

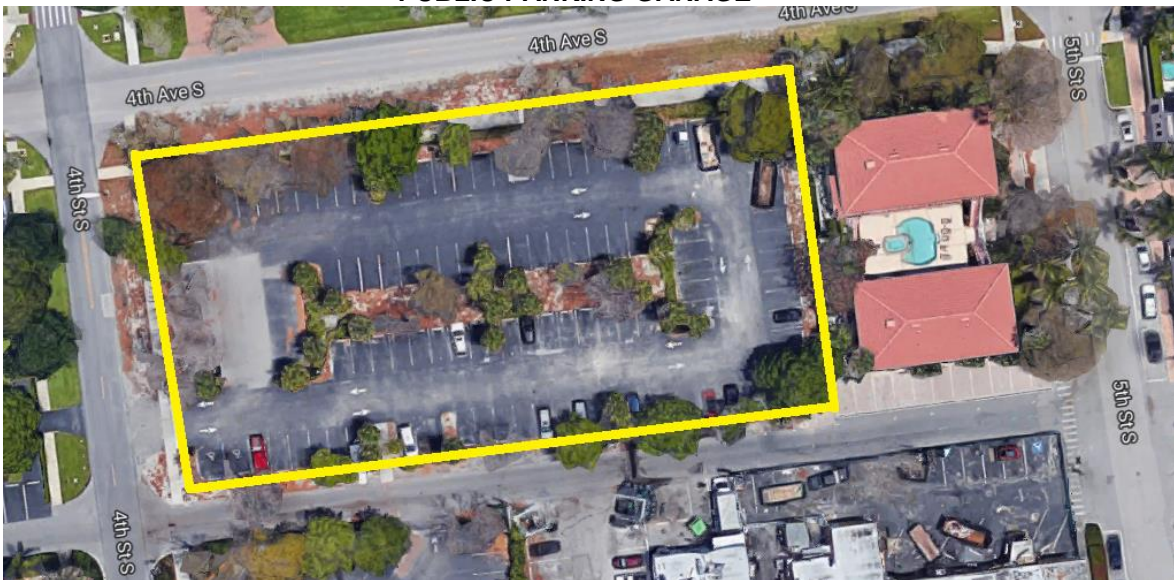
**APPRAISAL REPORT
Of**

**EXISTING 1.03± ACRE GROUND LEVEL 115-SPACE PRIVATE PARKING LOT
IDENTIFIED AS BLOCK 16 TIER 5 PARCELS 2, 3, & 4
TAX ID 14026920008, 14026840007, & 1402688009**

**CURRENTLY ZONED R3-12
(PRIOR ZONED PLANNED DEVELOPMENT (PD) ORDINANCE 14-13467– EXPIRED 2/9/2017)**

**EVALUATED SPECIFIC TO THE MARKET VALUE IN ITS
HIGHEST & BEST USE, "AS IS" – FEE SIMPLE ESTATE**

**FOR POTENTIAL ACQUISITION & DEVELOPMENT SPECIFIC TO THE
CITY OF NAPLES FOR A PROPOSED MULTI-STORY 350-SPACE
PUBLIC PARKING GARAGE**



**LOCATED AT
SWC OF 4TH. AVENUE SOUTH & 4TH. STREET SOUTH
NAPLES, FL 34112**

EFFECTVE DATE OF VALUATION JULY 8, 2017

FILE NO. 0717002C

City of Naples Purchase Order #1700896-00

**PREPARED FOR:
ROGER REINKE, ASSISTANT CITY MANAGER
CITY OF NAPLES
735 8TH. STREET SOUTH
NAPLES, FL 34102**

By

FLORIDA VALUATION & CONSULTANTS, INC.

[Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.](#)

FLORIDA VALUATION & CONSULTANTS, INC.

1498 Rail Head Blvd. | NAPLES, FLORIDA 34110

PHONE: 239.593.6571 | FAX: 239.593.6852

KJLNAPLES@AOL.COM | REAL ESTATE APPRAISERS/ANALYSTS/CONSULTANTS

July 24, 2017

Roger Reinke, Assistant City Manager
City of Naples
735 8th. Street South
Naples, FL 34102

Re: Appraisal Report of the existing asphalt paved 115-space parking lot (1.03± acre R3-12 zoned parcel) identified as Naples Tier 5 Block 16 Parcels 2-4 located on the SEC of 4th. Avenue South & 4th. Street South, Naples, FL 34102

Dear Mr. Reinke:

At your request, I have prepared this Appraisal Report in compliance with The Uniform Standards of Professional Appraisal Practice (USPAP) USPAP 2016-2017 Edition. This appraisal report provides my market value estimate of the real property:

1. "As is", - "Value in Use" for the existing 115-space private parking lot.
2. "As is" – Market Value Appraised in its Highest & Best Use – Rezone/Zoning Variance from the existing R3-12 zoning to the prior PD (Ordinance 14-13467) which expired February 9, 2017. The premise is based on an Extraordinary Assumption as of the effective date of Appraisal, July 8, 2017.

As you are aware, the real property is under sales/purchase contract for \$6,000,000 by the City of Naples with the intended use of constructing a multi-story 350-space Public Parking Garage. This is a legal use within the existing R3-12 & Fifth Avenue South Special Overlay District and the CRA, however, site development remains restricted from the Parking Easements (97-spaces) recorded in perpetuity with my estimated value conclusions summarized as follows:

"Value In-Use" – "As Is" Existing 115-space private Parking Lot

Valuation Premise	Private Parking Lot (115-Spaces)	Value Attributable to Parking Easement (97-Spaces)	Value Attributable to Unencumbered Spaces (18-Spaces)
"As Is" – Value in Use 115-Space Parking Lot deemed an "Interim Use" until developed into its Highest & Best Use	\$4,600,000	\$3,880,000	\$720,000

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Mr. Roger Reinke
Letter of Transmittal Page 2 of 3

In concluding the Highest & Best Use of the site, the existing zoning (R3-12) permits site development of 12-units with legal parking requirements of 25-spaces. The additional costs of constructing 97-spaces to satisfy the Parking Easement unduly burdens development and effectively negates economic feasibility.

Consequently, rezoning the property from the current R3-12 to the prior PD is able to absorb the Parking Easement permitting site development of a 3-story 22-unit condominium with 156-space parking garage. The value conclusions are summarized as follows:

“Highest & Best Use” “As Improved” Redeveloped – Prior PD *

Valuation Premise	Value Estimate Via Development Approach	Value Estimate via Direct Sales Comparison Approach	Final Value Conclusion H&B Use
<p>“As Is” – Highest & Best Use Value in Use</p> <p>Rezone site from current R3-12 to prior PD permitting 3-story 22-unit luxury condominium with 156-space Parking Garage</p>	\$6,100,000	\$6,275,000	\$6,200,000

*H&B Use Requires a rezone/zoning variance which is an Extraordinary Assumption – Based on prior PD zoning extensions, a rezone/zoning variance approval would appear likely (3-4 Month Process per City of Naples Planning Department).

This analysis concludes when appraised in its H&B Use, current land sales contract of \$6,000,000 is slightly below current market value. Based on the data, analysis, conclusions; and subject to the limiting conditions attached, it is my opinion that the MARKET VALUE, as defined by USPAP, of the “**Market Value**” in Fee Simple Estate effective July 8, 2017 is estimated as follows:

FEE SIMPLE ESTATE – SITE VALUE

EXISTING 1.03± ACRE 115-SPACE PARKING LOT

“SUBJECT TO REZONE” FROM R3-12 TO PRIOR PD ORDINANCE 14-13467

(22-MULTI FAMILY UNITS W/156-SPACE PARKING GARAGE)

410-40-60 4TH. AVENUE SOUTH, NAPLES, FL 34102

Tax ID# 14026920008; #14026880009; & ID# 14026840007

SIX-MILLION-TWO-HUNDRED-THOUSAND-DOLLARS

\$6,200,000

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Mr. Roger Reinke
Letter of Transmittal Page 3 of 3

I, Kevin J. Lindheim, MAI, SRA physically inspected the subject property (exterior site inspection) and certify that I have no undisclosed interest in the subject property nor is my employment & compensation contingent upon our value conclusions. **Not to mislead the reader, this 3-page transmittal letter must be attached with the entire appraisal report which follows.**

Respectfully submitted,



Kevin J. Lindheim, MAI, SRA
State-Certified General Appraiser # RZ 1017

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ADDENDA

PD Expired February 9, 2017 E-Mail provided by client
Expired Land Ordinance 14-13467& Legal Description (1st. & 2nd. Pages)
Warranty Deed
Engagement Purchase Order
Flood Map
Appraiser Qualifications

Subject Property – Aerial Map

410-440-460 4TH. Avenue South, Naples, Collier County Florida, 34102
 Tax ID# 14026920008; 14026880009; and 14026840007

Gross Site Area is estimated at 1.03± Acres (300' x 150' - Subject to updated survey)

The subject property is an existing three (3) lot assemblage located at the SEC of 4th. Avenue South and 4th. Street South in Old Naples. The real property is currently utilized as a 115-space private parking lot by the owner, Hoffman Commercial Real Estate. Ingress/egress is available from one (1) entry point located on the east side of 4th. Street South, just ½ block south of Naples renowned 5th. Avenue. There are two recorded parking easements which currently encumbers a total of 97-spaces which are recorded in perpetuity.

<u>Identification</u>	<u>Parking Spaces</u>	<u>Date/OR Book Page</u>
Naples Fifth Avenue LLC	- 15 Spaces	4/20/2015 5148-2523
Regency Row Condominium	- 34 spaces	5/20/1998 2423-35
Colony Court Condominium	- 48 spaces	5/20/1998 2423-35
Total	97 Spaces	

The 115-space asphalt paved parking lot has recently been sealed; stripped; and includes bumpers. The site is attractively landscaped and includes access to all utilities including subsurface drainage and underground utility lines with overhead lighting poles.



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Site view – Interior of 115-space private parking lot looking west towards 4th. Street South

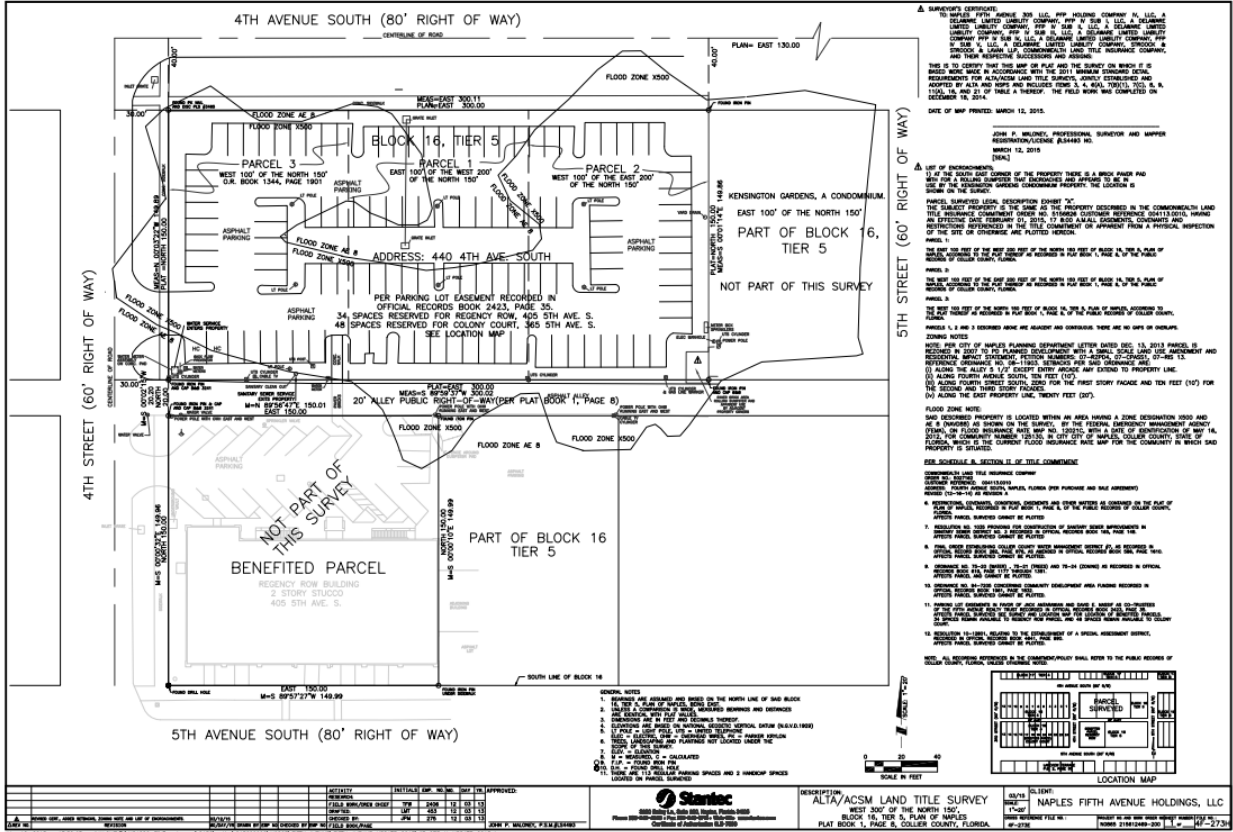


Rectangular Shaped Parcel Footprint

Collier County Tax Parcel ID Numbers	Frontage	Gross Site Area Acres*
14026920008 14026880009 14026840007	300' lineal frontage on 4 th . Avenue South By a depth of 150' lineal frontage on 4 th . Street South	45,000 SF 1.03± Acres

