



Hoffman & Associates, P.A.  
Commercial Real Estate Appraisers

# APPRAISAL REPORT REAL ESTATE APPRAISAL

Of  
Commercial Acreage



5700 Blk Gulf Breeze Pkwy, Gulf Breeze  
Santa Rosa County  
Florida, 32583

As of  
August 10, 2021

**Prepared For**  
Ms. Cathy Ward  
School Board of Santa Rosa County  
6544 Firehouse Road  
Milton, FL, 32570

**Client File:**  
PO#732379

**Prepared by**  
HOFFMAN & ASSOCIATES, P. A.  
Kirsten Hoffman Philip  
FL-State-Certified General Real Estate Appraiser RZ2661  
Terry G. Hoffman, MAI  
FL-State-Certified General Real Estate Appraiser RZ46



# HOFFMAN & ASSOCIATES, P. A.



Hoffman & Associates, P.A.  
Commercial Real Estate Appraisers

**Commercial Real Estate Appraisers & Consultants**

*1550 Creighton Road, Suite 4*

*Pensacola, FL, 32504*

Phone: 850-478-7818

Fax: 850-478-1922



Terry G. Hoffman, MAI

*State-Certified General Real Estate Appraisers (FL)*

Terry G. Hoffman, MAI RZ #46

Kirsten Hoffman Philip RZ #2661

Jennifer L. Hoffman, GAA RZ #2978

September 13, 2021

Ms. Cathy Ward  
School Board of Santa Rosa County  
6544 Firehouse Road  
Milton, FL  
32570

Re: Appraisal Report, Real Estate Appraisal  
Commercial Acreage  
5700 Blk Gulf Breeze Pkwy, Gulf Breeze,  
Santa Rosa County, Florida, 32583

**Client File: PO#732379**

Dear Ms. Ward:

At your request, we have prepared an appraisal for the above referenced property, which may be briefly described as follows:

The subject property consists of approximately 34.7 acres on the north side of Gulf Breeze Parkway. It is currently improved with a large metal building used as a flea market. These improvements are given no value to the overall property and not considered within this report.

Please reference page 10 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, and highest and best use analysis and valuation methodology.

We certify that we have no present or contemplated future interest in the property beyond this estimate of value. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 9). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, we note the following:

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal.



Hoffman & Associates, P.A.  
Commercial Real Estate Appraisers

**Extraordinary Assumptions:**

- Site dimensions were obtained from the county property appraiser's records since no survey was provided at the time of this report. If proven incorrect, this could adversely affect the final value as stated.
- We are unaware of any contaminants on the site which may adversely affect the marketability of the subject property.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), we have made the following value conclusion(s):

**Current As Is Market Value:**

The "As Is" market value of the Fee Simple estate of the property, as of August 10, 2021, is

**Six Million Five Hundred Thousand Dollars**  
**(\$6,500,000)**

The market exposure time preceding August 10, 2021 would have been 6 to 9 months and the estimated marketing period as of August 10, 2021 is 6 to 9 months.

**The final valuation does not include any personal property or FF&E.**

This appraisal is not a building inspection, structural inspection, environmental inspection or pest inspection. By preparing this report, the appraiser is not acting as a building inspector, structural engineer, environmental specialist or pest inspector. In performing the limited inspection of this property, areas that were readily accessible were visually observed and the review is superficial only. This inspection is not technically exhaustive and does not offer warranties or guarantees of any kind. We advise our clients and/or the client's agents or assignees to have the property inspected by a professional in that specific field that offers such warranties or guarantees if there are any concerns of adverse or negative conditions.

Respectfully submitted,  
Hoffman & Associates, P. A.



Kirsten Hoffman Philip  
FL-State-Certified General Real Estate  
Appraiser RZ2661



Terry G. Hoffman, MAI  
FL-State-Certified General Real Estate  
Appraiser RZ46

## TABLE OF CONTENTS

Summary of Important Facts and Conclusions .....	7
Limiting Conditions and Assumptions .....	9
Scope of Work .....	11
Sales History .....	13
Current Listing/Contract(s) .....	13
Property Rights Appraised .....	13
Market Area Analysis .....	14
Location Map .....	15
Property Description .....	16
Tax Map .....	19
Subject Photographs .....	25
Assessment and Taxes .....	29
Zoning .....	30
Highest and Best Use .....	35
Valuation Methodology .....	37
Analyses Applied .....	37
Sales Comparison Approach – Land Valuation .....	38
Land Comparables .....	38
Comparables Map .....	46
Analysis Grid .....	46
Comparable Land Sale Adjustments .....	48
Sales Comparison Approach Conclusion – Land Valuation .....	48
Value Conclusion .....	50
Value Indications .....	50
Value Conclusion .....	50
Certification Statement .....	51
Addenda .....	53
Engagement Letter .....	54
Qualifications .....	56
Glossary .....	63

## Summary of Important Facts and Conclusions

### GENERAL

**Subject:** Commercial Acreage  
5700 Blk Gulf Breeze Pkwy, Gulf Breeze,  
Santa Rosa County, Florida, 32583

The subject property consists of approximately 34.7 acres on the north side of Gulf Breeze Parkway. It is currently improved with a large metal building used as a flea market. These improvements are given no value to the overall property and not considered within this report.

**Owner:** Alpha Land, LLC; Fair Weather Partners

**Legal Description:** See addendum

**Census Tract:** 12113-0108.15 (Sant Rosa Co.)

**Date of Report:** September 13, 2021

**Intended Use:** The intended use is for the aid in acquisition, loan classification and/or asset disposition.

**Intended User(s):** The client and only the client.

### Assessment:

Real Estate Assessment and Taxes							
Tax ID	Land	Improvements	Special	Total	County	Tax	Taxes
			Assessment		Rate	Rate	
20-2S-27-0000-02101-0000	\$595,571	\$0	\$0	\$595,571	\$14.38	\$14.38	\$8,562
20-2S-27-0000-02202-0000	\$313,588	\$0	\$0	\$313,588	\$14.38	\$14.38	\$4,508
20-2S-27-0000-02203-0000	\$415,360	\$488,709	\$0	\$924,069	\$14.38	\$14.38	\$13,285
Totals	\$1,324,519	\$488,709	\$0	\$1,833,228			\$26,355

**Sale History:** The subject has not sold in the last three years, according to public records.

**Current  
Listing/Contract(s):**

The subject has a pending contract for \$8,675,000 for 34.7 acres. This contract is between Forest Bay Estates, LLC (seller) and The School Board of Santa Rosa County, Florida (buyer). The contract states that if closing is on or before November 1, 2021, the contract price will be reduced \$200,000. In addition, we are aware of the contract of Forest Bay Estates purchasing from the current owner for approximately \$6,650,000 for 66 acres.

**Land:**

Land Summary						
Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Frontage - Primary Street (Feet)	Average Depth (Feet)	Topography	Shape
5700 Blk Hw	34.70	1,511,532	670.00	2,270	Level	Site shape

**Zoning:**

HCD, Highway Commercial District (Santa Rosa)

**Highest and Best Use  
of the Site:**

The highest and best use of the subject, as vacant, would be for commercial/residential development catering to the exposure along Highway 98 and the depth of the site.

**Type of Value:**

Market Value

**VALUE INDICATIONS**

**Land Value:** \$6,500,000

**Reconciled Value(s):**

**As Is**

Value Conclusion(s) \$6,500,000  
Effective Date (s) August 10, 2021  
Property Rights Fee Simple



## Limiting Conditions and Assumptions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.

All files, work papers and documents developed in connection with this assignment are the property of Hoffman & Associates, P. A.. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.

No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, or for any expertise or knowledge required to discover them.

Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.

Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.

Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.

It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated.

The appraiser(s) are not required to give testimony in Court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) Hoffman & Associates, P. A.'s regular per diem rate plus expenses.

Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

**Americans with Disabilities Act (ADA) of 1990**

A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. Hoffman & Associates, P. A. has not made a determination regarding the subject's ADA compliance or non-compliance. **Non-compliance could have a negative impact on value, however this has not been considered or analyzed in this appraisal.**

## Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

This appraisal is prepared for Ms. Cathy Ward, for the School Board of Santa Rosa County. The problem to be solved is to estimate the current 'As Is' market value for purchasing purposes. The intended use is for the aid in acquisition, loan classification and/or asset disposition. This appraisal is intended for the use of the client and only the client.

SCOPE OF WORK	
Report Type:	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified by the legal description and the assessors' parcel number provided by the County Property Assessor's Office.
Inspection:	A limited exterior inspection of the subject property has been made, and photographs taken. An aerial map and additional information provided by the school board were reviewed.
Market Area and Analysis of Market Conditions:	A complete analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.
Highest and Best Use Analysis:	A complete as vacant highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were

considered, and the maximally productive use was concluded.

Type of Value:  
Valuation Analyses

Market Value

Cost Approach:

A cost approach was not applied as this approach is not applicable in the valuation of vacant land.

Sales Comparison Approach:

A sales approach was applied as there is adequate data to develop a value estimate by this approach. This approach reflects the typical market behavior for this type property and is therefore a good indicator of potential value of the subject property.

Income Approach:

An income approach was not applied as this approach is not applicable in valuing vacant land.

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal.

Extraordinary Assumptions:

- Site dimensions were obtained from the county property appraiser's records since no survey was provided at the time of this report. If proven incorrect, this could adversely affect the final value as stated.
- We are unaware of any contaminants on the site which may adversely affect the marketability of the subject property.

## Comments

The scope of this appraisal requires the gathering of material facts affecting the value of the property appraised as of the date of the appraisal. This includes gathering and analyzing regional, neighborhood, and economic trends and characteristics which might affect the value of the property. Also, specific features and characteristics of the property are analyzed.

Comparable land sales and listing information of similar properties are gathered and analyzed and compared to the property using indicated unit prices as demonstrated by market actions.

Sources used for gathering data include personal office files and records maintained in computer data bases, the public records of the appropriate county, Metro Market Trends, Inc. (public records recordings), personal interviews with property owners, sellers, buyers and brokers. An attempt is made to verify each sale and lease used in this report with a

party to the transaction. If verification by the parties involved is not available, public records recordings are relied upon.

### ***Sales History***

The subject has not sold in the last three years, according to public records.

### ***Current Listing/Contract(s)***

The subject has a pending contract for \$8,675,000 for 34.7 acres (\$250,000/AC). This contract is between Forest Bay Estates, LLC (seller) and The School Board of Santa Rosa County, Florida (buyer). The contract states that if closing is on or before November 1, 2021, the contract price will be reduced \$200,000.

In addition, we are aware of the purchase contract between the current owner and Forest Bay Estates, LLC for approximately \$6,650,000 for 66 acres (\$100,757/AC). The portion the school board is interested in purchasing is the west half of this assemblage. It is obvious that due to the larger size of this purchase (66 acres) a lower unit rate would be anticipated; however, the contract price for the school board is at \$250,000/AC. There is no additional site work known to the appraisers to increase the value of the 34 acres or is there any sales activity in the area to support such a price.

### ***Property Rights Appraised***

The subject property is appraised as a fee simple ownership of the title holder as of the date of the appraisal. It is assumed that the ownership is competent and that the property is free and clear of all encumbrances.

# Market Area Analysis

## Area Description & Boundaries

The neighborhood boundaries extend from East Pensacola Bay to the north and Santa Rosa Sound to the south and the county line to the east and Pensacola Bay to the west. This encompasses the entire community of Gulf Breeze and Navarre.

