

**APPRAISAL REPORT**

**VACANT MIXED-USE PARCEL  
1250 CLEVELAND STREET  
CLEARWATER, FLORIDA**

**DATE OF VALUATION**

**MAY 26, 2021**

**PREPARED FOR**

**MR. ROBERT BRZAK  
CITY OF CLEARWATER  
REAL ESTATE SERVICES COORDINATOR  
100 S. MYRTLE AVENUE, SUITE 220  
CLEARWATER, FLORIDA 33756**

**E-MAIL: ROBERT.BRZAK@MYCLEARWATER.COM**

**PREPARED BY**

**JAMES M. MILLSPAUGH, MAI  
JAMES MILLSPAUGH & ASSOCIATES, INC.  
110 TURNER STREET  
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**REAL ESTATE APPRAISERS & CONSULTANTS**  
**LICENSED REAL ESTATE BROKER**

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June 4, 2021

Mr. Robert Brzak  
City of Clearwater  
Real Estate Services Coordinator  
100 S. Myrtle Avenue, Suite 220  
Clearwater, Florida 33756  
E-Mail: Robert.Brzak@Myclearwater.Com

RE: Vacant Mixed-Use Parcel  
1250 Cleveland Street  
Clearwater, Florida

Dear Mr. Brzak:

At your request, I have made an appraisal of the current market value of the fee simple estate of the above referenced real property. The property and methods utilized in arriving at the final value estimate are fully described in the attached report, which contains 21 pages and Addenda.

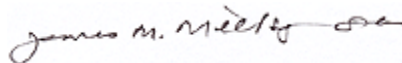
This Appraisal Report has been made in conformance with and is subject to the requirements of the Code of Professional Ethics and Uniform Standards of Professional Practice of the Appraisal Institute and the Appraisal Foundation. The Appraisal Report and final value estimate are subject to all attached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

I have made a careful and detailed analysis of the subject property and after analyzing the market data researched for this report, I estimate that the market value of the referenced real property only and subject to the stated limitations, definitions and certifications as of May 26, 2021, was:

**ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS**  
**(\$1,350,000)**

Respectfully submitted,

JAMES MILLSPAUGH & ASSOCIATES, INC.



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James M. Millspaugh, MAI  
JMM:sg

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

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VACANT MIXED-USE PARCEL  
1250 CLEVELAND STREET  
CLEARWATER, FLORIDA

DATE OF PHOTOGRAPHS: MAY 26, 2021



CLEVELAND STREET SCENE LOOKING WEST BEYOND SUBJECT ON RIGHT



GROVE STREET SCENE LOOKING WEST FROM S. BETTY LANE BEYOND SUBJECT  
ON LEFT

IDENTIFICATION OF THE PROPERTY:

The site fronts the north side of Cleveland Street from Lincoln Avenue to N. Betty Lane with a partial back street frontage on Grove Street. It is roughly 1 mile east of downtown Clearwater proper and what today is identified as the Downtown Gateway character district. The site is legally described as follows:

Lots 27-31 inclusive, Re-Subdivision of the Lots 11-15 inclusive of Padgett's Estate, Plat Book 12, Page 24 together with Lots 18-19 less the east 20' of Lot 18 and the south 20' of Lots 18-19 for rights-of-way, Padgett's Estates Plat Book 4, Page 11.

CENSUS TRACT LOCATION/ZIP CODE: #264/33755

FLOOD ZONE LOCATION: Pinellas County, Florida  
Map #12103C0108H  
Effective Date: 5-17-05

The subject and immediate locale are located in a zone X, that is not a special flood hazard area. The site elevation ranges from 38' to 44' with the low point in the area being east along the Stephenson's Creek drainage basin.

ENVIRONMENTAL AUDIT DATA:

The Appraisal has been performed without benefit of an environmental audit and presumes that no problems exist, however, I reserve the right to review and/or alter the value reported herein should a subsequent audit reveal problems. The previous use of the site was for small motels and single-family along the Grove Street frontage. Regardless of these previous uses, most buyers today would perform at a minimum, a level one environmental audit.

