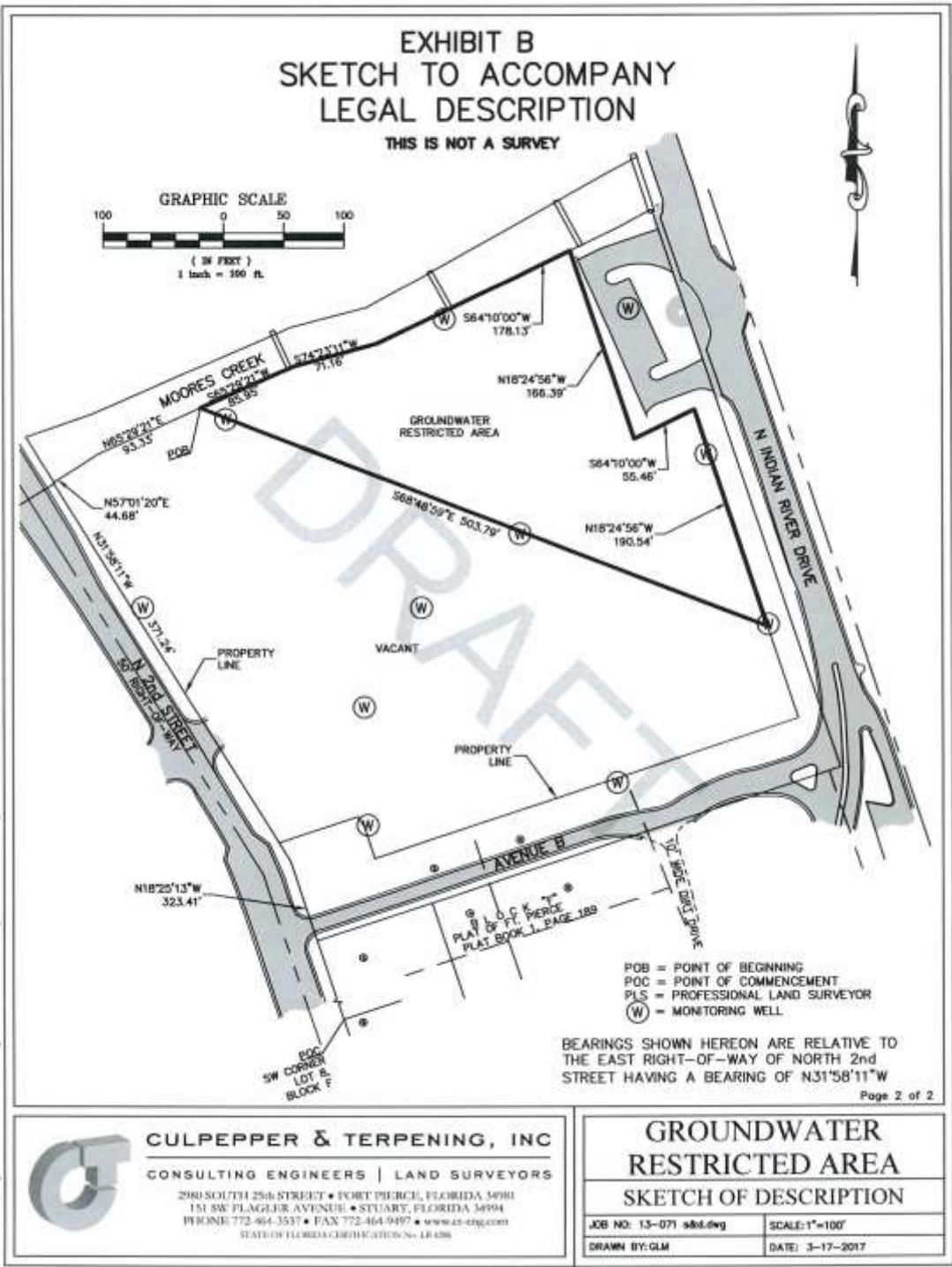
### Improvements

- None – there is a bulkhead (presently being replaced) along the Moore's Creek frontage. The contributory value of the bulkhead is included in the site's value.
- Site Maps comprise the following Exhibits.



Site Map – Aerial Photo (subject in red)





P:\Proj\2013\13-071 HD King Power Plant\Survey\13-071 sskd.dwg, 3/21/2017 3:45:57 PM

### HIGHEST AND BEST USE

The value of real property is directly related to the use to which it can be put. It follows that a particular parcel may have several different value levels under alternative uses. Accordingly, the property appraised herein is appraised under its Highest and Best Use, which is defined as:

"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability".

"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."

In each appraisal of improved property there are two considerations of Highest and Best Use: one for the land considered as though vacant and one for the property as improved.

Highest and Best Use of Land or a Site as though Vacant is:

"Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements".

Highest and Best Use of the property As Improved:

"The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one."

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (2010)

The subject is a vacant site thus only Highest and Best Use analysis "as vacant" or "as is" is required.

---

## HIGHEST AND BEST USE (continued)

### **Site “as is”**

#### Physically Possible Use

Physically, the site is separated into four parcels. The parcels can be developed together via an economically connected use or as separate entities.

The main body of the site is some 5.27 acres in area with two street frontages, plus Moore’s Creek frontage providing limited watercraft (kayak size craft) access to the Indian River. This portion of the subject is adequate size to support a relatively large improvement, or potential exists to develop the property with several separate improvements.

That part of the site lying north of Moore’s Creek is relatively modest size, capable of supporting a modest size improvement, with adequate street frontage for access and exposure, plus again there is possible Moore’s Creek access from the site to the Indian River.

The subject lying west of 2<sup>nd</sup> Street consists of two smaller parcels, but the property’s shape creates development challenges, plus the property is adjacent to the FEC railroad main tracks, potentially limiting some improvement types because of train noise, so this portion of the subject physically may best physically increase the property’s overall functional utility in a support capacity for the subject lying east of 2<sup>nd</sup> Street, i.e. parking garage.

Thus, the subject “as is” can support a variety of very improvements, economically connected or separate, except as discussed, the subject west of 2<sup>nd</sup> Street, in my opinion, improves overall functional utility of the subject in a support function such as a parking garage for improvements east of 2<sup>nd</sup> Street.

#### Legally Permissible Use

The property’s use is affected by zoning and land use regulations. “As is” the subject’s zoning and land use classifications allow industrial development, however, industrial development is not compatible with the subject’s location. But apparently, the City Commission is acceptable to changing the zoning classification to either the City’s PD, Planned Development classification, or similar classifications which allow mixed use projects and essentially variances in setbacks, density, etc. to assist a developer with a project that will best enhance the CBD.

Thus, for the purposes of this appraisal, the subject is valued under the Hypothetical Condition that the subject is zoned PD or the most similar classification.

---

## HIGHEST AND BEST USE (continued)

As mentioned the PD zoning classification allows a wide range of improvement types/uses in the commercial and residential markets, or a mix of commercial/residential development types in keeping with the subject's location, and as previously mentioned, under the physically possible use of the subject, the PD zoning would likely allow an interconnected project and the PD zoning classification is expected to enhance development density.

### Financially Feasible / Maximally Productive Use

Financially Feasible and Maximally Productive development typically produces a positive net income and the highest return to the investment. A new financially feasible use typically is not negatively affected by obsolescence, in other words the cost of construction and a profit is earned through the income the property generates.

Quite often financially feasible uses are found in new construction occurring within a neighborhood. Within the subject's neighborhood, no mixed-use construction in the subject's potential size class has occurred since 2005 and construction of "The Renaissance", a mixed-use retail/office/residential project. With the economic recession of 2008, The Renaissance proved to be financially unfeasible. Based on observed recent sales prices within the Renaissance, it is unlikely a project of the Renaissance's size and quality is currently financially feasible. While resale prices within The Renaissance have increased, prices are not to the level of supporting development costs and profit.

