

APPRAISAL REPORT

**VACANT INDUSTRIAL ACREAGE
L & R INDUSTRIAL BOULEVARD NORTH OF BRADY ROAD
TARPON SPRINGS, FLORIDA 34689**

DATE OF VALUATION

MAY 10, 2024

PREPARED FOR

**MR. BOB ROBERTSON
PROJECT ADMINISTRATION DIRECTOR
CITY OF TARPON SPRINGS
324 E. PINE STREET
TARPON SPRINGS, FLORIDA 34689

E-MAIL: RROBERTSON@CTSFL.US**

PREPARED BY

**JAMES M. MILLSPAUGH, MAI
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May 24, 2024

Mr. Bob Robertson
Project Administration Director
City Of Tarpon Springs
324 E. Pine Street
Tarpon Springs, Florida 34689
E-Mail: rrobertson@ctsfl.us

Re: Appraisal Services
Vacant Industrial Acreage
L & R Industrial Boulevard North of Brady Road
Tarpon Springs, Florida 34689

Dear Mr. Robertson:

At your request, I have made an appraisal of the current market value of the fee simple estate of the above referenced real property only. The property and methods utilized in arriving at the final value estimate are fully described in the attached report, which contains 22 pages and Addenda.

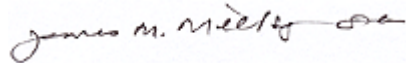
This Appraisal Report has been made in conformance with and is subject to the requirements of the Code of Professional Ethics and Uniform Standards of Professional Practice of the Appraisal Institute and the Appraisal Foundation. The Appraisal Report and final value estimate are subject to all attached Contingent and Limiting Conditions.

I have made a careful and detailed analysis of the subject property and after analyzing the market data researched for this report, I estimate that the market value of the referenced property only and subject to the stated limitations, definitions, and certifications as of May 10, 2024, was:

THREE MILLION SIX HUNDRED THOUSAND DOLLARS
(\$3,600,000)

Respectfully submitted,

JAMES MILLSPAUGH & ASSOCIATES, INC.



James M. Millspaugh, MAI
JMM:sg

JAMES M. MILLSPAUGH, MAI
State-Certified General Real Estate Appraiser RZ58

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EXISTING CONDITIONS

VACANT INDUSTRIAL ACREAGE
L & R INDUSTRIAL BOULEVARD NORTH OF BRADY ROAD
TARPON SPRINGS, FLORIDA 34689

DATE OF PHOTOGRAPHS: MAY 10, 2024



L & R INDUSTRIAL BOULEVARD STREET SCENE LOOKING NORTH BEYOND
SUBJECT ON RIGHT



INTERIOR SITE VIEW LOOKING SOUTH FROM NEAR WESLEY AVENUE

EXISTING CONDITIONS

VACANT INDUSTRIAL ACREAGE
L & R INDUSTRIAL BOULEVARD NORTH OF BRADY ROAD
TARPON SPRINGS, FLORIDA 34689

DATE OF PHOTOGRAPHS: MAY 10, 2024



L & R INDUSTRIAL BOULEVARD LOOKING SOUTH BEYOND SUBJECT ON LEFT



LOOKING SOUTHEAST ALONG FORMER RAILROAD R/W BEYOND SUBJECT ON
RIGHT

IDENTIFICATION OF THE PROPERTY:

The site fronts the east side of the L & R Industrial Boulevard north of Brady Road to roughly 650' south of Anclote Boulevard (Pasco County line). It is legally described in brief by the Pinellas County Property Appraiser as the W/2 of the W/2 of the NW/4 lying south of the railroad R/W in Section 01, Township 27 south, Range 15 east and noted as Metes and Bounds Parcel #23/01.

CENSUS TRACT LOCATION/ZIP CODE: #273.08/34689

FLOOD ZONE LOCATION: Pinellas County, Florida
Map #12103C0017J
Effective Date: 8-24-21

The subject is located in a zone X described as an “area of minimal flood hazard”. It is surrounded, however, by another zone X described as 0.2% annual chance “flood hazard in coastal zone” that has a generally lower elevation. Further, parts of the eastern site boundary are located in the Coastal High Hazard Area where typical development ratios are restricted.

ENVIRONMENTAL AUDIT DATA:

The Appraisal has been performed without the benefit of an environmental audit and presumes that no problems exist, however, I reserve the right to review and/or alter the value reported herein should a subsequent audit reveal problems.

OBJECTIVE AND INTENDED USE/USERS OF THE APPRAISAL:

The objective of the report is to estimate the current market value in fee simple estate of the subject vacant acreage as of May 10, 2024 (date of inspection and photographs). It is my understanding that the intended use is to provide guidance to the City of Tarpon Springs in their pending purchase negotiation for the subject and the intended users are the City of Tarpon Springs representatives and no others. While the site has been leased to the city for a “spoil bank” use, the value will reflect fee simple interest as vacant acreage.

EXPOSURE PERIOD ESTIMATE:

This is the past period of time required to have sold the subject property at my value estimate as of the appraisal date. Given the continued strong demand for industrial real estate district-wide and a notable shortage in this market, this period would likely have been within 1 year. The current economic climate, however, includes increasing interest rates and inflation plus a related increase in investment risks here that traditionally has attracted smaller multi-tenant spaces similar to the adjacent River Bend business park. As such, it appears that a moderation of value/development activity is likely during the short-term foreseeable future (0-2 years) or beyond.