### OBJECTIVE AND INTENDED USE/USERS OF THE APPRAISAL:

The objective of the report is to estimate the market value including likely municipal incentives as of May 26, 2021 (date of inspection and photographs). It is my understanding that the intended use of the report is to estimate a value base for the Clearwater Community Re-development Agency (CRA) in their offering of the property via an RFP for re-development subject to the existing development rules. The intended users include the City representatives and no others.

### EXPOSURE PERIOD ESTIMATE:

This is the past period of time required to have sold the subject property at my value estimate on the appraisal date. While this locale has experienced an extremely slow re-development cycle, most of the past marketing has been unsuccessful due to overpricing and lack of demand during the lowest point of the market decline after the 2008 nationwide financial collapse. This area suffered extensively due to changing demographics and a large supply of older space suitable for rehab to modern conditions. That process is now mostly complete and vacant sites are in a short supply. Given the City's efforts to revitalize the area with public infrastructure, new liberal zoning and added benefits from public incentives but not including the subject as an Opportunity Zone, the exposure period should be less than one year.

### STATEMENT OF OWNERSHIP AND RECENT SALES HISTORY:

The subject is owned by the Clearwater CRA that acquired blighted motels and older single-family along Grove Street beginning in 2010. The improvements were demolished, exterior fencing was added and the Grove Street section was developed with a public garden. As such, there have been no subsequent or recent transfers of the property that would impact the current market value.

### SCOPE OF THE APPRAISAL:

The extent of my research effort for the sale of vacant land has focused on the downtown Clearwater market in particular and mid to north Pinellas in general. Specifically, I have researched the Pinellas Clerk's and Property Appraiser's data, the local MLS files, various business periodicals, local Internet sources and my newspaper clipping files. I have inspected the subject, the noted markets and the Land Sales Comparisons and verified the details of the sales with a related party. The appraisal will only include a Land Sales Comparison analysis that is the most reliable for valuing vacant land.

### DEFINITION OF MARKET VALUE:

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

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

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

### STANDARD CONTINGENT AND LIMITING CONDITIONS:

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

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

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

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

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

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

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

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

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



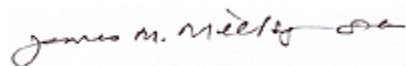
The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The Appraiser(s) has (have) not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance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

### CERTIFICATION

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

1. As of the date of this report, I, James M. Millspaugh, have completed the requirements under the continuing education program of the Appraisal Institute.
2. I have personally inspected the subject property and have considered all factors affecting the value thereof, and to the best of my knowledge and belief, the statements of fact contained in this appraisal report, upon which the analyses, opinions and conclusions expressed herein are based, are true and correct, subject to all attached Contingent and Limiting Conditions.
3. I have no present or contemplated future interest in the real estate that is the subject of this appraisal report.
4. I have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved.
5. My fee for this appraisal report is in no way contingent upon my findings. The undersigned further certifies that employment for this appraisal assignment was not based on a requested minimum valuation or an approval of a loan.
6. This appraisal report sets forth all of the limiting conditions (imposed by the terms of my assignment or by the undersigned) affecting the analyses, opinions, and conclusions contained in this report.
7. This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Uniform Standards of Professional Practice of the Appraisal Institute and the Appraisal Foundation and may be subject to peer review. Further, I have met USPAP's competency provision and am capable of completing this appraisal assignment.
8. No one other than the undersigned prepared the analyses, conclusions and opinions concerning the real estate that are set forth in this appraisal report.
9. In my opinion, the estimated current market value of the fee simple estate of the subject real property only and subject to the stated limitations, definitions and certifications as of May 26, 2021, was:

**ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS**  
**(\$1,350,000)**



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

## AREA DESCRIPTION:

The Downtown Gateway district extends from Missouri to Highland and from Drew to Court with Cleveland Street being the central east-west corridor but Court and Drew having the heaviest traffic counts. The 2017 Forward Pinellas Traffic Count Map noted Court Street at 36,500 west of Highland, Drew Street at 20,200 west of N. Betty Lane and Cleveland Street on the diagonal Gulf-To-Bay at 5,000 and Missouri Avenue north of Court Street at 13,500. As such, the retail development potential here and in particular along Cleveland Street is not that attractive.