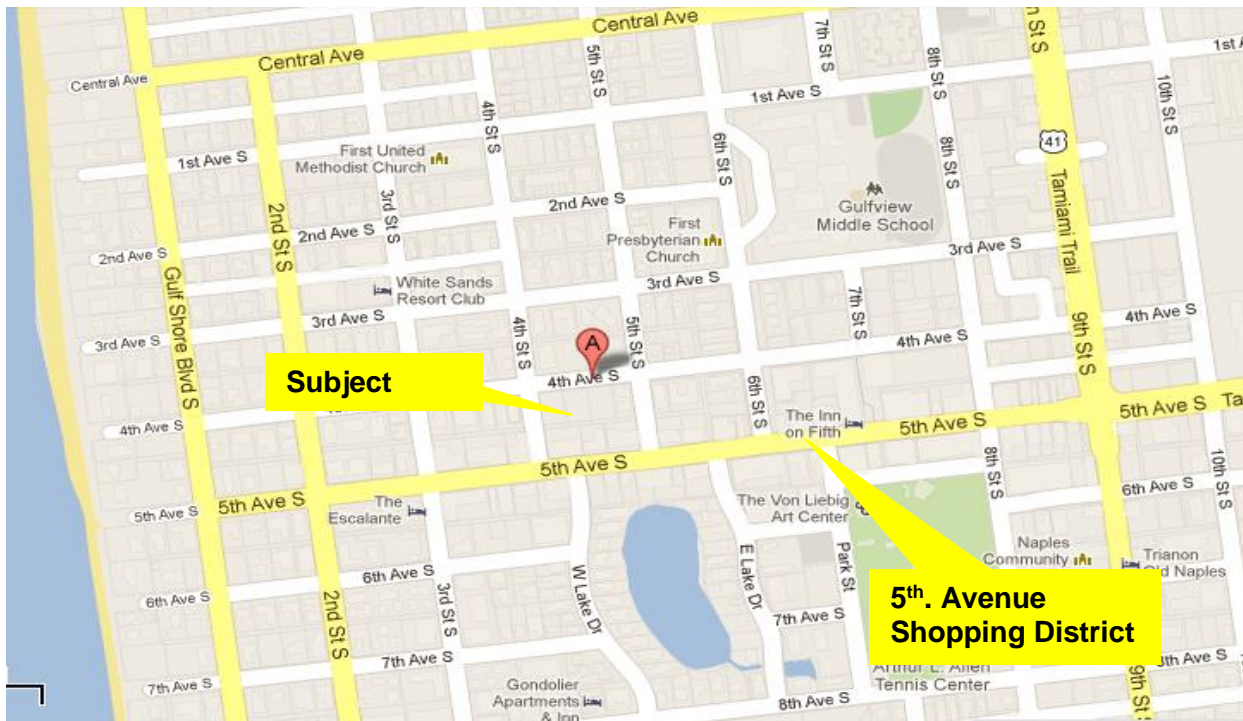
*Subject to Updated Survey

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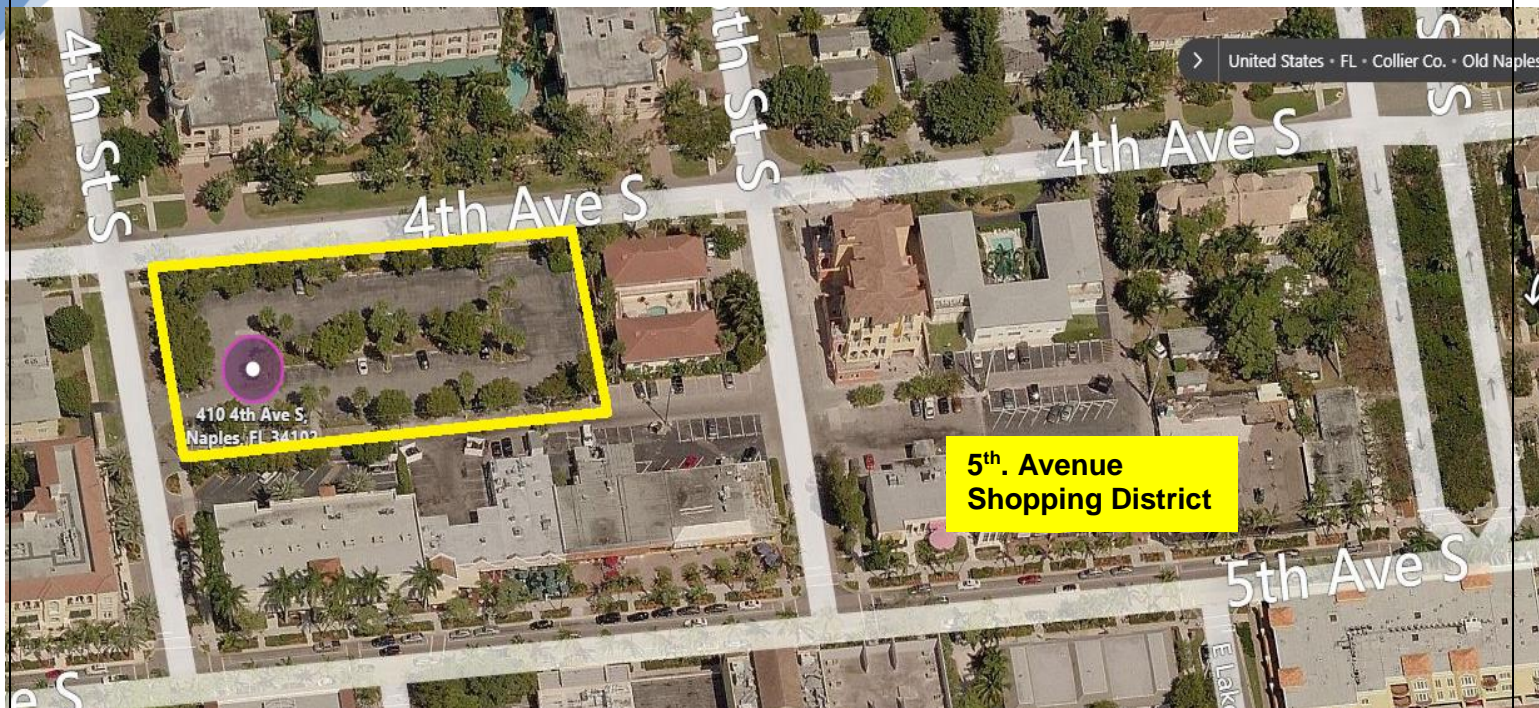


Property Survey Dated march 12, 2015 and unsigned by John Maloney, P.S.

Subject Property Location Map



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Easement (2):

- 1) There is a recorded parking lot easement made on May 2, 1998 which is submitted in the addenda. This easement is specific to the 82-parking spaces reserved for exclusive use of the designated tenants & customers of properties located at 365; 375' and 405 5th. Avenue South. ORB 2423 PG 35.
- 2) There is a recorded parking lot easement made on April 20, 2015 granted to the prior owner of record 15-parking spaces. ORB 5148 PG 2523

Ingress/Egress:

1-Entry Point

1-entry point located near the SE boundary of the site which is the east side of 4th. Street South.

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Ingress/Egress from the East side of 4th. Street South

Legal Description:

115-Space Open Parking Lot

Parcel 1:

The East 100 feet of the West 200 feet of the North 150 feet of Block 16, tier 5, Plan of Naples, according to the plat thereof as recorded in Plat Book 1, page 8, of the public records of Collier County, Florida

Parcel 2:

The West 100 feet of the East 200 feet of the North 150 feet of Block 16, tier 5, Plan of Naples, according to the plat thereof as recorded in Plat Book 1, page 8, of the public records of Collier County, Florida

Parcel 3:

The West 100 feet of the North 150 feet of Block 16, Tier 5, Plan of Naples, according to the plat thereof as recorded in Plat book 1, page 8, of the public records of Collier County, Florida

Client:

Roger Reinke, Assistant City Manager
City of Naples
735 8th. Street South
Naples, FL 34102

Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

Appraiser:

Kevin J. Lindheim, MAI, SRA, President
Florida Valuation & Consultants, Inc.
1498 Rail Head Blvd. Naples, FL 34110

Intended Use:

The **Intended Use** of this appraisal is for the specific use of the City of Naples in evaluating the subject property for potential acquisition. The real property is currently under sales contract between the owner of record, 410 Fourth Avenue South Holdings, and The City of Naples, Florida. The City of Naples intends to redevelop the site into a 4-Story 350-space Public Parking Garage consistent with their two (2) existing parking garages located at 610 Park Street and 400 8th. Street South, Old Naples.

Intended User (s):

The intended users of this report are the Client, City of Naples, and-or designated users and affiliates and will likely become public record.

Extraordinary Assumption:

This appraisal estimates the real property in its Highest & Best Use "As Is", which concludes to be the approved zoning of the prior PD Ordinance 14-13467 permitting a 3-Story luxury 22-unit condominium with 156-space attached parking garage. The PD zoning expired on February 9, 2017 and will require a rezone/zoning variance to rezone from the current R3-12 zoning designation.

With a prior zoning extension granted in 2015, it appears likely a zoning variance would be approved specific to the prior PD – which is the concluded Highest & Best Use of the site, "As Improved".

Extraordinary Assumption

USPAP defines "Extraordinary Assumption": an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which if found to be false, could alter the appraiser's opinion or conclusions."

Comment: An extraordinary assumption presumes 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 on an analysis.

Source: USPAP 2016-2017 Edition

Comment

The existing 115-space parking lot is therefore considered an "Interim Use" until the zoning variance (Extraordinary Assumption) permits development of the prior PD Ordinance which is the Highest & Best Use of the Site, "As Improved" and evaluated accordingly.

PROPERTY RIGHTS BEING APPRAISED

Fee Simple Estate which is defined as "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." Definition per 6th. Edition of the Dictionary of Real Estate Appraisal published by the Appraisal Institute).

DEFINITION OF MARKET VALUE

For the purpose of this assignment, the definition of *Market Value* as defined by FIRREA is:

"The most probable price with 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 this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer conditions whereby:

1. buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and each 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 U.S. 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."

Source: Office of the Comptroller of the Currency under 12 CFR, 59 Federal Register 29499, June 7, 1994. And the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation (USPAP 2014-2015 Edition)

DEFINITION OF VALUE IN USE

For purpose of this assignment, the definition of Value in Use as is defined:

"The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually".

Source: Dictionary of Real Estate Appraisal 6th. Edition

Owner of Record:

410 Fourth Avenue South Holdings, LLC
 David Hoffmann, Manager
 C/O Jeffrey Igou, AP
 8000 Maryland Avenue,
 Suite 610
 Clayton, MO 6310

EFFECTIVE DATE OF APPRAISAL

July 8, 2017 (Date of Property Inspection)

DATE OF REPORT

July 24, 2017 (Date of Transmittal Letter)

SALES HISTORY:**Prior Sale – October 9, 2015**

The real property identified by legal description was purchased by the owner of record on October 9, 2015 from Naples Fifth Avenue 305 LLC (Jose Hevia, President) for \$3,750,000 ORB 5203 PG 1616 (See Addenda).

The sale was financed with a 1st. Mortgage recorded by Great Southern Bank in the amount of \$3,000,000 (Conventional Terms) ORB 5203 PG 1621.

Prior Sale – December 23, 2013 Naples Fifth Avenue Land Trust dated November 6, 2013 (Jose Hevia) purchased the real property from Granite Naples 4th. And 4th. LLC aka Black Rock Realty Advisors James Glen, VP) for \$5,900,000 financed with a \$2,000,000 PMM from a private Individual. ORB 4997 PG 798

Analysis of the Prior Two (2) Sales

Between November 2013 and October 2015, property values in Old Naples have soared. The likely difference in the price decrease between the two transactions is the Parking Easement encumbering 82-spaces:

December 2013 Sale Price		\$5,900,000
October 2015 Sale Price	-	<u>\$3,750,000</u>
Price Decrease		\$2,150,000
Divided by 82 spaces	÷	<u>82 Space Easement</u>
Attributed Value/Space		\$26,220

Current Sales Contract

Dated June 7, 2017 - A vacant land sale contract between the owner of record (Seller), 410 Fourth Avenue South Holdings, LLC A Delaware Limited liability company (David Hoffmann, President) and the Buyer – City of Naples, Florida (A. William Moss, City Manager) was executed for a sales price of \$6,000,000. The sales contract specifies future redevelopment of a multi-story parking garage for public parking with a minimum of 150-parking spaces. Also, the sales contract states a Parking Easement granting the Seller, its affiliates, successors and assigns a perpetual non-exclusive easement for access to and use of a

Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

minimum of 113-parking spaces (Parking Easement Agreement).

Value In-Use to the City of Naples

If/when the current sales contract is executed and the transaction closes, the Parking Agreement effectively leaves the city with just 2-parking spaces (115 Total – 113 Easement) from the existing parking lot. In consideration of maintenance along with annual real estate taxes & liability insurance, the “Value In-Use” for continued use of the existing 115-space parking lot is virtually zero. Going forward, the City’s proposal to construct a \$9MM multi-story 350-space parking garage, which is legally permitted, for public parking (Free of Charge) is the purpose of this appraisal and adds 237 much needed parking spaces (350 – 113) for Downtown 5th. Avenue parking.

I was furnished a copy of the sales contract and have retained it in file. Other than stated above, no other prior title transactions in the past 5-year period are publicly recorded. To my knowledge, the property although under sales contract has not, nor is currently, currently listed for sale.

Collier County Property Appraiser Assessment

Property ID#	Site Size (Acres)	Land Use Description	Land/Improvements	2016 Assessed Value	2016* Taxes
14026920008	.34± Acres	Parking Lots	Land Improvements Total	\$ 450,000 \$ 26,950 \$ 476,950	\$6,311
14026880009	.34± Acres	Parking Lots	Land Improvements Total	\$ 450,000 \$ 26,950 \$ 476,95	\$6,311
14026840007	.34± Acres	Parking Lots	Land Improvements Total	\$ 450,000 \$ 26,950 \$ 476,95	\$6,311
----- Totals	----- 1.03± Acres	----- Parking Lots	----- Land Improvements Total	----- \$1,350,000 \$ 80,850 \$ 1,430,850	 \$18,933

* Taxes were paid in full on April 27, 2017 with none delinquent.

5-Year Tax Assessment History—Tax ID 14026920008; 1426880009; and 1426840007

Tax Year	Value (Market)	Value (Taxable)	Tax	Source
2012	\$1,179,390	\$1,179,390	\$14,774	Collier Tax Collector
2013	\$1,194,906	\$1,194,906	\$15,366	Collier Tax Collector
2014	\$1,197,576	\$1,197,576	\$15,885	Collier Tax Collector

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2015	\$1,201,638	\$1,201,638	\$16,275	Collier Tax Collector
2016	\$1,430,850	\$1,430,850	\$18,933	Collier Tax Collector

Analysis: The assessed market value has risen only 21% in the past 5-year period which is not indicative of downtown Old Naples. Best explanation is the prior Sale in December 2013 for \$5,900,000 to the most recent sale in October 2015 for \$3,750,000 likely affected the property appraiser's assessment. The current 1.3% tax to assessed value ratio is in line with surrounding properties in Old Naples.

SCOPE OF WORK, APPRAISAL DEVELOPMENT & REPORTING PROCESS

The scope of this appraisal includes extensive research of the real estate market, specific to the subject's prime lot located on the SEC of 4th. Avenue South and 4th. Street South in Olde Naples, Fl. The real property is improved with an asphalt paved 115-space private parking lot encumbered with two (2) Parking Agreement Easements:

- 1) Regency Row and Colony Court (Retail/Office buildings fronting 5th. Avenue South) 82-spaces sated May 2, 1998 ORB 2423 Page 35
- 2) Naples Fifth Avenue 375 LLC – 15-spaces dated April 20, 2015 ORB 5148 PG 2523

A market survey was conducted in an attempt to evaluate existing 115-space parking lots **"Value in Use"**. As concluded in the Sales History, the existing parking easements effectively render the "Value In-Use" to a prospective purchaser, including the City of Naples, virtually zero. Hence, the real property was evaluated in its Highest & Best Use which concluded the highest contribution to the site would be for a zoning variance from the current R3-12 to development of the prior PD zoning Ordinance 14-13467.