## Area & Property Use Characteristics

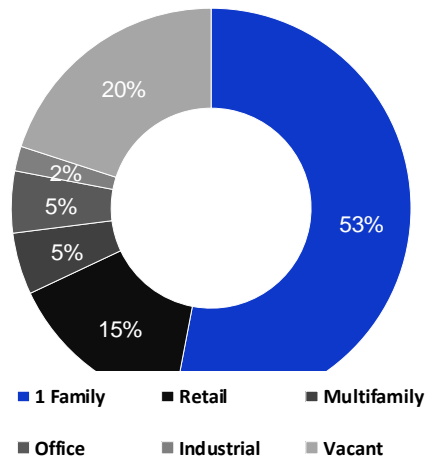
Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Population Trend	<input checked="" type="checkbox"/> Up	<input type="checkbox"/> Stbl	<input type="checkbox"/> Dn
Build Up	<input checked="" type="checkbox"/> Over 75%	<input checked="" type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%	Employment Trend	<input checked="" type="checkbox"/> Up	<input type="checkbox"/> Stbl	<input type="checkbox"/> Dn
Built Up <input type="checkbox"/> Fully Dev.	<input checked="" type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Steady	<input type="checkbox"/> Slow	Personal Income Level	<input checked="" type="checkbox"/> Up	<input checked="" type="checkbox"/> Stbl	<input type="checkbox"/> Dn
Property Values	<input checked="" type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	Retail Sales	<input checked="" type="checkbox"/> Up	<input checked="" type="checkbox"/> Stbl	<input type="checkbox"/> Dn
Demand/Supply	<input checked="" type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	New Construction	<input checked="" type="checkbox"/> Up	<input checked="" type="checkbox"/> Stbl	<input type="checkbox"/> Dn
Vacancy Trend	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining	Vacancy Trend	<input type="checkbox"/> Up	<input checked="" type="checkbox"/> Stbl	<input checked="" type="checkbox"/> Dn
Change in Economic Base	<input type="checkbox"/> Likely	<input checked="" type="checkbox"/> Unlikely	<input type="checkbox"/> Taking Place	Rental Demand	<input type="checkbox"/> Up	<input checked="" type="checkbox"/> Stbl	<input type="checkbox"/> Dn

## Land Use Trends

Present Land Use	Under	Supply/Demand	In Bal.	Over	Vacancy
53% 1 Family	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3%
15% Retail	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5%
5% Multifamily	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3%
5% Office	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5%
2% Industrial	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5%
20% Vacant	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
100%					

Change in Land Use Likely ☐  
 Not Likely ☐  
 Taking Place ☐

Land Use



Land uses in the neighborhood consist of residential, multifamily, offices, retail, and other associated commercial properties. Single family homes are mostly located off of Hwy 98 with some having frontage along the water raise. Home values range from approximately \$200,000 to over \$1,000,000 depending on the location and amenities. Commercial uses are mostly along Hwy 98 with a few scatter pockets removed.

Gulf Breeze has been a bedroom community of Pensacola for many years with mostly residential developments. The primary land use with commercial land use catering to the residential market. As Pensacola continued to grow, Gulf Breeze became a self sufficient community with larger national chains moving into the area. Since the "Midway" was the least developed between Gulf Breeze and Navarre, this area was more attractive for larger development. In the past several years, we have seen an explosive growth residentially as well as commercially. This is from several factors including retirees, military, and individuals relocating from other states, the general area of the subject has shown a tremendous demand for vacant land for residential and commercial development. Fort Walton Beach is to the east of the subject's community and has also shown a strong population growth. With Fort Walton Beach having little land available, developments have moved toward west toward the Navarre. Overall, the entire neighborhood of the subject property has attracted many investors and additional national commercial endeavors. As the residential populations continues to grow, the commercial use is needed for additional support.

## Location Map



## Property Description

The subject property consists of approximately 34.7 acres on the north side of Gulf Breeze Parkway. It is currently improved with a large metal building used as a flea market. These improvements are given no value to the overall property and not considered within this report.

SITE	
Location:	The subject is located on the north side of Highway 98 just east of Cowen Road.
Site Size:	Total: 34.70 acres; 1,511,532 square feet
Shape:	Somewhat rectangular
Frontage/Access:	<p>The subject property has average access with frontage as follows:</p> <ul style="list-style-type: none"><li>• Highway 98: 670 feet</li></ul> <p>The site has an average depth of 2,270 feet. It is not a corner lot.</p>
Visibility:	Average
Topography:	The subject has level topography at grade and no areas of wetlands.
Soil Conditions:	The soil conditions observed at the subject appear to be typical of the region and adequate to support development.
Utilities:	<p>Electricity: The site is served by public electricity.</p> <p>Sewer: Sewer</p> <p>Water: Public water</p> <p>Natural Gas: Gas</p> <p>Utility Service: The site is serviced by above ground cable lines.</p> <p>Adequacy: The subject's utilities are typical and adequate for the market area.</p>
Site Improvements:	<ul style="list-style-type: none"><li>• Public street lighting</li><li>• No sidewalks</li><li>• Concrete curbs and gutters</li><li>• The subject has minimal landscaping with mostly natural vegetation.</li></ul>



Flood Zone: The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is located in FEMA flood zone X, which is not classified as a flood hazard area.

FEMA Map Number: 12113C0563G  
FEMA Map Date: December 19, 2006

The subject is outside the 500 year flood plain. The appraiser is not an expert in this matter and is reporting data from FEMA maps.

Wetlands/Watershed: Since we were not provided a current survey of the subject site, we reviewed aerial maps and other information available to the appraiser. We do not specialize in determining wetlands and are making an assumption. It appears there may be approximately 1.5-2 acres of wetlands at the northeast corner of the site.

Environmental Issues: There are no known adverse environmental conditions on the subject site. Please reference Limiting Conditions and Assumptions.

Encumbrance /  
Easements: Reviewing the aerial map of the subject site indicates an easement through the center of the property. This appears to be Gulf Power easement which is typically 200'. Since we were not provided a current survey, assumptions are made to the type of easement and size. Please reference Limiting Conditions and Assumptions.

Site Comments:

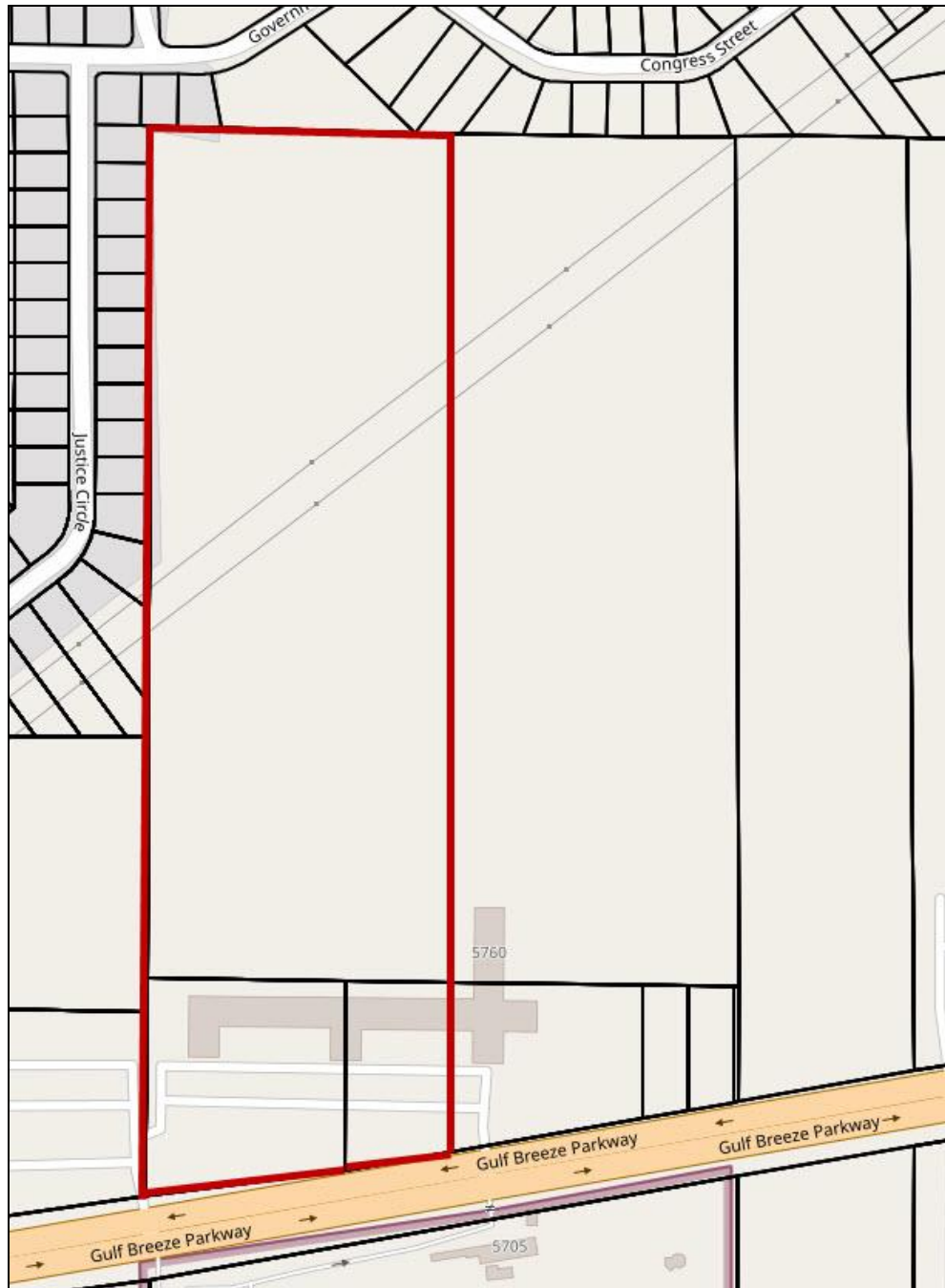
The subject site is located on the north side of Highway 98 just east of Cowen Road. The site is currently improved with a large warehouse building currently used as the Gulf Breeze Flea Market. These improvements are considered of little or no value to the site and are not considered within this appraisal. The site has good exposure and access from Highway 98. There is a power easement that cuts through the center of the property. It appears to be a Gulf Power easement; however, we were not provided a survey and are estimating the size of this easement. This affects the sites development since improvements can not be developed on this easement; however, the site is large enough that the layout and development of the site can be worked around this easement. In addition, there appears to be some wetlands at the northeast corner of the site. We have estimated the easement to cover approximately 2.5 acres and approximately 1.8 acres of wetlands. This leaves approximately 30.4 acres of useable uplands.

Advantages of the site is the larger size, zoning classification and frontage along Gulf Breeze Parkway.

Disadvantages of the site is its larger size and extensive depth and the Gulf Power easement through the center of the site.

The large size of the property lends itself to a variety of developments; however, a larger national commercial developer would most likely be an interested party with a longer development time.