This locale had suffered a notable shift in demographics prior to the financial collapse in 2007-2008 that worsened during the following decade when the typical resident here was an immigrant tenant. Subsequent new housing here including the proximate townhomes on Drew Street at N. Betty Lane improved the ownership ratio and general income levels to some extent and the housing stock has been substantially upgraded and now having a stable occupancy. Further, new triplex units with added garages and second floor apartments are under development on Park Street west of N. Betty Lane in place of former single-family residences.

The from the retail standpoint, the Cleveland Plaza center enjoys a stable occupancy with physical upgrades and the Cleveland Street retail units facing the center have been upgraded as well and includes several popular restaurants. Currently, Missouri Avenue north of Court Street has a rehab fast food, an under-development laundromat in a former bank branch and the JB Executive Center is also undergoing a near total rehab with no announced tenants. Missouri Avenue south of Court Street to East Bay Drive is attracting new retail/restaurant space after decades of a slow decline. The only relatively modern retail near the subject includes a small strip center that failed and sold after a lengthy marketing period for use as a laundromat with a vacant unit remaining un-leased. Further, the older modest quality strip centers on the diagonal section of Gulf To Bay continued to maintain a stable/profitable occupancy while the Court Street corner three story office building was recently acquired for use by a local businessman who resides along Clearwater Harbor and was replacing his space near the Bayside Bridge on Gulf To Bay Boulevard.

In summary of the described area, it has no substantial benefits for retail/offices that continue to seek the more active roadways in eastern Clearwater and surrounding suburban “hot spots” such as Dunedin, U.S. Highway 19, and increasingly Largo areas such as Largo Mall and Tri-City at East Bay/U.S. Highway 19. The recent history in the downtown Clearwater core has



## AIRS Aerial Image Retrieval System

Pinellas County Main



been spotty with multi-family being the largest at the Nolen and 1100 Apex (former Strand) where retail has been minimal to date. There were also two new storage complexes added on Myrtle Avenue and Duncan north of Gulf-To-Bay that likely eliminates that concept here with the Frontier structure and adjacent parking having conversion potential for a variety of uses. While the subject zoning will allow an extensive list of alternate concepts at high intensity in relation to the suburban areas, the ultimate demand may not support or use these zoning benefits.

With the COVID-19 pandemic likely fading, the statewide population growth fueled by migration from costly major cities and continued modest interest rates are viewed as offsetting any potential negative to the 2016-2019 growth trends. As such, the surrounding environment for this locale where development land is readily available is somewhat favorable for the short-term (0-2 years) and potentially for the longer-term (2-5 years) foreseeable future.

#### SITE DATA:

The subject is formed by two basic rectangles and essentially excludes two small residences at the northwest corner of what would be a full block ownership. This subject slight irregularity would not prevent a modern complex but would be less efficient than a full block and would likely require an above market assemblage price for these properties. Without benefit of a current survey and by using public plat dimensions and Property Appraiser Data, the total site includes 97,212 SF or 2.23 acres MOL. The southern rectangle includes some 81,260 SF while the northern group of lots included some 15,952 SF. Cleveland Street frontage then is roughly 387' with 210' on Lincoln, 283' on N. Betty Lane plus 217.2' along Grove Street.

The site is basically level with a slope to the east along with the general locale towards Stephenson's Creek drainage basin just east of Lady Mary Lane that provides a positive outfall for the district. The subject is well above all street grades with the City Storm Atlas (#287-B) reporting elevations of 44' on the west dropping to 38' on the east at N. Betty Lane. As such, the property has no apparent storm drainage concerns with any re-development likely to include the storm retention near the eastern boundary. All public (water, sanitary sewer and natural gas) plus private (electricity, telephone and cable television) utilities being available at no off-site costs. Cleveland Street is a four-lane roadway with ample turn lanes and street improvements (curbs, sidewalks and streetlights) plus a traffic signal at nearby Missouri Avenue. The other roadways are narrow two-lane residential connector roads with no traffic signals and various improvements. Cleveland Street had been the main entrance road to Clearwater Beach before the causeway re- alignment to Court/Chestnut that has a 2017 traffic count on the Forward Pinellas

Map of 36,500 total or 17,000-19,500 each with Gulf-To-Bay to Cleveland now being at 5,000. Most roads in the downtown are below 15,000 counts while Missouri south of Court is at 26,000 and Gulf to Bay east of Highland to US 19 ranges from 51,000 to 55,500 and Drew Street ranges from 23,500 to 26,000 east of downtown where it was 13,100. The subject site and most downtown roadways have moderate counts that are typically not suitable for retailing. In reality, most of the proximate actual uses attract nearby residents without cars and/or service uses that are attracted here due to the modest rental rates.