Specific to the City of Naples, the potential acquisition of the existing parking lot for proposed redevelopment of a multi-story 350-space public parking garage is the purpose of appraisal. In estimating the market value "As Is" in its Highest & Best Use, the zoning variance is necessary and this appraisal is predicated on an Extraordinary Assumption that the likely rezone from R3-12 to prior PD would be approved either by the current owner or a prospective developer analyzing the site for acquisition. I personally inspected the subject along with each comparable land sale selected for evaluation. Each sale was determined to be arms' length with verification made from public records, MLS, and or buyers/sellers/brokers who disclosed terms. Data was obtained from:

- The client, Mr. Roger Reinke, Assistant City Manager, furnished site information specific to the existing 115-space parking lot including:
 - Zoning Ordinances
 - Parking Easements
 - Sales Purchase Contracts
 - Property Surveys
 - Seller & City Appraisals
 - Plans & Specs for development of the prior PD Ordinance 14-13467 which expired on February 9, 2017.
 - Cost Data for the two (2) existing City of Naples Public Parking Garages located at 610 Park Street & 400 8th. Street South.
- My prior appraisal prepared for the City of Naples on May 21, 2013
- I met with Robin Singer, Director, Naples Planning Department – who confirmed the R3-12 zoning and expiration of the PD zoning. Ms. Singer indicated the current R-12 would have to be rezoned (3-4-month period) to the prior PD. The client, Roger Reinke indicated the rezone could be done with a Zoning Variance – I have

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used a Zoning Variance throughout the report which may require a rezone. Ms. Singe also provided the current rate for off-site parking at \$32,000 with annual CPI (3%) increases.

- I conducted an exterior inspection of the subject property on July 8, 2017. I measured the typical parking space (9' x 15" and physically counted 115-spaces inclusive of 2-handicap) as well as 22-spaces currently reserved (Signs) for the current owner – Hoffmann Commercial Real Estate. I also inspected the comparable sales submitted in both the Development Approach and Direct Sales Comparison Approach.
- Inspection of comparable vacant/unimproved land sales utilized within this report. Physical site Inspection was done from the fronting street curbs of each site.
- The subject property size was taken from public records. An unsigned property survey by John Maloney, Professional Land Surveyor dated March 12, 2015 was furnished by the client. An updated property survey is recommended - I have relied on the prior survey and public records for property dimensions and gross site area. Without an updated survey, I did not opine on easements; encroachments; etc.
- I drove the subject's neighborhood (Olde Naples) from 1st. Avenue South southward to 12th. Avenue South to get a pulse on current redevelopment of R3-12 zoned properties. There is currently a flurry of building activity specific to high-end luxury villas and condominiums with strong sales data available for redevelopment of the subject site into its H&B Use (Prior PD ordinance 14-13467). The Old Naples market appears to be thriving in both commercial and multifamily properties which line both 5th. Avenue South and surrounding streets. With limited developable vacant land, redevelopment within the designated CRA 5th. Avenue District is thriving. The need for additional parking specific for the 5th. Avenue Shopping District remains in high demand. The City of Naples acquisition of the subject property for redevelopment of what will be their third Multi Story Parking Garage for free parking to the public is the purpose of this appraisal.
- Published articles specific to the subject site; parking; and proposed parking garage on the subject site were reviewed.
- I researched sales data (Both Vacant land sales & listings along with Improved sales utilizing Collier County Property Appraiser's Website; Collier Clerk of Courts; Collier County Tax Collector's website; NABOR Matrix MLS tax roll service into Collier County, Loopnet, residential/commercial brokers who provided listings to MLS & Loopnet utilized in this report; Core Logic Tax Maps; in-file data along with my prior appraisal; Core Logic Cost Data including Marshall & Swift; published closings for Collier County, Naples Daily News, and The Naples & Southwest Florida Chamber of Commerce. The appraisal utilizes both A Development Approach and Direct Sales Comparison Approach necessary to produce a credible appraisal report for the intended users **'Market Value" – Fee Simple Estate.** The data was sorted, analyzed, and correlated to yield the most reliable indications possible for the subject property's estimated Market value as of the effective date of appraisal, July 7, 2017 in Fee Simple Estate in compliance with USPAP 2016-2017 Edition.
- This Appraisal Report estimates the "As Is", Fee Simple Estate of the described real

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property as of July 7, 2017 (Inspection date). This appraisal report is completed in compliance with the reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice (USPAP) applicable to a credible appraisal report for the client/intended user – Mr. Roger Reinke, Assistant City Manager for purchase acquisition with the property owner, Mr. David Hoffmann. This appraisal presents a summary of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value and conclusions. Supporting documentation is retained in the appraiser's file. This appraisal report is for the client's exclusive use with no responsibility implied for unauthorized 3rd. party use other than The City of Naples, its affiliates, and intended users. It is my understanding that this report will become public record. However, no dissemination of this to outside 3rd. Party is permitted without express written consent of Florida Valuation & Consultants, Inc._

Estimated Exposure Time: 6 – 9 Months (Based on current listing and sales submitted in the Direct Sales Comparison Approach)

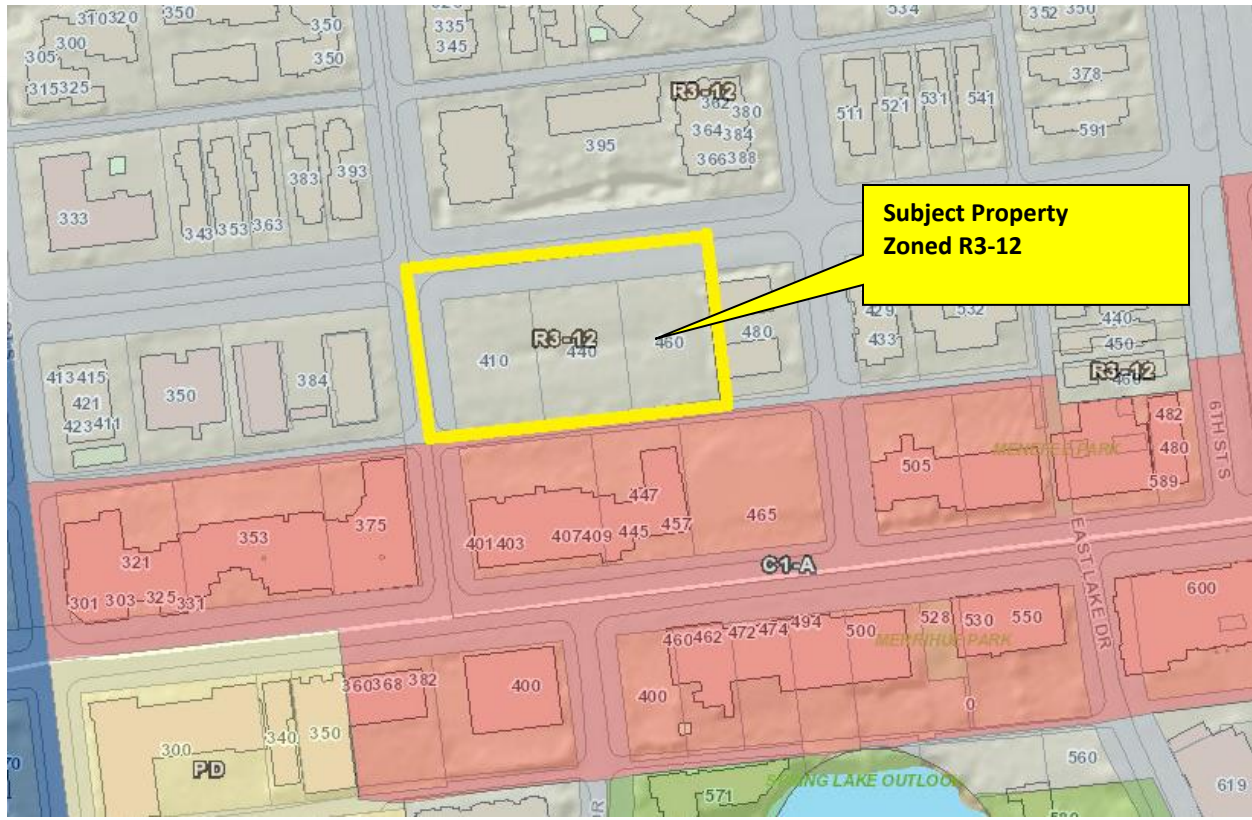
Estimated Marketing Time: 6 – 9 Months (Based on current listing and sales submitted in The Direct Sales Comparison Approach)

Zoning: Per City of Naples – R3-12

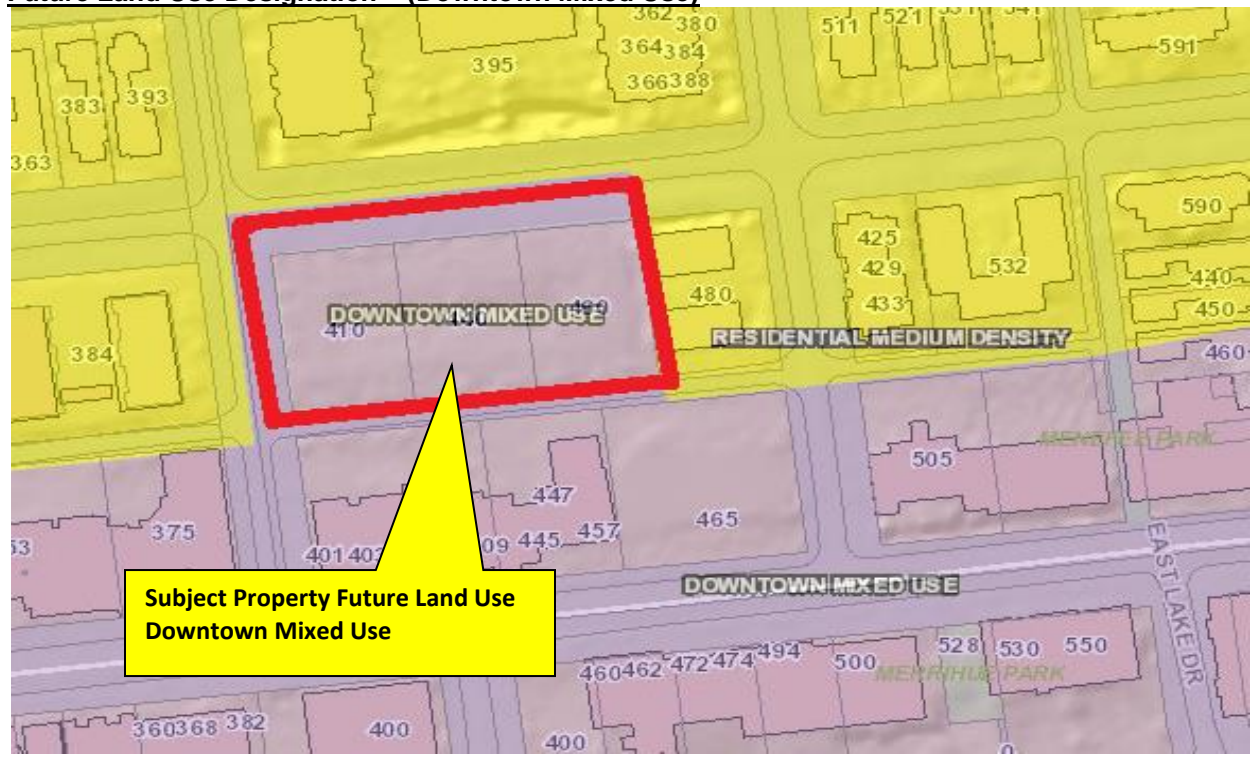
The subject property was zoned PD Ordinance 14-13467 per City of Naples Zoning (Addenda) which expired on February 9, 2017.

Comments about current zoning (E-Mail in Addenda):

The zoning on this property had been Planned Development. In February of this year (2017) the PD expired and the underlying zoning reverts back to R3-12. The property is also in the Fifth Avenue South Special Overlay district and the CRA. The Overlay district states "Location of parking garages and civic buildings. Locations designated on the regulating plan for parking garages or civic buildings shall be as designated in the following Exhibit A". So, a designation on a site makes it a permitted use (Parking Garage).



Future Land Use Designation – (Downtown Mixed Use)

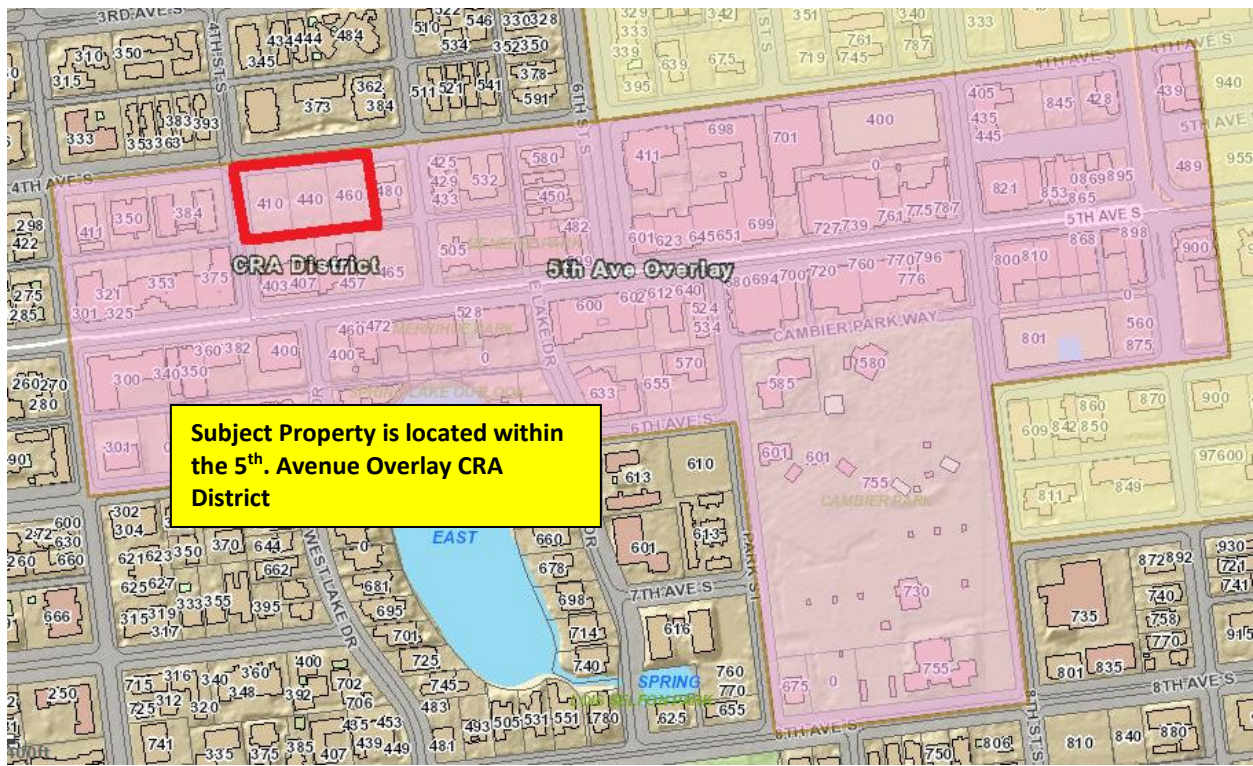


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Naples Overlay District – CRA

Sec. 58-1131. - **District** purpose.

The purpose of this division is to encourage and direct development within the 5th Avenue South **district**. This division shall ensure that new buildings are encouraged; that such buildings be compatible with each other while also relating to the pedestrian; that retail be safeguarded along specific street frontages; that development opportunities be equitable for all scales of ownership; that no significant additional traffic impacts will be added to surrounding residential neighborhoods; and that the permitting process be simplified and facilitated. The design of buildings within the 5th Avenue South **district** shall be regulated and approved in accordance with the provisions of this division.