STATEMENT OF OWNERSHIP AND RECENT SALES HISTORY:

According to public records, the subject is owned by Anclote Properties, LLC, which acquired the site in October 2004 for a recorded \$1,100,000 consideration. There have been no recorded transfers of the property that would impact the current market value. I previously appraised the subject on June 29, 2022.

SCOPE OF THE APPRAISAL:

The extent of my research effort for the sale of similar property has included mid to north Pinellas County and proximate southwest Pasco districts along the SR 54 and SR 52 corridors. Specifically, I have researched the public records in the Pinellas, Hillsborough, and Pasco Property Appraisers' and Clerks' data, local MLS, business periodicals, various real estate portals via the Internet, and my newspaper clipping files. I have inspected the noted areas, viewed the Comparable Land Sales, and verified the details with a related party. The report will include a Land Sales Comparison Approach and will consider a development concept for creating and selling out potential lot sales to users and/or investors similar to the River Bend business park. The most reliable approach is the Land Sales Comparison, which offers direct sales of similar real estate.

DEFINITION OF MARKET VALUE:

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

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in US 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.

1 Federal Deposit Insurance Corporation, 12 CFR, Part 323, RIN 3064-AB05, August 20, 1990, Section 323.2, Definitions.

STANDARD CONTINGENT AND LIMITING CONDITIONS:

This Appraisal is subject to the following limiting conditions and contingencies:

This Appraisal Report in no way represents a guarantee or warranty of estimated market value as reported herein. The Appraisal Report represents the opinion of the undersigned as to "one figure" based upon the data and its analysis contained herein.

The legal description furnished is assumed to be correct and unless otherwise noted, no survey or title search has been made. No responsibility is assumed by the Appraiser(s) for these or any matters of a legal nature and no opinion of the title has been rendered. The property is appraised as though under responsible ownership and management. The Appraiser(s) believe(s) that information contained herein to be reliable, but assume(s) no responsibility for its reliability.

The Appraiser(s) assume(s) there are no hidden or unapparent conditions of the property, subsoil, or structure which would affect the value estimate. Unless otherwise noted, the Appraiser(s) has not commissioned termite or structural inspection reports on any improvements nor subsoil tests on the land.

The attached photos, maps, drawings, and other exhibits in this report are intended to assist the reader in visualizing the property and have been prepared by the Appraiser(s) or his staff. These exhibits in no way are official representations/surveys of the subject property.

Any distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Separate valuations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of urea-formaldehyde foam insulation, and/or the existence of toxic waste, which may or may not be present on the property, was not observed by the Appraiser; nor does he/she have any knowledge of the existence of such materials on or in the property. The Appraiser, however, is not qualified to detect such substances. The existence of urea-formaldehyde insulation or other potentially hazardous waste material may have an effect on the value of the property. The Appraiser urges the client to retain an expert in the field if desired.

The Appraiser(s) will not be required to appear in court unless previously arranged. The Appraiser's duties pursuant to his employment to make the Appraisal are complete upon delivery and acceptance of the Appraisal Report.

Possession of this report or copy thereof does not carry the right of publication. Neither all nor any part of the contents of this report (especially any; conclusions as to value, the identity of the Appraiser(s), or the firm with which he is connected, or any reference to the Appraisal Institute or to the MAI or SRA designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without the prior written consent and approval of the undersigned.

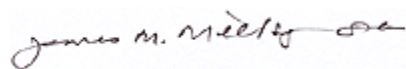
The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The Appraiser(s) has (have) not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance 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 the Appraiser(s) has (had) no direct evidence relating to this issue, the Appraiser(s) did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

CERTIFICATION

The undersigned does hereby certify that, except as otherwise noted in this appraisal report:

1. As of the date of this report, I, James M. Millspaugh, have completed the requirements under the continuing education program of the Appraisal Institute.
2. I have personally inspected the subject property and have considered all factors affecting the value thereof, and to the best of my knowledge and belief, the statements of fact contained in this appraisal report, upon which the analyses, opinions and conclusions expressed herein are based, are true and correct, subject to all attached Contingent and Limiting Conditions.
3. I have no present or contemplated future interest in the real estate that is the subject of this appraisal report.
4. I have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved.
5. My fee for this appraisal report is in no way contingent upon my findings. The undersigned further certifies that employment for this appraisal assignment was not based on a requested minimum valuation or an approval of a loan.
6. This appraisal report sets forth all of the limiting conditions (imposed by the terms of my assignment or by the undersigned) affecting the analyses, opinions, and conclusions contained in this report.
7. This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Uniform Standards of Professional Practice of the Appraisal Institute and the Appraisal Foundation and may be subject to peer review. Further, I have met USPAP's competency provision and am capable of completing this appraisal assignment.
8. No one other than the undersigned prepared the analyses, conclusions and opinions concerning the real estate that are set forth in this appraisal report.
9. In my opinion, the estimated current market value of the real property only in fee simple estate as of May 10, 2024, was:

THREE MILLION SIX HUNDRED THOUSAND DOLLARS
(\$3,600,000)



James M. Millspaugh, MAI
State-Certified General Real Estate Appraiser RZ58

AREA DESCRIPTION:

Tarpon Springs has changed from a bedroom community with a large foreign ethnic influence to a dynamic Gulf Coast small city during the past several decades. The multiple waterways amongst high bluff elevations makes an attractive residential setting that now has a full extent of residential services including a statewide hospital operator. In addition to a large day-trip tourist business centered at the Anclote River sponge docks the City includes a growing light industrial district that competes with mid-Pinellas and Tampa locales and several CEOs of larger enterprises have shifted business locations here due to the popular residential space and reduced traffic congestion. The Anclote River is truly unique in Pinellas and has attracted a major marina/boatyard component that has little or no proximate competition from the north and east and is of similar overall size to Dunedin/Palm Harbor/Ozona facilities where no substantial marina/boatyard market exists. Tarpon Springs, however, includes the largest capacity boatyard/building facilities in Pasco and Pinellas plus an array of smaller facilities to service the resident population.