The financial feasibility of developing the subject in say a pod or "village" concept with several different projects constructed as demand requires may be a better concept where the property is subdivided to smaller sites for separate property types with several developers constructing separate improvements as demand warrants, resulting in less risk for a developer vs. developing a one project concept with several business types, with perhaps a co-use parking garage on the west portion of the property.

However, it is recognized that after years of observing demand in the Fort Pierce commercial real estate markets, new construction in the restaurant, hotels, specialty retailers, etc. markets enter the Fort Pierce market at a very slow pace with only a limited number of new properties developed every few years, with the subject potentially experiencing significant competition for the occasional users. Therefore, as of the date of appraisal it is my opinion the financially feasible use is to first develop a preliminary development plan for various potential improvement types, and proceed with in-depth market research within the potential property types, identifying the property types with near term development potential to become one of the maximally productive uses for portions of the site.

---

## HIGHEST AND BEST USE (continued)

The separate parcel development approach may require a longer absorption period but the approach will likely provide flexibility when market conditions change and eventually strengthen the development potential vs. say the one project concept as attempted in The Renaissance project which required an extensive construction period that eventually ran into the 2008 economic recession, ending with mortgage foreclosure as market demand stopped.

Although via public forums there have been many development suggestions, but apparently, none have been thoroughly researched for financial feasibility, thus a study in several potential markets is required to identify the current feasible use.

Therefore, as of the date of appraisal it is my opinion the financially feasible and maximally productive use of the subject is to remain vacant until research and study demand in various market segments is complete to establish potential financially feasible projects and the maximally productive use (the use providing the highest return) and then target that market to begin the development process.

### Conclusion of Highest and Best Use “as is”

Physically, although the subject is comprised of four separate properties, the parcels can be economically interconnect with potentially a common parking garage or a similar secondary use on that part of the property west of 2nd Street. Legally the subject is appraised under the Hypothetical Condition that the subject can be developed under the PD zoning or similar classification allowing a variety of improvement types and somewhat relaxed development standards, i.e. an increase in density levels. Finally, in my opinion, as of the date of appraisal, the financially feasible and maximally productive use of the subject is to remain vacant until research and market study identifies the near term financially feasible and maximally productive development types.

Therefore, it is my opinion, as of the date of appraisal the highest and best use of the subject is to remain vacant until a through economic study identifies the financially feasible and maximally productive use(s).

---

## SALES COMPARISON APPROACH

SALES COMPARISON APPROACH – *Source, Appraisal Inst., Dictionary of Real Estate Appraisal, 5th ed.*

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.

ARM'S LENGTH TRANSACTION – *Source, Appraisal Institute, Dictionary of Real Estate Appraisal, 5th ed.*

A transaction between unrelated parties who are each acting in his or her own best interest.

The Sales Comparison Approach is a form of comparison shopping. In the Sales Comparison Approach (often called the "Market Approach") the subject is compared to recently sold or listed properties most similar to subject in physical characteristics and with highest and best use similar to the subject.

Sales and listings of properties within the subject's market segment may require adjustments to the sales or listing prices to account for transaction and/or physical differences between the sales or listed properties and the subject. With a sufficient number of comparable sales and listings the approach often proves to be the best indication of value as market participant's tendencies can be readily measured and applied to the subject of the appraisal.

### Comparable Selection

Research produced one contract of a similar property located within the CBD, and three listed properties also located with the CBD, plus three sales and one contract within or adjacent to the CBD are analyzed. Because the available properties within or adjacent to the CBD are not ideal comparables, research extended throughout the City of Fort Pierce and the Treasure Coast for sales and listings of similar properties.

Research did not locate any recent sales or listings of similar properties within other Treasure Coast CBDs'. This occurred primarily because the other Treasure Coast CBDs are built-out, but while the available data did not pin point a value indication, the data provides a range of potential value, and with judgment applied from years of experience in the appraisal profession, I was able to form an opinion of the subject's market value.

### Unit of Comparison

Sales are compared to the subject on sales price per square foot of land area.

---

## SALES COMPARISON APPROACH (continued)

### Adjustments

Because as previously discussed, sales and listed properties within the subject's market segment may require adjustments to the sales or listing prices to account for transaction and/or physical differences between the properties analyzed. Ideally, adjustments should be market derived but at times when data is minimal or erratic then adjustments can be based on an appraiser's knowledge and experience in the subject's market segment.

The adjustment process begins with analysis of transaction conditions and/or physical differences. Transaction conditions analysis includes verification of cash equivalent financing, verification of conditions of sale (arm's length transactions, etc.), and changing market conditions (time of sale), plus adjustments may be required for physical differences

The first adjustments considered are for transaction conditions as follows:

#### Financing

Two properties analyzed were cash transactions, plus two properties sold with conventional lender financing considered cash equivalent financing. Thus, adjustments for cash equivalent financing are not required.

Two properties under contract and three listed properties were analyzed and after sales negotiations the contracted and listing prices are expected to be lower than the asking prices but a discount for sales negotiations are unknown, thus adjustments could not be applied but the listing prices are recognized as likely above market when forming my opinion of the subject's market value.

#### Conditions of Sale

Each sale was an arm's length transaction, most closing with typical market conditions. However, sale 1 was a lender sale, with market participants generally of the opinion lender sales close at under market prices. While this has been observed in the market, an adjustment applicable to sale 1 for potential below market sales prices is not obvious, plus the buyers were of the opinion the sales price represented market price levels. Thus, an adjustment is not applied for a potential below market sales price, but the lender as the seller is considered when weighting the sale as an indication of the subject's value.

#### Market Condition (Time)

At times adjustments are required to account for changes in market conditions in the period between the date a sale occurred and the date of the appraisal.

---

## SALES COMPARISON APPROACH (continued)

The sales closed in April 2014, December 2015, December 2016, and the contracts are current, thus all relatively recent closing dates. Current market conditions indicate modest market improvement occurred from 2014 thru 2017, but the April 2014 sales price may be lagging current conditions indicating an adjustment to the April 2014 sales price may be warranted. However, there is a lack of evidence to accurately indicate an adjustment for potential improving market conditions, thus the date of the sale is weighed when utilizing sale 1 as an indication of the subject's market value.

### Adjustments for Physical Differences

Observed physical differences between the properties analyzed and the subject include neighborhood location and exposure, waterfront access, with riparian rights, views access, size, shape, topography, zoning etc., and approvals/permitting.

Because there are several physical differences between the properties analyzed and the subject, adjustments may be required to sales, contract and listing prices for the differences. However, with the limited data, extracting adjustments from the data for specific physical characteristics is greatly weakened, therefore, adjustments are applied based on the appraiser's judgment gained from years of appraisal experience in the Fort Pierce markets, resulting in bracketing the subject's value range from which a final opinion of value is formed.

### Sales Analysis

The following Exhibits consists of a Summary of properties analyzed, and analysis of the properties. followed by a map locating the properties. Following the Exhibits there is a reconciliation and conclusion of the subject's value via the Sales Comparison Approach.