DEVELOPMENT RESTRICTIONS:

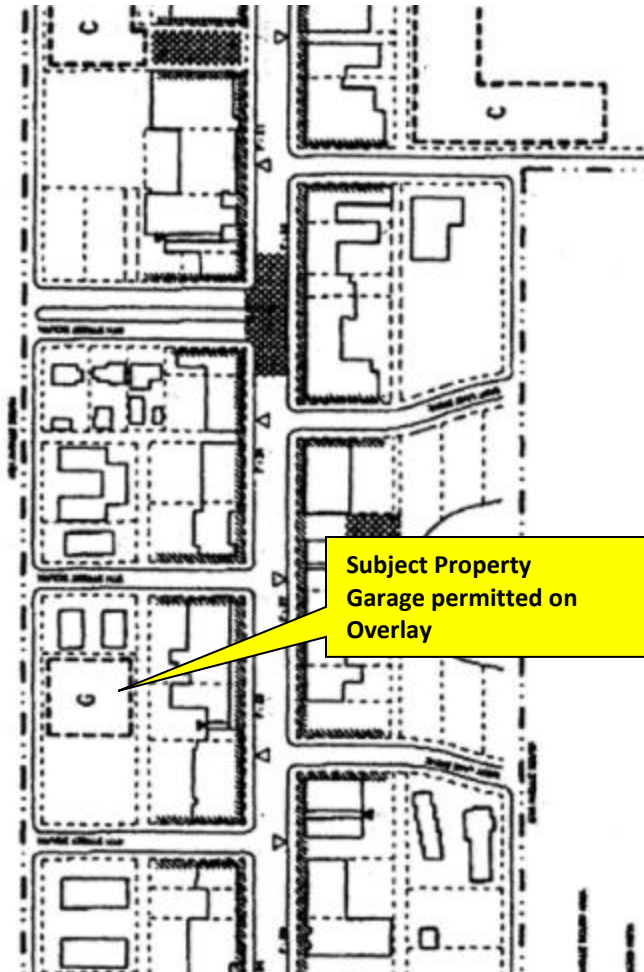
The current zoning R3-12 and the necessity to rezone per zoning variance to the Prior PD Ordinance to attain the sites Highest & Best Use as well as support the value conclusions (Extraordinary Assumption) is explained in full detail in the Highest & Best Use Analysis.

Overlay district

Permits Proposed Garage by the City of Naples

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Fifth Avenue South Regulating Plan



Flood Zone:

The subject property is located within a designated flood zone area (AE) and (X), as indicated by the Flood Insurance Rate Map (FIRM) distributed by the Federal Emergency Management Agency and revised May 16, 2012. The Community Panel Number is 12021C0393H. (See Addenda)

Census Tract:

12021-0001.02

Utilities:

Underground Utilities available to the subject site include public water/sewer (City of Naples); electricity provided by Florida Power & Light, telephone by Embarq, Cable by Comcast; natural gas by TECO. Police and fire protection are considered to be good within this area and is provided by The City of Naples.

Site Plan

Site development plan for the specific to the prior PD Ordinance 14-13467 is later presented with renderings & floor plans (H&B Use Analysis).

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Drainage:

Drainage is typical and adequate into abutting culverts. There is a subsurface drainage grate on the corner of 4th. Avenue South & 4th. Street South.

**Offsite Improvements:**

Pedestrian Sidewalks front both 4th. Avenue South and 4th. Street South. (View looking East on 4th. Avenue South)



Topography, soil and subsoil:

The 1.03+/- acre site is improved with an asphalt paved parking 115-space private parking lot. The entire lot is graded with street level. (See Photos). There are no apparent topography, soil and subsoil conditions that would impede vertical construction into the Highest & Best use of the site, "As Improved".

Transportation/Accessibility

The subject property is located at the SEC of 4th. Avenue South and 4th. Street South. The real property is located 1-block north of the renowned 5th. Avenue South Shopping district which includes upscale hotels; restaurants; shopping; and entertainment. There is also a service alley (20' wide easement) which provides vehicular ingress to the rear of the properties fronting 5th. Avenue South. This alley abuts the subject's southern boundary.

Service Alley 20' ROW – Subject on Left side of this photo



Traffic Counts – City of Naples December 2016

Location

US 41 (Tamiami Trail (6th.Ave N/7th. Avenue
5th. Avenue South
3rd. Avenue South

Maximum 2016

39,793 ADT
9,628 ADT
8,884 ADT

Source: City of Naples Streets & Traffic

Demographics specific to 5th. Avenue South & 4th. Street South

Demographics specific to the subject property:

<u>Demographics:</u>	<u>1-Mile</u>	<u>3-Mile</u>	<u>5-Mile</u>
2015 Population	4,596	31,353	79,115
2015 Households	2,255	13,736	36,062
2015 Housing Units	2,501	14,688	35,268

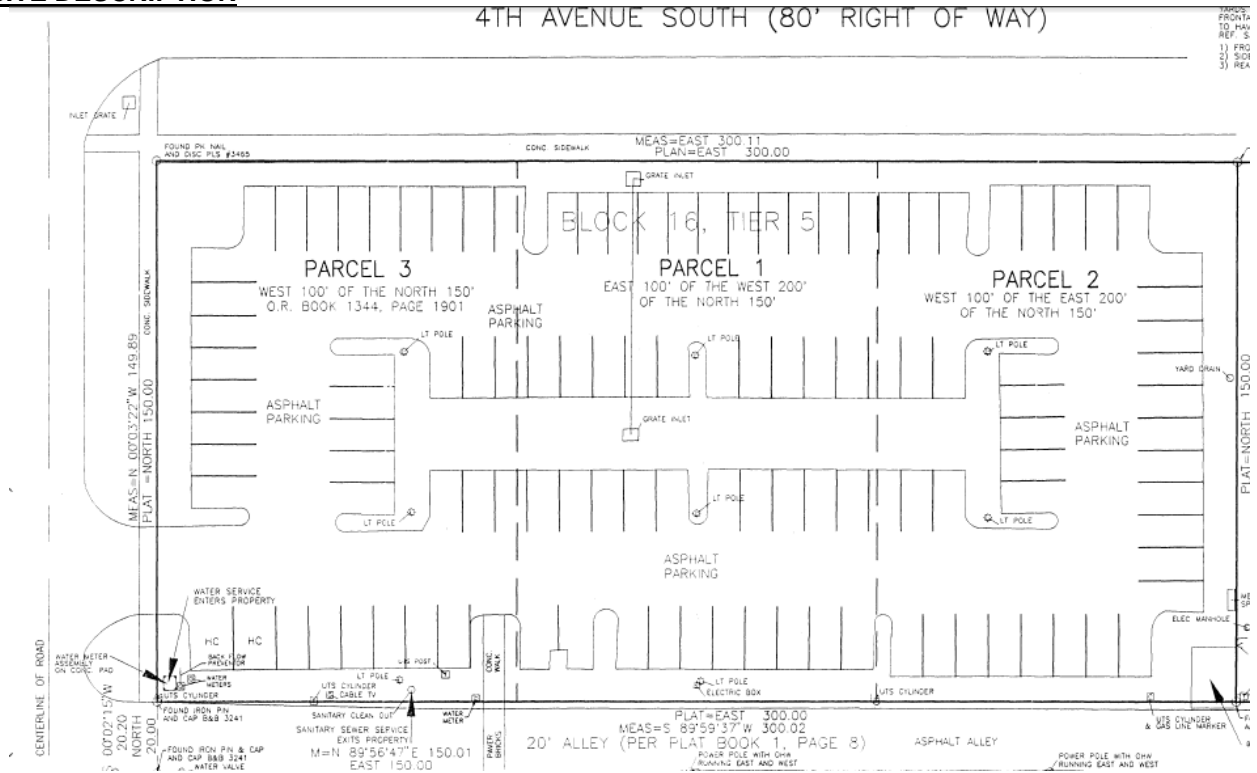
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Household Income

	<u>1-Mile</u>	<u>3-Mile</u>	<u>5-Mile</u>
2015 Household Income: Average	\$117,432	\$88,880	\$82,612
% Household Income \$200,000 +	18.89%	10.56%	8.63%
% Household Income \$75K - \$90k	9.14%	9.32%	10.04%

Source: LoopNet

SITE DESCRIPTION



Subject to Updated Property Survey

The subject parcel is a rectangular shaped lot measuring 300' on the south side of 4th. Avenue South by a depth of 150' on the east side of 4th. Street South. There is a rear alley abutting this site on the south side which does not affect ingress/egress to the site (no entry point). The total area of 45,000± Square Feet or 1.03± acres with site footprint summarize as follows:

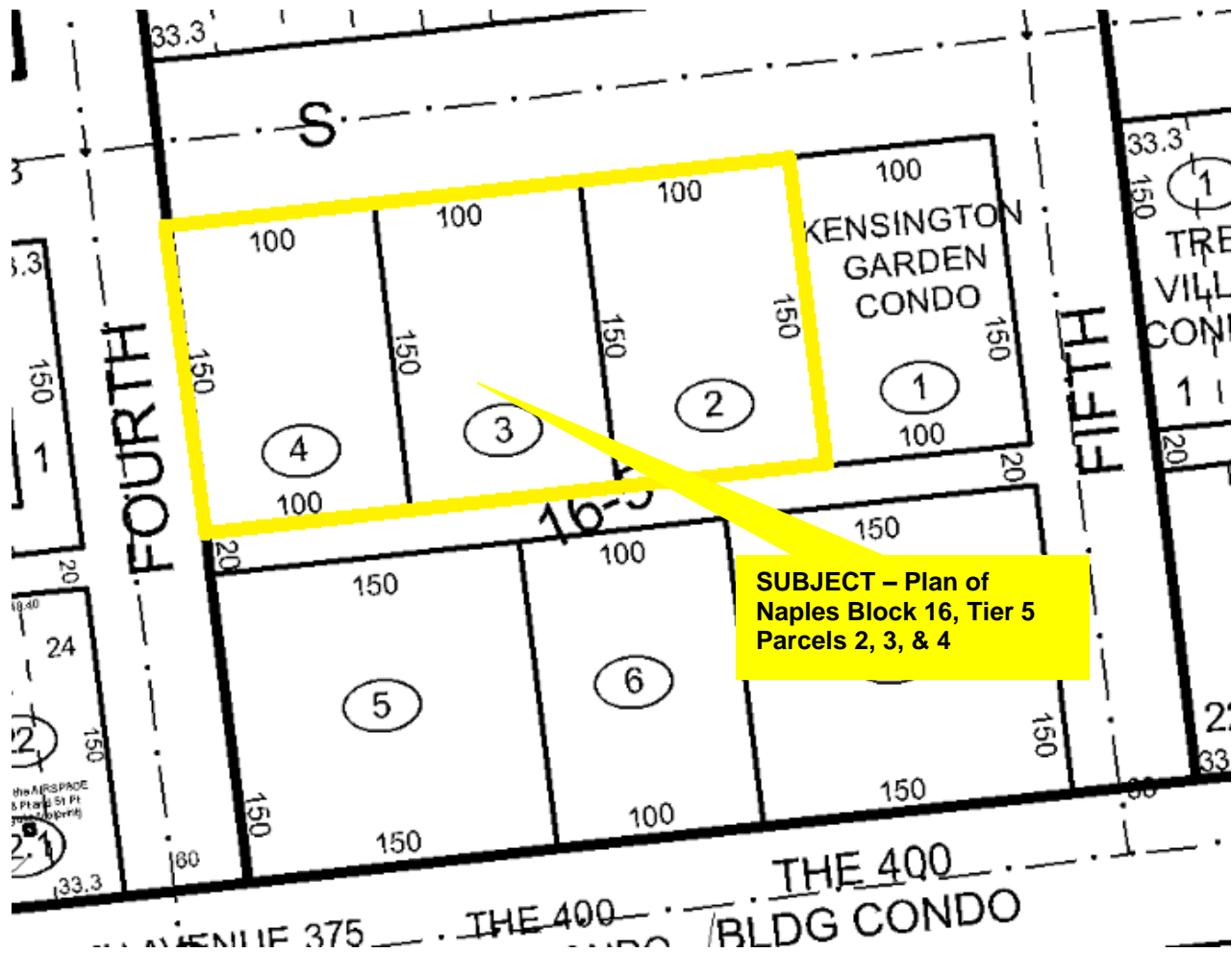
Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

Existing 115-Space Private Parking Lot

Dimensions*	Gross Site Area	Designated Zoning	H & B Use
300' X 150'	45,000± SF/ 1.03± Acres	R3-12 PD Ordinance 14-13467 expired February 9, 2017	"As Is", rezone/zoning variance to PD 3-Story 22 Unit luxury residential condominium with 156-space parking garage

* Subject to Updated Property Survey

Plat Map



Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

Improvements

115-Space Private Parking Lot

There is a total of 115-striped parking spaces inclusive of 2-handicap. Each space typically measures 9' wide by 15' with (1) concrete parking bumper. The asphalt paved surface appears to be in good condition and was recently seal coated & re striped. There is only one entry point, located near the SW boundary with two-directional traffic around the entire interior perimeter of the lot. The current owner has designated 22-spaces with reserved signs for its offsite projects located on 5th. Avenue South:



In addition to the 22-reserved parking spaces by the property owner - 410 Fourth Avenue South Holdings (Subsidiary of Hoffman Commercial Real Estate) the private 115-space parking lot is also encumbered with a parking easement dedicating 83-spaces in perpetuity:

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Parking Lot Easement – May 1998

- 1) Regency Row 34-dedicated spaces
 - 2) Colony Court 48-dedicated spaces
- ORB 2423 PG 35

Parking Lot Easement – May 2015

- 1) Naples Fifth Avenue LLC 15-dedicated spaces Perpetual Non-exclusive easement
Instrument #5118397

The recorded parking lot easements (addenda) permits exclusive use of 82-combined parking spaces to the tenant's and customers of the office/retail buildings fronting 5th. Avenue South at 365; 375; and 405 5th. Avenue South; and 15-spaces to the current owner of record. These parking easements are recorded in perpetuity and directly impacts development of the existing parking lot. As concluded in the H&B Use, a zoning variance from the current R3-12 to the prior PD Ordinance 14-13467 is the Highest & Best Use, "As Improved". The PD provides marginal feasibility to develop the existing 115-space parking lot into an upscale 22-unit 3-story residential condominium with 156-space parking garage which accommodates the Parking Easements. See H&B Use Below

SUBJECT PHOTOGRAPHS**Entrance from the East side of 4th. Street S.****Current Owner - Hoffmann Commercial R.E.**

Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.



115-space parking lot looking North



Interior 115-space parking lot looking west



Looking East - adjacent Condominium



Looking West



**Current Parking Easement Reserved Sign
one of 22-Signs onsite**



Egress to 4th. Avenue South

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NWC of lot - Reserved parking



4th. Street South - Sidewalk fronting Lot



4th. Avenue South - looking East



4th. Street North - looking South



Eastern Boundary looking South



4th. Avenue South - looking West

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Alley abutting subject on South



5th. on 5th. under construction - south of alley



4th. Street South looking North from 5th. Ave



Looking North on 4th. Ave toward 5th. Ave.

