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CONFIDENTIAL MEMORANDUM

File #14318.2

Date: August 20, 2018

To: Mr. Wayne Griffin, Senior Appraiser
Bureau of Appraisal
Florida Department of Environmental Protection
3900 Commonwealth Boulevard, MS 110
Tallahassee, Florida 32399-3000

From: William H. Benson, MAI, CCIM
Independent Review Appraiser

Subject: 14901 NE 20th Avenue, North Miami
Boynton Beach – Miami Exchange
B/A File # 18-7871; County: Palm Beach & Miami-Dade

WORK UNDER REVIEW

I have completed a technical field review of the two appraisals completed for the above referenced project. The appraisals were completed by Mr. Harry C. Newstreet, MAI, of Harry C. Newstreet & Associates, Boca Raton, Florida, and Mr. Joseph Hatzell, MAI, MRICS, of Joseph J. Blake and Associates, Inc., Miami, Florida. Mr. Newstreet reported a market value of the fee simple estate of the subject of \$2,410,000. Mr. Newstreet's appraisal had an effective date of June 27, 2018, with a report date of August 15, 2018. Mr. Hatzell reported the "as is" market value of the fee simple interest of the subject was \$2,020,000. Mr. Hatzell's appraisal had an effective date of June 22, 2018, and a report date of August 15, 2018.

INTENDED USE/

INTENDED USER OF REVIEW: The intended users of this appraisal assignment are the Florida Department of Environmental Protection, Board of Trustees of the Internal Improvement Trust Fund (TITF) of the State of Florida and the Florida Department of Education.

EFFECTIVE DATE OF REVIEW: August 20, 2018

DATE OF REVIEW REPORT: August 20, 2018

William H. Benson, MAI, CCIM, President

DEFINITION OF MARKET VALUE¹

The appraisals provided estimates of market value.

Market value is defined as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under the following conditions:

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

SCOPE OF APPRAISAL

The subject is leased to Community Television Foundation of South Florida, Inc. from the State Board of Education of Florida. The lease was dated October 2, 1979, has a term of 40 years, and has a rental rate of \$1.00/year. The lease is between interrelated parties and is not considered to be at market. The appraisals address the subject's fee simple value, pursuant to the scope of work requested, therefore, the existing lease was not considered in the valuation.

SCOPE OF REVIEW

The scope of the review involved a thorough desk review in which the appraisal was evaluated for compliance with USPAP as of 2018/2019. The scope of review included inspecting the subject property and the significant comparable sales. This review complies with the Uniform Standards of Professional Appraisal Practice, Standard Rule #3. Please be advised that the review process is limited by the fact that I did not personally verify the sales data used nor did I conduct my own independent research to identify comparable sales, etc. The review is limited to analysis of the information

¹ (Source: Supplemental Appraisal Standards for the Board of Trustees, Division of State Lands, Bureau of Appraisal Florida Department of Environmental Protection, March 2, 2016)

provided and to assure substantial compliance with the Uniform Standards of Professional Appraisal Practice and the Supplemental Appraisal Standards for the Board of Trustees, Division of State Lands, Bureau of Appraisal, Florida Department of Environmental Protection, March 2, 2016. This review should not be construed or represented as an additional independent opinion of value or an additional appraisal.

The following data are obtained from the appraisal report and some of the descriptive summaries are excerpted.

EXTRAORDINARY ASSUMPTIONS

The subject currently has access from the north and south via implied or existing cross-use easements for parking. These appraisals are based on the extraordinary assumption that the property would sell with cross-use easements to allow for access and parking, shared with the contiguous properties to the north and south. The subject's southern wall appears to be placed on the property line. These appraisals are based on the extraordinary assumption that the building sits on the property line and is subject to verification via a licensed surveyor. These appraisals are not based on any other extraordinary assumptions. The use of the aforementioned Extraordinary Assumptions might have affected the assignment results.