## Tax Map

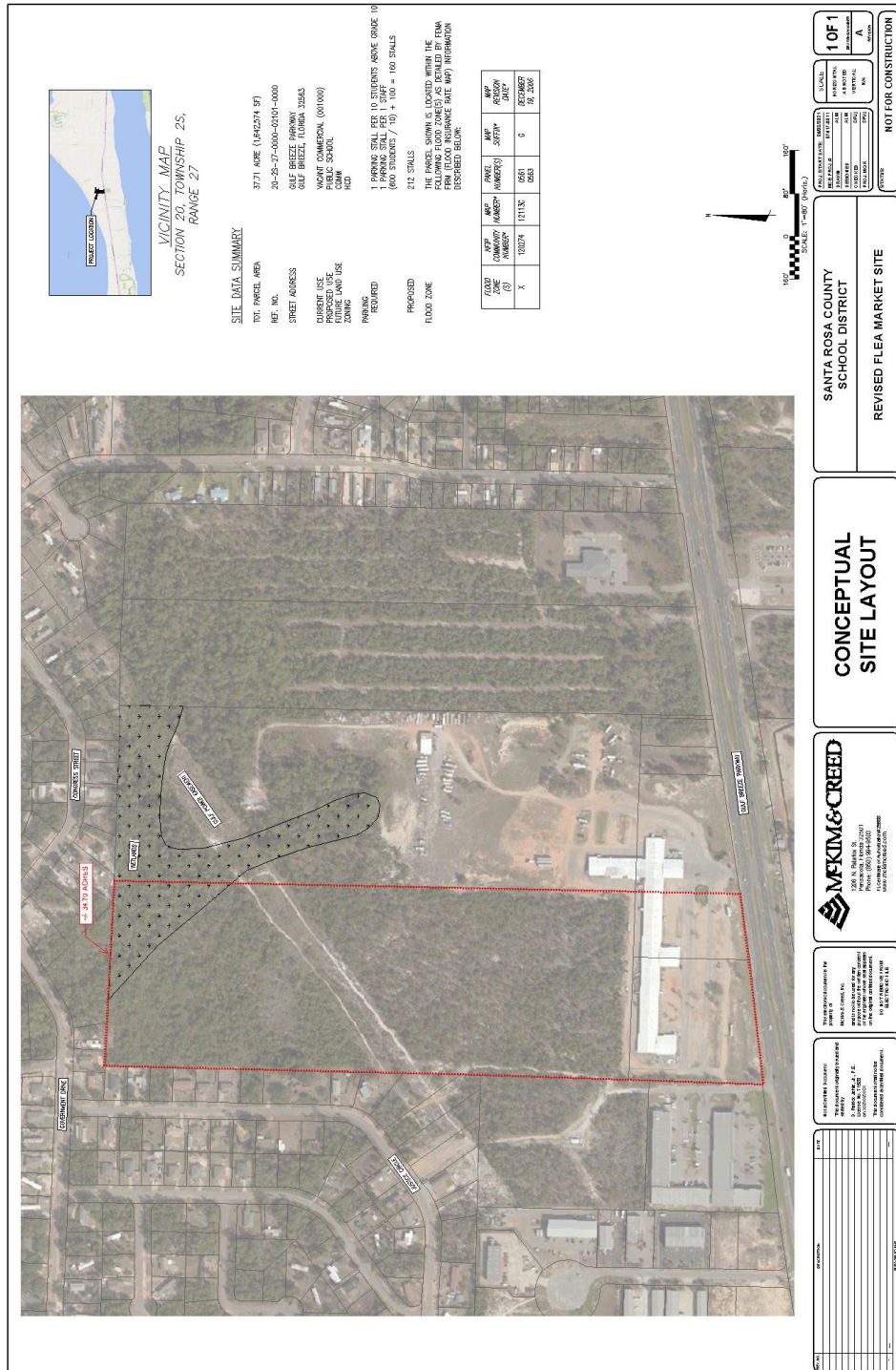


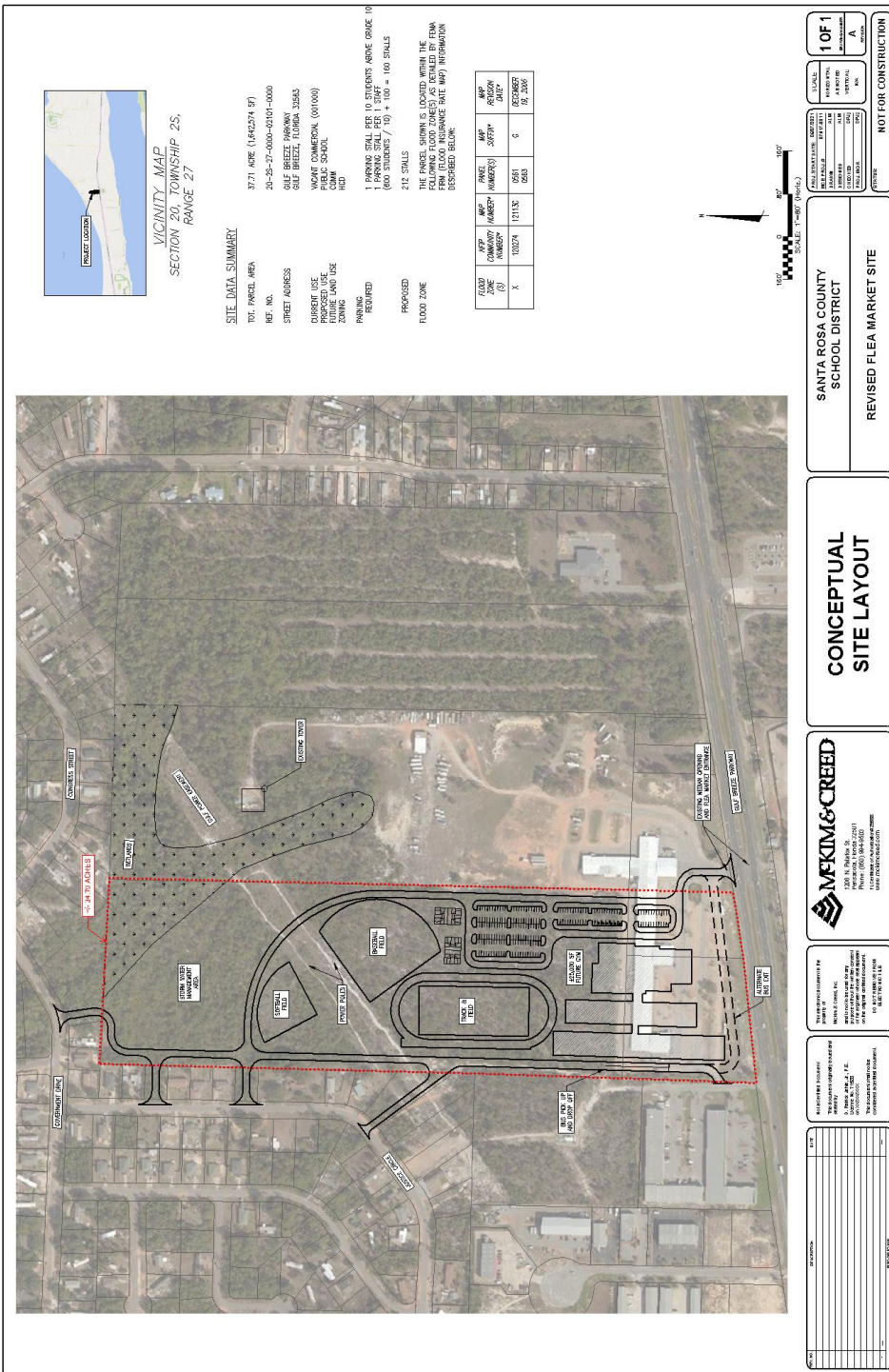
## Aerial





# Site Layout







## Wetlands Map



**Americans With Disabilities Act**

Please reference the Limiting Conditions and Assumptions section of this report on page 10.

**Hazardous Substances**

Please reference the Limiting Conditions and Assumptions section of this report on page 10.



## ***Subject Photographs***



Subject Property



Subject Property





Subject Property



Subject Property





Subject Property



Gulf Breeze Parkway Looking East



Gulf Breeze Parkway Looking West

## Assessment and Taxes

**Taxing Authority**      Santa Rosa Co

**Assessment Year**      2020

Real Estate Assessment and Taxes							
Tax ID	Land	Improvements	Special	Total	County	Tax	Taxes
			Assessment		Rate	Rate	
20-2S-27-0000-02101-0000	\$595,571	\$0	\$0	\$595,571	\$14.38	\$14.38	\$8,562
20-2S-27-0000-02202-0000	\$313,588	\$0	\$0	\$313,588	\$14.38	\$14.38	\$4,508
20-2S-27-0000-02203-0000	\$415,360	\$488,709	\$0	\$924,069	\$14.38	\$14.38	\$13,285
Totals	\$1,324,519	\$488,709	\$0	\$1,833,228			\$26,355

### Comments

The assessment as shown is typical of properties in the surrounding areas. No major changes are expected in the near future. The third parcel is a larger parcel of which the client is interested in only a portion; therefore, this assessment and tax bill is of the entire parcel and does not reflect the small portion that the client is interested in purchasing. There are no delinquent taxes due on the subject property.

## Zoning

LAND USE CONTROLS	
Zoning Code	HCD, Highway Commercial District (Santa Rosa)
Current Use Legally Conforming	The subject property is vacant land and is available for a variety of uses allowed in the zoning classification.
Zoning Comments	

### *HCD, Highway Commercial Development District*

A. *Purpose.* This district is designed to provide for a wide range of uses in appropriate and easily accessible locations adjacent to major transportation corridors and having access to a wide market area. This district is intended to be situated along selected segments of major thoroughfares in the vicinity of major intersections.

Automobiles and other vehicular service establishments, motels and hotels, business and professional offices, general retail and eating and drinking establishments, primarily characterize this district. This district should be situated in the vicinity of existing general commercial uses and should be buffered from residential areas.

Additionally, this district is generally located adjacent to districts characterized by medium to high density residential development and areas of more intensive commercial use. Bulk regulations and site plan criteria within the district are designed to maximize compatibility with lesser intense use of land and buildings in the district and provide for smooth transition in areas where activities of varying intensity exist.

Similarly, it is intended that the site plan criteria assist in evaluating economic implications with a view toward generating a stable economy and efficient, timely and economical delivery of needed public facilities and services.

B. *Permitted uses.* In this district a building or premises may only be used for the following purposes:

1. Community facilities limited to public and private not-for-profit clubs, cultural and civic activities; places of worship, and child care services.
2. Commercial activities limited to:
  - a. Business and professional offices, financial and banking services, and medical services, personal services.
  - b. Commercial amusement activities.
  - c. Restricted sales and services; general retail sales and services.

- d. Funeral homes only where adequate space is provided on the premises for the formation of funeral processions, and no such activity shall take place on public streets or rights-of-way.
- e. Restaurants with or without drive-thru facilities.
- f. Parking garages or lots.
- g. Trade services and repair provided all activities and storage are contained in an enclosed building.
- h. Automobile maintenance, garages and gas stations subject to the following provisions:
  - (1) All hydraulic hoists, pits, lubricating, washing, repair and service not of emergency nature or short term diagnostic or minor repair work shall be conducted entirely within a building.
  - (2) All merchandise and material for sale shall be displayed within an enclosed building except that oil for use in motor vehicles may be displayed or sold from an appropriate rack or compartment at the convenience of the customer and station attendant.
  - (3) Flammable materials shall be stored within the building setback lines and in a manner satisfactory to the Fire Department Chief and the Director of the Building Department.
  - (4) Storage of inoperative or unregistered motor vehicles generally shall not be permitted on the premises. However, motor vehicles which are being serviced may be stored in appropriate outside parking areas for a period not to exceed eight (8) weeks. Motor vehicles which may have been towed from the scene of an accident may be held or stored in a fully enclosed building or behind an eight (8) foot completely screened area in the rear yard of the business.
  - (5) When a service station dispensing flammable materials becomes vacant for a period exceeding one (1) year, the property owner shall be required to remove or treat in a safe manner, approved by the Building Department Director, all flammable materials or storage tanks on the site.
- i. Vehicular sales and services but all service activities shall be confined to minor repair and maintenance and all such activities must be confined to enclosed buildings.
- j. Veterinary services provided all such activities are located in a fully enclosed, soundproof building.



