



Public Works Department – Facilities Management Division – **REAL PROPERTY SECTION**
 115 S. Andrews Avenue, Room 501 • Fort Lauderdale, Florida 33301 • 954-357-6808 • FAX 954-357-6292

APPRAISAL REVIEW REPORT

April 7, 2016

TO: Yasmi Govin, Director of Business and Property Management
 Broward County Aviation Department

THRU: Purvi Bhogaita, Director
 Real Property Section

FROM: C. Kevin Bokoske, MAI, Due Diligence Officer
 Real Property Section

RE: **Appraisal – Land Only – Off Airport
 Broward County Aviation Department (“BCAD”)
 Fort Lauderdale-Florida International Airport (“FLL”)
 “Plats 7 & 8 and Other Parcels”
 Broward County, Florida**

This is to confirm that I have reviewed the appraisal report for the above-captioned property interest by Scott H. Watson, MAI, of The Coastal Consulting Group, Inc., and a State-Certified General R. E. Appraiser, dated April 6, 2016. I found the appraisal report to be compliant with both USPAP and the Uniform Appraisal Standards for Federal Land Acquisitions; and therefore acceptable.

Appraiser’s Opinions of Market Value

<u>Bid Package</u>	<u># S/F Land Area</u>	<u>Value Per S/F</u>	<u>Market Value</u>
1	9,209	\$25.00	\$ 230,000
2	136,253	\$17.50	\$2,384,000
3	34,309	\$22.00	\$ 755,000
4	69,994	\$19.00	\$1,330,000
5	99,120	\$18.00	\$1,784,000
6	86,782	\$18.50	\$1,605,000
7	28,125	\$22.00	\$ 619,000
8	23,540	\$22.00	\$ 518,000
9	9,001	\$23.00	\$ 207,000

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Appraiser's Opinions of Market Value (Cont.)

<u>Bid Package</u>	<u># S/F Land Area</u>	<u>Value Per S/F</u>	<u>Market Value</u>
10	19,257	\$22.00	\$ 424,000
11	41,613	\$21.00	\$ 874,000
12	380,859	\$14.00	\$5,332,000
13	59,119	\$19.00	\$1,123,000
14	43,492	\$20.00	\$ 870,000
15	97,832	\$17.50	\$1,712,000
16	74,042	\$18.50	\$1,370,000
FDOT	290,660	\$15.00	\$4,360,000

Reviewer's Opinions required by USPAP Standards Rule 3-1 through 3-6.

Completeness of the material within the Scope of Work: *Adequate.*

Apparent adequacy and relevance of the data and the propriety of the adjustments to the data: *Sufficient for the assignment at hand.*

Appropriateness of the appraisal methods and techniques used (within the Scope of Work) and reasons for any disagreement: *The method used, the Sales Comparison Approach, was appropriate for this assignment.*

Appropriateness and reasonableness of analyses, opinions, and conclusions in the work under review (given the Scope of Work) and reasons for any disagreement: *We find no reason for disagreement with the work reported therein. We find it to be USPAP-compliant, as well as compliant with the Uniform Appraisal Standards for Federal Land Acquisitions (also known as "Uniform Act or "Yellow Book"), and the analyses, opinions, and conclusions in the work under review are appropriate and reasonable.*

Type of Review: There are generally recognized two types of reviews that can be performed; a *technical review* and an *administrative review*. This is a *technical review*. In a technical review, the reviewer renders an opinion concerning whether the opinions of value are adequately supported and in compliance with all appropriate standards, laws, and regulations relating to the appraisal of property. We did not develop our own independent estimate of market value.

Scope of Work: Technical reviews may be conducted as either *desk reviews* or *field reviews*. This is a *desk review*. A desk review involves a confirmation that the

appraisal report was prepared in accordance with the Uniform Act and the Uniform Standards of Professional Appraisal Practice (“USPAP”) and any other appropriate Supplemental Standards that apply. The desk review also involves a thorough review and analysis of the information and analysis contained in the appraisal report under review and a careful examination of the internal logic and consistency. Our review was limited to the information and analysis presented within the appraisal report.

Reviewer’s Client: Broward County, FL.