HYPOTHETICAL CONDITIONS

This appraisal is not based on any hypothetical conditions.

NEIGHBORHOOD ANALYSIS

The subject is located south of NE 151st Street, on the east side of NE 20th Avenue. The subject's neighborhood is located in the northern section of Miami-Dade County in the City of North Miami. The boundaries of the neighborhood are considered to be Biscayne Boulevard, also known as US-1 to the east, West Dixie Highway to the west and north and NE 123rd Street to the south. The prevailing land uses within this area are primarily industrial, surrounded by residential on the secondary roadways, and commercial uses along the major thoroughfares.

The subject property has good access to the majority of Miami-Dade County and the major inter-city expressways. The subject is located less than five miles north of the Miami CBD. The subject also sits approximately 10 miles south of the Fort Lauderdale International Airport as well as the Fort Lauderdale CBD.

The age of the improvements in the neighborhood vary from new to as old as 50 years with some of the commercial properties undergoing a moderate amount of renovations. The overall quality of the subject's improvements is average. The condition of the

improvements in the neighborhood is also average. Typical uses of the improvements seem to have conformity throughout.

The neighborhood is approximately 95% developed with land uses consisting of a mixture of industrial commercial and residential. Few vacant tracts of residential or commercial land remain to be developed within the area. The subject is within a reasonable distance from support services such as elementary, middle and high schools, places of worship, shopping centers, public transportation and places of employment.

Commercial uses in the area are primarily located along the major north/south and east/west arterials previously mentioned. Residential properties are located primarily on secondary arterials. The subject's immediate neighborhood has some industrial uses, however proximity to Biscayne Boulevard, and access to the near-by communities of Aventura and Bal Harbor have prompted a conversion of some buildings to more office or office/industrial uses.

NEIGHBORHOOD ANALYSIS CONCLUSION

The subject and the surrounding neighborhood appear to be operating in a stabilized environment but with continued growth planned in the future. Several factors have combined for the success of the district, of which accessibility and location have had the most positive influence.