Surrounding uses then include mostly light retail/service concepts along Cleveland Street with the only modern strip center having failed and purchased for laundromat use due to the moderate household income levels where demand for this use is prevalent. This area also includes an older style self-serve carwash that caters to the same demographics. There are no modern car washes in the larger Gateway/downtown market which benefits this facility type that in reality, is no longer being developed. There is an active shopping center at Cleveland/Missouri that continues to be the dominant retail activity center here plus several mid-rise office buildings that struggle to maintain a profitable occupancy. A bright spot for this locale, however, is the class A Crum office space at Missouri/Cleveland that is owner-occupied by a staff leasing operator attracted here by the quality of the facility plus excess development land. The office market in general is relatively weak but improving and housed mostly in older but upgraded space that continues to primarily market at moderate price levels. The housing to the north is a mix of older single-family/apartments with mostly apartments to the south. None of the adjacent or proximate uses are considered to be a detriment to the subject while the moderate demographics will impact any proposed re-development concepts.

#### ASSESSMENT AND TAX DATA:

<u>Pinellas County Parcel #</u>	<u>2020 Land Assessment</u>
15-29-15-65286-000-0180	\$572,475
15-29-15-65286-000-0190	\$214,200
15-29-15-65286-000-0191	\$ 41,667
15-29-15-58788-000-0270	\$ 30,995
15-29-15-58788-000-0280	\$ 37,561
15-29-15-58788-000-0290	\$ 37,203
15-29-15-58788-000-0310	\$ 42,303
<u>Totals</u>	<u>\$976,404</u>

Based upon the 2020 millage rate of \$20.5868 per \$1,000 the gross tax bill would be \$20,101 with the 2021 rate not available. The total assessment that is essentially for the land then indicates an \$10.04 PSF figure ( $\$976,404/97,212 = \$10.04$ ).

#### ZONING AND LAND USE DATA:

The site is zoned D for downtown with a CBD (Central Business District) land use and Downtown Gateway character district. This is the least intensive in the D district south of Drew Street with boundaries from Missouri to Highland and Drew to Court. Basic development guidelines include a maximum 1.5 FAR, a multi-family density at 35 PA and hotel at 40 PA plus a 55' maximum height. Allowed uses are extensive with a residential concept requiring two parking spaces per unit, and nonresidential use (39) including a large variety of retail, office, institutional concepts including self-storage. There are three levels of approvals: BCP level 1 minimum standard by staff, FLS level - flexible standard development approved by Community Development Coordinator and FLD level 2 - flexible development/Community Development Board approval. Other specific requirements are form-based to present a uniform development pattern. All of the regulations are designed to allow functional uses of all ownership entities that can also qualify for various bonus intensities from density pools and waivers of various requirements.

#### DESCRIPTION OF IMPROVEMENTS:

These are basically site improvements including perimeter 6' chain-link fencing plus a separate fenced public garden located at the northeast corner on the previous residential lots. None of these improvements are considered to add value to the underlying site but could be useful for any site re-development.

HIGHEST AND BEST USE: (Defined in Addenda)

After a thorough inspection of the subject and the surrounding district plus review of the zoning/land use regulations, it is my conclusion that multi-family use in the 3-4 story form represents this concept. The existing retail/office space here is more than adequate for the population base that is at a moderate level for western Clearwater located west of Belcher Road. The demographics essentially improve to the east towards Belcher except for the areas near Clearwater Harbor. There could possibly be some demand for the new mini-storage concept here as they are now allowed in the downtown zoning rules but two projects on S. Myrtle Avenue and Duncan Avenue just north of Gulf-To-Bay have been recently developed and may preclude another here. Other than the Cleveland Plaza district just west of the subject, the area has been devoid of modern retail space for the past several decades. A new retail strip was developed just east at Fredricka and Cleveland but was unsuccessful, was foreclosed and sold in the last several years to a speculator where part of the space is now occupied by a laundromat that customarily is attractive to low to moderate income residents. Of interest, however, is the now developing Happy Bubbles Laundromat at 412 S. Missouri Avenue together with the neighboring Philly Joe's restaurant at 405 S. Missouri Avenue. As such, it appears that a partial retail use here may be likely in the longer-term (2-5 years) foreseeable future while total retail is not.