- k. Wholesale trades and services limited expressly to establishments where all activities and storage are contained in an enclosed building.
- l. Travel trailer parks and campgrounds under one (1) ownership, which have been approved for development in accordance with applicable state and county regulations, service buildings which shall include space and separation for a park manager's office and storage of maintenance equipment and supplies, and space for self-service laundry facilities provided that such uses are restricted for use to paying park users only.
- m. Self-service storage facilities.
- n. Reserved.
- o. Retail nurseries.
- p. Nursing homes.
- q. Hotels and motels.
- r. Special residential facilities.

3. Accessory uses or structures to any principal use permitted in the district.

4. Mobile homes are prohibited in this district, except where being offered as a product for sale at a licensed mobile home sales facility.

C. *Conditional uses.* In this district, as a conditional use, a building or premises may be used only for the following purposes upon determination by the County Board of Adjustment (Zoning Review and Appeals Board) that the respective use complies with standards regulating conditional uses in [Section 6.09.00](#) et seq. and complies with the site plan requirements listed in [Section 4.04.00](#): Single and multiple-family dwelling structures; guest homes; boarding homes; transient quarters oriented to serving seasonal or transient residents; public and private utilities and public facilities; wholesale plant nurseries and landscape services; recreation and park areas; vehicular paint and body shops; kennels; limited manufacturing and assembly; recreational activities; towers and telecommunication facilities; commercial antennas; and commercial outdoor amusement activities.

D. *Site plan approval.* Site plan review, as provided for in [Section 4.04.00](#), is required for all development proposals in this district.

E. *Subdivision conformance.* Any land or lot within a plat of record (or not) on the effective date of this ordinance shall not be redivided into two (2) or more lots unless the provisions of the Subdivision Regulations of Santa Rosa County, Florida (Section [4.03.00](#) et seq.) have been met.

F. *Density.* All development proposals are subject to site plan criteria of [Section 4.04.00](#). Impervious cover is limited to a maximum of eighty-five (85) percent of the property. Note: Impervious cover may be reduced further depending on features associated with the property and the proposed use of said property.

G. *Lot size.* The minimum width of any lot developed for commercial uses shall be one hundred (100) feet when measured at the minimum front setback line and shall



have a minimum width at the street right-of-way line of not less than one hundred (100) feet to allow for adequate ingress and egress and accel./decel. lanes; however, multiple attached businesses may occupy the same lot. Off-premise signs may be located on lots with less than one hundred (100) feet of road frontage, provided that the lot width can fully accommodate the required setbacks and the width of the sign and provided that the sign meets all of the locational requirements of [Article 8](#). Access to such parcels shall be the minimum necessary to allow for maintenance of the sign.

H. *Building height.* No building shall be erected in this district in excess of fifty (50) feet in height above the required minimum finished floor elevation, exclusive of chimneys, elevator shafts, air conditioning condensing units and cooling towers, except as provided for in Section 2.10.01 of this Ordinance.

I. *Minimum required setbacks.*

1. *Setbacks along collector or arterial roads:* The minimum required building setback along a collector or arterial road, as described in Section 4.04.03(D), shall be as follows:

- a) Along a collector road, the minimum required building setback shall be twenty-five (25) feet.
- b) Along an arterial road, the minimum required building setback shall be fifty (50) feet.

If any other setback requirement of this Code conflicts with the above requirements, the more restrictive requirement will apply.

2. *Front setback.* There shall be a front building setback from any right-of-way of not less than fifty (50) feet for all uses except as provided in Section 2.10.02.

3. *Side setback.* Except as provided in Section 2.10.04, there shall be a five (5) foot side building setback for Commercial Uses (excluding multiple family dwellings, hotels, motels, guest houses, and other transient quarters) except in the following situations:

- a) On any side of a lot or project parcel which abuts any residential use or zone, a side building setback of thirty (30) feet shall be provided.
- b) On any side of a lot or project parcel which abuts any rights-of-way which is not classified as an arterial road, a side building setback of twenty-five (25) feet shall be provided.
- c) Additionally, when none of the above situations apply, the minimum side building setback for multiple family dwellings, hotels, motels, guest houses, and other transient quarters, shall not be less than eight (8) feet.

4. *Rear setback.* There shall be a rear building setback for all uses having a depth of not less than twenty-five (25) feet, except as provided in Section 2.10.03.

J. *Performance standards.*

1. *Open space/landscaping.* Every lot or project parcel in this district (excluding hotels, motels, guest houses and other transient quarters) shall have a minimum of fifteen (15) percent of the total parcel area set aside for open landscaped area. Hotels, motels, guest houses and other transient quarters shall have a minimum of twenty-five (25) percent of the total parcel area set aside for open landscaped area. All landscaped areas shall be planted and maintained in lawn, sod or natural foliage, and no part of any required open area shall be used for driveways or parking areas. Additionally, landscaping and other performance standards shall adhere to requirements as set forth in [Article 7](#)

K. *Public services.* Within one (1) year of central wastewater collection system availability, septic tank use shall be discontinued and connection made to the central collection system.

L. *Itinerant vendors.* Itinerant vendors shall comply with the requirements of the land development code to the same extent as other commercial uses which occupy buildings and fixed locations. This shall include but not be limited to site plan approval and compliance with performance standard requirements prior to conducting business.

Itinerant vendors shall be defined as all persons, firms and corporations who engage in the business of selling, offering for sale or exhibiting for sale, any goods[,] wares or merchandise from a fixed location, and in the course of carrying on such business, do not operate from a permanent building or in conjunction with a lawful commercial use which utilizes a permanent building. Itinerant vendors shall not include persons, firms, or corporations making sales by visiting individual homes or businesses.

Exemptions:

1. The sale of agricultural products when the products are sold by the person who grew said products.
2. The sale of merchandise by a charitable, religious, fraternal, youth, civic, service or other such organization when the sale is made by the members thereof and the proceeds are used exclusively in the charitable, religious, fraternal, youth, civic and service activities of the organization.
3. The sale of merchandise at fairs, festivals, celebrations or other special events sponsored or permitted by the appropriate governing body.

## Highest and Best Use

Highest and best use may be defined as the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

1. **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?
2. **Physically Possible:** To what use is the site physically adaptable?
3. **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?
4. **Maximally Productive.** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

## Highest and Best Use of the Site

The subject property is zoned HCD, Highway Commercial District, which allows a variety of commercial uses. The residentially use is subject to review and approval of the zoning board and the density will be reviewed by the zoning board.

Subject site is approximately 34.7 acres which consist of three adjacent parcels. This was originally the flea market acreage in Gulf Breeze and presently the Santa Rosa County School Board is interested in purchasing. There are three parcels of which one parcel is only partial acreage that is of interest to the school board. The site will have 670 feet of frontage along the north side of Highway 98 and an approximate depth of 2,270 feet. The appraisers were not provided a current survey so certain assumptions have been made concerning an easement that runs through the center of the property, site dimensions, as well as possible wetlands at the northeast corner of the site. These areas were determined by review of an aerial map in the Santa Rosa County Property Appraiser website and a review of a conceptual site layout provided by the client. As discussed in the site section, we have determined 30.27 usable acres. The site has adequate frontage along Highway 98 for good exposure and access. There already exists decelerate as well as median turn lanes to the site which are considered advantageous since this cost will not be incurred during site development.

As can be seen on the aerial provided, there appears to be a 200 ft Gulf Power easement through the center of the property. This can limit the utility of the site; however, due to the large size of the acreage, it is possible that any site development can work around this easement. Improvements are not allowed to be developed under the easement however parking lots, retention ponds, and open areas will be allowed. The northeast corner of the subject site appears to have wetlands however we were not provided a wetlands survey so we are making an assumption that the corner of the site cannot be developed.

All utilities are available to the site including sanitary sewer. Discussions with the listing broker have indicated that the site has a private lift station which also is advantageous to reduce site development costs. The listing agent did not know how large the lift station was and may not be large enough to provide for the entire site.

Advantageous characteristics of this site include large size, the entire site having HCD zoning, the site is mostly uplands with very little wetlands that would affect its utility, the frontage along Highway 98, the deceleration and turn lanes immediately available for use, and private lift station for developments. The disadvantage of the site is the Gulf Power easement that runs through the center of the property which could limit the use of the site and the shape of the property with extensive depth compared to the frontage along Highway 98.

The site is one of the few available properties in this general area with such size and limited wetlands. This can be attractive for a variety of developments.

To determine a financially feasible use of the subject property, observing surrounding uses and new development in the area is helpful. As mentioned, previous, our general area, as well as, the immediate Gulf Breeze and Navarre have shown significant growth and explosion of residential development. With this expansion, commercial development typically follows to help support the surrounding communities. This includes large national chains entering the market, restaurants, retail and services, multifamily projects, and such. We have seen all the mentioned occur in the immediate area from new residential single-family developments, town house projects, patio home projects, apartment projects, medical facilities, and additional commercial endeavors. With the subjects commercial zoning classification, this would allow for a planned development project with a mix of uses catering to the surrounding area.

In addition, with increased growth governmental, educational, and religious facilities are needed for support. Hence the interest of the Santa Rosa School Board for the subject property with plans to develop a high school with a sports complex. With the limited available acreage in the general area, these community service entities must compete with the commercial and residential developers due to the strong demand for vacant land in the area.

The highest and best use of the subject, as vacant, would be for commercial/residential development catering to the exposure along Highway 98 and the depth of the site.

## Valuation Methodology

Three basic approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Income Approach
3. The Sales Comparison Approach

### Cost Approach

The Cost Approach is summarized as follows:

$$\begin{array}{r} \text{Cost New} \\ - \text{Depreciation} \\ + \text{Land Value} \\ = \text{Value} \end{array}$$

### Income Approach

The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

### Sales Comparison Approach

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

### Final Reconciliation

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

### *Analyses Applied*

A **cost analysis** was considered and was not developed because this approach is not applicable in the valuation of vacant land.

A **sales comparison analysis** was considered and was developed because there is adequate data to develop a value estimate by this approach. This approach reflects the typical market behavior for this type property and is therefore a good indicator of potential value of the subject property.

An **income analysis** was considered and was not developed because this approach is not applicable is valuing vacant land.

## **Sales Comparison Approach – Land Valuation**

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

### ***Land Comparables***

We have researched several vacant commercial land sales in the subject's market area and competing market areas and have selected the following seven comparables for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction.

As discussed earlier in this report, the subject is a large acreage tract in Gulf Breeze with minimal wetlands and only a small area (2.88 acres) that is a Gulf Power easement. It is also zoned HCD, which is unusual in the area with typical properties having HCD along the highway and a residential zoning at the rear. With its large size and commercial zoning there are very limited sales for comparison.

Therefore, we have reviewed smaller commercial sites along Gulf Breeze Parkway and Navarre Parkway and will discuss and make adjustments for size.

In addition, we expanded our research to Escambia County and the Pace area for similar sales for comparison.