AERIAL PHOTOGRAPH

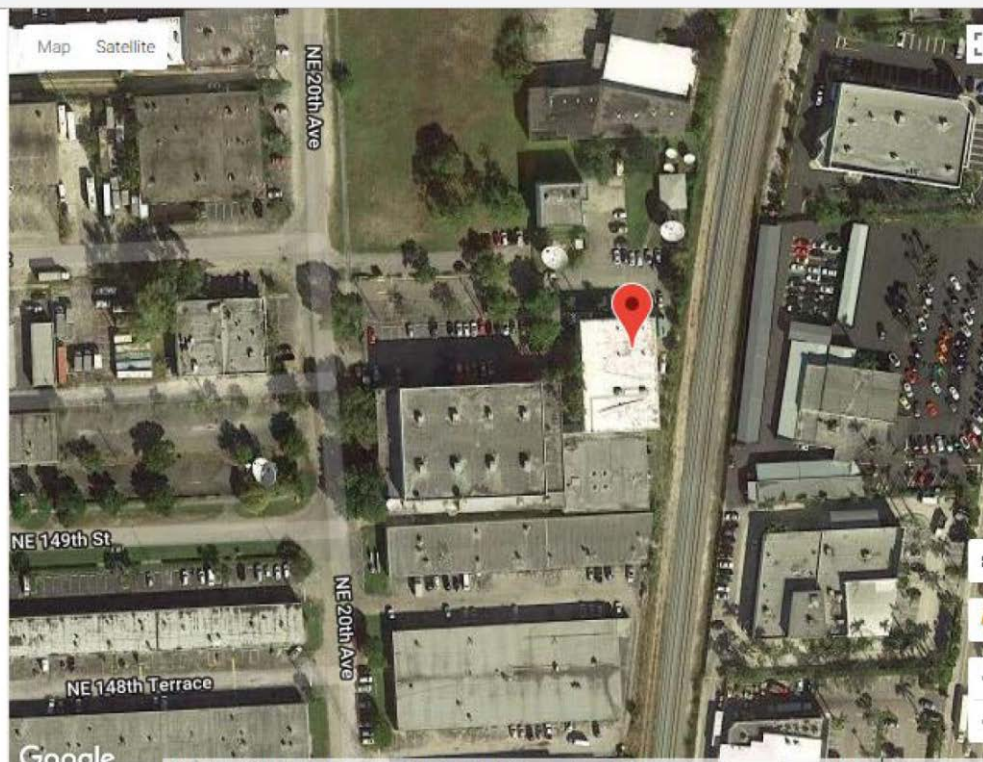


Diagram of Subject Site, As Provided by Client



DESCRIPTION OF THE SITE

Address: 14901 NE 20 Avenue, North Miami, Miami-Dade County, FL 33181

Parcel Number: 06-2221-038-0030

Location: The subject is located south of NE 151st Street, on the east side of NE 20th Avenue

Size: 0.7 acres; 30,492 SF

Usable Land: 0.7 acres; 30,492 SF

Zoning: The parcel is zoned "M-1," under the jurisdiction of the City of North Miami.

Ingress/Egress: Ingress/egress is somewhat restricted, since the current placement of the access gate is on a parcel that is adjacent to the subject to the north. However, the subject site, as described by the client, does have a leg that extends to NE 20th Avenue. However, at the current time, that portion of the site is not used as an access point.

Soil Conditions and Drainage: The soil conditions observed at the subject appear to be typical of the region and adequate to support development.

Flood Zone:

The site lies within Zone X (unshaded). This information was obtained from the National Flood Insurance Rate Map Number 12086C0141L dated September 11, 2009.

Encumbrances and Easements:

There are no known adverse encumbrances or easements. Please reference Limiting Conditions and Assumptions.

Wetlands and Watersheds:

No wetlands were observed during our site inspection.

Conclusion:

The site has average and typical utility. However, the subject's shape with a long, narrow leg extending toward NE 20th Avenue, may make some types of development difficult. The subject's frontage on NE 20th Avenue currently does not include a point of entrance/exit; entrance and exit is currently provided by the adjacent sites. If the subject were operated independently, paving could be extended to provide access to the adjacent roadway.





DESCRIPTION OF IMPROVEMENTS

Description:

Briefly described, the subject consists of an average quality, two-story building that is 100% occupied by WPBT, a local public television station. The building dimensions are approximately 85' by 125'. The ground floor contains approximately 10,625 SF of floor area; this includes a 2,000 SF warehouse area with approximately 24' ceiling heights; a mail room, hallways, an entrance area, office space, a TV transmission control room, and a server room. The second floor contains approximately 8,625 SF and is comprised of non-a/c mezzanine storage, office space, restrooms and hallways. The building is served by a back-up generator, and has heavy electrical service, required for its use as a television transmission building.

The subject sits adjacent to and abuts an adjoining building also occupied by WPBT. There is no interior ground floor access from the subject to the adjacent building. There is second floor access between the subject and the adjoining building. According to a representative of WPBT, the subject was originally constructed as a warehouse/automobile storage facility. The subject was significantly renovated by WPBT for its use; however, the building still has features of an industrial building such as two-roll up doors, and a non-a/c warehouse area.

The building has a total of approximately 19,250 SF of net rentable area and was constructed in 1965 according to Miami-Dade County public records.

Year Built: 1965
Renovations: 2000
Effective Age: 35
Gross Building Area: 19,250
Net Rentable Area: 19,250
Gross Leasable Area: 19,250

Construction Type: Concrete Block with Stucco
Foundation: Assumed to be concrete footers
Frame: Heavy Concrete Frame
Exterior Walls/Finish: Stucco
Windows: Aluminum-framed plate glass
Roof Type: Flat
Roof Cover: Roll-down, or mop-down roofing material
Construction Type: Concrete Block with Stucco
Floor Covering: Carpet, Linoleum, Tile
Interior Walls: Painted drywall
Interior Lighting: Fluorescent fixtures
Restrooms: There are separate men's and women's restrooms on each floor. The restrooms have tiled floors, tiled or painted walls and contain fixtures that are commercial quality.