While Stauffer Chemical and the county prison facility on Brady Road are potential negatives, they have not prevented the existing/recent residential/light industrial space located along Anclote Road within one mile of the subject property. Currently, it appears that some or any reuse of the 130-acre Stauffer parcel would likely be a general benefit to the area real estate market.

SITE DATA:

The subject site is a fairly large rectangle for the southern 651.76' with the northern triangular section that borders a former railroad line along the northeast boundary. Total street frontage along L & R Industrial Boulevard is 1276.81'. The total land area per the Property Appraiser is 14.28 acres MOL which is noted as previously including 3.07 acres of wetland. **Per the ownership, there is no wetland area on the property and the Property Appraiser now confirms that no wetlands exist onsite.** The adjacent former railroad corridor is owned by Duke Energy and the adjacent east mobile home park.

5/21/24, 3:03 PM

AIRS Aerial Image Retrieval System



AIRS Aerial Image Retrieval System

Pinellas County Map Web Page



0 150 300ft

28°10'19"N 82°44'54"W

The site is basically level, even with adjacent lands, and does not appear to have any extraordinary storm drainage problems beyond what is typical for this locale. Per the Swiftmud Aerial Map with contours, the natural elevation of the parcel ranges from 11-13' with the highest points on the north and eastern boundaries. The roadway has a 10' elevation with portions of the site graded for retention/fill removal. This aerial for Section 01-27-15 was dated 2020. The land to the west and south basically slopes gradually to the Anclote River. The types of soil include Astutular Fine Sands with a 0-5% site slope with this soil type being suitable for typical low-rise (1-2 story) buildings as found in this district. Further, the soil report notes no wetland characteristics.

The public infrastructure here includes a modern 2-lane roadway extending north from Anclote Road to Anclote Boulevard (Pinellas-Pasco County line) to the north. The road has water, sanitary sewer, and curbs/sidewalks with no traffic signals. The area includes a city fire station and the adjacent south reverse osmosis plant both fronting L & R Industrial Boulevard.

Surrounding improvements include the water plant and fire station to the south with modern light industrial space beyond, a recycling center to the east located west of the former railroad corridor and then a modern massive-sized mobile home park to the east that extends north to Anclote Boulevard. The lands across L & R Industrial Boulevard include a modern subdivision at Anclote Boulevard, a developing business park south of Brady Road known as River Bend Village. After a July 2020 filed plat, the 54-lot single-family subdivision has sold out while 9 of the 24 industrial lots have been sold and/or are under development by the ownership.

Overall, in spite of the proximity of the minimum-security facility on Brady Road and the Stauffer Chemical site on Anclote Boulevard, there are no major detrimental influences in the subject locale. The recycling center to the east is not viewed as a negative nor are the similar facilities located at the west end of Brady Road on Anclote Boulevard. The basic scarcity of open development land in this district north of the Anclote River coupled with the extensive marine industry/residential housing is viewed as offsetting potential negative impacts from these land uses.

ASSESSMENT AND TAX DATA:

<u>Pinellas County Parcel #</u>	<u>2023 Assessment</u>	<u>2023 Gross Tax</u>
01-27-15-00000-230-0100	\$1,395,870	\$26,188.20
If Paid Early	\$25,141	

Note: The assessment reflects the value of \$115,000 PA/\$1.95 PSF for 14.28 acres of usable land with no wetlands.

ZONING AND LAND USE DATA:

The site is zoned Industrial Restricted (IR) with an Industrial Limited land use plan with both regulations in conformance. The zoning has 16 permitted uses including among others, construction services, industrial workshops, painting, light manufacturing, mini-storage, freight terminal, research and development, vehicle repair, warehouse, and wholesale trade. Conditional uses include offices, hotels (40/Acre) salvage yards, vehicle repair, veterinarian boarding, and others. There is a 5,000 SF minimum site size with a 50' width 80' depth and 40' height maximum. Setbacks include 10' front and side plus 25' rear, a .5 FAR (Floor Area Ratio) and .75 ISR (Impervious Surface Ratio) plus buffers against residential uses.

Current land use rules include greater FAR to .6 and .85 ISR. Retail commercial and personal service shall not exceed three acres and commercial/business service cannot exceed five acres. Otherwise, the land use rules are generally consistent with the zoning regulations.

HIGHEST AND BEST USE: (Defined in Addenda)

After a thorough site and area inspection, is my conclusion that the permitted Limited Industrial uses represent this concept. The surrounding trend includes multiple business parks that are filled with these concepts dating back prior to 1980 with the most recent being located directly across L & R Industrial Boulevard in the River Bend development that included mixed residential/industrial concepts. The corner residential land there was located at the highest elevation and directly across from another modern subdivision that touched the Anclote River and had been a former travel trailer park. That site required extensive fill, unlike the River Bend residences. While the subject partially abuts the major mobile home park, it also borders a recycling center and construction services entity plus municipal infrastructure. As such, residential concepts here do not appear to blend into the area trend.