Intended Use of the Reviewer’s Opinion: To evaluate compliance with the Uniform Act and USPAP requirements. This assignment was done, and the appraisal report conforms to, all guidelines set out in 49 CFR Part 24/Uniform Relocation Assistance and Federally-Assisted Programs; the Uniform Appraisal Standards for Federal Land Acquisitions (“Yellow Book”); and the 2016-2017 Uniform Standards of Professional Appraisal Practice (“USPAP”).

Intended User: Broward County Aviation Department. The City of Dania Beach and the potential buyers of the various bid packages are also expected to receive copies of the appraisal report.

Intended Use of the Appraisal Report Being Reviewed: The Intended Use is to prepare for a possible sale, via auction or others methods, of the various parcels.

Purpose of the Assignment: To perform a technical desk review of the appraisal report furnished to this office for that purpose. We did not develop our own opinion of market value.

Subject of the Appraisal Review Assignment: See page 1.

Date of the Review: April 7, 2016.

Date of the Appraisal Under Review: March 15, 2016, was the effective date of the conclusion of the work under review; and April 6, 2016, was the date of the appraisal report.

Appraiser Completing the Work Under Review: Scott H. Watson, MAI.

Subject Property Being Reviewed

The property is described in the appraisal report as follows:

**Broward County Aviation Department (“BCAD”) – Vacant Land
Fort Lauderdale-Florida International Airport (“FLL”)
“Plats 7 & 8 and Other Parcels” – Off Airport
Dania Beach, Florida**

The properties being appraised consist of 62 different, mostly non-contiguous, folio numbers that have been grouped into 16 “bid packages” of parcels that were expected to be natural groupings due to their shape, size, location, or configuration. The bid package groupings were agreed upon jointly by Broward County and the City of Dania Beach. The sites are all located in the City of Dania Beach, west of I-95, south of I-595, north of Dania Cut-Off Canal, and east of NW 30th Avenue. In addition to the folio identification and the bid package identification, the parcels are further identified by Aviation Parcel numbers. These cross-identifications are illustrated on pages 1-7 through 1-9 of the appraisal report.

Most of the parcels are industrial zoned, and all have an industrial land use. The surrounding improved properties are primarily industrial in nature, so industrial use would be compatible with the nearby neighborhood as well as with land use regulations. As a result, the appraiser considered the most probable purchaser for the majority of the bid packages to be an industrial developer or user. All the parcels are expected to be transferred with restrictive covenants, including height restrictions imposed by FAA. It was the appraiser’s opinion that the height restrictions to be imposed would not negatively affect the value or marketability of the parcels.

The neighborhood is heavily influenced by the nearby Fort Lauderdale-Hollywood International Airport and Port Everglades. In addition, the area also offers exceptional highway access.

The typical parcel is level with road grade level, and drainage appeared adequate. Electricity and telephone are provided, according to the appraiser. The appraiser was uncertain about the availability of public water or sewer services to each parcel.

The highest and best use is industrial or storage-related development, in the in the appraiser’s opinion. (Page 5-3 in the appraisal report.)

Valuation

The appraiser analyzed 20 industrial sales and 6 active listings. Most were vacant; the remainder had improvements in place but appeared to have been purchased for their land value. (Page 6-38 for list of sales and listings.)

The unadjusted sales price per square foot of land area varied from \$11.85 to \$30.85. The active listings vary from \$16.10 per S/F to \$21.86 per S/F. However, most of the sales, many which were older, were clustered in a range of \$17.50 to \$18.50 per S/F. The active listings were grouped at \$19.00 to \$20.00 per S/F.

The appraiser arrayed or sorted the sales and listing data by sale or listing number, by date of sale, by land size, by zoning and land size, and finally by land size with the five outliers removed. The appraiser next compared the land size analysis results with an array of the land sizes of the various bid packages. (Page 6-44 in the appraisal report.)

The result of the appraiser's analysis was a range of \$14.00 to \$25.00 per square foot of land area, based primarily on the size of the bid package parcel. The indicated values for each bid package and the FDOT parcel are shown on page 6-45 of the appraisal report.

The 6.67-acre of FDOT parcels, as a "stand-alone", are shown on page 6-47 of the appraisal report, and were valued at \$4,360,000 or \$15.00 per square foot.