HVAC: Package Units
Utilities: All necessary utilities are available to the subject improvements, including public water & sewer, electricity, and telephone.

Ceiling Height: 24'
Dock High: No
Drive-in Doors: 2
% Office: 90%
% Under AC: 90%

PARKING DETAILS

Parking Spaces: 30
Parking Ratio: 1.56 spaces per 1,000 SF
Parking Description: The subject's parking is located on the west of the building.

SUMMARY

Comments:

The subject is currently operated in conjunction with the adjoining building. An interior corridor on the second floor provides access between the two buildings. An elevator in the adjacent building allows individuals to access the subject's second floor.

ZONING

The subject is zoned "M-1," Industrial, under the jurisdiction of the City of North Miami. The subject's lot street frontage appears to be less than the minimum required by the M-1 zoning code.

Comments:

The purpose of the M-1 industrial district is to accommodate industrial and related uses in the City and to support mixed-use within the Transit Station Overlay District. The subject is a legal and nonconforming use of the site due to substandard street frontage.

TAXES

The subject is located on a tax folio parcel that includes the subject as well as an additional building to the south also occupied by WPBT.

Parcel ID:	06-2221-038-0030
Assessment Year:	2017
Assessed Value:	\$4,394,182
Taxes with Special Assessments:	\$100,180

SALES HISTORY

There were no reported sales or listings associated with the subject in the last 5 years.

The subject is currently owned by Board of Trustees of the Internal Improvement Trust Fund of the State of Florida. The subject is leased to Community Television Foundation of South Florida, Inc. from the State Board of Education of Florida. The lease is referred to as Lease No. 3119 dated August 22, 1979, as amended in September 1986 and again in October 2013.

The lease was dated October 2, 1979, has a term of 40 years, and has a rental rate of \$1.00/year. A copy of the lease and amendments to the lease are contained in the Addenda to this lease. The lease is between interrelated parties and is not considered to be at market.

Pursuant to the scope of work requested, the existing lease was not considered in the valuation and has no impact on the value reported.

HIGHEST AND BEST USE

The appraisers considered all relevant issues associated with estimating highest and best use. The property was built for industrial purposes and the current television studio is considered to be a special purpose use. Although the subject property has a high office buildout, the appraisers concluded that the highest and best use would be for general industrial uses consistent with the zoning. It is my opinion that the appraiser's conclusion of highest and best use is sound and appropriate.

VALUATION

Mr. Newstreet utilized the following sales to estimate the value of the subject.

Comparable Improved Sales Summary Table

NEWSTREET SALES

	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Address	13275 NE 16 th Ave. North Miami	1890 NE 150 th St. North Miami	1830 NE 144 th St. North Miami	13001-13007 NE 14 th Ave. North Miami	14220-14270 NE 18 th Ave. North Miami
Land Size	7,963 SF	34,631 SF	24,500 SF	20,920 SF	42,249 SF
Building Size	5,269 SF	15,300 SF	7,245 SF	11,836 SF	20,278 SF
Sale Price	\$785,000	\$2,000,000	\$775,000	\$1,200,000	\$2,825,000
Sale Date	8/5/15	1/5/18	2/4/16	10/20/17	5/8/18
Unadjusted \$/SF	148.99	130.72	\$106.97	\$101.39	\$139.31

Mr. Newstreet considered five comparable sales of similar industrial buildings. He considered all relevant value influences including property rights conveyed, financing, conditions of sale, market conditions, location, access, building size, age and condition, floor area ratio and interior office buildout ratio. These sales ranged in price from \$101 to \$149/SF. Mr. Newstreet reasoned that the subject property was most comparable to Sale 2, which sold for \$130.72/SF but is overall slightly superior, in his opinion. Sales 1 and 5 were considered overall superior to the subject. Sales 3 and 4 were considered overall inferior to the subject.