The development FAR for the River Bend Development includes 200,000 SF of building space on 21.417 acres or at a .2 FAR (200,000/1,020,045) that includes 114,000 SF/2.62 Acres of retention while most industrial FAR are in the .33 to .39 range. As such, the subject 14.28 acres would yield roughly 205,000 SF (622,037 SF @ .2 FAR = 205,272 SF) that would be restricted by the irregular site shape and adjacent residential to an estimated 180,000 SF of space. The larger Land Sales in Oldsmar and mid-County allowed 122,800 SF or \$15.47 Per Buildable SF (PBSF), 130,000 SF or \$21.15 PBSF, 210,000 SF or \$18.10 PBSF, and 172,620 SF or \$18.54 PBSF. Given Tarpon Springs's more moderate retail price levels then a realistic PBSF here would fall in the \$19.00-\$21.00 range or say \$20.00 which for 180,000 SF would indicate the current value of \$3,600,000 or \$5.06 PSF ($180,000 \text{ SF} @ \$19.00 \text{ PBSF} = \$3,428,000 / 622,037 = \$5.50 \text{ PSF}$). Therefore, the more moderate price level in Tarpon Springs plus the shape and residential buffer would result in somewhat lower land price metrics than mid-Pinellas for raw acreage and Oldsmar for business park and raw acreage.

In reality, the Gateway is the activity/value leader in Pinellas with Oldsmar being somewhat more moderate but having a smaller supply similar to the more remote Tarpon Springs market. Interestingly enough, the current Tampa Bay Industrial Market Survey compiled by Cushman and Wakefield reported an average vacancy of 4.6% with 3.8% in Pinellas. Average rental asking rates were \$11.80 PSF for the Gateway versus \$11.44 PSF for north Pinellas. Other stats were also presented below.

<u>Type</u>	<u>Average Asking Rents</u>
Warehouse/distribution	
Gateway	\$11.20 PSF
N. Pinellas	\$12.75 PSF
Office/Services/Flex	
Gateway	\$13.09 PSF
N. Pinellas	\$12.25 PSF
Manufacturing	
Gateway	\$12.00 PSF
N. Pinellas	\$10.74 PSF

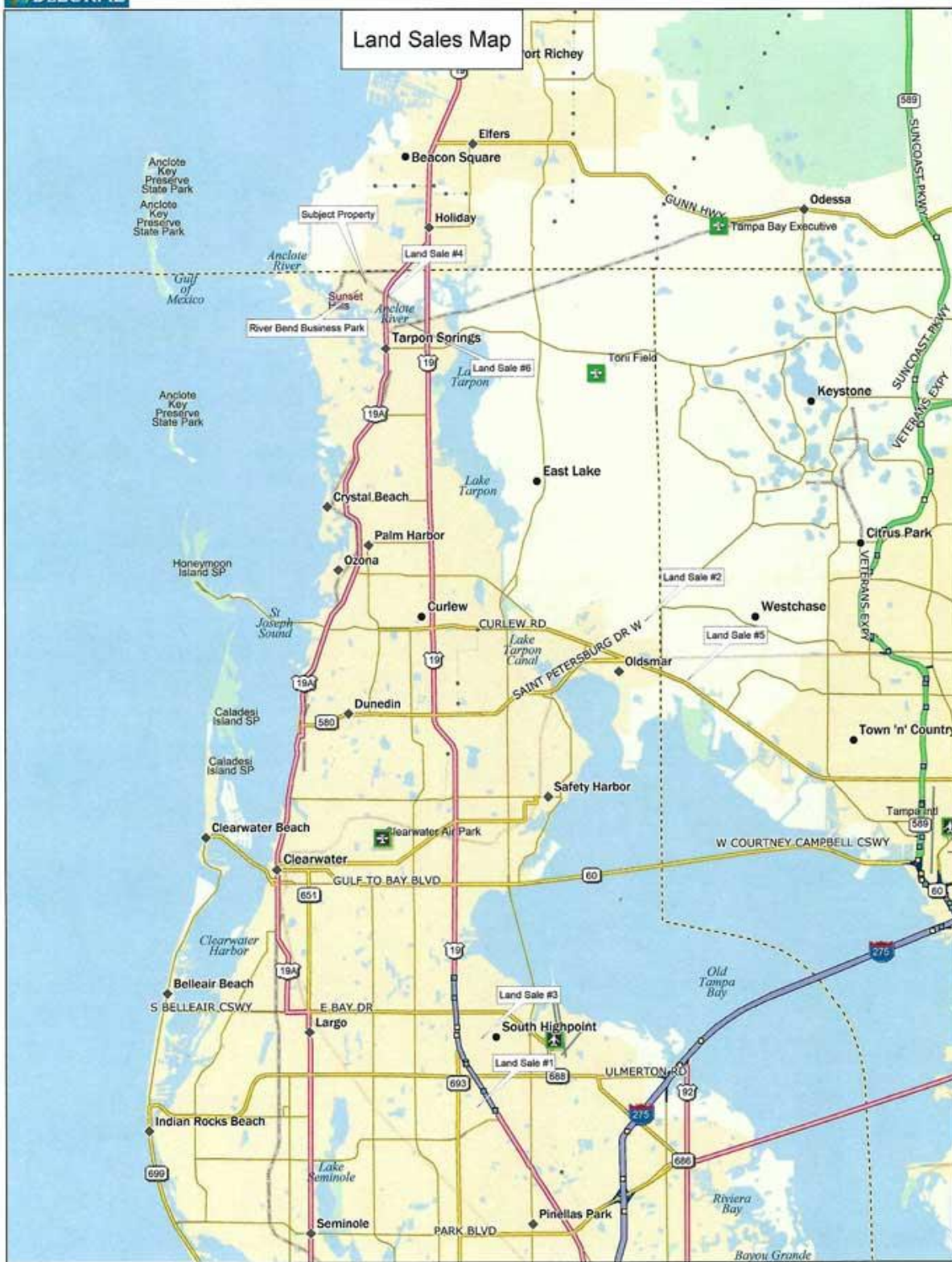
The variation between the noted Pinellas areas is minor with N. Pinellas reporting the highest for warehouse/distribution likely related to the dominance of the category in Hillsborough that also serves Pinellas. Overall then, it appears that the N. Pinellas district operates slightly below the Gateway.