Alternately then, multi-family appears to be the most likely use and in fact is the only proximate trend. The small townhome complex (31 units) located at N. Betty Lane and Drew Street was successfully developed but required substantial municipal support to one of the areas most successful developers. Townhomes are typically developed in the 15-20 PA density range with this area's modest income levels supporting the high end of the density range. The complex would likely have smaller two-bedroom units with one car garages with the 2.23 acres supporting a total of 44.6 ( $2.23 \times 20 = 44.6$ ) or say 45 units. This ownership concept, however, may not be marketable here without major public support. While the zoning allows a maximum density of 35 PA or 78 units ( $2.23 \times 35 = 78.05$ ), that would require a mid-rise (3-4 story) building, that can be frame-built at more moderate cost than masonry. Further, the small number of units (45-78) is typically not attractive for major apartment developers that prefer sizes of 200 or more.



A proximate example of low-rise residential includes 10 residential triplexes on Park/Pierce Streets west of N. Betty Lane. The site was acquired in June 2018 at \$375,000 that had been logical for 18 multi-family or the 10 triplexes which were developed for the investment market. Each lot will hold a two story, two-unit townhome plus back two car garage with upstairs efficiency unit. At this point in late Spring 2021, six structures have been completed and sold to the investors in the \$580,000-\$625,000 price range.

LAND VALUE ESTIMATE:

This methodology will value the subject acreage on a basic per unit value at a traditional density as no discernible trend exists for the maximum densities which have only recently been placed in this locale during the past several years. The following examples are the best known to me in this district, are described on the following separate detail sheets and then analyzed and adjusted below in relation to the subject. While PSF figures are useful in the true downtown core, they are less reliable in the subject market that traditionally has been suburban in nature. Unless otherwise noted, these sites sold for cash or terms equivalent and did not require adjustment for cash equivalency.



LAND SALE #1

Location: 1040 Clearwater-Largo Road, Largo (NE Corner Of 10<sup>th</sup> Avenue NW)

Legal Description: Tract 2, Placid Lake Subdivision, Plat Book 23, Page 39

Date of Sale: March 2016

Sales Price: \$1,400,000

Size: 270.4' frontage, Irregular, 100,045 SF

Price PSF: \$13.99

Price Per Unit: \$15,909

Grantor/Grantee: A & P Properties, Inc./Marada Holdings, LLC.

Recording Data: O.R. Book 19106, Page 2067

Sale Confirmed With: J. Burpee, Broker

Land Use: Clearwater-Largo Road Re-development Land Use

Comments: This marginally improved parcel (1924-built, frame 29 unit) rental complex was acquired for redevelopment into a four story 88-unit apartment complex by a proximate developer active near downtown Largo. The promise of affordable housing added density to this parcel as was at the nearby Rosery complex roughly two blocks north. While Clearwater-Largo Road includes extensive retail/office units, neither complex has included retail/office space.

LAND SALE #2

Location: Northeast corner of Main Street and Milwaukee Avenue, Dunedin

Legal Description: Part of Lots 1-3, Grace Witter Dunkel Subdivision, Plat Book 37 Page 43

Date of Sale: April 2017

Sales Price: \$1,500,000

Size: Three parcels: 2.316 Acres MOL; 100,885 SF

Price PSF: \$14.87

Grantor/Grantee: Pizzuti Dunedin, LLC./Gateway Dunedin, LLC

Recording Data: O.R. Book 19575, Page 2276

Sale Confirmed With: K. Prior, Broker

Zoning: DC, Downtown Core, Dunedin

Comments: This parcel comprises three segments of the former Gateway parcel that included the referenced corner, the southwest corner of Milwaukee and Skinner Boulevard and a separate smaller lot located east of the Milwaukee corner. Clearly, the full development here requires addition of city-owned parcels that front Skinner and Main Street and a detached parcel fronting Milwaukee. This purchase was made by a local developer with a successful track record that subsequently offered the parcels for sale/lease with one segment being developed with the surgery center and the city having contemplated developing the city hall on sections they owned. As of late 2020, early 2021, the developer had a firm contract for this city-owned parcels at \$1,675,000 or \$19.86 PSF. The developer is proposing a mixed-use complex including 78± apartments, ground level retail/office plans and 80± unit boutique hotel supported by below grade parking.