Reconciliation and Final Value Opinion

The appraiser presented an extensive comparison and analysis of the properties that have sold in the recent past and the active listings of property presently on the market. The findings were incorporated into the appraiser's opinion of marketability, utility, and market appeal of each of the 16 bid packages. The findings are shown on the following page:

Appraiser's Opinions of Market Value

<u>Bid Package</u>	<u># S/F Land Area</u>	<u>Value Per S/F</u>	<u>Market Value</u>
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The research, verification, analysis and comparison processes appear to have been well developed and reported. No other appraisal approach was appropriate or required for this assignment.

Reviewer's Comment: The concluded market values in the appraisal report under review are not unreasonable, based on the data in the appraisal report. My opinions as a reviewer do not constitute evidence of an appraisal by me, and I am not expressing my opinion of value as part of the review process.

Appraised Value Versus Assessed Value: The 2015 Broward County Property Appraiser's assessed value for the 62 parcels ranged from \$3.62 per square foot to \$10.00 per square foot. The mean was \$7.33 per square foot, while the median and mode were each \$8.00 per square foot. It is safe to say that the assessed value is approximately \$8.00 per square foot. (County-owned property is not subject to taxation.)

In the appraisal report under review, the 16 bid packages and the FDOT parcel were assigned values that ranged from \$14.00 per square foot to \$25.00 per square foot. The mean was \$19.65 per square foot, the median was \$19.00 per square foot, and the mode was \$22.00 per square foot.

Therefore, the central tendency for the appraised market value is \$20.00 to \$22.00 per square foot, according to the appraisal being reviewed.

The assessed value by the Property Appraiser and the appraised value by the fee appraiser engaged by the Real Property section are included in our appraisal reviews for the convenience of those who request that this information be provided as part of the appraisal review process performed by the Real Property Section. It is not the role of Real Property to comment on the similarity or dissimilarity in the assessed and appraised values.

There have been no recent sales of these parcels; and the property is not yet offered for sale. It is owned by the Broward County Board of County Commissioners.

CERTIFICATION (Page 1 of 2)

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 Dania Beach, Florida**

According to the Uniform Appraisal Standards for Federal Land Acquisitions, as well as Standards Rule 3-6 of the Uniform Standards of Professional Appraisal Practice (“USPAP”), each technical appraisal review report must contain a signed certification that is similar in content to the following form:

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

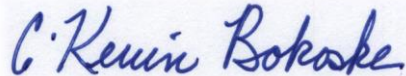
- The facts and data reported by the reviewer and used in the review process are true and correct;
- The analyses, opinions, and conclusions stated in this review report are limited only by the assumptions and limiting conditions stated in this review report and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions;
- I have no present or prospective interest in the property that is the subject of the review report and no personal interest or bias with respect to the parties involved with 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 this review or from its use; nor is my continued employment by the Client, Broward County, contingent upon any findings or opinions in this review;
- My analyses, opinions, and conclusions were developed, and this appraisal review report was prepared, in conformity with the Uniform Appraisal Standards for Federal Land Acquisitions;
- The appraisal review was made, and the review report prepared, in conformity with the Appraisal Foundation’s *Uniform Standards of Professional Appraisal Practice*, except to the extent that the Uniform Standards for Federal Land Acquisitions required invocation of USPAP’s Jurisdictional Exception Rule, as described in Section D-1 of the Uniform Appraisal Standards for Federal Land Acquisitions. Compliance with USPAP includes the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute;
- I visited the subject property under review, to familiarize myself with their physical characteristics and surroundings, on February 18, 2015. I have not made a personal inspection of the market comparables cited in the appraisal report under review; and have not verified the factual data presented in the appraisal report reviewed;
- I have not previously completed appraisal review assignments in the past three years for the property being appraised, but I have for other properties, on behalf of the same client, Broward County Aviation Department;

CERTIFICATION (Page 2 of 2)

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[Continued]

- No one provided significant appraisal, appraisal review, or appraisal consulting assistance to the person signing this certification;
- 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 have completed the continuing education program of the Appraisal Institute. Certification is through December 31, 2016.



C. Kevin Bokoske, MAI, AI-GRS, AI-RRS
April 7, 2016