---

## SALES SUMMARY

<u>TRANSACTION DETAILS</u>	<u>SUBJECT</u>	<u>Sale 1</u>	<u>Sale 2</u>	<u>Sale 3</u>	<u>Contract / Listing 1</u>	<u>Listing 2</u>	<u>Listing 3</u>	<u>Listing 4</u>	<u>Contract 2</u>
Location	CBD city of Ft. Pierce N. IR Dr., N. 2nd St., Backus Ave Fort Pierce, FL	S. Indian River Drive, north & south sides of Boston Ave. Fort Pierce, FL	635 N. 2nd Street Fort Pierce, FL	500-515 S. Indian River Dr. Fort Pierce, FL	N Indian River Dr. & Ave "A" Fort Pierce, FL	N. IRD, Backus Ave, N.2nd St, & Ave "D" Fort Pierce, FL	Melody Lane south of Atlantic Ave. Fort Pierce, FL	800 Blk Seaway Drive Fort Pierce, FL	1412 S. US 1 Fort Pierce, FL
Grantor	OWNER: Ft. Pierce Redev. Agcy. & City Ft. Pierce / FPUA	SB Florida CRE Holdings, LLC	635 N. 2nd Street	Kraaz & Kraaz Finance, LLC	FP-100 LLC	FP 2nd, C3, C4, D1, DW, & DX, LLC's	Melody Place, LLC	Harbour Isle Development Co.	S and S Land Co.
Grantee	n/a	St. Andrew's Episcopal Academy, Inc.	AABAA International, Inc.	Crownman FL, LLC	n/a	n/a	n/a	n/a	n/a
Date of Sale	<i>Date of Appraisal:</i> April 7, 2017	4/14	12/15	12/16	Listed 18 months	Listed 18 months	Listed 90+- days	Listing	Current
Recorded (O.R. Book/Page)	n/a	3626/2190	3818/1826	3943/2583					Contract
Months Since Sale	n/a	36	16	4	0	0	0	0	0
Financing	Cash Equivalent	Cash	Cash	Conv. Lender - 62.5% loan to PP Cash equivalent financing	Expected cash equivalent	Expected cash equivalent	Expected cash equivalent	Expected cash equivalent	Expected cash equivalent
Previous Sales	No previous sales	No recent previous arm's length sales.	No recent previous arm's length sales. Very extended listing period.	1/2015 - \$400,000 - buyer bailed out builder remodeling 515 bld. - representative thought price was favorable. - relist property @ \$958K	No recent previous arm's length sales.	No recent previous arm's length sales.	No recent previous arm's length sales.	No recent previous arm's length sales. Very extended listing period with initial higher asking prices. Price of \$1.0M as of 2/17.	No recent previous arm's length sales. Extended contract period.
Verification		Buyer representative	Listing Realtor data / Public records	Listing/selling Realtor	Listing / selling Realtor	Listing / selling Realtor	Listing Realtor	Listing Realtor / Owner	Listing Realtor
<u>LEGAL / PHYSICAL CHARACTERISTICS</u>									
Zoning	I, Industrial (see report comments)	C4, Cent Comm & C1 - Off. Comm.	PUR, Planned Unit Redev.	C1, Office Commercial	PUR, Planned Unit Redev.	R5, Residential High Density	C4, Central Commercial	PD, Planned Development	C3, General Commercial
Land Use Classification	I, Industrial (see report comments)	CBD, Central Business District	GC, General Commercial	CBD, Central Business District	CBD, Central Business District	RH, Residential High Density	CBD, Central Business District	HIMU, Hut. Isl. Mixed Use	GC, General Commercial
Urban Services Area	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Site Area (SF)	314,068	77,101	86,684	69,260	44,867	118,483	38,768	134,600	101,495
(acres)	7.21	1.77	1.99	1.59	1.03	2.72	0.89	3.09	2.33
Comments:	Site comprised of 3 separate parcels. Less functional than assembled parcel but with potential to develop with multi- use project. Adjacent to Moore's Creek, only kayak navigable. Site has large amount of street frontage & good exposure. Potential distant city marina & Indian River view. Previous power plant site, appraised as "clean" site but with DEP water use restricted area.	Lender sale, post mortgage foreclosure. Site fronts Indian River, split by Boston Ave. R/W, abandoned subsequent to sale allowing purchaser to assemble sites & gain land area. Purchased by church operated school.	Site fronts SW corner of Seaway Dr. & N. 2nd St. Rear line along FEC Rail R/W which could be a negative to some potential improvement types. There is a narrow window south to neighborhood street Ave. E. Property includes two older buildings providing lease income. Exposure to Seaway Drive is good. Access is average w/ only N. 2nd St. access.	Site fronts Indian River Dr., S. 2nd St. forming rear property line, & Delaware Ave. along north prop. line. Across IRD ownership extends to Indian River with riparian rights & dock permitted. Indian River frontage comprised of steep bank to river, likely severely limits development potential. But good river views from site. Property includes two older buildings providing lease income. Listing Realtor reports 30 residential units can be developed on site.	Site fronts west side N. IRD, 100± ft north of Ave "A" & west of city Marina. Site is "L" shape w/ 50 ft leg fronting Ave "A". 110+ ft fronting N IRD. Site has frontage on Ave "B", but Ave "B" is part of subject appraisal, so listed property is adjacent to subject. Site slopes up from IRD, mostly cleared. Average exposure & access. Distant city marina & Indian River views.	Site fronts west side N. IRD, between Backus Ave. (Ave "C") & Ave "D", with driveway frontage on N 2nd St. Site irregular shape but functional. Located NW of city marina, across from Manatee Observation Center, Backus Art Museum & C of C Welcome House. North of delineated CBD. Site is cleared & level. City leases portion of site for parking. Good exposure & access. Distant city marina & Indian River views.	Site fronts west side Melody Lane, and south side of Atlantic Avenue, across from Indian River but site has riparian rights. Functional rectangle shape. Site is cleared & level. Previously approved for 27 unit res. condo, plus retail 1st floor. Deed requires developing 30 parking spaces in project's garage for west bid. at 200 S IRD which somewhat limits site's development potential. Good exposure & access. Good Indian River views.	Site fronts Seaway Dr., Ft. Pierce Beach neighborhood, within one mile of CBD. Approved within Harbour Isle PUD for 15,000 SF commercial improvement. Site includes drainage, filled.	Site fronts S. US 1 & S. 3rd St. with US 1 commercial neighborhood. Good exposure & access. Under contract by a grocery store chain. Contract extended by development agreements for off site infrastructure. Listing price analyzed with final sale price expected in range of 10% to 15% below asking price.
	<u>Subject</u>	<u>Sale 1</u>	<u>Sale 2</u>	<u>Sale 3</u>	<u>Contract / Listing 1</u>	<u>Listing 2</u>	<u>Listing 3</u>	<u>Listing 4</u>	<u>Contract 2</u>
<u>SALES / LISTINGS PRICE ANALYSIS</u>					(listing price)	(listing price)	(listing price)	(listing price)	(listing price)
Recorded Sale Price	n/a	<b>\$900,000</b>	<b>\$475,000</b>	<b>\$800,000</b>	<b>\$650,000</b>	<b>\$1,200,000</b>	<b>\$2,200,000</b>	<b>\$1,000,000</b>	<b>\$699,000</b>
Price per SF	\$0.00	\$11.67	\$5.48	\$11.55	\$14.49	\$10.13	\$56.75	\$7.43	\$6.89
Financing Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Sale Price	\$0	\$900,000	\$475,000	\$800,000	\$650,000	\$1,200,000	\$2,200,000	\$1,000,000	\$699,000
Conditions of Sale Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Sale Price	\$0	\$900,000	\$475,000	\$800,000	\$650,000	\$1,200,000	\$2,200,000	\$1,000,000	\$699,000
Market Conditions Adjustment	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted Sale Price	\$0	<b>\$900,000</b>	<b>\$475,000</b>	<b>\$800,000</b>	<b>\$650,000</b>	<b>\$1,200,000</b>	<b>\$2,200,000</b>	<b>\$1,000,000</b>	<b>\$699,000</b>
Adjusted Sale Price per SF	\$0.00	\$11.67	\$5.48	\$11.55	\$14.49	\$10.13	\$56.75	\$7.43	\$6.89