LAND VALUE ESTIMATE:

This approach values the site by direct comparison to similar land sales located in Pinellas County. I have also reviewed several similar-sized acreage sales in Pasco County where there are vast supplies of zoned or unzoned acreage suitable for light industrial uses. They include a 2.48 Acres business park site on Welbilt Boulevard, Trinity, south of SR 54 that sold for potential office/warehouse use in April 2021 for \$503,500/\$4.65 PSF. This included offsite storm retention and business park infrastructure and a “less than successful” development (recorded O. R. Book 10336, Page 0602). It was listed for resale in 2022 and subsequently sold in December 2023 at \$750,000/\$6.94 PSF to a non-governmental organization (recorded O. R. Book 1893, Page 1585).

There was also a two-parcel raw acreage sale at Bellamy Brothers Boulevard at SR 52 just west of I-75 that sold in May 2021 at \$1,075,000 for 15.48 acres not adjacent. The sale was at \$69,444 PA/\$1.59 PSF for 15.48 Acres (9.94 + 5.54) for future development (recorded O. R. Book 10351, Page 1307). The 9.94 Acre section sold again in March 2024 at \$1,450,000/\$3.35 PSF (recorded O. R. Book 10997, Page 2267).

These Pasco County examples are not good comparisons for the subject but primarily reflect the large supply of alternate sites that sold well below the Tarpon Springs market in the subject locale where scarcity is a factor. The proximity to I-75 is driving this district due to its better access to the populace and the major distribution facilities in Tampa.



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LAND SALE #1

Location: West side of 62nd Street N. approximately 600' South of 126th Avenue,
Largo

Legal Description: South 661' of Lot 2 plus Lot 16, Pinellas Groves Subdivision, SW/4 of
Section 8, Township 30 South, Range 16 East.

Date of Sale: July 2019

Sale Price: \$3,200,000

Size: 14.48 Acres MOL (661' x 954' MOL)

Price PSF: \$5.07

Grantor/Grantee: L. Axley, et al./Cypress Business Park, LLC.

Recording Data: O.R. Book 20600, Page 1897

Data Confirmed With: J. Dunphy, Broker

Land Use: E-1, Employment, Light Industrial Land Use, Pinellas County

Comments: This site was marginally improved with a local sawmill facility that processed Cypress timbers into various building products. It was acquired by a speculative developer who proposed 210,000 SF of space in two buildings. The property was under contract at \$3,800,000 but required \$600,000 for remediation of buried debris. The \$3,800,000 price then would have indicated \$6.02 PSF. The site was subsequently annexed to Pinellas Park where the new zoning is M-1 with Light Industrial land use with a .33 FAR.

LAND SALE #2

Location: 500 Brooker Creek Boulevard, Oldsmar south of Forrest Lakes Boulevard

Legal Description: Metes and Bounds Parcel #31/03 located in the NE/4 of the SW/4 of Section 13, Township 28 South, Range 16 East

Date of Sale: February, 2021

Sale Price: \$2,750,000

Size: 11.27 Acres Gross, 7.72 Acres Usable

Price PSF: \$8.18 Usable

Price PA: \$356,210

Grantor/Grantee: Nielsen Company USA, LLC./Brooker Creek V., LLC.

Recording Data: O.R. Book 21387, Page 0459

Data Confirmed With: J. Dunphy, Broker

Land Use: M-1, Industrial, Oldsmar

Comments: This site had been master-planned as part of the Nielsen Complex and was acquired for the development of a Class A industrial building after several years of marketing. It has offsite retention and access to all required utilities with plans for a 130,000 SF structure for three tenants with a .39 FAR. That facility was built and leased up during 2022-23 and sold to investors in July 2023 at \$22,300,000 (recorded O. R. Book 22521, Page 2500).

LAND SALE #3

Location: 14775 62nd Street N., SE quadrant of 62nd Street and 150th Avenue,
Clearwater

Legal Description: Part of Lots 6-7, Pinellas Groves, located in the NE/4 of Section 5,
Township 30 South, Range 16 East

Date of Sale: October, 2021

Sale Price: \$1,900,000 + \$500,000

Size: 8.27 Acres MOL

Price PSF: \$6.66

Price PA: \$290,206

Grantor/Grantee: Carroll Investment Properties, Inc./For Carroll Owner, LLC.

Recording Data: O.R. Book 21784, Page 2664

Data Confirmed With: J. Skicewiz, Broker

Land Use: Industrial Land Use, Largo

Comments: This marginally improved acreage (former plant nursery) was purchased for the development of a 122,800 SF **speculative** light industrial complex with a .34 FAR. The site had minor environmental contamination estimated to cost \$500,000 to remediate with this cost and other negotiation points reducing the original listing price of \$2,100,000. The main access is via easements below a powerline corridor along 62nd Street plus a 125' frontage on 150th Avenue amongst mixed residential and light industrial buildings. The site is slightly irregular but presented no major development challenges. The sale was pending from early Summer 2020 and after being built in 2022-23, is now on the market in late Spring 2024 with no confirmed tenants.