Based on his analyses, he concluded at a value of \$125/SF, which was near the middle of the range of the sales but slightly below the most similar sale, Sale 2. This conclusion resulted in the following calculation: 19,250 SF = \$2,410,000 rounded.

Mr. Hatzell utilized the following sales to estimate the value of the subject.

HATZELL SALES

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6
Address	14220-14270 NE 18 Ave. North Miami	1835 NE 144 St. North Miami	1890 NE 150 th St. North Miami	1510, 1570 & 1580 NE 131 st North Miami	15601 W. Dixie N. Miami Beach	1958-1962 NE 151 st North Miami
Date	5/9/18	1/5/18	1/5/18	8/17/17	3/26/15	12/2/14
Price	\$2,825,000	\$1,600,000	\$2,000,000	\$3,550,000	\$4,000,000	\$730,000
NRA	20,278	22,813	15,300	33,524	29,751	9,082
Price Per SF	\$139	\$70	\$131	\$106	\$134	\$80

Mr. Hatzell utilized six comparable sales. Mr. Hatzell's comparable Sale 1 and comparable Sale 3 were also used by Mr. Newstreet. Mr. Hatzell also gave consideration to all relevant value influences including differences in location, age, quality of construction, occupancy and land-to-building ratio. Mr. Hatzell placed minimal weight on Comparable 1 with superior land-to-building ratio and the multiple tenant occupancy. Some weight was placed in comparable Sale 2 due to the similar mix of office and warehouse space, but the sale was inferior in terms of condition. Mr. Hatzell put strong emphasis on comparable Sale 4, which was considered similar in terms of all material value influences. Mr. Hatzell also put strong emphasis on comparable sale 6 but did not put confidence in comparable sale 5 due to the superior nature associated with the land-to-building ratio, primarily. In the final analysis, Mr. Hatzell concluded at a value of \$105/SF. This resulted in the following calculations: 19,250 SF x \$105 = \$2,020,000 - RD.

The appraisal is well supported by the sales comparison approach with sales that appear to be comparable. Mr. Hatzell also developed a complete income approach based on the expectation that the subject could be leased at market rates. The income approach was well done and supportive, however, Mr. Hatzell did not weight this value indication and, as such, the income approach analysis will not be discussed further.

CONCLUSIONS

It is my opinion that the appraisals were in substantial compliance with the Uniform Standards of Professional Appraisal Practice approved and adopted by the Appraisal Standards Board of the Appraisal Foundation. The appraisals were also completed in substantial compliance with the Supplemental Appraisal Standards for the Board of Trustees, Division of State Lands, Bureau of Appraisal, Florida Department of Environmental Protection (March 2, 2016).

CERTIFICATION

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

- The facts and data reported by the review appraiser and used in the review process are true and correct.
- The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report, and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of the work under review within the three year period immediately preceding acceptance of this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this review.
- My compensation for completing this assignment is not contingent upon the development or reporting of predetermined assignment results or assignment results that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal review.
- My analyses, opinions, and conclusions were developed and this review report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have not made a personal inspection of the subject of the work under review.
- No one provided significant professional assistance to the person signing this certification.

The appraisal reviewed is in substantial compliance with the Uniform Standards of Professional Appraisal Practice. The appraisal is also completed in substantial compliance the Supplemental Appraisal Standards for the Board of Trustees, Division of State Lands, Bureau of Appraisal, Florida Department of Environmental Protection (March 2, 2016).

- The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I, William H. Benson, have completed the continuing education program for Designated Members of the Appraisal Institute.

REVIEWED BY:



Date: August 20, 2018

William H. Benson, MAI, CCIM
State-Certified General Appraiser #0001027