## SALES ANALYSIS

	Subject	Sale 1	Sale 2	Sale 3	Contract / Listing 1	Listing 2	Listing 3	Listing 4	Contract 2
<b>SALES / LISTINGS PRICE ANALYSIS</b>									
Recorded Sale Price	n/a	\$900,000	\$475,000	\$800,000	(listing price) \$650,000	(listing price) \$1,200,000	(listing price) \$2,200,000	(listing price) \$1,000,000	(listing price) \$699,000
Price per SF	\$0.00	\$11.67	\$5.48	\$11.55	\$14.49	\$10.13	\$56.75	\$7.43	\$6.89
Financing Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Sale Price	\$0	\$900,000	\$475,000	\$800,000	\$650,000	\$1,200,000	\$2,200,000	\$1,000,000	\$699,000
Conditions of Sale Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Sale Price	\$0	\$900,000	\$475,000	\$800,000	\$650,000	\$1,200,000	\$2,200,000	\$1,000,000	\$699,000
Market Conditions Adjustment	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted Sale Price	\$0	\$900,000	\$475,000	\$800,000	\$650,000	\$1,200,000	\$2,200,000	\$1,000,000	\$699,000
Adjusted Sale Price per SF	\$0.00	\$11.67	\$5.48	\$11.55	\$14.49	\$10.13	\$56.75	\$7.43	\$6.89
<b>COMPARABILITY TO SUBJECT</b>									
Location/Exposure	Ft. Pierce CBD location, adj. to creek, only kayak navigable / Good exposure.	Within the Ft. Pierce CBD, but somewhat distant from mainstream traffic & commercial activity. Waterfront w/ riparian rights. / Good exposure. - Somewhat superior	Three blks. north of CBD. Good commercial exposure property, but development potential likely inferior with lower density and adjacent railroad potentially a negative feature, overall - Inferior	One blk. south of CBD, although included in CBD land use class. Good exposure. Development potential likely more distant than subject's development potential but superior waterfront w/ riparian rights. - Somewhat superior.	Ft. Pierce CBD location, adjacent to subject. Average exposure - inferior	North of but adjacent to delineated Ft. Pierce CBD. No waterfront / Good exposure - Somewhat inferior	With Ft. Pierce CBD, but distant from mainstream traffic & commercial activity. Across street waterfront w/ good water views & w/ riparian rights. / Good exposure. - Very superior	One mile east of CBD with beach commercial neighborhood. Extensive street frontage/exposure. - Similar	Property 3/4 miles south of CBD, although within US 1 commercial corridor. Good exposure & access. - Overall, with offsets, similar
Access	Good	-15% Good - Similar 0%	15% Average - Inferior 10%	-10% Good - Similar 0%	5% Average - Inferior 10%	5% Good - Similar 0%	-20% Good - Similar 0%	0% Good - Similar 0%	0% Good - Similar 0%
Size - Acres	7.21	75% smaller than subject. Small parcels sell for higher price / sf - superior. -10%	72% smaller than subject. Small parcels sell for higher price / sf - superior. -10%	78% smaller than subject. Small parcels sell for higher price / sf - superior. -10%	86% smaller than subject. Small parcels tend to sell for higher price / sf - superior. -15%	62% smaller than subject. Small parcels sell for higher price / sf - superior. -5%	88% smaller than subject. Small parcels sell for higher price / sf - superior. -15%	57% smaller than subject. Small parcels sell for higher price / sf - superior. -5%	68% smaller than subject. Small parcels sell for higher price / sf - superior. -5%
Shape	4 separate parcels with rectangle & irregular shapes	Two parcels, similar functional utility - Similar 0%	One parcel, positive functional utility - Superior -10%	One parcel, positive functional utility - Superior -10%	One parcel, positive functional utility - Superior -10%	One parcel, positive functional utility - Superior -10%	One parcel, positive functional utility - Superior -10%	One parcel, positive functional utility - Superior -10%	One parcel, positive functional utility - Superior -10%
Topography	Cleared. Appraised as "clean" site.	Generally - Similar 0%	Generally - Similar 0%	Generally - Similar 0%	Generally - Similar 0%	Generally - Similar 0%	Generally - Similar 0%	Generally - Similar 0%	Generally - Similar 0%
Zoning & Other Restrictions	Industrial zoning, but city Commission willing to approve zoning change compatible with approved development project. DEP restricts on-site water use in NE corner of site - not a development detriment.	Similar to subject's development potential - Similar.	Physically similar to subject's development potential but located out of CBD which may limit density - Somewhat Inferior.	Somewhat inferior to subject's development potential - Somewhat Inferior.	PUR, as expected for subject - Similar	High density residential, generally inferior to subject's legal development potential - Inferior	Similar to subject's development potential - Similar.	Lower permitted density, inferior to subject's development potential - Inferior.	Lower permitted density, inferior to subject's development potential - Inferior.
Approvals Permitting	None	0% None, past approvals expired - Similar 0%	5% None, past approvals expired - Similar 0%	5% None - Similar 0%	0% None, past approvals expired - Similar 0%	10% None, past approvals expired - Similar 0%	0% None, past approvals expired - Similar 0%	10% Approvals w/ PUD in-place 15K SF of comm. imp. -Superior -5%	10% None - Similar 0%
NET DIFFERENCE	Subject	Property is superior, waterfront & good water views & riparian rights. Lender sale may have had some negative effect on sales price indicating subject's value possibly within the range of the adjusted sales price.	Property is inferior to subject.	Property has superior water access, waterviews & riparian rights enhancing development potential, but location does not indicate potential intensity of use expected for the subject. - Potentially offsetting features	Several similar features, except exposure & access are inferior, but smaller site likely offsetting. However, listing price analyzed with negotiated sales price expected to provide a lower indication of value.	Similar features, but location is slightly inferior & potential density is inferior, thus overall somewhat inferior to subject. However, listing price analyzed with negotiated sales price expected to provide a lower indication of value.	Property is superior with good waterviews & riparian rights. Listing price analyzed with negotiated sales price expected to provide a lower indication of value.	Prop's location features about offsetting w/ subject's location features. One functional unit, plus approvals in-place for 15K SF comm. imp., but lower density than expected for sub. Inferior to sub., except list price analyzed w/ negotiated sales price expected to provide a lower value indication.	US 1 commercial corridor with near term development potential which is superior to subject, but offset with lower permitted development density. But asking price analyzed, indicating subject's value could be within this range.
		<b>Net Adjustment</b>	<b>-25%</b>	<b>10%</b>	<b>-25%</b>	<b>-10%</b>	<b>0%</b>	<b>-45%</b>	<b>-10%</b>
		<b>Adjusted Sales Price / Square Foot</b>	<b>\$8.75</b>	<b>\$6.03</b>	<b>\$8.66</b>	<b>\$13.04</b>	<b>\$10.13</b>	<b>\$31.21</b>	<b>\$6.69</b>



---

 SALES COMPARISON APPROACH (continued)

Reconciliation and Conclusion of Value

As per the previous data summary comparisons, price adjustments, and conclusions, the properties analyzed are rated as follows as value indications for the subject:

<u>Property</u>	<u>Price per Sq. Ft.</u>	<u>Comparability</u>
Sale 1	\$8.75	Subject's value possibly within range of adjusted SF sales price range
Sale 2	\$6.03	Inferior property, subject's value higher
Sale 3	\$8.66	Smaller site, superior waterfront w/ riparian rights & superior views, but inferior location for high density commercial development, possibly offsetting features, subject's value possibly within range
Cont./List 1	\$13.04	Neighboring prop. w/ similar potential development density, but significantly smaller prop. & list price analyzed w/ contract price expected to be lower, subject's value lower
Listing 2	\$10.13	Smaller site analyzed but possible offset, lower permitted density expected, but list price analyzed indicating subject's value is lower
Listing 3	\$31.21	Very superior smaller property with waterfront ownership & riparian rights, plus excellent water views, & list price analyzed, subject's value significantly lower
Listing 4	\$6.69	Ready to build site, but permitted development density inferior to subject's density potential, yet possibly somewhat offsetting, listing price analyzed w/ sales price/value indication likely lower.
Contract 2	\$6.54	US 1 location w/ superior near term development but w/ offset potential lower permitted development density, but list price analyzed indicating subject's value could be within this range

The physical differences observed were analyzed as follows:

---

## SALES COMPARISON APPROACH (continued)

Location – Development timing for the properties located within the CBD or adjacent to the CBD are similar, as is development timing for listing 4, but development timing for contract 2 is current. Plus, sale 1, sale 3, and listing 3 have frontage on the Indian River and riparian rights, and good water views, and while a majority of the subject fronts Moore's Creek, the utility of the waterfront for the properties mentioned is significantly superior to the subject's Moore's Creek waterfront.

The effect on price for development timing and waterfront amenities for properties mentioned cannot be measured with the current data, but development timing and waterfront effects on value are considered when weighing each property as a value indication for the subject.

Access – Sale 2 and contract 1/listing 1 have average ingress/egress vs. subject good ingress/egress, again considered when weighing these properties as value indications.

Size – All properties analyzed are significantly smaller than the subject and typically because of economies of scale, smaller properties sell for higher prices per square foot and vis a versa, thus assuming all else is equal the properties analyzed have sold or are listed or under contract for higher prices than applicable to the subject.

Shape – The subject is comprised of four parcels increasing design challenges vs. the properties analyzed which are all one site. Again, the superior functional utility of the properties analyzed will increase the sales price per square foot above a level expected for the subject.

Topography – All similar too subject.

Zoning – Except in the case of sale 2, listing 2, and contract 2, zoning density is similar to density expected for the subject. Sale 2, listing 2 and contract 2 have inferior density zoning, which can be a significant difference based on past approved densities within the CBD which can have a significant upward effect on sales prices.

Approvals – Listing 4 is the only analyzed property with development approvals in-place. In the case of listing 4 the seller relies on the approvals as a sales tool, but the contribution to the asking price is uncertain.

After analysis of each property for physical characteristics compared to the subject, in several instances, waterfrontage, size, and shape are expected to contribute significant value, increasing the price per square foot above levels likely applicable to the subject, but with adjustments applied the following summary is concluded.

---

### SALES COMPARISON APPROACH (continued)

As indicated in the previous summary of comparability, the most comparable properties indicate - subject's most probable market value, as defined in this report, within the range of \$6.69 per square foot as indicated by listing 4, and within the range or lower than \$8.66 per square foot as indicated by sale 3, and listing 2 indicating subject's value possibly lower than \$10.13 per square foot. Finally, while in my opinion the subject's size, shape and CBD location represents several development challenges, it is obvious there are no similar properties within Treasure Coast CBDs' thus it must be considered the subject can command some premium as a one of a kind property. Therefore, it is my opinion the subject's market value leans towards the high end of the range of the most comparable properties or say, \$9.00 per square foot for subject's total area of 314,069 square feet, calculating to a total value of \$2,826,621, rounded \$2,800,000.

Therefore, while certainly not ideal, data analysis provides a reasonable indication of the range of the subject's value, and considering overall market conditions etc., it is my opinion an appropriate conclusion of the market value of the fee simple interest in the subject of this appraisal, appraised under the "Hypothetical Condition" the subject's zoning classification is PD, Planned Development, or compatible classifications, as of April 7, 2017, is:

**TWO MILLION EIGHT HUNDRED THOUSAND DOLLARS - \$2,800,000-**

---

**QUALIFICATIONS OF THE APPRAISER**

DANIEL D. FULLER, MAI

**Education**

Indian River Community College, Graduated 1967, A/S Degree

**Professional Memberships**

Member Appraisal Institute (MAI)#7876 - Appraisal Institute  
 Senior Real Property Appraiser (SRPA) - Appraisal Institute  
 Senior Residential Appraiser (SRA) - Appraisal Institute  
 Florida - State Certified General Real Estate Appraiser RZ567  
 Registered Florida Real Estate Broker

**Work Experience**

1992 - Pres. President, Fuller-Armfield-Wagner Appraisal & Research, Inc., Fort Pierce, FL  
 1987 - 1992 Vice President & Partner, Armfield-Wagner Appraisal & Research, Inc., Fort Pierce, FL  
 1983 - 1987 Staff Appraiser, Armfield-Wagner Appraisal & Research, Inc., Vero Beach, FL  
 1981 - 1983 Salesman/Appraiser, Florida Licensed Realtor-Associate, Procino Realty, Ft Pierce, FL  
 1979 - 1983 Staff Appraiser, Harbor Federal Savings and Loan Association, Fort Pierce, FL  
 1974 - 1979 Staff Appraiser, St. Lucie County Property Appraiser's Office, Fort Pierce, FL

**Real Estate Appraisals made for the following:**

Accountants	PNC Bank
Attorneys	Port St. Lucie, City of
Dept. of Natural Resources	Regions Bank
Federal Deposit Ins. Corp.	Resolution Trust Corporation
Federal Home Loan Bank Board	Seacoast Bank
Federal National Mortgage Corp.	St. Lucie County
Florida Community Bank	South Florida Water Management District
Fort Pierce, City of	SunTrust Banks
Gulfstream Business Bank	TD Bank
Harbor Community Bank	TITF
IBERIA Bank	Vero Beach, City of
Indian River County	Wells Fargo
Martin County	

**Types of Appraisals Completed**

Airplane Hangars	Offices
Automobile Dealerships	Packing Houses
Car Washes	Ranches
Commercial	Recreational Vehicle Parks
Groves	Residential
Industrial	Restaurants
Insurable Value	Retail Shopping Centers
Land Locked Parcels	Service Stations
Mini-Warehouses	Subdivision
Motels	Warehouses
Multi-Family	Wetlands
	Vacant Lands

**Qualified as Expert Witness**

Circuit Court -  
 St. Lucie County  
 Martin County  
 Indian River County  
 Okeechobee County  
 Palm Beach County  
 U.S. Bankruptcy Court -  
 West Palm Beach District

**Accomplishments**

Past President - Society of Real Estate Appraisers - Indian River Chapter 211 (1989 - 1990)  
 Past Instructor - Indian River Community College - Appraising Income Producing Real Estate  
 Past Board Member - East Florida Chapter of Appraisal Institute

## ADDENDUM – ST. LUCIE COUNTY AREA DATA

St. Lucie County is located on the east coast of Florida some 120 miles north of the City of Miami and 220 miles south of the City of Jacksonville. St. Lucie County lies in the center of the region known as the Treasure Coast, with Indian River County to the north, Martin County to the south, Okeechobee County to the west, and the Atlantic Ocean to the east. St. Lucie County encompasses a land area of approximately 581 square miles.

St. Lucie County ranks 21st in the state in population. St. Lucie County, combined with Martin County is an U.S. Census Bureau Metropolitan Statistical Area (MSA).