LAND SALE #4

Location: Southeast corner of north Pinellas Avenue and Old Dixie Highway,
Tarpon Springs

Legal Description: Part of Lot 45, Tampa and Tarpon Springs Land Company Subdivision,
located in the SE/4 of Section 1, Township 27 South, Range 15 East, Plat
Book H1, Page 116

Date of Sale: June 2022

Sale Price: \$400,000

Size: 275' x 294' MOL; 63,754 SF upland plus 0.57 acres wetland

Price PSF: \$6.27 Usable

Grantor/Grantee: Red Bank Investments, LLC/ Mu-Grow Storage, LLC.

Recording Data: O.R. Book 22804, Page 0414

Data Confirmed With: T. Tarapani, Broker

Land Use: H-B, Highway Business, Tarpon Springs

Comments: This parcel is located just north of Anclote River that includes boat ramps for public/private use. The side road extends to US Highway 19 amongst modern housing. The site had received site plan approval for a 12,750 SF special retail building plus supportive parking and access to both roadways. Sewer service will require a lift station/force main on Old Dixie Highway and site preparation costs were extensive due to the site elevation.

LAND SALE #5

Location: 13209 Memorial Highway, Tampa at SR #580 (located on the Eastern boundary of Oldsmar)

Legal Description: Part of Lot 8, Reolds Farm Plat No 1, Plat Book 1, Page 145, located in Section 19, Township 28 South, Range 17 East, Hillsborough County

Date of Sale: September, 2022

Sale Price: \$3,200,000

Size: 13.77 acres gross rectangular (479' x 1,270) with usable uplands at 9.68 Acres

Price PSF: \$7.59 Usable

Grantor/Grantee: J. S. Davis/Memorial Highway Industrial Properties, LLC.

Recording Data: Instrument #2022440842

Data Confirmed With: D. Thomas, Broker

Zoning: PD - RO – RD – Planned Development, Industrial Land Use

Comments: This partially developed parcel (storm pond) at the north end, was purchased for the development of a 172,620 SF distribution center for fulfillment uses by a sub-regional developer on a **speculative** basis. The site had proximate utilities but no business park infrastructure and fronted a substandard road that allowed access to SR #580 and was in an AE flood zone with an 11' minimum finished floor elevation requirement. As such, the site required extraordinary site development costs which are common to the greater Oldsmar area.

LAND SALE #6

Location: 617 Live Oak Street, Tarpon Springs

Legal Description: Part of Block 3, Lot 1, Tarpon Springs Official Map plus part of former railroad R/W.

Date of Sale: March 2023

Sales Price: \$725,000 Adjusted to \$485,000 for the land value

Size: 310' x 202' Average: 64,221 SF

Price PSF: \$7.55

Grantor/Grantee: K. Walters/N.C. Sabourn Living Trust

Recording Data: O.R. Book 22398, Page 1441

Sale Confirmed With: REMAX Alliance Group

Zoning: IR, Industrial Restrictive

Comments: Marginally improved storage lot located just off US 19 on an alternate route to the Sponge Docks and US 19-A. This location is light industrial in character with it being leased short-term for storage uses. The buyer was to receive a total of \$5,000 monthly net for five years and expects to redevelop the entire parcel at some future point and use only 1/3 currently. The present value of \$5,000 monthly for five years discounted at 8% approximates \$240,000 which adjusts the \$725,000 figure to \$485,000 ($\$725,000 - \$240,000 = \$485,000$) for the land value only.

LAND SALES RECAP CHART

Sale #	Date Of Sale	Sale Price	Site Size In Acres	Overall Price PSF
1	7/19	\$3,800,000	14.48	\$6.02
2	2/21	\$2,750,000	7.72	\$8.18
3	10/21	\$2,400,000	8.27	\$6.66
4	6/22	\$ 400,000	1.46	\$6.27
5	9/22	\$3,200,000	9.68	\$7.59
6	3/23	\$ 485,000	1.47	\$7.55
Subject	--	--	14.28	--

LAND SALES ANALYSIS AND CONCLUSIONS:

These transactions are the best-known to value the subject in the Tarpon Springs market located north of the Anclote River. As noted above I have also considered remote data located west of I-75 in Pasco County. The “hot spots” there are located along the SR #54/56 corridors near I-75 which are considered to have a superior demand/value than the subject locale.

The industrial market in Pinellas is led by the mid-County Gateway District which has the best traffic network and attracts the major distribution/manufacturing businesses. The Oldsmar market is a notch below the Gateway but has a greater shortage of available acreage. The last several years in both the Gateway and Oldsmar markets have witnessed demand for distribution/fulfillment centers used by the big box/Internet sales businesses. At this point in early 2024, it becomes clear that an oversupply of this type of space exists and signals a leveling-off of large acreage parcels for this concept during the short-term foreseeable future (0-2 years).