Highest & Best Use:

Highest and best use, or **highest or best use (HBU)**, is a concept in real estate appraisal that shows how the highest value for a property is arrived at. In any case where the market value of real property is sought, that value must be based on its highest and best use. Highest and best use is always that use that would produce the highest value for a property, regardless of its actual current use. The Appraisal Institute defines:

HIGHEST AND BEST USE: the reasonably probable and legal use of property, that is physically possible, appropriately supported, and financially feasible, and that results in the highest value.

Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

Test of highest and best use

In order to be considered as the highest and best use of a property, any potential use must pass a series of tests. The exact definition of highest and best use varies, but generally the use must be the following:

- legally allowable
- physically possible
- financially feasible
- maximally productive

"As Vacant" - Based on the specific zoning ordinance 14-13467, the property was rezoned to Planned Development on May 21, 2014.

ORDINANCE 14-13467 AN ORDINANCE DETERMINING REZONE PETITION 14-R3, TO REZONE APPROXIMATELY 1.02 ACRES FROM PD, PLANNED DEVELOPMENT TO A NEW PD, PLANNED DEVELOPMENT AMENDING IN ITS ENTIRETY THE EXISTING PLANNED DEVELOPMENT ORDINANCE FOR A 22 UNIT RESIDENTIAL BUILDING WITH A 161 SPACE MAXIMUM PARKING GARAGE TO EXTEND THE COMMENCEMENT DATE FOR CONSTRUCTION, TO ADD A PROVISION FOR TEMPORARY OFF-SITE PARKING DURING CONSTRUCTION, AND TO CLARIFY THE LIMITATIONS OF AMENDMENTS TO THE APPROVED PLANNED DEVELOPMENT, FOR PROPERTY OWNED BY NAPLES FIFTH AVENUE FOURTH AND FOURTH, LLC AND LOCATED AT 440 4 TH AVENUE SOUTH, 460 4 T " AVENUE SOUTH AND 410 4 T " AVENUE SOUTH, MORE FULLY DESCRIBED HEREIN; PROVIDING A SEVERABILITY CLAUSE, AND A REPEALER PROVISION; REPEALING ORDINANCE NUMBER 08-11903; AND PROVIDING AN EFFECTIVE DATE.

The PD expired February 9, 2017. This was the period for which construction of improvements was required to commence under. There was no extension applied for and none granted.

Comments about current zoning from the City of Naples:

The zoning on this property had been Planned development. On February 9, 2017, the PD expired and the underlying zoning reverts back to R3-12. The property is also in the Fifth Avenue South Special Overlay district and the CRA. The Overlay district states "Location of parking garages and civic buildings. Locations designated on the regulating plan for parking garages or civic buildings shall be as designated in the following Exhibit A". So, a designation on a site makes it a parking garage a permitted use.

DIVISION 10. - R3-12 MULTIFAMILY DISTRICT

Sec. 58-291. - District purpose.

The R3-12 district is a residential district which is designed to accommodate a mixture of single-family homes and 1-, 2- and 3-story apartments.

Sec. 58-292. - Uses permitted.

In the R3-12 district, no building or structure, or part thereof, shall be erected, altered or used, or land or water used, in whole or in part, for other than the following:

[Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.](#)

- (1) Single-family residences.
- (2) Multifamily residences.
- (3) Accessory structures which are incidental to and customarily associated with the permitted uses in this district listed in subsections (1) and (2) of this section

Sec. 58-293. - Conditional uses.

Conditional uses in the R3-12 district are as follows:

- (1) Child care centers.
- (2) Nursing or rest homes (up to 12 units per net acre).
- (3) Parking lots, noncommercial, with no meters or on-site parking fee collection.
- (4) Recreation areas or facilities that are part of one of the permitted uses listed in subsections (1) through (3) of this section.

Sec. 58-301. - Maximum allowable density.

The maximum allowable density imposed upon lands and property zoned R3-12 is 12 dwelling units per net acre calculated as follows:

300' x 145' = 45,000 SF gross site area or 1.033 acres x 12 units per acre = 12.34 units or **12**

Parking Requirements R3-12 District:

Multifamily dwelling units:

a.

Units located in zoning district R3-6, R3-12 or R3T-12: Two spaces per unit plus visitor parking calculated at one space per ten dwelling units.




Parking Calculations: 12 unit's x 2 spaces = 24 spaces

1 space per 10 units = 1 space

Total Parking spaces required 25 spaces




Parking Easements (2) which designate a combined total of 97-spaces for off-site parking within the existing 113-space parking lot in perpetuity:

1)

	Party Names	Recorded	DocType	Inst #	Book	Page	Pgs	
	F:FOURTH & FOURTH ASSOC INC T:ANTARAMIAN JACK J TR T:FIFTH AVENUE REALTY TRUST T:NASSIF DAVID E TR	5/22/1998	ESMT	2323580	OR 2423	35	2	 
	NAPLES TIER 5 BLK 16 N 150' ETC PARS 1-3						V	

- This easement is specific to the right to assign a total of eighty-two (82) parking spaces for exclusive benefit of
 - Regency Row Condominium – 34 spaces
 - Colony Court Condominium – 48 spaces
- Total 82 Spaces

2)

	Party Names	Recorded	DocType	Inst #	Book	Page	Pgs	
	F:NAPLES FIFTH AVENUE 305 LLC F:NAPLES FIFTH AVENUE MANAGING MBR LLC MBR T:NAPLES FIFTH AVENUE 375 LLC T:NAPLES FIFTH AVENUE MANAGING MBR LLC MBR	5/6/2015	ESMT	5118397	OR 5148	2523	5	 
	PLAN NAPLES TIER 5 BLOCK 16; PART BLOCK 16 3 PARCELS						V	

- This easement is specified to the right to assign a total of fifteen (15) parking spaces
- Naples Fifth Avenue 375 LLC – 15 spaces

Conclusion – Based on the R3-12 zoning, the maximum unit density calculation specific to the subject site is 12-units with the following required parking spaces:

“As Is” – R3-12 Zoning

Item	Required Off-street Parking
Existing zoning R3-12	25
Parking Easement 5/1998	82
Parking easement 5/2015	<u>15</u>
Total	122 parking spaces

Excluding the parking easements, the existing R3-12 would require 25-parking spaces to satisfy site development requirements. Based on the recorded parking easements, 97 additional spaces are required for site development within R3-12. Utilizing \$25,000 per space to construct, an added cost of \$2,425,000 (97 x \$25,000) would unduly burden the project under current zoning (R3-12) and sever economic feasibility. Economic solution is to rezone/zoning variance to the former PD which is specific to 22-units and 156 space garages.

“Zoning Variance” or Rezone – PD 22-Units – H&B Use

Parking Calculations: 22 unit's x 2 spaces = 44 spaces
1 pace per 10 units = 2 spaces
Total Parking spaces required **46 spaces**

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Item	Required Off-street Parking
22-Units	46
Parking Easement 5/1998	82
Parking easement 5/2015	<u>15</u>
Total	143 parking spaces
Planned	156 parking spaces
Excess Parking	13-Spaces

The 13-excess parking spaces can be sold and are included in gross income – see pro forma.

A prospective purchaser will most likely maximize financial feasibility with a project consistent and in-line with previous approved PD ordinance (14-13467). To do so, a zoning variance would have to be approved to increase total unit density of 12 to 22-units. With a prior zoning extension granted in 2015, it appears likely a zoning variance would be approved specific to the prior PD. Therefore, this appraisal is premised on an Extraordinary Assumption that the site will be rezoned from current R3-12 to prior PD per zoning variance.

Specific to this appraisal, A zoning variance is an Extraordinary Condition. To be clear, an Extraordinary Condition is defined as:

EXTRAORDINARY ASSUMPTION – an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions.

Comment – 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.

Source: USPAP 2016-2017 Edition

“As Improved”

The demand for new luxury condominium residences in downtown Old Naples continues to be strong. The NABOR recent market report for June 2017 specific to condominiums is submitted:

SOURCE: NABOR June 2017 Market Report

Specific to condominiums in the Naples Beach area (34102), closed sales of all units increased by 50% in June 2017 when compared with June 2016, with median price increasing 4%. For the 12-month period ending June 30, 2017, price appreciation was 8% which further supports the price adjustment for private offsite parking spaces (later concluded).

Specific to \$2 Million and above price category, the 2Q 2017 market saw an 86% increase in closed sales and a decrease in 38% in median closed price from 2Q 2016.

Source: NABOR June 2017 Market Report

Tourism remains healthy which directly impacts the Old Naples Condominium market. According to Naples Marco Island Everglades research:

- *Collier County had 137,200 visitors in May 2017 which is a slight increase from May 2016*
- *Occupancy rate was slightly down due in large to the Marco Marriott under renovation.*
- *Visitor spending had an economic impact of \$166 million nearly 7% above May 2016.*
- *From January through May 2017, Collier County welcomed 887,700 visitors resulting in a total economic impact of \$1.14 Billion from Tourism.*

Those are facts yet it remains undeniable, the Downtown Naples 5th. Avenue Tourist District is as vibrant as ever. A flurry of building sales (Discussed in the land value approaches) including vacant/improved properties along 5th. & progressing eastward continues at a frenzied pace. The most recent sale on 5th. Avenue was the landmark Regions Bank building selling for \$16 Million in May 2017. The 52,000 SF 4-story building sits on a 1.5-acre site and contains 160-parking spaces (Garage).



Employment

Florida's unemployment rate dropped to 4.1 percent in June 2017, the lowest rate since June 2007. Florida businesses created nearly 18,000 private-sector jobs in June, bringing the total number of new jobs added since December 2010 to 1,397,400. Florida's annual private-sector job growth rate, which is 3.1 percent, has exceeded the nation's rate, which is 1.7 percent, for 63 consecutive months.

Other positive economic indicators include:

- Private-sector industries gaining the most jobs over-the-year were:
 - Professional and business services with 47,800 new jobs;
 - Education and health services with 40,300 new jobs;
 - Trade, transportation and utilities with 35,600 new jobs
 - Leisure and hospitality with 33,500 new jobs; and
 - Construction with 32,400 new jobs.
- Florida job postings showed 248,335 openings in June 2017.

Specific to Collier & Lee Counties, employment remains near all-time highs. A slight upward spike from last month is seasonally related:

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2017

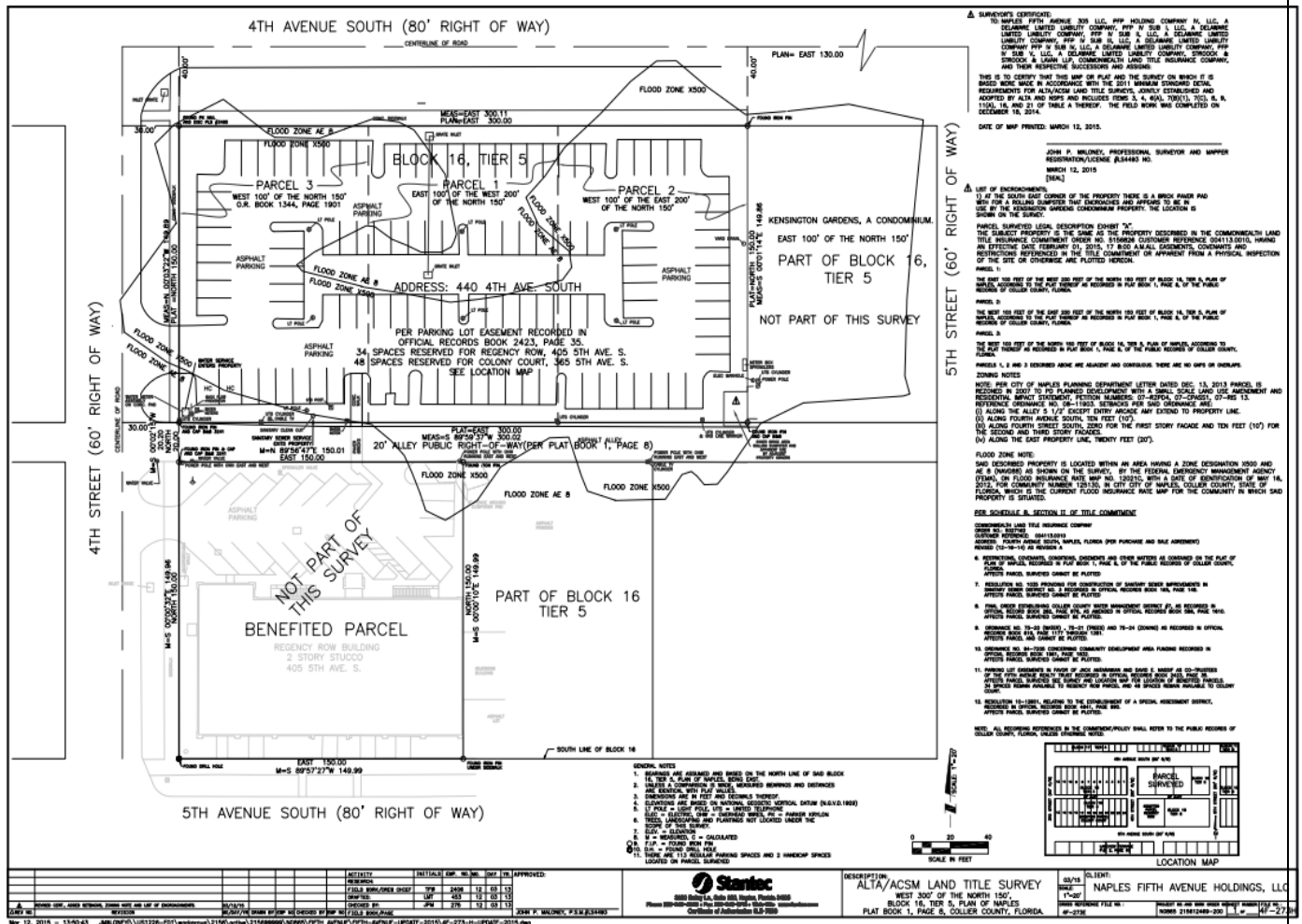
County	June '17	May '17	June '16	Unemployed Workers
Collier	4.3%	3.7%	4.9%	7,211 – June. 2017
Lee	4.2%	3.8%	4.8%	13,684 – June. 2017

Source: The Florida Agency for Workforce Innovation. (June 2017 is the most recent report)

Financial Feasibility

This analysis assumes the proposed Fourth and Fourth development plan (Proposed by the current owner) would be granted a zoning variance specific to construction of a 3-story 22-unit luxury condominium with 156-space garage (lower 1st. and 2nd. Levels).