With nearly 88% of the state's population within a 150 mile radius of St. Lucie County, Fort Pierce maintains a position as the transportation hub of the area with its easy accessibility to I-95, Florida's Turnpike, U.S. 1 and the St. Lucie County International Airport. Distance from Fort Pierce to other Florida cities are as follows:

### Distance to Florida Cities

<b>NORTH</b>		<b>SOUTH</b>	
<b>Vero Beach</b>	15 miles	Port St. Lucie	6 miles
<b>Melbourne</b>	50 miles	Stuart	17 miles
<b>Orlando</b>	120 miles	West Palm Beach	55 miles
<b>Daytona Beach</b>	140 miles	Miami	123 miles
<b>Jacksonville</b>	220 miles	Key West	250 miles

St. Lucie County enjoys a central Florida east coast location which can be a long term positive for regional development as Martin County to the south has limited westward expansion as Lake Okeechobee forms the county's west boundary, and to the north, Indian River County's westerly expansion is blocked by the headwaters of the St. John's River. St. Lucie County, however, has the ability of almost unrestricted physical expansion to the west to Okeechobee County in Central Florida.

Fort Pierce, the oldest city in the county, is located on the eastern edge of the county adjacent to the Indian River - Intercoastal Waterway and the Atlantic Ocean. In addition to Fort Pierce there are two other incorporated communities within St. Lucie County; Port St. Lucie and St. Lucie Village. In addition to the cities, the county government oversees a large portion of unincorporated area, also providing support to the cities in the area court systems, criminal detention facilities, fire protection, etc., and along with the Treasure Coast Regional Planning Council, providing input on large scale growth / planning issues.

Population statistic is as follows:

### County and City Populations

	<b>1970*</b>	<b>1980*</b>	<b>1990*</b>	<b>2000</b>	<b>2010*</b>
<b>St. Lucie County **</b>	50,836	87,182	150,171	190,677	277,789
<b>Fort Pierce</b>	29,721	33,802	36,830	38,683	41,590
<b>Port St. Lucie</b>	330	14,690	55,866	85,751	164,603
<b>St. Lucie Village</b>		593	584	638	527

\* U.S. Census Bureau, 2010 census

\*\*Total including all unincorporated areas.

---

**ST. LUCIE COUNTY AREA DATA (continued)**

The greatest population growth from 2000 census to 2010 estimates is in the City of Port St. Lucie with an average annual increase of some 15%. The City of Fort Pierce experienced little increase, an average annual increase of 0.7%, during the same period. The total average annual percentage population growth for the County for the same period was 4.5%. Per the U.S. Census Bureau the state's average annual growth for the same period was approximately 1.8%. Thus the County's overall growth has been well ahead of the state average.

A majority of the growth experienced between 2000 and 2010 occurred between 2003 and 2007. In 2008 growth slowed which is expected with softening demand in the real estate markets and a soft national economy.

However, the University of Florida Statistical Abstract for 2009 reports by 2015 St. Lucie County will have a population range from a low of 277,100 to a high of 352,700.

Long term growth is expected to follow past patterns with a majority of the County's growth occurring in the City of Port St. Lucie with the City of Fort Pierce and St. Lucie County overall achieving a lesser but steady growth. Limited growth can be predicted for the beachfront areas caused primarily by stringent development regulations imposed by county, state, and federal governments, plus environmental and concurrency regulations combining to create a general negative affect on development.

Population Age Groupings\*

0-19	24.8%
20-34	16.0%
35-54	26.6%
55-64	12.7%
65 PLUS	20.0%

\* U.S. Census Bureau, 2010 census

Population age distribution is about equal in all age groupings with a slightly higher level in the mid-year group. It is expected that these levels will remain relatively the same with a stronger increase in the over 65 group as people continue to move to the Sunbelt at retirement.

Along with the substantial population growth, St. Lucie County has experienced a rapid expansion in the number of households with a slight decline in the size of the households. The following summary indicates past trends.

Household Growth and Household Size\*

<b>YEAR</b>	<b>NUMBER OF HOUSEHOLDS</b>	<b>HOUSEHOLD SIZE</b>
<b>1980</b>	32,506	2.65
<b>1990</b>	58,174	2.54
<b>2000</b>	76,933	2.47
<b>2010</b>	137,029	2.55

\* U.S. Census Bureau, 2010 census

**City of Fort Pierce**

Fort Pierce, incorporated in 1901, is the oldest city in the County and covers approximately 19 square miles. Because the city is approximately 80%+ developed, new growth is expected to be minimal unless annexation and/or gentrification occurs. The City Commission is on an annexation track to bring developments adjacent to the city limits and serviced by city utilities into the city for an expanded tax base. Also, because of the age of the city, the City's Redevelopment Agency has been in a redevelopment phase including infrastructure and community service facilities such as restoration of

---

## ST. LUCIE COUNTY AREA DATA (continued)

the historic Sunrise Theatre. However, recent 2008 budget constraints have curbed projects, but plans are proceeding for further redevelopment from the governmental sector. In the mid 2000 period private investment in refurbishing properties as well as developing new structures was very evident, but in the 2008 economic environment private investment has all but ceased. The effect of the government's rebuilding of infrastructure in the near term uncertain, but over the long term the rebuilt infrastructure should result in attracting new private investment.

Additionally, during the building boom of the mid 2000's several residential projects were proposed, permitted, and/or started development on tracts lying immediately west of the Ft. Pierce city limits. When complete, these projects will be annexed in to the City. However, with the slowdown in demand in the real estate markets in most instances project planning and development has ceased, thus annexation has not occurred. If in the future these projects are annexed the project's should improve average housing prices along with adding a more affluent population which should be a positive to the entire city.

Although the City of Ft. Pierce is the oldest community in the County, the City has many advantages such as one of the best Florida east coast inlets to the Atlantic Ocean providing access to some of the best boating waters along Florida's east coast.

The City of Fort Pierce also reigns as the area's commercial center with its transportation network including central access to Interstate 95, the Florida Turnpike, State Road 70, and the St. Lucie County International Airport and the Port of Fort Pierce.

However, because the city is older, the City of Ft. Pierce also has a large inventory of older residential and commercial properties and a lower income base, thus attracting name brand retailers, chain restaurants, etc. has proven unsuccessful. But as discussed, if the new residential and commercial projects located adjacent to the city are developed and annexed, then in the future the city's economy should improve, potentially attracting the name brand retailers, etc. not now represented.

### **City of Port St. Lucie**

The City of Port St. Lucie, located at the southern end of St. Lucie County six miles south of Fort Pierce, has in the last several years surpassed Fort Pierce in population and is now the largest city in the county.

Port St. Lucie was incorporated in 1960, originally developed by Mackell Brothers and continued by General Development Corporation (now Atlantic Gulf Communities). Port St. Lucie encompasses approximately 114 square miles with development predominately in single family residences of moderate price ranges with areas of high priced homes concentrated around the community's golf courses and the North Fork of the St. Lucie River.

Within the original General Development plats of Port St. Lucie approximately 50% of the lots remain to be improved.

Although housing in the cities of Fort Pierce and Port St. Lucie, as well as St. Lucie County overall is generally considered to be very affordable compared to neighboring counties to the north and south, the south county area has attracted large upscale developments such as St. Lucie West, Tradition (Core Communities developer) and the Reserve (Kolter Homes).

The St. Lucie West development is a mixed-use community opening for sales in 1988 with another developer creating and permitting the overall plan. The St. Lucie West development lies west of the Florida State Turnpike, east of Interstate 95, and north and south of the original city limits of Port St. Lucie. The location, because of the major road boundaries, provides defined boundaries that maintain the integrity of the project.