### Land Comparable 1



### Transaction

<b>ID</b>	3294	<b>Date</b>	1/23/2020
<b>Address</b>	7300 Blk Navarre Pkwy	<b>Price</b>	\$3,295,000
<b>City</b>	Navarre	<b>Financing</b>	Conv.
<b>State</b>	Florida	<b>Price Per Front Foot</b>	\$5,482
<b>Tax ID</b>	24-2S-27-0000-00101-0000	<b>Price Per SF</b>	\$8.31
<b>Grantor</b>	Titan Ventures Management	<b>Price Per Acre</b>	\$362,088
<b>Grantee</b>	Sacred Heart Heath Systems,	<b>Official Records Book</b>	3911
<b>Verification Source</b>	Public Records	<b>Recorded Page</b>	2044

### Site

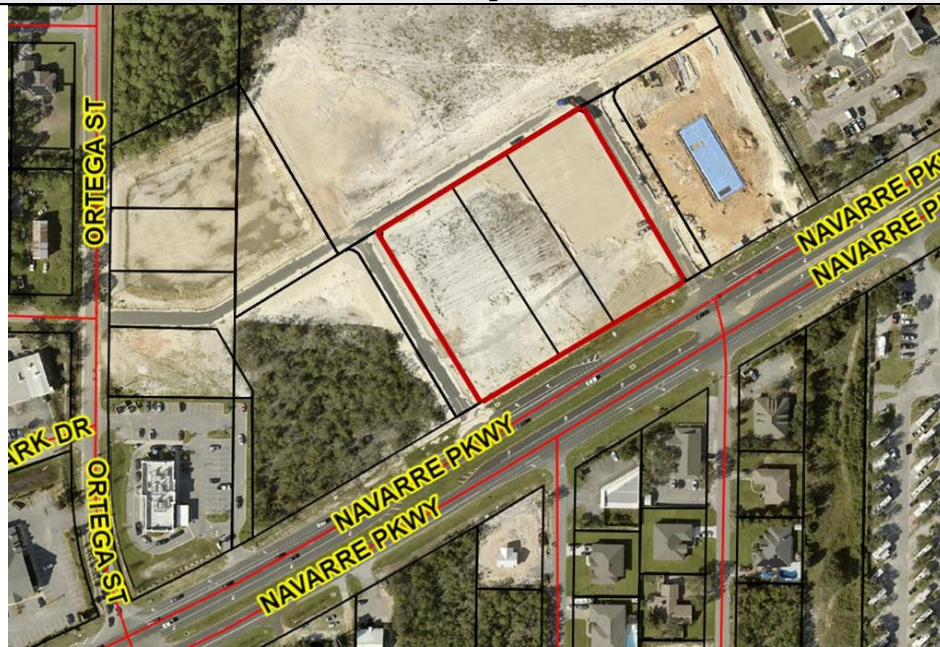
<b>Acres</b>	9.1	<b>Topography</b>	Level
<b>Land SF</b>	--	<b>Shape</b>	Rectangular
<b>Road Frontage</b>	601	<b>Zoning</b>	HCD
<b>Depth</b>	507	<b>Utilities</b>	All

### Comments

This is a vacant commercial site located at the northeast corner of Navarre Parkway and Lowe Road. This is just west of the main Navarre business district. The site was purchased for the development of a medical facility.



## Land Comparable 2



### Transaction

<b>ID</b>	3298	<b>Date</b>	2/7/2020
<b>Address</b>	8700 Blk Navarre Pkwy	<b>Price</b>	\$1,900,000
<b>City</b>	Navarre	<b>Financing</b>	Cash
<b>State</b>	Florida	<b>Price Per Front Foot</b>	\$5,067
<b>Tax ID</b>	21-2S-26-0780-0AA07-0000	<b>Price Per SF</b>	\$15.52
<b>Grantor</b>	Navarre 19, LLC	<b>Price Per Acre</b>	\$676,157
<b>Grantee</b>	Navarre Chastain Development,	<b>Official Records Book</b>	3918
<b>Verification Source</b>	Public Records	<b>Recorded Page</b>	1525

### Site

<b>Acres</b>	2.8	<b>Topography</b>	Level
<b>Land SF</b>	122,404	<b>Shape</b>	Rectangular
<b>Road Frontage</b>	375	<b>Zoning</b>	HCD
<b>Depth</b>	326	<b>Utilities</b>	All

### Comments

This is a purchase of three adjacent parcels located on the north side of Navarre Parkway just east of Ortega Street. This sale was part of a larger parcel which was divided into smaller parcels and sold separately. This is one of four parcels that have sold. The site will have three additional roadways on the east, west and north sides for additional access.



### Land Comparable 3



#### Transaction

<b>ID</b>	2993	<b>Date</b>	3/5/2020
<b>Address</b>	2831 Gulf Breeze Pkwy	<b>Price</b>	\$1,600,000
<b>City</b>	Gulf Breeze	<b>Financing</b>	Cash
<b>State</b>	Florida	<b>Price Per Front Foot</b>	\$5,333
<b>Tax ID</b>	36-2S-29-0000-00115-0000; 0000-	<b>Price Per SF</b>	\$4.88
<b>Grantor</b>	Midland Trust Company	<b>Price Per Acre</b>	\$212,483
<b>Grantee</b>	Daniel & Amy Cook	<b>Official Records Book</b>	3926
<b>Verification Source</b>	MLS#2325483	<b>Recorded Page</b>	742

#### Site

<b>Acres</b>	7.5	<b>Topography</b>	Level
<b>Land SF</b>	328,007	<b>Shape</b>	Irregular
<b>Road Frontage</b>	300	<b>Zoning</b>	HCD
<b>Depth</b>	1093	<b>Utilities</b>	All

#### Comments

This is a commercial acreage site located on the south side of Gulf Breeze Parkway at Whisper Creek Drive. This once was developed with a large retail box center which was razed several years ago. This site is located at a lighted intersection provided better access and exposure. It is located in the second commercial district of Gulf Breeze east of Gulf Breeze Proper.

#### Land Comparable 4



#### Transaction

<b>ID</b>	2992	<b>Date</b>	4/20/2020
<b>Address</b>	Navarre Prkwy	<b>Price</b>	\$4,850,000
<b>City</b>	Navarre	<b>Financing</b>	Cash
<b>State</b>	Florida	<b>Price Per Front Foot</b>	\$4,923
<b>Tax ID</b>	22-2S-27-0000-00149-0000; 0000-	<b>Price Per SF</b>	--
<b>Grantor</b>	John H. Axley, MD et al	<b>Price Per Acre</b>	\$149,001
<b>Grantee</b>	The School Board of Santa	<b>Official Records Book</b>	3941
<b>Verification Source</b>	Public Records	<b>Recorded Page</b>	212

#### Site

<b>Acres</b>	32.6	<b>Topography</b>	Level
<b>Land SF</b>	1	<b>Shape</b>	Irregular
<b>Road Frontage</b>	985	<b>Zoning</b>	HCD
<b>Depth</b>	790	<b>Utilities</b>	All

#### Comments

This is an acreage parcel located on the south side of Navarre Parkway across from Edgewood Drive. It contains a total of approximately 42 acres of which 32.55 acres is uplands. The uplands acreage is used for the above unit rates. The school board purchased the property for additional land for development of schools needed in the county.

### Land Comparable 5



#### Transaction

<b>ID</b>	3299	<b>Date</b>	6/1/2020
<b>Address</b>	8700 Blk Navarre Pkwy	<b>Price</b>	\$925,000
<b>City</b>	Navarre	<b>Financing</b>	Cash
<b>State</b>	Florida	<b>Price Per Front Foot</b>	\$4,625
<b>Tax ID</b>	21-2S-26-0780-0AA08-0000	<b>Price Per SF</b>	\$14.85
<b>Grantor</b>	Navarre 19, LLC	<b>Price Per Acre</b>	\$646,853
<b>Grantee</b>	Asa Navasre Re Investments,	<b>Official Records Book</b>	200
<b>Verification Source</b>	Public Records	<b>Recorded Page</b>	312

#### Site

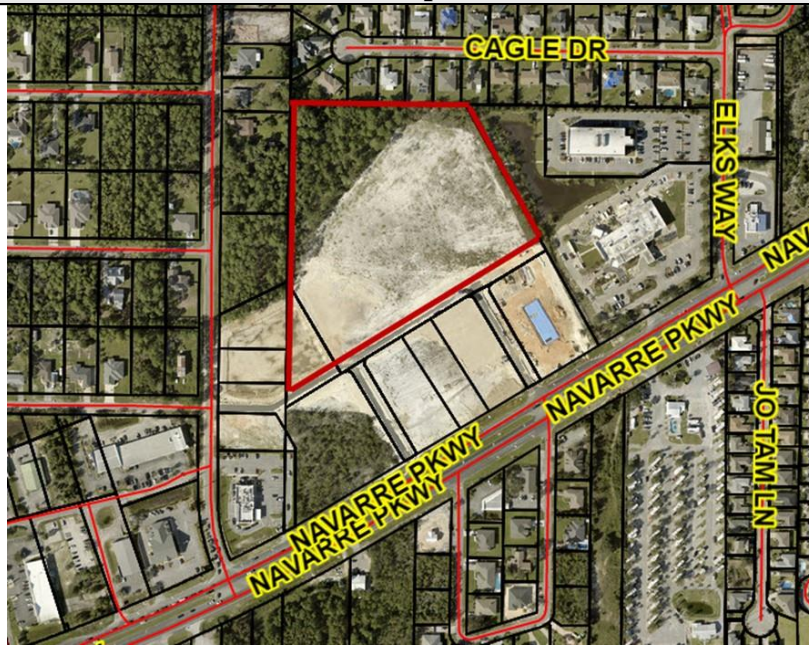
<b>Acres</b>	1.4	<b>Topography</b>	Level
<b>Land SF</b>	62,291	<b>Shape</b>	Rectangular
<b>Road Frontage</b>	200	<b>Zoning</b>	HCD
<b>Depth</b>	311	<b>Utilities</b>	All

#### Comments

This is a commercial site located on the north side of Navare Parkway just west of Elks Way. This was part of a larger acreage tract that was divided into smaller commercial sites. It is one of four that have sold since 2019. The property was developed with a tire store.



### Land Comparable 6



### Transaction

<b>ID</b>	3295	<b>Date</b>	12/29/2020
<b>Address</b>	Navarre Parkway	<b>Price</b>	\$3,175,000
<b>City</b>	Navarre	<b>Financing</b>	Conv.
<b>State</b>	Florida	<b>Price Per Front Foot</b>	\$4,536
<b>Tax ID</b>	21-2S-26-0780-0AA00-0000	<b>Price Per SF</b>	\$7.74
<b>Grantor</b>	Navarre 19, LLC	<b>Price Per Acre</b>	\$337,049
<b>Grantee</b>	Destiny Worship Center, Inc.	<b>Official Records Book</b>	4049
<b>Verification Source</b>	MLS#2365495	<b>Recorded Page</b>	516

### Site

<b>Acres</b>	9.4	<b>Topography</b>	Level
<b>Land SF</b>	--	<b>Shape</b>	Irregular
<b>Road Frontage</b>	700	<b>Zoning</b>	HCD
<b>Depth</b>	586	<b>Utilities</b>	All

### Comments

This is a rear acreage parcel off Navarre Parkway just east of Ortega. This parcel was part of a larger (19 acre) parcel which was divided into smaller commercial sites. This parcel is the back acreage and a new access road from Ortega and two from Navarre Parkway for additional access.