Survey – Existing 115-space parking lot



Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

Proposed Building Elevation (Prior PD Per Zoning Variance)

PROPOSED STRUCTURE:
FOURTH and FOURTH
NAPLES, FLORIDA

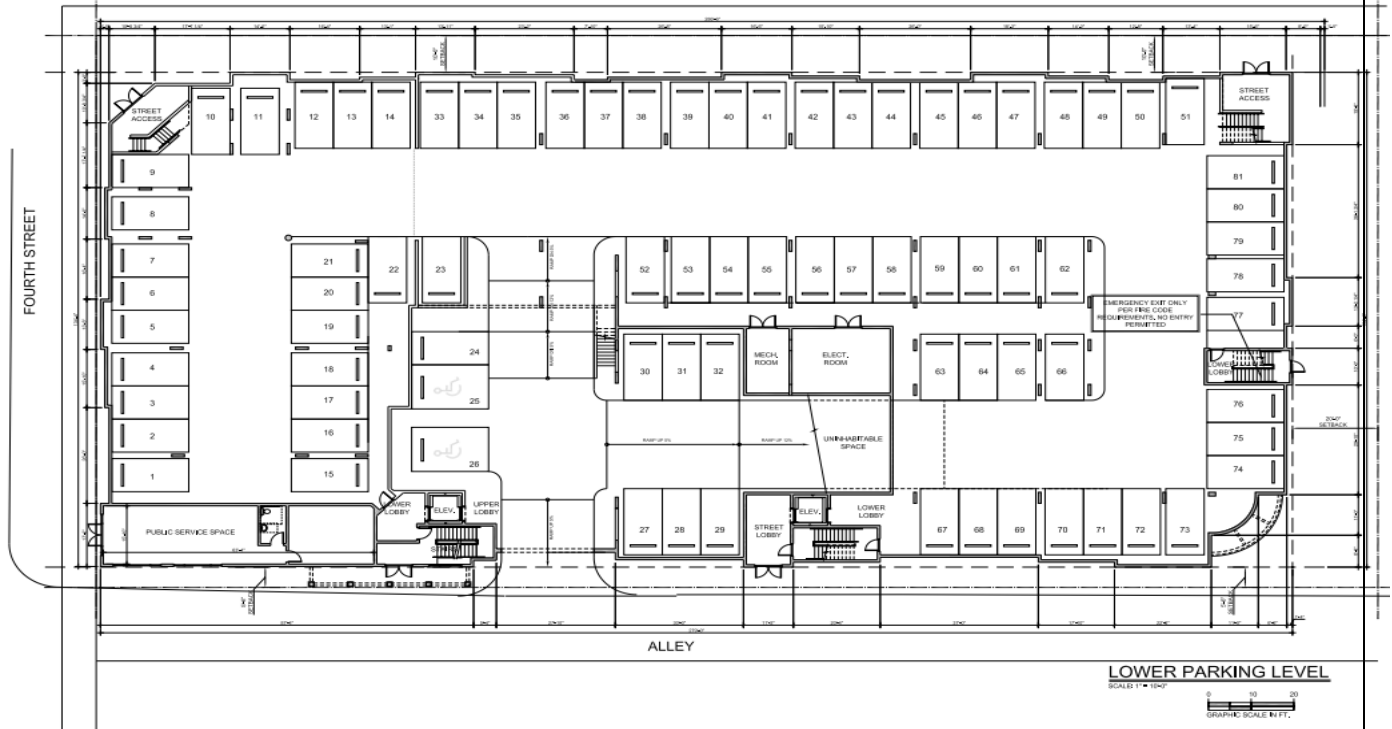


WEST ELEVATION

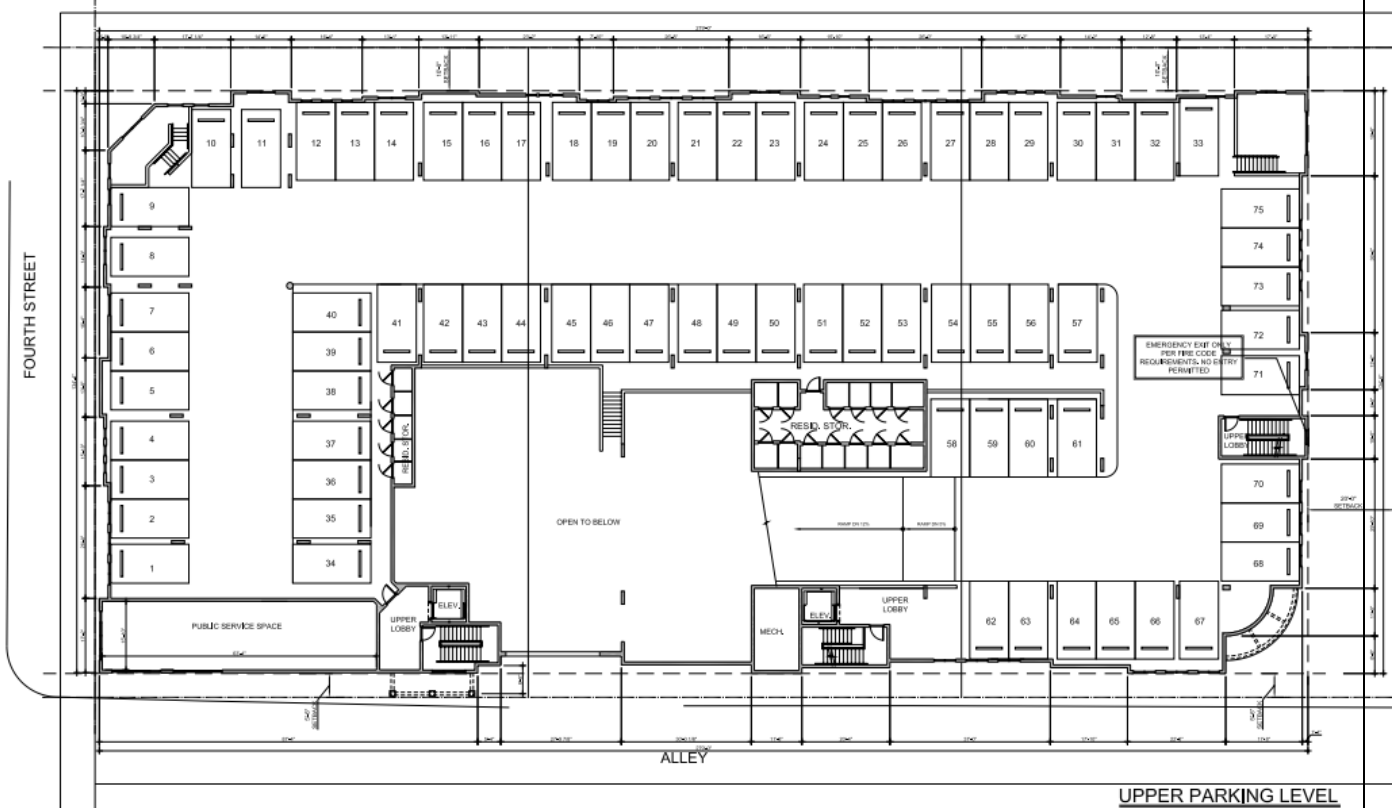
ARCHITECTURE:
HUMPHREY - ROSAL ARCHITECTS, A.I.A., P.A.

CIVIL ENGINEERING AND LANDSCAPE DESIGN:
Q. GRADY MINOR AND ASSOCIATES

Proposed 2-level parking garage with 156-space (Per Zoning Variance/Rezone from R3-12)



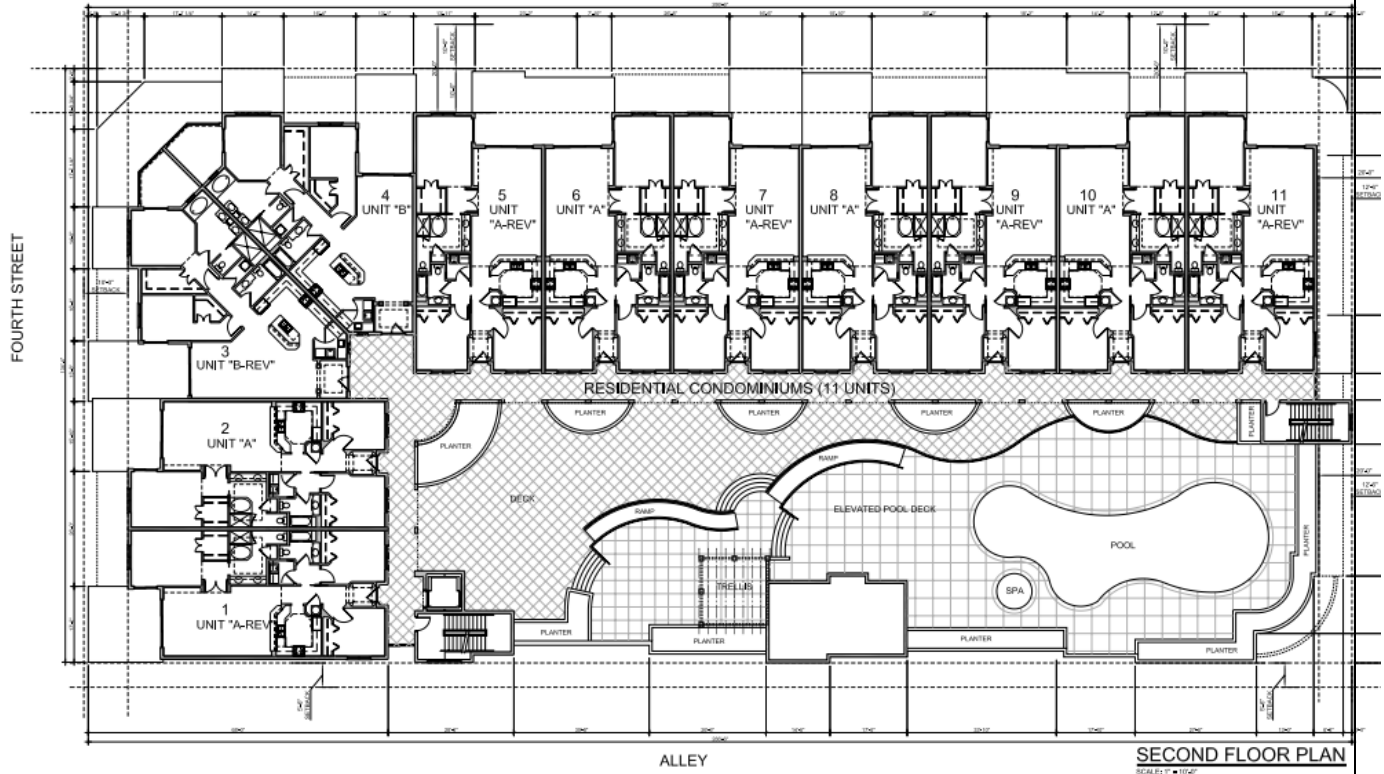
FOURTH AVENUE SOUTH



Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

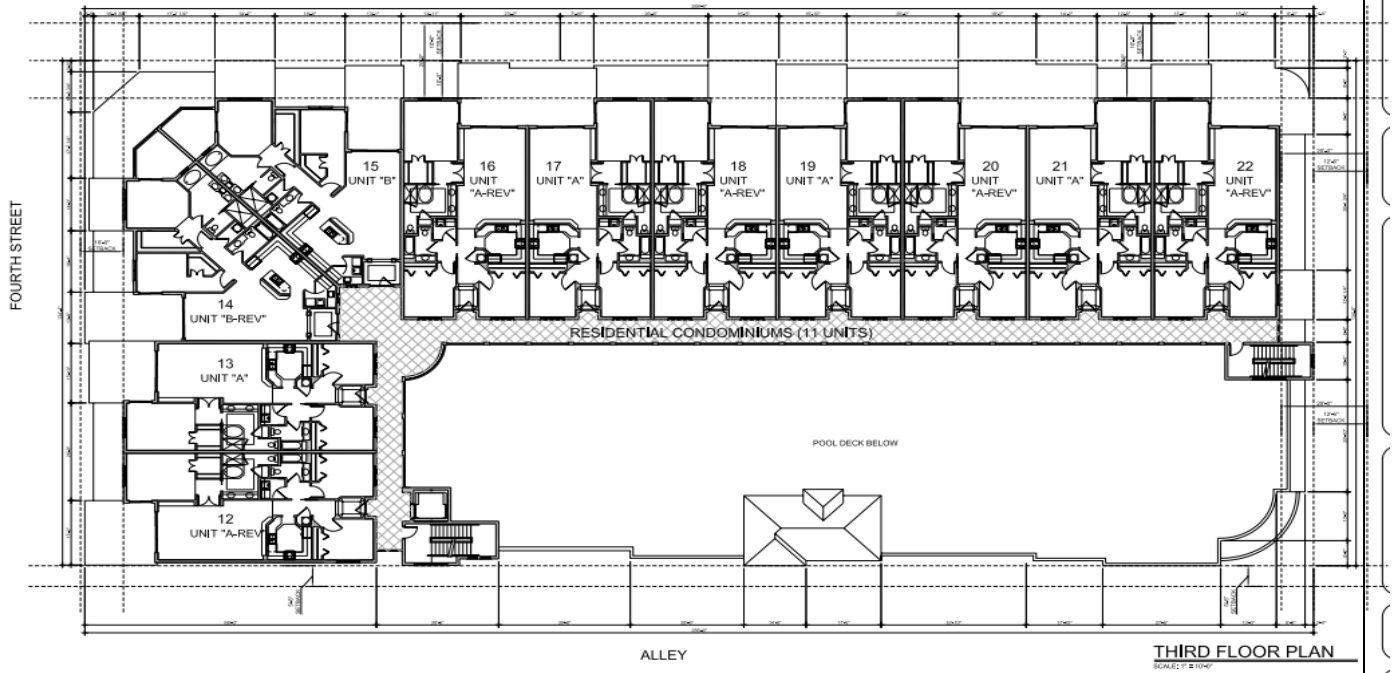
Proposed 2nd. Floor Condominium – 11 Units (Per Zoning Variance)

FOURTH AVENUE SOUTH



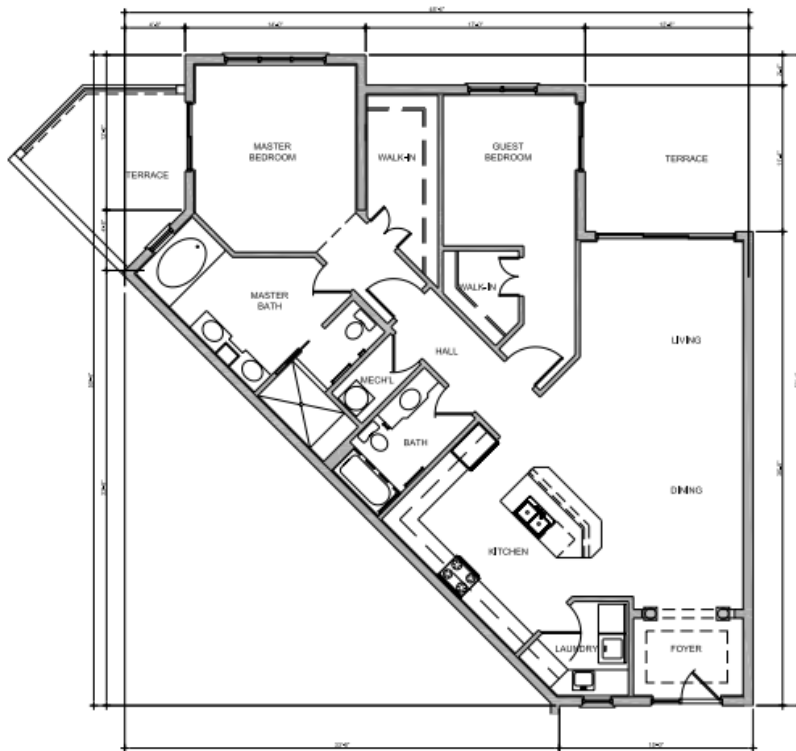
Proposed 3rd. Floor Condominium – 11 Units (Per Zoning Variance)