---

**ST. LUCIE COUNTY AREA DATA (continued)**

The project is an approved Development of Regional Impact (DRI). Current development projections indicate at buildout, the community will include a residential population of 25,000 with a permanent job base of 35,000 workers. The community was proposed to include 500 acres of industrial development, 426 acres of commercial/retail/office development, along with 90 acres of college campuses and over 100 acres of public parks and recreational facilities including the Digital Domain Park (fka Tradition Stadium), the spring training facilities for the New York Mets. The development, however, has absorbed a majority of its DRI allotted retail space, but owners/developers have updated the DRI to achieve an increase in retail space.

Within the St. Lucie West development is a Jim Fazio-designed championship 18-hole golf course. The golf course was purchased in 1995 by the Professional Golfers Association (PGA).

West of Interstate 95 is a smaller luxury residential community, The Reserve. The Reserve is an upper price range; golf course oriented community on 2,700 acres of land approved for 4,100 residences. The central amenity of the development was originally a private 18-hole George Fazio designed championship golf course.

The PGA of America owns two Tom Fazio designed 18-hole PGA golf courses and a nine hole course designed by Pete Dye within the Reserve. The PGA courses are supported by a 12,000 square foot clubhouse with pro-shop, etc. Also a PGA complex includes a "Learning Center". The PGA's winter headquarters is presently in Palm Beach County, but in the future the Reserve facility may become the PGA's winter home.

In addition to the existing Reserve PUD, the Reserve developers completed permitting for a DRI covering a 3,000 acre tract of land lying immediately south of the existing Reserve. The DRI is permitted for 6,000 residential units, plus 50K square feet of specialty retail and a total of three golf courses to be developed by PGA, 100K square feet of golf course maintenance, etc. facilities, and 250K square feet of non-residential space associated with the golf courses, i.e. clubhouse. Also, located on the north parcel in the area of its southeast corner, the DRI will be permitted for 200K square feet of commercial use, plus a 350 room hotel.

Core Communities also developed another community lying west of Interstate 95, at the I-95 / Gatlin Boulevard interchange, Tradition. Tradition is a community created under a DRI process with plan approval in September 2003. Tradition covers some 3,000 acres, projected to be developed in four phases with a total 7,245 residential units with a projected build-out date of 2022.

Completed commercial development within Tradition includes the Town Square consisting of some 125,000 square feet of commercial space anchored by a Publix grocery store. Additional commercial space is located in the Landings at Tradition; a 500,000 square foot retail center anchored by a Target store, and including out parcel development, the center could total 600,000 square feet. At the Tradition Center for Innovation Research Park, the headquarters of the Torrey Pines Institute of Molecular Studies was completed in early 2009; this facility was the first of several similar research bio-medical facilities. At present there is also the Vaccine and Gene Therapy Institute of Florida (VGTI) research facility completed in 2012 plus the Mann Research Center, master planned for 410,000 SF mixed use project to contain research space, office, and retail areas. The first 44,000 SF building was completed in 2013 and is fully leased as primarily medical office.

In addition to Tradition, there are four other DRIs proposed to be located west of the subject's neighborhood, thus on a long term basis the area west of I-95 is poised for dramatic development over the next couple of decades. The proposed DRIs compass thousands of acres – Tradition is only the beginning of the growth. One of these, Verano DRI, has commenced by Kolter Homes, but is located further north and is somewhat outside of the subject neighborhood's influence.

---

## ST LUCIE COUNTY AREA DATA (continued)

Long term, the eventual impact of St. Lucie West / Tradition and The Reserve on Port St. Lucie and St. Lucie County is expected to be substantial. The St. Lucie West / Tradition and The Reserve developments also spawned several smaller developments within the City of Port St. Lucie. These new

PUD's either feature golf course amenities or nature preserve amenities. New or proposed developments include River Place on the St. Lucie, St. James Golf Club, Waterville Golf and Country Club, and Sawgrass Lakes.

Within southeastern Port St. Lucie the Ginn Company purchased a 1,200± acre tract of land developed under the Tesoro PUD. Tesoro is an upscale golf course community home to a grand Italianate Clubhouse, and Arnold Palmer and Tom Watson signature golf courses for Tesoro owners. Tesoro initially experienced strong demand, even at its price levels, but since about 2005 demand significantly retracted following general real estate trends and in 2009 the project mortgage was foreclosed with assets purchased by a Palm Beach County developer, with future plans unknown.

Also, southeast of Tesoro another large tract of land is in the early planning stages with total project statistics unknown at this time but a development order exists allowing some 3,800 residential units plus support commercial development.

There are also several other properties located within the county with DRI approvals and or Planned Unit Developments (PUD) development orders in place, but in most instances as of 2008 development has been halted until economic conditions improve.

In recent years the Port St. Lucie City Commission recognized the need for industrial/commercial growth to prop up its tax base, thus the Commission is attempting to attract new corporate or industrial development. One of the first countywide successes was the location of home shopping giant QVC, locating in the St. Lucie West development of Port St. Lucie. While all of the governmental agencies within the county, along with private business leaders, shared in the success of locating QVC to St. Lucie County, the City of Port St. Lucie received the most benefit with QVC constructing their facility in St. Lucie West. The very recent success of recruiting Torrey Pines Institute for Molecular Studies to locate its headquarters in Port St. Lucie indicates that as the City continues its growth, it can be expected other similar corporate / industrial companies will locate in the City of Port St. Lucie, as well as throughout St. Lucie County.

### **St. Lucie Village**

Adjacent to the northerly city limits of Fort Pierce is St. Lucie Village, the third incorporated community within St. Lucie County. St. Lucie Village has city officials with a mayor, etc., but maintains a steady population base in the range of 600 people and imposes only a minimal tax, offering minimal services to its residences. St. Lucie Village is primarily a residential community with residents having deep St. Lucie County roots, and the population does not desire further expansion of its community, thus St. Lucie Village is not expected to change, at least for the near term years.

### **St. Lucie County**

St. Lucie County ranks in the mid to upper range of Florida counties in the State of Florida Office of Planning and Budgeting 2008 Florida Price Level Index. The local index is at 98.14 with the state average at 100. This index is computed from the price of an identical market basket of goods and services across the state. Most counties with higher indexes (higher costs of goods) are heavily populated metro areas.

The areas economic base has, in the past, been dominated by agriculture, primarily citrus and cattle production. While the agri-business still is the largest in terms of dollar business, the construction industry has gained as a steady economic mainstay.

---

**ST LUCIE COUNTY AREA DATA (continued)**

Tourism is also considered in the top three as a very important part of the local economy. Trends indicate that winter residents occupying long term rental or retirement homes eventually become full-time residents. This trend helps build a strong economic base, indicating that tourism is no longer only a transient, seasonal business.

A number of small to mid-size manufacturing businesses have been attracted to the area in the last ten years, ranging from boat builders to glass and mirror manufacturers, plastic water pipe production, metal parts production, and a Tropicana juice plant, etc. Additionally, in recent years the county has developed more aggressive recruitment methods in not only attracting the life sciences companies but all industries, in order to provide more stable employment for all county residents.

The County Commission also succeeded in receiving approval of the Central Florida Foreign-Trade Zone (CFFTZ) which exempts duties on some manufacturer's imports/exports, if the industry is located with the CFFTZ.

Fort Pierce/St. Lucie County has one of the few deep-water inlets on the east coast of Florida. The County Commission to some degree controls development of the port. The County Commission has made several attempts to purchase the lands which comprise the port, but at this point they have successfully purchased only 20 acres, approximately 67 acres of the prime deep water property remains in private ownership.