LAND SALE #3

Location: 1000 S. Myrtle Avenue, Clearwater

Legal Description: Lots 1-5, 8-10, A-D plus N 85' of Lots 6-7, Block 36, plus lots A-B, Block 37 plus vacated roads, Magnolia Park, Plat Book 1, Page 70

Date of Sale: May 2019

Sale Price: \$1,750,000

Size: 208' Myrtle Avenue 360' Magnolia Drive, L-Shaped overall parcel, 135,473 SF

Price PSF: \$12.92

Grantor/Grantee: Concrete Fabricators, INC and the Rain Thatch, INC/Myrtle-Clearwater Storage Associates, LLC

Recording Data: O.R. Book 20551, Page 2501

Data Confirmed With: Klein and Hutchen Realty

Zoning: Commercial on Myrtle Avenue and IRT on Magnolia Drive

Comments: This two-parcel acquisition was marginally improved with a metal-built casual furniture store plus back metal construction canopies for concrete production items. The sites were purchased for a mini-storage facility that was near downtown Clearwater, Morton Plant Hospital and with a mixture of low to high income residents. The site is located in an Opportunity Zone.

LAND SALE #4

Location: Southeast corner of Druid Road and MLK, Jr. Avenue, Clearwater

Legal Description: Metes and Bounds Parcel #34/03 located in the SE/4 of the SW/4 of Section 15, Township 29 South, Range 15 East

Date of Sale: October 2019

Sales Price: \$850,000

Size: 265' x 265' MOL; 70,310 SF

Price PSF: \$12.09

Price Per Unit: \$17,708

Grantor/Grantee: I.A. Churchill, LLC./SWH Holdings, LLC.

Recording Data: O.R. Book 20753, Page 1659

Sale Confirmed With: G. Miller Broker, Sunshine Realty - MLS

Zoning: HDR, High Density Residential, Clearwater

Comments: This cleared/fenced corner parcel is located amongst older apartment buildings and single-family/office uses. It had been approved for condos and an ALF in prior years with only minor site work completed for a storm retention pond. The property had been on the market for multiple years with a price reduction to \$895,000 in fall 2018. The zoning allowed a 30 unit per acre density or roughly 48 units that can increase to roughly 144 units as an ALF.

LAND SALE #5

Location: 1650 Clearwater-Largo Road, Southwest Quadrant Clearwater-Largo and Belleair Roads, Largo

Legal Description: Metes and Bounds #11/05 located in the NE/4 of the NE/4 of Section 28, Township 29 South, Range 15 East

Date of Sale: March, 2020

Sale Price: \$6,120,000

Size: 9.11 Acres MOL Slightly irregular with 530' of diagonal frontage and average depth of 700'.

Price Per PSF: \$15.42

Price Per Unit: \$24,000

Grantor/Grantee: Cay Ventures, LLC. et al./PRII/Wood Belleair, LLC.

Recording Data: O.R. Book 20944, Page 1937

Sale Confirmed With: D. Thompson, Grantee Rep.

Land Use: Clearwater-Largo Road Re-development Land Use

Comments: This former trailer park site had been cleared and trailer owner rights had been satisfied. The site land use allowed a maximum density of 15 units PA that was increased to 28 units PA to entice affordable housing with a four story complex of 255 units.

Land Sales Re-Cap Chart

Sale #	Date Of Sale	Sales Price	Site Size In SF	# Of Units	Price PSF	Price Per Unit
1	3/16	\$1,400,000	100,045	88	\$13.99	\$15,909
2	4/17	\$1,500,000	100,885	N/A	\$14.87	N/A
2-A	12/20	\$1,675,000	84,340	N/A	\$19.86	N/A
3	5/19	\$1,750,000	135,473	N/A	\$12.92	N/A
4	10/19	\$850,000	70,310	48	\$12.09	\$17,708
5	3/20	\$6,120,000	396,832	255	\$15.42	\$24,000
Subject	--	--	97,212	45-78	--	--

LAND SALES ANALYSIS AND CONCLUSIONS:

These examples are considered relevant to this site/location where residential multi-family represents the long-term trend. Minor retail uses are not likely during the current timeframe but may be logical if and when the general market here returns as an attractive retail alternative.