FOURTH AVENUE SOUTH



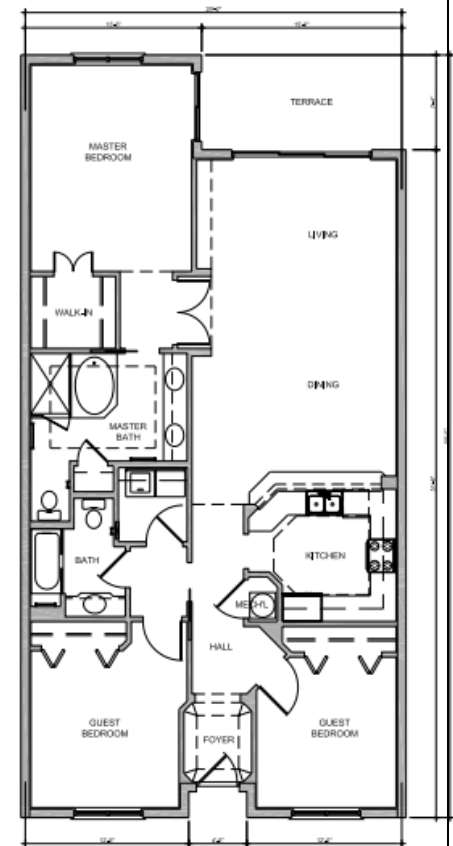
Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

Two & Three Bedroom Floor Plans (1,400 – 1,550 SF) – Per Zoning Variance



UNIT "B" TYPICAL

SCALE 1/4" = 1'-0"



UNIT "A" (TYPICAL)

SCALE 1/4" = 1'-0"

Development Approach

The owner or prospective purchaser of the subject property would need to request and receive a zoning variance to build the proposed 3-story 22-unit condominium w/156-space parking garage; swimming pool; and two (2) elevators. Using this criterion, A Development Approach "As Proposed" of this project is applicable to estimate the residual value attributable to the site, "As Is". Steps entail:

1. The gross retail sales value using market sales of competing new condominiums in Old Naples is first estimated.
2. Then a deduction for both soft & hard costs of proposed construction costs; and developer profit will indicate a residual value attributable to the site, "As Is".

Submitted on the following pages is a financial pro forma analysis utilizing market driven income & expenses. The following is a summary of current sales of competing luxury condominium residences:

[Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.](#)

Competing Old Naples Condominium Projects/Sales

- 1) **Proposed 875 Sixth Avenue South – Naples, FL 34102**
8-Unit Luxury Condominium w/first level retail

875 | SIXTH
RESIDENCES



SECOND FLOOR

201	2,365	500	\$2,020,000	3/3.5/ Den /Terrace
202	2,459	1,129	\$2,233,000	3/3.5/ Terrace
203	2,313	868	\$2,058,000	3/3.5/ Terrace
204	2,352	114	\$1,925,000	3/3.5/ Terrace/ Den

THIRD FLOOR

301	2,365	215	\$1,957,000	3/3.5 /Terrace / Den
302	2,459	372	\$2,068,000	3/3.5 /Terrace
303	2,315	452	\$1,967,000	3/3.5/ Terrace
304	2,352	114	\$1,925,000	3/ 3.5/ Terrace / Den

Asking prices range from \$818 - \$908/SF

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2) 5th. At 5th. Proposed 10-Unit **Luxury Condominium w/first level retail Under Construction**



Comments: All but two units have been reserved with units 205 & 305 available and priced at \$1,100/SF of living area for a 1,900 SF unit or \$2,090,000.

Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

**3) Naples Square – 1030 3rd. Avenue South – 5-story building
300 Unit condominium project in four phases (Two Phases Complete)**



1030 3rd Ave S #510, Naples, FL 34102-6486, Collier County

- Property Detail
- Comparables
- Market Trends
- Neighbors
- Neighborhood Profile
- Assessor Map
- Flood Map



3 MLS Beds	2,469 MLS Sq Ft	N/A Lot Sq Ft	\$1,350,000 MLS Sale Price
3 MLS Baths	N/A Yr Built	N/A Type	06/01/2017 MLS Sale Date

Summary - Sales Price per Square foot - \$546/SF

Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

4) 311 8th Avenue South – Chatham Place**General Information**

List Price: \$1,995,000
MLS#: 217005104
Address: 311 8TH AVE S #14
 NAPLES, FL 34102
GEO Area: NA06 - Olde Naples Area
County: Collier
Status Type: Resale Property
Sold Price/Sqft: \$562.31
Property ID: [05350000289](http://tinyurl.com/05350000289)
Furnished: Unfurnished
Approx. Living Area: 3290 - See Remarks
Approx. Total Area: 3793 - See Remarks
Building Design: Townhouse
Virtual Tour URL: <http://tinyurl.com/311-8th-Ave-S2>
Listing Broker: [William Raveis-Florida LLC](http://www.williamraveis.com)

ML# 217005104

Sold Price: \$1,850,000
Status: Sold (06/16/17)

Property Class: Residential
Subdivision: CHATHAM PLACE
Development: OLDE NAPLES
DOM: 90
CDOM: 134
Bedrooms: 3+Den
Baths: 4 (3 1)
Year Built: 2002

Indicated Sales Price Per S.F. \$562

16-Unit Complex Built in 2002

5) 350 4th. Avenue South – Rooftop Condominiums

Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.


General Information

List Price: \$2,700,000
MLS#: 216069233
Address: 350 4TH AVE S #2
 NAPLES, FL 34102
GEO Area: NA06 - Olde Naples Area
County: Collier
Status Type: Resale Property
Sold Price/Sqft: \$1,088.78
Property ID: [18211650040](#)
Furnished: Unfurnished
Approx. Living Area: 2388 - Condo Documents
Approx. Total Area: 2841 - Condo Documents
Building Design: Low Rise (1-3)
Virtual Tour URL:
Listing Broker: [Premier Sotheby's International Realty](#)

ML# 216069233

Sold Price: \$2,600,000
Status: Sold (02/17/17)

Property Class: Residential
Subdivision: ROOFTOPS ON FOURTH
Development: OLDE NAPLES
DOM: 75
CDOM: 99
Bedrooms: 3 Bed
Baths: 4 (3 1)
Year Built: 2012

Indicated Sales Price Per S.F. \$1,088
 4-Unit Complex Built in 2012

Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

6) 377 4th. Street South – Lantana Old Naples

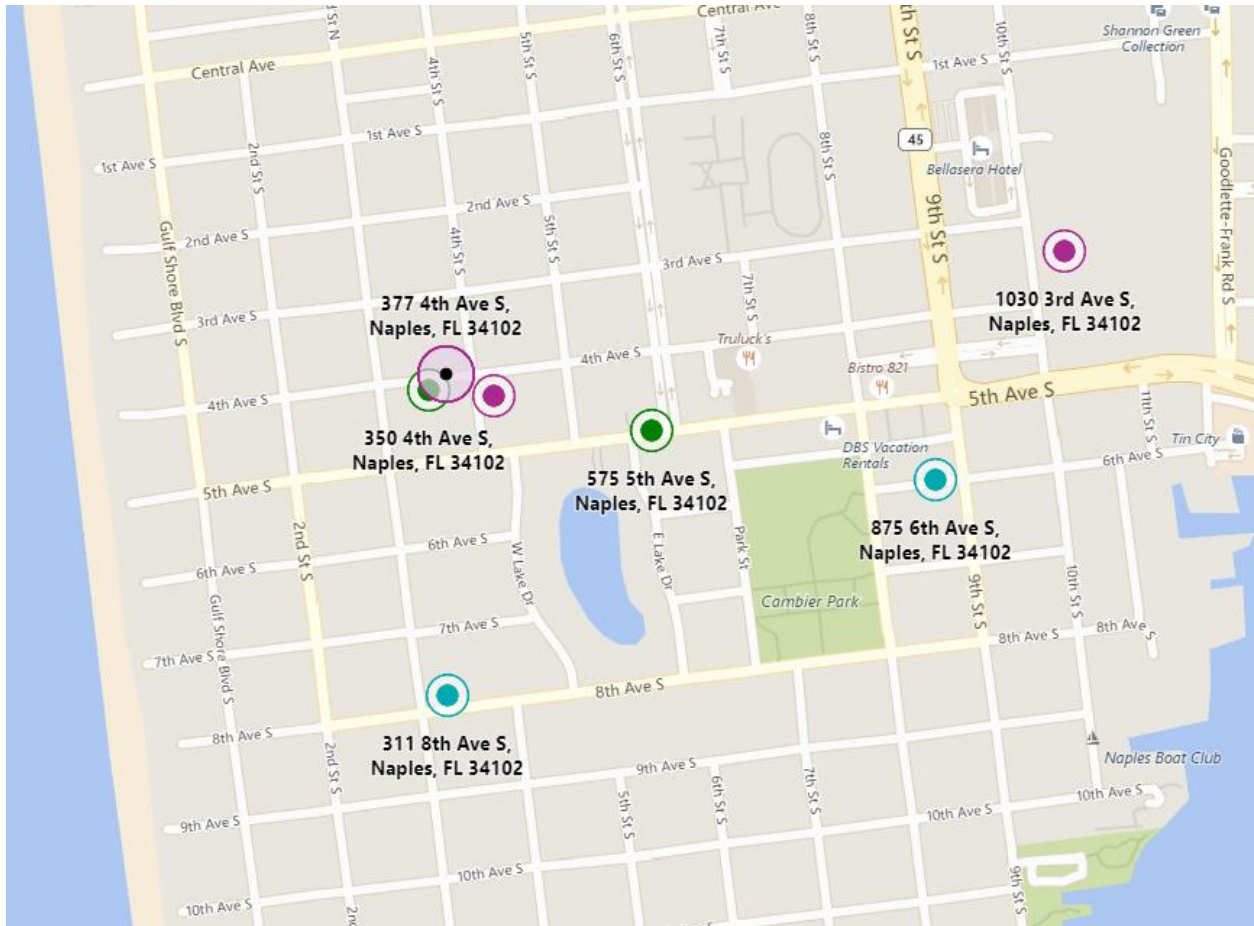


General Information		ML# 217000530
List Price:	\$1,795,000	Sold Price: \$1,700,000
MLS#:	217000530	Status: Sold (03/06/17)
Address:	377 4TH ST S #503 NAPLES, FL 34102	
GEO Area:	NA06 - Olde Naples Area	
County:	Collier	Property Class: Residential
Status Type:	Resale Property	Subdivision: LANTANA
Sold Price/Sqft:	\$640.06	Development: OLDE NAPLES
Property ID:	11550000345	DOM: 18
Furnished:	Turnkey	CDOM: 62
Approx. Living Area:	2656 - Condo Documents	Bedrooms: 3+Den
Approx. Total Area:	3128 - Condo Documents	Baths: 3 (3 0)
Building Design:	Low Rise (1-3)	Year Built: 2002
Virtual Tour URL:		
Listing Package:	Wells-Williams Realty - Naples	

Indicated Sales Price/SF - \$640
17-Unit Complex built in 2002

Condominium Unit Sales Location Map

Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.



Submitted on the following page is a grid of the three recent condominium unit sales selected from above.

Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

There are 14 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 1,134,900 to \$ 2,345,000									
There are 23 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 885,000 to \$ 2,600,000									
FEATURE	SUBJECT	COMPARABLE SALE # 1		COMPARABLE SALE # 2		COMPARABLE SALE # 3			
Address and Unit #	405 4th. Avenue South Naples, FL 34102	311 8th Ave S # 14 Naples, FL 34102		1030 3rd Ave S Unit 510 Naples, FL 34102		377 4th St S # 503 Naples, FL 34102			
Project Name and Phase	Fourth and Fourth	Chatham Place Unit 14 16-Unit Condominium w/Garage		Naples Square 75-Unit Phase II		Lantana Old Naples 17-Unit Condominium w/Garage			
Proximity to Subject		4-Blocks South		1-Mile East		Across the Street			
Sale Price	\$	\$ 1,850,000		\$ 1,350,000		\$ 1,700,000			
Sale Price/Gross Liv. Area	\$ sq. ft.	\$ 562.31 sq. ft.		\$ 546.78 sq. ft.		\$ 640.06 sq. ft.			
Data Source(s)		MLS#217005104		MLS#217008382		MLS#21700530			
Verification Source(s)		ORB 5405 Pg 2504		ORB 5400 Pg 3390		ORB 5369/Pg 3071			
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment		
Sales or Financing Concessions		Cash Sale		Cash Sale		Cash Sale			
Date of Sale/Time		6/16/2017		5/26/2017		3/06/2017			
Location	Old Naples	Old Naples		Naples Gatewa		+337,500 Old Naples			
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple			
HOA Mo. Assessment		\$1,168		\$888		\$833			
Common Elements and Rec. Facilities	Community Pool Spa	Private Spa		Community Pool Spa		Private Pool Private Spa			
Floor Location	3rd.	1st.		+50,000 5th.		-50,000 3rd.			
View	Residential	Residential		Residential		Residential			
Design (Style)	Coastal	Coastal		Coastal		Mediterranean			
Quality of Construction	Very Good	Very Good		Very Good		Very Good			
Actual Age	Proposed	2002/Eff. 12		+288,000 2016/Eff. New		2002/Eff. 10		+240,000	
Condition	New	Very Good		New		Very Good			
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths			
Room Count	6 3 2	8 3 3.1	-45,000	7 3 3.1	-45,000	7 3 3	-30,000		
Gross Living Area	1,550 sq. ft.	3,290 sq. ft.	-896,000	2,469 sq. ft.	-459,500	2,656 sq. ft.	-553,000		
Basement & Finished Rooms Below Grade									
Functional Utility	Very Good	Very Good		Very Good		Very Good			
Heating/Cooling	FWA	FWA		FWA		FWA			
Energy Efficient Items	Windows/Doors	Windows/Doors		Windows/Doors		Windows/Doors			
Garage/Carport	2-Car Garage	2-Car Garage		2-Car Garage		2-Car Garage			
Porch/Patio/Deck	Terrace	Porch/Balcony		Terraces		Porch/Balcony			
Elevators	(2)	(1)		(1)		(2)			
Project Size	22-Units	16-Units		75-Units		+225,000 17-Units			
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -403,000		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 8,000		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -343,000			
Adjusted Sale Price of Comparables		Net Adj. 21.6 % Gross Adj. 58.3 % \$ 1,447,000		Net Adj. 0.6 % Gross Adj. 82.7 % \$ 1,358,000		Net Adj. 20.2 % Gross Adj. 48.4 % \$ 1,357,000			
Summary of Sales Comparison Approach Excessive adjustments were required when comparing the differing unit/project/mix. The adjusted value range of \$1,357,000 - \$1,447,500 provides strong market support for A Typical Unit within the proposed Fourth and Fourth ranging from \$1,350,000 - \$1,450,000.									