Also, the County Commission, in conjunction with the FAA, has been on track to expand the airport with visions the airport will be a regional facility of some significance. The first expansion was in the form of an extended runway, plus additional leasing of land within the airport to a variety of small fixed base operators. The longest runway is now 6,500 feet; however, there remains limitations on aircraft size as the runway surface does not have the capacity to carry the weight of large commercial carriers. In late 2008 a second runway is expected to be complete to support flight school and training traffic. The airport offers full time customs service, thus has international status. The customs service is heavily used by small planes traveling to the Caribbean region. Several commuter services have attempted operations from the airport but none have been financially successful because of being somewhat ahead of the demand curve. Expansion plans, however, have been controversial and as Commissioners change expansion plans also change, thus airport's ultimate development is uncertain at this time.

Service and professional fields also compose a large part of the area's economic base. Among the professional fields, real estate has played an important part in the area's growth with some 240 brokers in the county and over 900 MLS members.

Although the local economy is extensively supported by agriculture, construction, and tourism, other employment centers include manufacturing, retail trade, finance, insurance, real estate, services and governmental jobs. Total percentages listed below are based on the total non-agricultural labor force\*.

Other Employment - Non-agricultural\*

<b>CONSTRUCTION</b>	8.3%
<b>MANUFACTURING</b>	3.7%
<b>TRADE, TRANSPORTATION AND PUBLIC UTILITIES</b>	23.7%
<b>FINANCE, REAL ESTATE AND INSURANCE SERVICES</b>	14.2%
<b>GOVERNMENT JOBS</b>	23.5%
	19.4%

\*Estimated by the Enterprise Florida/Florida County Profile (2011)

## ST. LUCIE COUNTY AREA DATA (continued)

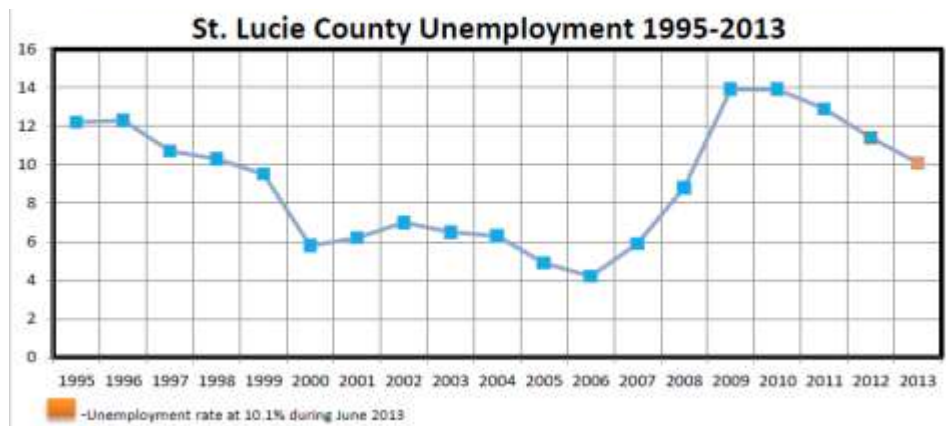
Largest Employers

<b>LIBERTY MEDICAL</b>	1,852
<b>WAL-MART RETAIL STORES</b>	1,720
<b>INDIAN RIVER STATE COLLEGE</b>	1,547
<b>LAWNWOOD REGIONAL MEDICAL CENTER</b>	1,082
<b>PUBLIX SUPERMARKETS</b>	1,163
<b>QVC</b>	1,137
<b>WAL-MART DISTRIBUTION CENTER</b>	1,070
<b>ST. LUCIE COUNTY MEDICAL CENTER</b>	747

\*Estimated by the Enterprise Florida/Florida County Profile (2011)

Unemployment is generally higher in St. Lucie County than in neighboring counties and although St. Lucie County continues to rank in the top counties within the state for unemployment. Historically the main contributor to high employment was the large number of seasonal workers in agriculture, and seasonally oriented tourist businesses.

Below is a summary of unemployment rates for recent years.



In addition to the St. Lucie County International Airport and Port facilities, previously discussed, St. Lucie County is served by several other major forms of transportation.

St. Lucie County is served by Federal Highway U.S. 1, which is a four lane median divided highway that serves as a major inter and intra-county route. The area is also served by five primary state highways including the Florida Turnpike, plus Interstate 95. St. Lucie County has the distinction of being the only area where the Florida Turnpike and Interstate 95 have closely located interchanges, thus, the interchange neighborhood has been developing over the past ten year period.

Fort Pierce is also served by Florida East Coast Railway, (freight only) and is the terminal point for the railroad cut-off to the Lake Okeechobee area. Community delivery service is by Airborne Express, Federal Express, United Parcel Service, Greyhound, and several common carriers. There are several trucking terminals in St. Lucie County including AAA Cooper, Gator Freightways, and Yellow

Freight Systems. There are also several locally owned taxicab companies and Community Transit, a division of Council on Aging of St. Lucie, Inc., is the public transit provider for St. Lucie County through a contract with the Board of County Commissioners of St. Lucie County.

---

## ST LUCIE COUNTY AREA DATA (continued)

St. Lucie County government operates as a five member commission with a professional county administrator as mandated by the state. The City of Fort Pierce operates as a five member commission and a city manager. Port St. Lucie operates as a five member commission presided over by a mayor/councilman. St. Lucie Village has a five member board of aldermen and a mayor, however, generally only limited city business is transacted by the group.

Each city provides its own law enforcement department along with a county Sheriff's Department for the unincorporated areas. Fire protection is provided by a county wide district.

The school system is operated under one county wide five member board. The system has twenty elementary schools (grades K-6), five elementary schools grades K-8, four middle schools, six high schools, and one exceptional student education center. Also, there are several private schools including the elementary St. Anastasia and John Carroll High Schools. Higher education facilities consist of Indian River State College, plus Barry University, and Florida State University, offer courses at the Indian River State College campus in Fort Pierce and St. Lucie West, plus Florida Atlantic University has a campus in St. Lucie West. The University of Florida Institute of Food and Agriculture Science offers bachelor's and master's degree programs at its UF Indian River Research and Education Center local campus.

There are two hospitals within the county. Lawnwood Regional Medical Center, located in Fort Pierce, and St. Lucie Medical Center located within the City of Port St. Lucie. Plus, Martin Memorial Health system has developed a hospital adjacent to the Torrey Pines research center in the Tradition / Southern Grove development. Additionally, there are two in-patient psychiatric hospitals, Lawnwood Pavilion located in Fort Pierce, and Savannas Hospital located in Port St. Lucie, plus a regional publicly funded mental health facility, New Horizons of the Treasure Coast. There are also several privately operated walk-in medical clinics, plus assisted living facilities and nursing homes spread throughout the county.

### Summary

In the short term the County's economic base is soft with the downturn in the real estate industry and overall soft national economic conditions negatively affecting the area. But, long term the overall economic outlook for St. Lucie County is good. Projections show the most rapid expansion will be in the City of Port St. Lucie. However, all of the incorporated or unincorporated areas should, by all forecasts, show a steady growth rate.

With governing and private forces vigorously working toward industrial expansions, unemployment should in the future decline. New stable industries should add a great deal to the overall employment picture. Along with new industrial employment, growth will create many new jobs in the service and professional fields again adding to the overall economic outlook for the area. Thus, the area should continue to be attractive to new residents as well as continuing to offer existing residents an attractive place in which to live and work.

Of course, much of the economic growth will depend upon national trends. As in the past, economic highs and lows brought about by national economic policies affect the local economy thus real estate values.