### Land Comparable 7



### Transaction

<b>ID</b>	3293	<b>Date</b>	7/27/2021
<b>Address</b>	5700 Gulf Breeze Pkwy	<b>Price</b>	\$1,225,000
<b>City</b>	Gulf Breeze	<b>Financing</b>	Conv.
<b>State</b>	Florida	<b>Price Per Front Foot</b>	\$3,125
<b>Tax ID</b>	20-2S-27-0000-01200-0000	<b>Price Per SF</b>	\$1.64
<b>Grantor</b>	City of Gulf Breeze	<b>Price Per Acre</b>	\$71,345
<b>Grantee</b>	I-110 at Village Oaks, LLC	<b>Official Records Book</b>	4154
<b>Verification Source</b>	MLS #2382228	<b>Recorded Page</b>	409

### Site

<b>Acres</b>	17.2	<b>Topography</b>	Level
<b>Land SF</b>	--	<b>Shape</b>	Rectangular
<b>Road Frontage</b>	392	<b>Zoning</b>	PUD
<b>Depth</b>	1908	<b>Utilities</b>	All

### Comments

This is an acreage tract located on the north side of Gulf Breeze Parkway just west of America Avenue. This site was purchased for the development of a residential subdivision.

## ***Comparables Map***



## ***Analysis Grid***

The above sales have been analyzed and compared with the subject property. We have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

For valuation purposes, we will consider approximately 800' of depth for the commercial frontage along Gulf Breeze Parkway. This is approximately 12.3 acres and the price per front foot will be applied to this area. The remaining acreage, 18.32 acres of uplands will be valued separately.



Land Analysis Grid		Comp 1		Comp 2		Comp 3		Comp 4		Comp 5		Comp 6		Comp 7	
Address	5700 Blk Gulf Breeze	7300 Blk Navarre		8700 Blk Navarre Pkwy		2831 Gulf Breeze Pkwy		Navarre Prkwy		8700 Blk Navarre		Navarre Parkway		5700 Gulf Breeze	
City	Gulf Breeze	Navarre		Navarre		Gulf Breeze		Navarre		Navarre		Navarre		Gulf Breeze	
State	Florida	Florida		Florida		Florida		Florida		Florida		Florida		Florida	
Date	8/10/2021	1/23/2020		2/7/2020		3/5/2020		4/20/2020		6/1/2020		12/29/2020		7/27/2021	
Price	--	\$3,295,000		\$1,900,000		\$1,600,000		\$4,850,000		\$925,000		\$3,175,000		\$1,225,000	
Road Frontage	670	601		375		300		985		200		700		392	
Road Frontage Unit Price	\$0	\$5,483		\$5,067		\$5,333		\$4,924		\$4,625		\$4,536		\$3,125	
Transaction Adjustments															
Property Rights	Fee Simple	Simple	0.0%	Simple	0.0%	Simple	0.0%	Simple	0.0%	Simple	0.0%	Simple	0.0%	Simple	0.0%
Financing	Conventional	Conv.	0.0%	Cash	0.0%	Cash	0.0%	Cash	0.0%	Cash	0.0%	Conv.	0.0%	Conv.	0.0%
Conditions of Sale	Cash	Typical	0.0%	Typical	0.0%	Typical	0.0%	Typical	0.0%	Typical	0.0%	Typical	0.0%	Typical	0.0%
Adjusted Road Frontage Unit Price		\$5,483		\$5,067		\$5,333		\$4,924		\$4,625		\$4,536		\$3,125	
Market Trends Through	8/10/2021	0.0%		0.0%		0.0%		0.0%		0.0%		0.0%		0.0%	
Adjusted Road Frontage Unit Price		\$5,483		\$5,067		\$5,333		\$4,924		\$4,625		\$4,536		\$3,125	
Location	Good	Navarre		Navarre		Gulf Breeze		Navarre		Navarre		Navarre		Gulf Breeze	
% Adjustment		0%		0%		0%		0%		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Road Frontage	670	601		375		300		985		200		700		392	
% Adjustment		0%		0%		0%		0%		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Acres	34.70	9.10		2.81		7.53		32.55		1.43		9.42		17.17	
% Adjustment		0%		0%		0%		0%		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Zoning	HCD	HCD		HCD		HCD		HCD		HCD		HCD		PUD	
% Adjustment		0%		0%		0%		0%		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Utilities	All	All		All		All		All		All		All		All	
% Adjustment		0%		0%		0%		0%		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Adjusted Road Frontage Unit Price		\$5,483		\$5,067		\$5,333		\$4,924		\$4,625		\$4,536		\$3,125	

### ***Comparable Land Sale Adjustments***

The eight sales are considered comparable to the subject in one or more ways. All of the sales are located along Gulf Breeze and Navarre Parkway and occurred between January 2020 and July 2021. These sales ranged in unit price from \$3,125 to \$5,483 per front foot with depths ranging from 311' to approximately 1,100'.

All of the sales had good frontage along the roadway and comparing sales does not show any significant difference between 300' to 1,000' of frontage; therefore, no adjustment is necessary for the frontage of the subject property.

Sale 8 was the last sale that occurred in the immediate area indicating a unit rate of \$3,125/FF. Discussions with the listing agent indicated that this property was zoned PUD and plans were to develop residentially. Although located just east of the subject, this site is considered inferior in land use and would indicate the very lower limit of value for the subject property.

Sale 4 is a large acreage parcel similar to the subject and purchased by the client. This sale indicated a unit rate of \$4,924/FF.

### ***Sales Comparison Approach Conclusion – Land Valuation***

The adjusted values of the comparable properties range from \$3,125 to \$5,483; the average is \$4,727. All of the value indications have been considered in arriving at our final reconciled per front foot value of \$5,000. This is applied to the front 800' of depth of the subject property.

The remaining 1,470' of depth is valued separately. We have reviewed the sales of a 19 acre parcel in Navarre that was divided into smaller commercial sites. Sales 2, 5 and 6 are sales from this division. Sales 2 and 5 were commercial sites along Navarre Parkway that indicated unit rate of \$676,000 and \$646,000 per acre. Sale 6 was a rear acreage parcel that indicated a unit rate of \$337,049 per acre. This indicates approximately a 50% difference between commercial frontage and rear, removed commercial acreage. We have been able to further support these findings through the years with similar comparisons that indicate between 30% and 50% difference.

We determined the front commercial portion of the site is valued at \$3,350,000 indicating a unit rate of \$272,357/AC (\$3,350,000/ 12.3 acres). Applying an adjustment of 40% indicates a unit rate of \$163,414/AC, rounded to \$165,000/AC. This is applied to the remaining rear 18 acres indicating a value of \$2,970,000.

The value of the commercial frontage and the value of the rear commercial acreage indicate a total value of \$6,320,000. With the strong demand in our general area and the continued growth in the area, rounding to up to \$6,500,000 is considered reasonable.

<b>As Is Market Value</b>	
<b>Indicated Value per Front Foot:</b>	\$5,000
<b>Subject Size:</b>	670 FF
<b>Commercial Frontage Value:</b>	\$3,350,000
<b>Rear Commercial Acreage:</b>	<u>\$2,970,000</u>
<b>Total:</b>	\$6,320,000
<b>Rounded:</b>	\$6,500,000
<b>Six Million Five Hundred Thousand Dollars</b>	

### ***Value Conclusion***

Based on the data and analyses developed in this appraisal, we have reconciled to the following value conclusion(s), as of August 10, 2021, subject to the Limiting Conditions and Assumptions of this appraisal.

### ***Value Indications***

**Sales Comparison Approach:**     \$6,500,000

### **Sales Comparison Approach**

The sales comparison approach utilized the direct comparison method. The price per front foot from similar sales was used in arriving at an estimate of value by this approach. In addition, we determined a unit rate to be applied to the rear commercial acreage. Ample data was available and the sales comparison approach should be well reflective of the value for the subject property.

### ***Value Conclusion***

Based on the data and analyses developed in this appraisal, we have reconciled to the following value conclusion(s), as of August 10, 2021, subject to the Limiting Conditions and Assumptions of this appraisal.

**Reconciled Value(s):**    Premise: As Is  
                                     Interest: Fee Simple  
                                     Value Conclusion: \$6,500,000  
                                     Six Million Five Hundred Thousand Dollars

**The final valuation does not include any personal property or FF&E.**

## **Certification Statement**

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.
- We have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our 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 estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- We certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- Kirsten Hoffman Philip has made an inspection of the subject property. Terry G. Hoffman has not made an inspection of the subject property.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with 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, Terry G. Hoffman **has** completed the continuing education program for Designated Members of the Appraisal Institute.
- As of the date of this report, Terry G. Hoffman **has** completed the Standards and Ethics Education Requirements for Designated Members of the Appraisal Institute.
- Neither our engagement to make this appraisal (or any future appraisals for this client), nor any compensation therefore, are contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- It is assumed that all water, sewer facilities and utilities (existing or proposed) are or will be in good working order, are safe for use and are or will be sufficient to serve the current or proposed use of the subject property or any structures or other improvements. Determining and reporting on such matters were not part of the scope of work for this assignment.
- Unless otherwise stated in this report, the past or current existence of hazardous materials or environmental contamination on, below or near the subject property was not observed or known by the appraiser. The appraiser, however, is not qualified to detect such substances or to make determinations about their presences. No responsibility is assumed for such possible conditions or for any expertise or engineering assistance required to discover them. The intended user is urged to retain an expert in this field, if desired.

- Use of or reliance on this appraisal or appraisal report, regardless of whether such use or reliance is known or authorized by the appraiser, constitutes acknowledgment and acceptance of the general assumptions and limiting conditions, any extraordinary assumptions or hypothetical conditions and any other terms and conditions stated in this report.



Kirsten Hoffman Philip  
FL-State-Certified General Real Estate  
Appraiser RZ2661



Terry G. Hoffman, MAI  
FL-State-Certified General Real Estate  
Appraiser RZ46



## **Addenda**

# Engagement Letter



**State Tax Exemption #**  
858012622341C0  
**Federal Employer Identification #**  
596000845

**SANTA ROSA COUNTY  
SCHOOLS**  
**Purchase Order**  
Blanket -  
Hoffman.Appraisal.FleaMarket

**PO# 732379**

08/05/2021

Vendor (V000016982)

Show P.O. Number on all shipping containers,  
packing lists, correspondences, and invoices.

**Center/School Contact:** Cathy Ward

☐ Checked box indicates order must be fully received and invoiced by 06/30/2022.  
Cancellations must be in writing. No backorders without buyer approval.

HOFFMAN & ASSOCIATES PA  
1550 CREIGHTON RD STE 4  
PENSACOLA, FL 32504

## Ship To

GENERAL ADMINISTRATION  
6544 FIREHOUSE ROAD  
MILTON, FL 32570

## Bill To

GENERAL ADMINISTRATION  
6544 FIREHOUSE ROAD  
MILTON, FL 32570  
850-983-5123

Item #	Description	Quantity	UOM	Unit Price	Amount
	Appraisal Services for Flea Market Property	1		4,500.00	4,500.00
<b>Total</b>					4,500.00

Fund	Function	Object	Facility	Project	Program	Amount
371	7420	660	9988	340021		4,500.00

Cindy Norton  
Purchasing Manager

**Comments for vendor:**

**Timeline:** Due by September 13, 2021

## Terms & Conditions:

- Do not exceed quantities or price without prior approval.
- No substitutions without prior approval.
- Payment will not be made until an order is completed in full.
- Payment will be made only to the vendor listed above.
- Collect shipments will be refused.
- The Jessica Lunford Act: The Santa Rosa County School District reserves the right to refuse to accept services from any personnel deemed by the Santa Rosa County School District to be unqualified, disorderly, or otherwise unable to perform assigned work. This law, effective September 1, 2005, affects your business if you, your employees or your agents will have access to school grounds when students are present, have direct contact with students or have access to or control of school funds. A copy of House Bill 1877, which was approved by the Governor on May 2, 2005 (Chapter 2005-28, L.O.F., section 21) may be found by accessing the following link on the internet:  
[http://laws.flrules.org/files/Ch\\_2005-028.pdf](http://laws.flrules.org/files/Ch_2005-028.pdf). The requirements of this new law must be met in order for the School Board to continue working with you. The implementation procedures for this new law, as well as the amendment of July 2007, are posted on our website, at:  
<http://srcsdhumanresources.weebly.com/jessica-lunford.html>
- (Service proposals only) Insurance required to be carried shall include (for specific limits contact Risk Management at (850) 983-5006): a. The Company shall furnish proof of the following insurance to the Board by Certificate of Insurance. b. The Certificate of Insurance shall state that the School Board, including its agents and employees, are additional insureds under the policy or policies. c. Workers' Compensation Insurance. d. Comprehensive General Liability Insurance. e. Business Automobile Liability.
- It is a condition of this Purchase Order that the vendor will comply with all Federal, State and Local laws, ordinances and rules, including but not limited to self-reporting if listed on the Federal Suspension and Debarment list and if convicted of Public Entity Crimes.