Land Sale #1-#3 and #5 were included in this build-up and reflected a price range from roughly \$6.00-\$8.00 PSF with no examples beyond 2022. These levels are not considered appropriate for the subject tract due to the smaller size and local-based nature of the demand in Tarpon Springs. It appears reasonable that a 10%-20% discount for the subject market is realistic with the recent River Bend Park offering the best metric for the subject. The earliest Oldsmar Sale #2 was similar in size but was in a business park with offset retention and was adjacent to the Nielsen complex from which it had been developed. As such, the \$8.18 PSF was

not a good direct comparison. Sale #5 in Oldsmar was somewhat smaller, and included excessive site work but was closer to the Tampa Airport. The average of these best examples (Sale #1, #2, #3, and #5) is at \$7.11 PSF which requires a downward location adjustment in the 10%-20% range or say 15% level to \$6.04 PSF. Essentially, this buying demand for large distribution would not be nor has been attracted to Tarpon Springs which primarily attracts local service firms seeking smaller 1,000-3,000 SF units.

The other smaller transactions #4 and #6 sold in the \$6.27-\$7.55 PSF range for acreage parcels having more active locations than the subject but requiring downward adjustment due to the size differential.

After reviewing this best available data, I would estimate the subject value to fall in the \$5.50-\$6.00 PSF range.

622,037 SF @ \$5.50 PSF = \$3,421,204

622,037 SF @ \$6.00 PSF = \$3,732,222

ROUNDED TO \$3,600,000

ADDENDA

QUALIFICATIONS OF THE APPRAISER
JAMES M. MILLSPAUGH, MAI

APPRAISAL EXPERIENCE:

Appraisal experience in Pinellas County, Florida since 1968 when associated with Ross A. Alexander, MAI of Clearwater. Formed James Millspaugh & Associates, June 1980, in Clearwater. The firm concentrates the majority of its appraisal activities in Pinellas County with experience throughout the Tampa/St. Petersburg/ Clearwater MSA.

APPRAISAL PLANT DATA:

In addition to maintaining its location near the main Pinellas County Courthouse complex for easy access to governmental offices and the official public records maintained in the Clerk's office for in-depth background research, the firm maintains historical data from Real Estate Data Services for Pinellas County, monthly CD data from First American Real Estate Solutions (FARES), online service from Tampabayrealtor.com, the weekly Business Journal (Tampa Bay), the monthly Maddux Report, the University of Florida Bureau of Economic and Business Research, the St. Petersburg Times, the Marshall Valuation Service Cost Data, and national surveys on lodging, food service, office, industrial parks, mini-storage and shopping center markets.

COMMERCIAL APPRAISAL ASSIGNMENTS performed include golf courses, postal facilities, commercial buildings, shopping centers, warehouse/manufacturing buildings, mobile home and R.V. parks, financial institutions, nursing homes, motels, timeshares, restaurants, houses of worship, office buildings, apartment buildings, commercial and residential condominium projects (both proposed and conversions), marinas, theaters, fraternal buildings, school facilities, seaport facilities, railroad corridors, easements, leasehold and leased fee estates, life estates, vacant sites, including environmentally sensitive lands, and condemnation cases involving partial and total takings. Feasibility/market studies have been performed for industrial, office, retail, residential and timeshare markets.

APPRAISAL EDUCATION:

American Institute of Real Estate Appraisers (AIREA) courses successfully completed:

I-A: Basic Principles, Methods and Techniques - 1973

VIII: Single Family Residential Appraisal - 1973

I-B: Capitalization Theory and Techniques - 1974

II: Urban Properties - 1975

IV: Condemnation - 1978

: Standards of Professional Practice - 1992, Parts A & B

Society of Real Estate Appraisers (SREA) courses successfully completed:

301: Special Applications of Appraisal Analysis – 1980

JAMES M. MILLSPAUGH, MAI

(Qualifications Continued)

RECENT SEMINARS ATTENDED: Sponsored by The Appraisal Institute

Valuation of Wetlands, 2004.

Commercial Highest and Best Use – Case Studies, 2005.

Uniform Standards (Yellow Book) for Federal Land Acquisitions, 2007.

Condominiums, Co-Ops and PUDS, 2007.

Analyzing Distressed Real Estate, 2007.

Appraisal Curriculum Overview, Two-Day General, 2009.

Cool Tools: New Technologies for Real Estate Appraisers, 2010.

Valuation of Detrimental Conditions, 2010.

Analyzing Tenant Credit Risk/Commercial Lease Analysis, 2011.

Fundamentals of Separating Real and Personal Property and Intangible Business Assets, 2012.

Marketability Studies: Advanced Considerations and Applications, 2013.

Lessons From the Old Economy: Working in the New, 2013.

Critical Thinking in Appraisals, 2014.

Litigation Appraising, 2015.

Webinars on the FEMA 50% Rule, Wind Turbine Effects on Value and Contamination and The Valuation Process, 2015.

Business Practice and Ethics, 2017.

Parking and its Impact on Florida Properties, 2018.

Solving Land Valuation Puzzles, 2018.

Insurance Appraisals, 2018.

Evaluating Commercial Leases, 2019.

Artificial Intelligence, AVMs and Blockchain, 2019.

Appraising Donated Real Estate Conservation Easements, IRS, 2020.

Florida State Law Update, 2024.

National USPAP Update, 2024.

EDUCATION:

Bachelor of Science in Business Administration, University of Florida

Associates of Arts, St. Petersburg Junior College

PROFESSIONAL AFFILIATIONS AND CERTIFICATION

Member: Appraisal Institute with the MAI designation, Certificate #6087, awarded April, 1980. Mr. Millspaugh is a past President of The Gulf Atlantic Florida Chapter of the AI (formerly Florida Chapter No. 2), served as an admissions team leader for the West Coast Florida Chapter, is the past Chairman for the National Ethics Administration Division of the Appraisal Institute and served as the Region X Member of the Appellate Division of the Appraisal Institute. Mr. Millspaugh is a State-Certified General Real Estate Appraiser (RZ58) and has served as a pro-bono expert witness for the Florida Real Estate Appraisal Board.