Of these transactions, Sale #2 and Sale #3 were acquired for a ratio of non-residential concepts (shops, hotel, etc. and apartments for #2) or for self-storage for #3 that benefits from proximity to a major hospital district and public employment centers. Sale #2 sold in two separate transactions during 2017 at \$14.87 PSF and during 2020-2021 at \$19.86 PSF with the change related to market dynamics/time. This example has a notably superior location in relation to the subject that includes far greater demand/use fundamentals. Sale #3 has a superior location as well supported by a logical demand for the specialized mini-storage market. From these examples, it would appear that the subject value should fall near \$12.00 PSF or \$1,166,544 rounded to **\$1,200,000**.

The other transactions are multi-family sites that sold within the \$15,909-\$24,000 per unit price range. The high example likely has a reasonably similar location where retail/office is present but like the subject is not the major trend. This site, however, is typically sized for the major developer demand that is not a factor for the subject size of property.



The other sale examples are of more similar size with #1 also being on a retail/office corridor where these uses are not the major demand drivers. The market for Clearwater-Largo Road, however, has improved for the site that would now likely be valued closer to \$18,000 per unit in spite of having no retail component.

Sale #4 is off any major roadway with the reported interest being for an ALF with that concept having a lower demand than apartments. The \$17,708 per unit price then would also likely support a higher metric.

After consideration of this best-available data with the smaller multi-family sales being the best examples, the subject value would fall in the \$17,000-\$18,000 per unit price range.

78 Units @ \$17,000 Per Unit = \$1,326,000

78 Units @ \$18,000 Per Unit = \$1,404,000

**ROUNDED TO \$1,350,000**

## **ADDENDA**

QUALIFICATIONS OF THE APPRAISER  
JAMES M. MILLSPAUGH, MAI

APPRAISAL EXPERIENCE:

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

APPRAISAL PLANT DATA:

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

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

APPRAISAL EDUCATION:

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

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

VIII: Single Family Residential Appraisal - 1973

I-B: Capitalization Theory and Techniques - 1974

II: Urban Properties - 1975

IV: Condemnation - 1978

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

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

301: Special Applications of Appraisal Analysis – 1980

JAMES M. MILLSPAUGH, MAI

(Qualifications Continued)

RECENT SEMINARS ATTENDED: Sponsored by The Appraisal Institute

Valuation of Wetlands, 2004.

Commercial Highest and Best Use – Case Studies., 2005.

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

Condominiums, Co-Ops and PUDS, 2007.

Analyzing Distressed Real Estate, 2007.

Appraisal Curriculum Overview, Two-Day General, 2009.

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

Valuation of Detrimental Conditions, 2010.

Analyzing Tenant Credit Risk/Commercial Lease Analysis, 2011.

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

Marketability Studies: Advanced Considerations and Applications, 2013.

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

Critical Thinking in Appraisals, 2014.

Litigation Appraising, 2015.

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

Business Practice and Ethics, 2017.

Parking and its Impact on Florida Properties, 2018.

Solving Land Valuation Puzzles, 2018.

Insurance Appraisals, 2018.

Evaluating Commercial Leases, 2019.

Artificial Intelligence, AVMs and Blockchain, 2019.

Appraising Donated Real Estate Conservation Easements, IRS, 2020.

Florida State Law Update, 2020.

National USPAP Update, 2020.

EDUCATION:

Bachelor of Science in Business Administration, University of Florida

Associates of Arts, St. Petersburg Junior College

PROFESSIONAL AFFILIATIONS AND CERTIFICATION

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

Member: Pinellas Realtors Organization, National Association of Realtors

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

## STANDARD DEFINITIONS

### HIGHEST AND BEST USE:

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximal productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an assets existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards For Federal Land Acquisitions)

FEE SIMPLE ESTATE: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

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

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

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

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

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2. Appraisal Institute, The Dictionary of Real Estate Appraisal - Sixth Edition, 2015. pages 109, 90, 128, 197 and 198.