## Legal Description

### *Parcel 1*

W 427 FT OF KENNEL CLUB SUBAS DES IN OR 1290 PG 261

### *Parcel 2*

COMM SW SEC COR TH N 0°56'57"W ALONG W SEC LN 1612.97 FT TON R/W HWY 98 TH CONT N 494.66FT TO POB TH CONT N ALONG SECLN 506.45 FT TH N 89°46'31"E10.16 FT TH N 01°01'09"W 1329.18 FT TH S 89°35'22"E 632.6 FT TH S 0°59'52"E 1833.41 FT THN 9°47'48"W 642.11 FT TO POBAS DES IN OR 2291 PG 1785TOGETHER W/66 FT INGRESS/EGRESS ESMNT

### *Parcel 3* – portion of

E 649 FT OF W 1076 FT OF KENNEL CLUB SUBAS DES IN OR 1290 PG 261SUBJ TO EASEMENT AS DES IN OR3219 PG 145

## **Qualifications**

**Hoffman & Associates, P.A.**  
**REAL ESTATE APPRAISERS - CONSULTANTS**  
1550 CREIGHTON ROAD, STE. 4  
PENSACOLA, FLORIDA 32504

**QUALIFICATIONS**  
**KIRSTEN HOFFMAN PHILIP**

### **STATE CERTIFICATION**

April 29, 2003 I was state certified for Florida as a "State-Certified General Real Estate Appraiser RZ2661" after successfully completing the required courses and examinations by the Department of Professional Regulation, Florida Real Estate Appraisal Board.

### **EDUCATION BACKGROUND**

University of West Florida, Pensacola, Florida. Senior in Science Degree in Marketing with a minor in Communication Arts, 1994; Successfully completed three real estate classes within the marketing department

Successfully completed "Real Estate Appraisal Principles" given by the Appraisal Institute in Gainesville, Florida, February 1990.

Successfully completed "Basic Valuation Procedures" given by the Appraisal Institute in Winter Park, Florida, October, 1990.

Successfully completed "Standards of Professional Practice Parts A and B" given by the Appraisal Institute in Orlando, Florida, August 1993.

Successfully completed "RREAB Residential Appraisal-AB1" given by the Ed Klopfer Schools of Real Estate in Pensacola, Florida, June 1999.

Successfully completed "RREAB Residential Appraisal-ABII and ABIIB" given by the Real Estate Education Specialists in Orlando, Florida, July 2000.

Attended "The Good, The Bad, The Board" Seminar in Panama City Beach, Florida, November 1999.

Attended "Florida State Law and USPAP Review for Real Estate Appraisers" Seminar in Tallahassee, Florida, September 2000.

Attended "Data Confirmation & Verification" Seminar in Tallahassee, Florida, March 2001

Attended "State of the Profession", given by the Northwest Florida Chapter of the Appraisal Institute, April 2001.

Successfully completed "Basic Income Capitalization" given by the Appraisal Institute in Tampa, Florida, August 2001.

Successfully completed "Highest & Best Use and Market Analysis" given by the Appraisal Institute in Tampa, Florida, April 2002.

Attended "The Emerging Market Valuation for Financial Reporting Purposes" given by the Northwest Florida Chapter of the Appraisal Institute, November 2003.

Attended "Course 400: National USPAP Course Update" given by the Northwest Florida Chapter of the Appraisal Institute, November 2003.

Attended "Florida Law" given by the Northwest Florida Chapter of the Appraisal Institute, November 2003.

Successfully completed "Communicating the Appraisal" given by Bert Rodgers Schools, November 2004.

Successfully completed "Neighborhood Analysis: Residential Applications" given by Bert Rodgers Schools, November 2004.

Successfully completed "Residential Subdivision Analysis" given by Bert Rodgers Schools, November 2004.

Successfully completed “Sales Comparison Approach: General Applications” given by Bert Rogers Schools, November 2004.

Attended “Reappraising, Readdressing, Reassigning” given by the Northwest Florida Chapter of the Appraisal Institute, November 2005.

Attended “Scope of Work” given by the Northwest Florida Chapter of the Appraisal Institute, November 2005.

Attended “Uniform Standards of Professional Appraisal Practice” given by the Northwest Florida Chapter of the Appraisal Institute, August 2006.

Attended “Florida State Law for Real Estate Appraisers” given by the Northwest Florida Chapter of the Appraisal Institute, August 2006.

Attended “Basic Income” given by the Northwest Florida Chapter of the Appraisal Institute, September 2006.

Attended “Highest and Best Use Applications” given by the Northwest Florida Chapter of the Appraisal Institute, September 2007.

Attended “Real Estate Investing & Development - A Valuation Perspective” given by the Northwest Chapter of the Appraisal Institute, September 2007.

Attended “Hypothetical Conditions & Assumptions” given by the Northwest Florida Chapter of the Appraisal Institute in Destin, Florida, May 2008.

Attended “Florida Law Update” given by the Northwest Florida Chapter of the Appraisal Institute in Destin, Florida, May 2008.

Attended “7-Hour National USPAP Update Course” given by the Northwest Florida Chapter of the Appraisal Institute in Destin, Florida, May 2008.

Attended “Analyzing the Effects of Environmental Contamination on Real Property”, given by the Northwest Florida Chapter of the Appraisal Institute in Pensacola, Florida, September 2010.

Successfully completed “Online Analyzing Operating Expenses” given by the Appraisal Institute, November 2010.

Successfully completed “Online Analyzing Distressed Real Estate” given by the Appraisal Institute, November 2010.

Attended “Florida Law Update” given by the West Florida Chapter of the Appraisal Institute in Tallahassee, Florida, March 2012.

Attended “7-Hour National USPAP Update Course” given by the West Florida Chapter of the Appraisal Institute in Tallahassee, Florida, March 2012.

Successfully completed “Real Estate Finance, Statistics and Valuation Modeling” given by the Florida Gulf Coast Chapter of the Appraisal Institute in Tampa, Florida, October 2012.

Successfully completed “Online Using Your HP12C Financial Calculator” given by the Appraisal Institute, November 2012.

Successfully completed and passed “General Appraiser Report Writing and Case Studies” given by the Appraisal Institute, October 2013.

Successfully completed “Advanced Income Capitalization” given by the Atlanta Chapter of the Appraisal Institute in Atlanta, GA, April 2016.

Successfully completed “Florida Appraisal Laws and Regulations” given by McKissock Appraisal School in October 2016.

Successfully completed “National USPAP Update (2018-2019)” given by McKissock Appraisal School in April 2018.

Successfully completed “Florida Appraisal Laws and Regulations Update” given by Mc Kissock Appraisal School in April 2018

Successfully completed “the Dirty Dozen” given by Mc Kissock Appraisal School in November 2018

Successfully completed “Supporting Your Adjustments: Methods for Residential Appraisers” given by Mc Kissock Appraisal School in November 2018

Successfully completed “Residential Property Inspection for Appraisers” given by Mc Kissock Appraisal School in November 2018

Successfully completed “Understanding Residential Construction” given by Mc Kissock Appraisal School in November 2018

Successfully completed “Florida Appraisal Laws and Regulations” given by Mc Kissock Appraisal School in November 2020.

Successfully completed “The Income Approach: An Overview” given by Mc Kissock Appraisal School in November 2020.

Successfully completed “Income Approach Case Studies for Commercial Appraisers” given by Mc Kissock Appraisal School in November 2020.

Successfully completed “That’s a Violation” given by Mc Kissock Appraisal School in November 2020

Successfully completed “Residential Report Writing: More Than Forms” given by Mc Kissock Appraisal School in November 2020

Successfully completed “2020-2022 7 hour National USPAP Update Course” given by Mc Kissock Appraisal School in November 2020

### **PROFESSIONAL EXPERIENCE**

Employed by Terry Hoffman from 1992 to 1993; Served as a researcher with duties including verifying sales data and assisting with the completion of appraisals.

January 1994 I was employed by the firm of Swaine, Hoffman & Vallimont, a real estate appraisal company specializing in appraising real estate properties. I was specializing in commercial properties and sponsored by Terry G. Hoffman, MAI up to December 1995.

November 1998 I was employed by the firm Hoffman & Associates, a real estate appraisal company specializing in appraising real estate properties.

I have had appraisal experience in single family residences, multi-family residential properties, townhouses, condominiums, warehouses, retail stores, office buildings, churches, various commercial properties, vacant acreage, and vacant and improved commercial and industrial properties.

### **COMPLETED APPRAISALS FOR**

Bank of America

BB&T Bank

Beach Community Bank, Pensacola, Florida

Centennial Bank, Pensacola, Florida

Charter Bank, Pensacola and Milton, Florida

City First National Bank

Coastal Bank and Trust, Pensacola, Florida

Gulf Coast Community Bank, Pensacola, Florida

Hancock Bank

Harvester’s Federal Credit Union

RBC Bank

Regions Bank

ServisFirst Bank

Synovus Bank

SunBank, Pensacola, Florida

Wells-Fargo Bank

United Bank, Atmore, Alabama and various attorneys, individuals and firms in the Pensacola area





Ron DeSantis, Governor

Halsey Beshears, Secretary



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

**FLORIDA REAL ESTATE APPRAISAL BD**

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

**PHILIP, KIRSTEN HOFFMAN**

1550 CREIGHTON ROAD  
SUITE 4  
PENSACOLA FL 32504

**LICENSE NUMBER: RZ2661**

**EXPIRATION DATE: NOVEMBER 30, 2022**

Always verify licenses online at [MyFloridaLicense.com](http://MyFloridaLicense.com)



Do not alter this document in any form.

This is your license. It is unlawful for anyone other than the licensee to use this document.

# Hoffman & Associates, P.A.

Real Estate Appraisers – Consultants

1550 Creighton Road Ste. #4

Pensacola, Florida 32504

hoffmanappraiser.com

## QUALIFICATIONS

**TERRY G. HOFFMAN, MAI**



## **STATE CERTIFICATION**

April 7, 1990 I was state certified for Florida as "State Certified General Real Estate Appraiser #RZ46" after successfully completing the required courses and examinations.

## **MEMBER**

National Association of Realtors

Florida Association of Realtors

Pensacola Association of Realtors

Baldwin County Association of Realtors

Pensacola Area Chamber of Commerce

Appraisal Institute-MAI (Designated 1992)

## **EDUCATION BACKGROUND**

I was awarded a Bachelor of Science Degree in Business Management and Administration by the University of West Florida, Pensacola, Florida, in June 1970.