Member: Pinellas Realtors Organization, National Association of Realtors

Note: The AIREA and SREA merged into one organization on January 1, 1991, that is now known as the AI - Appraisal Institute.

STANDARD DEFINITIONS

STANDARD DEFINITIONS

HIGHEST AND BEST USE:

1. **The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.**
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an assets existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)
4. [For fair value determination] The use of a nonfinancial asset by market participants that would maximize the value of the asset or the group of assets and liabilities (for example, a business) within which the asset would be used. (FASB Glossary) The highest and best use of a nonfinancial asset takes into account the use that is physically possible, legally permissible, and financially feasible. (FASB 820-10-35-10B). The highest and best use of a nonfinancial asset establishes the valuation premise used to measure the fair value of the asset, as follows: (a) The highest and best use of a nonfinancial asset might provide maximum value to market participants through its use in combination with other assets as a group (as installed or otherwise configured for use) or in a combination with other assets and liabilities (for example, a business). (b) The highest and best use of the asset might provide maximum value to market participants on a standalone basis. (FASB 820-10-35-10E)

FEE SIMPLE ESTATE: 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.

LEASEHOLD ESTATE: The right held by the lessee to use and occupy real estate for a stated term and under conditions specified in the lease.

LEASED FEE INTEREST: The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

REPLACEMENT COST: The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design and layout.

REPRODUCTION COST: The estimated cost to construct, at current prices as of the effective date of the appraisal, a duplicate or replica of the building being appraised, using the same or similar materials, construction standards, design, layout and quality of workmanship and embodying all the deficiencies, super-adequacies, and obsolescence of the subject building.

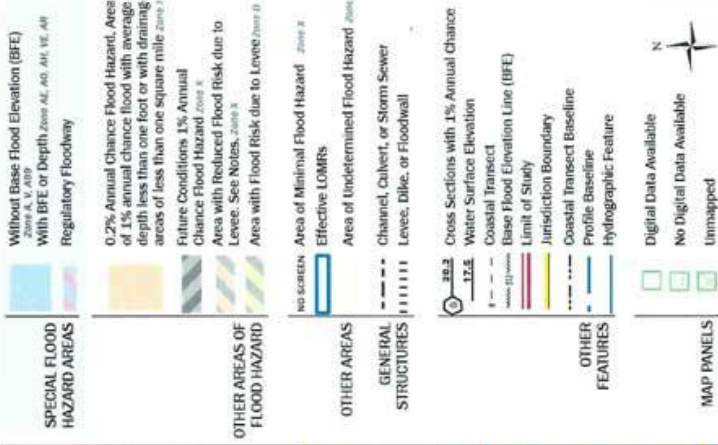
2. Appraisal Institute, The Dictionary of Real Estate Appraisal - Seventh Edition, 2022. pages 83, 88, 105 and 163.

National Flood Hazard Layer FIRMette



Legend

SEE FIRM REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT



This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 6/24/2023 at 3:23 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmapped areas cannot be used for regulatory purposes.




spoil site appraisal

Patricia McNeese <pmcneese@ctsfl.us>

Mon 5/13/2024 12:21 PM

To: jim.millsaugh-appraisals.com <jim@millsaugh-appraisals.com>

Cc: Bob Robertson <rrobertson@ctsfl.us>; Renea Vincent <rvincent@ctsfl.us>

 1 attachments (5 MB)

FLU Categories and Rules - proposed.pdf;

Jim,

Here's the current Industrial Limited standards from the Comprehensive Plan:

Policy 2.5.1 Industrial Limited (IL)

(a) Those uses appropriate to and consistent with this category, as further defined by the Countywide Plan Rules, include:

- Primary Uses – Office; Research/Development-Light; Research/Development-Heavy; Manufacturing-Medium; Manufacturing-Light; Wholesale/Distribution; Storage/Warehouse-Light;
- Secondary Uses – Retail Commercial; Personal Service/Office Support; Commercial/Business Service; Food Crop Production; Transient Accommodations; Transportation/Utility

(b) Use of the Planned Development process shall be preferred;

(c) The maximum floor area ratio shall be .60; the maximum impervious surface ratio shall be .85

(d) Transient Accommodation Use shall not exceed 40 units per acre unless the alternate temporary lodging facilities densities and intensities standards are elected as outlined in Goal 7 and the subsequent objectives and policies.

(e) Retail Commercial and Personal Service/Office Support use shall not exceed a maximum of three (3) acres; and, Commercial/Business Service, Food Crop Production, and Transient Accommodation Uses shall not exceed a maximum area of five (5) acres. Any such use, alone or when added to existing contiguous like uses, which exceeds this threshold shall require a plan amendment which shall include such uses and all contiguous like uses.

(f) Buffering shall be required between industrial development and non-industrial development as per standards set out in the City of Tarpon Springs Comprehensive Land Development Code.

If the updated comprehensive plan is adopted (probably would happen around September-October timeframe), the property would be in the newly named "Employment" category (see page 5 of attached), but the uses are essentially the same.

Thanks! -Pat

Patricia L. McNeese, AICP
Planning Supervisor
City of Tarpon Springs
324 East Pine Street
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Tarpon Springs, FL 34688-5004
727-938-3711, ext. 2255