I have taken real estate and real estate appraising courses (70+) from the winter of 1969 to most recently as part of my continuing education and required courses in pursuit of the MAI designation which I received in November 1992. Most of the courses were sponsored by the American Institute of Real Estate Appraisers and later the Appraisal Institute. I continue to stay current with available courses to meet the 20 hour and 18 hour per every two year requirement of Florida and Alabama and the 100 hour requirement every four years by the Appraisal Institute.

I have served as an instructor at Pensacola Jr. College teaching the required salesman's course for licensing in the State of Florida.

I have served as an instructor for the "Metro-Merica" school, "Real Estate for the New Practitioner", a required course for all prospective real estate salesmen in the State of Florida.

I also taught real estate course "REE 4810 Principles of Real Estate Marketing" at the University of West Florida.

I received the MAI designation from the Appraisal Institute November 25, 1992 (MAI, Member: 9731).

## **PROFESSIONAL EXPERIENCE**

- Employed by the Escambia County Tax Assessor's office from September 1965 until June 1970 in the Land Department. Three years of this time was spent in full time appraising.
- I entered the real estate profession in Pensacola, Florida in October 1970 employed as a real estate salesman with Better Homes Realty.
- I was employed with Adkinson and Associates, under the supervision of F. Earle Adkinson, MAI for one and one half years, specializing in appraisals of commercial and investment properties.

- January 1974 I became a partner in the firm of Swaine, Hoffman & Associates, a real estate appraisal company specializing in all aspects of real estate appraising.
- January 1997 I formed Hoffman & Associates, P.A., I hold a broker's license with the Florida Real Estate Commission and state-certification general real estate appraiser certificate with the Florida Real Estate Appraisal Board.
- I have had appraisal experience in single-family residences, multi-family residential properties, town homes, condominiums, warehouses, retail stores, shopping centers, restaurants, office buildings, vacant acreage, and vacant and improved commercial and industrial properties.
- I served as Vice Chairman of the Associate Realtors of the Pensacola Board of Realtors in 1973, Director for the Board in 1974, Treasurer in 1975, 1st Vice President of the Board in 1976, President of the Board in 1977, and Director of the Board in 1978.
- I have served as a Director for the Florida Association of Realtors for the years 1976 and 1977 and National Director for the year 1977.
- I was awarded the MAI designation by the Appraisal Institute in November 1992 (#9731).
- I was the candidate's guidance chairman and Vice President of the Northwest Florida Chapter of the Appraisal Institute for 1994.
- I was president of the Northwest Florida Chapter of the Appraisal Institute for 1995. At that time the district extended from the Florida/Alabama line east approximately 50 miles east of Tallahassee. Total membership in the chapter was approximately 200.

### **BUSINESS OVERVIEW**

The majority of our work is within a 60 mile radius of Pensacola, Florida. The metropolitan area of Pensacola is slightly more than 450,000 people and cover Escambia and Santa Rosa County. We specialize in commercial work doing no individual residential appraisals (form work). Our primary clients are local and national banks including Bank America, Wells Fargo Bank, BB&T Bank, Beach Community Bank, Centennial Bank, Pen Air Federal Credit Union, Navy Federal Credit Union, Smart Bank, Harvesters Federal Credit Union, United Bank, First Community Bank and most of the local banks within our working area. We also do work for individual banks outside our area upon request along with local clients including individuals, Realtors, attorneys, CPA, etc.

We work closely with the local commercial brokers and developers to keep abreast of the changing market trends and market conditions. We belong to the commercial and residential MLS services extending from Baldwin County, Alabama to Panama City, Florida (150 miles of the Gulf Coast). We subscribe to Metro Market Data providing sales data for these areas along with other regional and national data sources for both regional and local data.

Our office is staffed by three State Certified General Appraisers with a total of over 70 years full time appraisal experience. Our concerns and business practices have always been to be as accurate as possible in valuing property, reasonable in the fees we charge for our services and timely in producing the results of our appraisals not risking any one at the expense of the other.



Ron DeSantis, Governor

Halsey Beshears, Secretary



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

**FLORIDA REAL ESTATE APPRAISAL BD**

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

**HOFFMAN, TERRY GENE**

1550 CREIGHTON RD STE 4  
PENSACOLA FL 32504

**LICENSE NUMBER: RZ46**

**EXPIRATION DATE: NOVEMBER 30, 2022**

Always verify licenses online at [MyFloridaLicense.com](http://MyFloridaLicense.com)



Do not alter this document in any form.

This is your license. It is unlawful for anyone other than the licensee to use this document.

## ***Glossary***

This glossary contains the definitions of common words and phrases, used throughout the appraisal industry, as applied within this document. Please refer to the publications listed in the **Works Cited** section below for more information.

### **Works Cited:**

- Appraisal Institute. *The Appraisal of Real Estate*. 13th ed. Chicago: Appraisal Institute, 2008. Print.
- Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 5th ed. 2010. Print.



**Band of Investment**

A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment (Dictionary, 5th Edition)

**Common Area**

1. The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities.
2. In a shopping center, the walkways and areas onto which the stores face and which conduct the flow of customer traffic. (ICSC) (Dictionary, 5th Edition)

**Common Area Maintenance (CAM)**

1. The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property.
  - CAM can be a line-item expense for a group of items that can include maintenance of the parking lot and landscaped areas and sometimes the exterior walls of the buildings.
  - CAM can refer to all operating expenses.
  - CAM can refer to the reimbursement by the tenant to the landlord for all expenses reimbursable under the lease. Sometimes reimbursements have what is called an administrative

Load; an example would be a 15% addition to total operating expenses, which are then prorated among tenants. The administrative load, also called an administrative and marketing fee, can be a substitute for or an addition to a management fee.

2. The amount of money charged to tenants for their shares of maintaining a center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. The area maintained in common by all tenants, such as parking lots and common passages. The area is often defined in the lease and may or may not include all physical area to be paid for by all tenants. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenances, snow removal, security, and upkeep. (ICSC) (Dictionary, 5th Edition)

**Debt Coverage Ratio (DCR)**

The ratio of net operating income to annual debt service ( $DCR = NOI/Im$ ), which measures the relative ability of a property to meet its debt service out of net operating income; also called debt service coverage ratio (DSCR). A larger DCR indicates a greater ability for a property to withstand a downturn in revenue, providing an improved safety margin for a lender. (Dictionary, 5th Edition)

**Discount Rate**

A yield rate used to convert future payments or receipts into present value; usually considered to be a synonym for yield rate. (Dictionary, 5th Edition)

**Effective Age**



The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. (Dictionary, 5th Edition)

**Effective Date**

1. The date on which the analyses, opinion, and advice in an appraisal, review, or consulting service apply.
2. In a lease document, the date upon which the lease goes into effect. (Dictionary, 5th Edition)

**Exposure Time**

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. (Dictionary, 5th Edition)

**External Obsolescence**

An element of depreciation; a diminution in value caused by negative externalities and generally incurable on the part of the owner, landlord, tenant (Dictionary, 5th Edition)

**Extraordinary Assumption**

An assumption, directly related to a specific assignment, 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. (USPAP, 2010-2011 ed.) (Dictionary, 5th Edition)

**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. (Dictionary, 5th Edition)

**Functional Obsolescence**

The impairment of functional capacity of a property according to market tastes and standards (Dictionary, 5th Edition)

**Functional Utility**

The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. (The Appraisal of Real Estate, 13th Edition)

**Gross Building Area (GBA)**

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the region. (Dictionary, 5th Edition)

**Gross Leasable Area (GLA)**

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. (Dictionary, 5th Edition)

**Highest & Best Use**

The reasonably probable and legal use of vacant land or an improved property that

is physically possible; appropriately supported, financially feasible, and that results in the highest value; the four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property—specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value. (Dictionary, 5th Edition)

### **Highest and Best Use of Land or a Site as Though Vacant**

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. (Dictionary, 5th Edition)

### **Highest and Best Use of 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. (Dictionary, 5th Edition)

### **Hypothetical Condition**

That which is contrary to what exists but is supposed for the purpose of analysis; hypothetical conditions assume conditions 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. (Dictionary, 5th Edition)

### **Leased Fee Interest**

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease) (Dictionary, 5th Edition)

### **Market Area**

The area associated with a subject property that contains its direct competition. (Dictionary, 5th Edition)

### **Market Rent**

The most probable rent that a property should bring is a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs). (Dictionary, 5th Edition)

### **Market Value**

The major focus of most real property appraisal assignments; both economic and legal definitions of market value have been developed and refined.

1. The most widely accepted components of market value are incorporated in the following definition: The most probable price that the specified property interest should sell for in a competitive market after a reasonable exposure time, as of a specified date, in cash, or in terms equivalent to cash, under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, for self-interest, and assuming that neither is under duress.
2. Market value is described in the Uniform Standards of Professional

Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal. (USPAP, 2010-2011 ed.) USPAP also requires that certain items be included in every appraisal report. Among these items, the following are directly related to the definition of market value:

- Identification of the specific property rights to be appraised.
  - Statement of the effective date of the value opinion.
  - Specification as to whether cash, terms equivalent to cash, or other precisely described financing terms are assumed as the basis of the appraisal.
  - If the appraisal is conditioned upon financing or other terms, specification as to whether the financing or terms are at, below, or above market interest rates and/or contain unusual conditions or incentives. The terms of above—or below—market interest rates and/or other special incentives must be clearly set forth; their contribution to, or negative influence on, value must be described and estimated; and the market data supporting the opinion of value must be described and explained.
3. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market under all conditions requisite
- to a fair sale, the buyer and the 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 conditions whereby:
- Buyer and seller are typically motivated;
  - Both parties are well informed or well advised, and acting in what they consider their best interests;
  - A reasonable time is allowed for exposure in the open market;
  - Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
  - 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. (12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)
4. The International Valuation Standards Council defines market value for the purpose of international standards as follows: The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion. (International Valuation Standards, 8th ed., 2007)
5. Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the

property would have sold on the effective date of the appraisal, after a reasonable exposure of time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal. (Uniform Standards for Federal Land Acquisitions) (Dictionary, 5th Edition)

### **Marketing Time**

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time). (Dictionary, 5th Edition)

### **Net Operating Income (NOI)**

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. (Dictionary, 5th Edition)

### **Obsolescence**

One cause of depreciation; an impairment of desirability and usefulness caused by

### **Scope of Work**

The type and extent of research and analyses in an assignment (Dictionary, 5th Edition)

new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. (Dictionary, 5th Edition)

### **Parking Ratio**

A ratio of parking area or parking spaces to an economic or physical unit of comparison; minimum required parking ratios of various land uses are often stated in zoning ordinances. (Dictionary, 5th Edition)

### **Rentable Area**

For office buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor; alternatively, the amount of space on which the rent is based; calculated according to local practice. (Dictionary, 5th Edition)

### **Replacement Cost**

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout. (Dictionary, 5th Edition)

### **Stabilized Occupancy**

An expression of the expected occupancy of a property in its particular market

considering current and forecasted supply and demand, assuming it is priced at market rent. (Dictionary, 5th Edition)

**Tenant Improvements (TIs)**

1. Fixed improvements to the land or structures installed and paid for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. (Dictionary, 5th Edition)

**Vacancy and Collection Loss**

A deduction from potential gross income (PGI) made to reflect income reductions due to vacancies, tenant turnover, and non-payment of rent; also called vacancy and credit loss or vacancy and contingency loss. Often vacancy and collection loss is expressed as a percentage of potential gross income and should reflect the competitive market. Its treatment can differ according to the interest being appraised, property type, capitalization method, and whether the property is at stabilized occupancy. (Dictionary, 5th Edition)