Potential Gross Income (PGI) – All three sales (above) are located off 5th. Avenue South. Sale 2 is not considered Old Naples and has a significantly higher density than the subject (75/Units Phase). Adjustments are made for floor location; age/condition; GLA (\$400 sf applied to Sale 1/\$500 sf applied to Sales 3&4; and density for Sale 2 (4-unit Condo). In estimating the total gross sell-out of the 22 unit Fourth and Fourth Project, the above estimated base unit value ranges from \$1,350,000 - \$1,450,000 and will be utilized. The pro forma will estimate unit sales priced from \$870/SF - \$945/SF which is consistent with new inventory surveyed and the adjusted value range estimated above. The total gross sell out value of \$30,700,200 or \$1,395,000/Unit should be readily attainable in the current marketplace and is used to price the gross retail value (PGI) of the 22-unit project.

Excess Parking – As concluded, ‘Subject to’ a zoning variance rezoning the existing R3-12 to the prior PD, my calculations indicated 13-excess parking spaces which can be used by the development or likely be sold. With demand for parking at a premium, it would be relatively easy to sell the spaces to one entity or individuals. According to Robin Singer, Planning Director - The City of Naples currently calculates off-rate parking spaces at approximately \$33,000/space. The last bona fide parking lot purchased by the City of Naples for continued ‘Value in Use’ was the Naples Women’s Club parking lot located at #6 Park Street, Naples, FL 34012:

Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

#6 Park Street, Naples, FL 34102

Name/ Address	Site Dimensions Gross Acreage/Square Footage	Zoning Existing Use	Date of Sale	Sales Price OR Book/Page	Sales Price Price/SF Sales Price Parking Lot Space
<p>Sale #1 #6 Park Street Naples, FL 34102 Tax ID# 11433880006</p> <p>Former Naples Women's Club 59-space parking lot.</p> <p>Property is located on the SEC of Park Street & 6th. Avenue South</p> <p>Purchased by City of Naples from Naples Women's Club (Frances L. Kraus, President). Cash Sale</p>	<p>155' x 150' .53± Acres 23,250 SF</p> <p>Rectangular shaped corner parcel 155' fronting Park Street by 150' fronting 6th. Avenue South</p> <p><u>2012 Assessed Value</u> Land \$1,364,000 Impro. \$ 0 \$1,364,000</p> <p><u>2016 Assessed Value</u> \$1,743,750</p> <p>28% Increase</p>	<p>R3-12</p> <p><u>Permitted Units</u> 6</p> <p><u>Existing Parking Lot</u> 59 Spaces</p> <p>Property has since been resurfaced with decorative light poles and park benches added.</p>	<p>1/14/2013 Recorded</p>	<p>\$1,530,000</p>	<p>\$66/SF</p> <p>\$ 25,932/space</p>



Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

Sale 1 – Photo – 57-space City of Naples Public Parking Lot – Entrance from Park Street



The purchase price of \$25,932 per space in 1/2013 indicated a property assessment increase to date of 28% (\$1,364,000 to \$1,743,750) or approximately 7% per year appreciation. Submitted below, a survey by Neighborhood Scout (Direct Sales Comparison Approach) indicates the subject property had a measurable appreciation rate of 13.66% annually during the past 5-year period. Applying the annual 13.66% for four years (From 2013 – 2017) would indicate a multiplier of 1.55 (55% increase):

<u>January 2013 Sales Price/Space</u>		<u>Property Appraiser Appreciation Rate</u>	=	<u>Estimated Current Value</u>
\$25,932	X	1.28		\$33,193

<u>January 2013 Sales Price/Space</u>		<u>Neighborhood Scout Appreciation Rate</u>	=	<u>Estimated Current Value</u>
\$25,932	X	1.55		\$40,194

Conclusion – Based on current demand for downtown 5th. Avenue parking, it appears reasonable to estimate a premium above the City’s current off-site rate of \$33,000 or \$40,000 per space can readily be attained for a private parking garage space. Specific to the pro forma, the excess parking spaces within the 156-space garage is added to the gross income (13 x \$40,000) at \$520,000. In contrast, the City of Naples proposed 350-Space Public Parking Garage, the current \$33,000 off-site parking rate would be the applicable value/space – See “Value In-Use” conclusions below.

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Development Costs – Analysis assumes finished interior build out of all 22-units; common area; garage components “At Completion”

Direct/Hard Costs

Using the contractor cost estimates in file; Competing Condominium Development Project's in file; Marshall's Cost Index; and comparable properties appraised in file – the major development costs components are segregated below into the following items:

Site Work based on 1.03 Acres (\$125,000/Acre) prep the existing parking lot for development

Building Costs (Unfinished Shell) \$85/SF based on total (GBA) area of 112,995 SF

Interior Finishes (22-unit interior finishes) \$135/SF based on a total (GLA) area of 34,100 SF

Terraces/Foyer (22-units) \$45/SF based on a total area of 8,015 SF

Staircases – (2) @ \$42,500 each

Elevators (3-stop) 2 @ \$75,000 each

Amenities (Pool/Spa/Decking) - \$150,000

Landscaping/Flatwork/Signage \$150,000

Parking Garage – Provided by the client, I do have market support related to the existing City of Naples Public Parking Garages:

6th. Avenue South Garage – Completed in 2009 at a cost (excluding land) of \$8,626,904 or \$26,221 per space for the 329-space 4-story garage (top floor open).



City Parking Garage located at 801 6th. Avenue South

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8th. Street South Garage – Completed in 1998 at a cost (excluding land) of \$6,465,500 or \$19,300 per space for the 335-space 4-story garage (top floor open).



City Parking Garage located at 400 8th. Street South



Pro Forma Conclusion – Combined with the Building Shell costs and pro rata share of both hard/soft costs, I have allocated an additional \$18,000 per space to finish the 156-space 2-level garage (Ramps; Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

secure entrance/exit; bumpers/stripping; staircases to street (separate from Condo); public service space w/restroom; residential storage lockers; fire sprinklers. (See Prior Drawings A-2 & A-3). The combined total of the shell/pro rata share of soft costs/finish cost equates to approximately \$25,000/space.

Soft Costs

Impact Fees - As calculated by City of Naples and Collier County Growth Management Departments
 $\$30,888 + \$206,096 = \$236,984$

Financing Platform – Development Loan based on the following parameters:

- Interest Expense – 5% annual of direct costs; impact fees; architect/engineering; closing/legal /insurance risk \$19,647,812 for 24-months
 (Construction Loan excludes Land; includes direct costs; Impact Fees; architect/engineering; and closing legal/insurance) = \$1,964,781

Sales/Marketing – 6% of gross sales

Real Estate Taxes – 2 years (Current land value assessment)

Architect/Engineering – 5% of Direct Costs

Closing/Legal/Insurance Risk – 2% of Gross Income

Developer Fee – 6% of Gross Income

Summary

Gross income (\$31,220,200) minus total development costs \$25,159,897 (inclusive of developer fee) indicates the residual value attributable to the land of \$6,100,000 R. This is the maximum amount a prospective developer can budget/pay for the land to realize a \$1,873,212 fee over the two-year construction period. (This analysis assumes all finished units are completed; sold; and closed within 3-months of Construction Completion – No discount is applied.)

This analysis concludes an entrepreneurial developer fee of \$1,873,212 divided by the residual land value (Market) as the developer's equity contribution (\$1,873,212/\$6,100,000) indicating a total return on equity (ROE) of 31% or 15.5% annualized return during the 2-year construction term. This profit is marginal to proceed and develop "As Proposed" yet deemed sufficient when compared with alternative investments.

Submitted on the following page is my pro-forma applicable to the residual land value to the subject site, "As Is", for a potential Fourth and Fourth proposed 22-unit condominium w/156 space garage. This is strictly an estimate in an effort to determine the Highest & Best Use of the Site, "As Is" with residual value to the land and can/will vary based on actual design/cost factors as well as actual sell-out period.

Proposed 3-Story 22-Unit Luxury Condominium

With 156-space 2-level garage

Component							
SALES				Price Per Square Foot		Totals	
Condominiums		Total Area				Price/Unit	
2nd. Floor	9 Units -A	13,941	\$	870	\$	12,128,670	\$ 1,347,630
2nd. Floor	2 Units - B	3,072	\$	880	\$	2,703,360	\$ 1,351,680
3rd. Floor	9-Units - A	13,941	\$	930	\$	12,965,130	\$ 1,440,570
3rd. Floor	2 Units -B	3,072	\$	945	\$	2,903,040	\$ 1,451,520
Subtotal						\$ 30,700,200	\$ 1,395,463.64
		34,026	Saleable Area				
Excess Parking Spaces		13	\$	40,000	Per Space	\$ 520,000.00	
Gross Income						\$31,220,200	\$1,419,100
Expenses Hard Costs				Unit/Comparison			
	Site Work	\$125,000		1.03	Acres	\$ 128,750	
	3-Story Condo Building Shell	\$85		112,995	Square Feet	\$ 9,604,575	
	Interior Finish - 22 Units	\$135		34,100	Square Feet	\$ 4,603,500	
	Terraces/Foyer	\$45		8,015	Square Feet	\$ 360,675	
	Staircases (2)	\$42,500		2	Each	\$ 85,000	
	Elevators	\$75,000		2	Each	\$ 150,000	
	Poo/Spa/Decking			1	Each	\$ 150,000	
	Parking Garage	\$18,000		156	spaces	\$ 2,808,000	
	Landscaping/Signage					\$ 150,000	
Total Direct Building Cost						\$ 18,040,500	\$ 820,022.73
Soft Costs				Cost/Unit	Units		
	Impact Fees City of Naples			\$1,404	22	\$ 30,888	
	Impact Fees Collier County			\$9,368	22	\$ 206,096	
*	Interest/Construction (LTV 64%)	5.00%	\$19,647,812	24 Months		\$ 1,964,781	
	Sales Commission/Marketing	6%	\$31,220,200			\$ 1,873,212	
	Real Estate Taxes		\$ 18,932	2 Years		\$ 37,864	
	Architect / Engineering	5%	\$18,040,500			\$ 902,025	
	Closing/legal/insurance risk	2%	\$31,220,200			\$ 468,303.00	
	Total Soft Costs					\$ 5,246,185	\$ 238,462.96
	Developer Fee	6.00%	\$31,220,200			\$ 1,873,212	\$ 85,146.00
Total Development Costs						\$ 25,159,897	\$1,143,631.69
Net Residual To the Land						\$6,060,303	\$275,468.31
						\$ 6,100,000	\$275,500
* Construction loan excludes land (Equity Contribution); includes direct costs				\$	19,647,812		
Impact fees; architect/engineering; closing/legal/insurance risk							

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Evaluated "As Is" – R3-12 existing zoning

Using the same pro forma but modifying for the current zoning restricting site development to 12-units and 122-parking space garage (Previously computed), the indicated land residual value is a negative – **(\$1,290,000)**.

Proposed 3-Story 12-Unit Luxury Condominium						
With 122-space 2-level garage						
Component						
SALES		Price Per Square Foot			Totals	Price/Unit
Condominiums		Total Area				
2nd. Floor	5 Units -A	7,745	\$ 870		\$ 6,738,150	\$ 748,683
2nd. Floor	1 Units - B	1,536	\$ 880		\$ 1,351,680	\$ 675,840
3rd. Floor	5-Units - A	7,745	\$ 930		\$ 7,202,850	\$ 800,317
3rd. Floor	1 Units -B	1,536	\$ 945		\$ 1,451,520	\$ 725,760
Subtotal					\$ 16,744,200	\$ 1,395,350.00
		18,562	Saleable Area			
Excess Parking Spaces		0	\$ 40,000	Per Space		\$ -
Gross Income					\$16,744,200	\$1,395,350
Expenses	Hard Costs			Unit/Comparison		
	Site Work	\$125,000	1.03	Acres	\$ 128,750	
	3-Story Condo Building Shell	\$85	94,433	Square Feet	\$ 8,026,805	
	Interior Finish - 12 Units	\$135	18,562	Square Feet	\$ 2,505,870	
	Terraces/Foyer	\$45	4,372	Square Feet	\$ 196,740	
	Staircases (2)	\$42,500	2	Each	\$ 85,000	
	Elevators	\$75,000	2	Each	\$ 150,000	
	Pool/Spa/Decking		1	Each	\$ 150,000	
	Parking Garage	\$18,000	122	spaces	\$ 2,196,000	
	Landscaping/Signage				\$ 150,000	
	Total Direct Building Cost				\$ 13,589,165	\$ 1,132,430.42
	Soft Costs		Cost/Unit	Units		
	Impact Fees City of Naples		\$1,404	12	\$ 16,848	
	Impact Fees Collier County		\$9,368	12	\$ 112,416	
*	Interest/Construction (LTV 64%)	5.00%	\$14,649,050	24 Months	\$ 1,464,905	
	Sales Commission/Marketing	6%	\$16,744,200		\$ 1,004,652	
	Real Estate Taxes		\$ 18,932	2 Years	\$ 37,864	
	Architect / Engineering	5%	\$13,589,165		\$ 679,458	
	Closing/legal/insurance risk	2%	\$16,744,200		\$ 251,163.00	
	Total Soft Costs				\$ 3,438,042	\$ 286,503.52
	Developer Fee	6.00%	\$16,744,200		\$ 1,004,652	\$ 83,721.00
	Total Development Costs				\$ 18,031,859	\$1,502,654.94
	Net Residual To the Land				-\$1,287,659	-\$107,304.94
					\$ (1,290,000)	(\$107,000)
	* Construction loan excludes land (Equity Contribution); includes direct costs			\$ 14,649,050		
	Impact fees; architect/engineering; closing/legal/insurance risk					

Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

“Value In-Use” – Existing 115-space private parking lot

Utilizing my estimated \$40,000 market value per parking space, the existing “Value In-Use” for continued use of the existing 115-space parking is computed at \$4,600,000:

$$\begin{array}{rclcl} \text{Existing 115-Space Parking Lot} & & \text{Estimated} & & \\ 115\text{-Spaces} & \times & \text{Value per Space} & = & \text{Indicated Value Estimate} \\ & & \$40,000 & = & \mathbf{\$4,600,000} \end{array}$$

When the estimated “Value in-Use”, \$4,600,000, is compared with the land value “Subject To” Rezone/Zoning Variance from R3-12 to prior PD, \$6,100,000, the existing 115-space parking lot is considered an “Interim Use” until the property is rezoned and developed into its Highest & Best Use - Prior PD.

“Value In-Use” – Existing 115-space Private Parking Lot

Valuation Premise	Private Parking Lot (115-Spaces)	Value Attributable to Parking Easement (97-Spaces)	Value Attributable to Unencumbered Spaces (18-Spaces)
“As Is” – Value in Use 115-Space Parking Lot deemed an “Interim Use” until developed into its Highest & Best Use	\$4,600,000 \$40,000/Space	\$3,880,000	\$720,000

“Value In-Use” – Proposed 350-Space Public Parking Garage

Utilizing the City of Naples current rate for off-site parking (Robin Singer, Director, Planning Department City of Naples) indicated at \$33,000 per parking space. Using the City calculation, the proposed “Value In-Use” for a future multi story 350-space public parking garage, “At Completion” is computed at \$11,550,000:

$$\begin{array}{rclcl} \text{Proposed 350-Space Public Parking Garage} & & \text{Estimated Public} & & \\ 350\text{-Spaces} & \times & \text{Rate per Space} & = & \text{Gross Retail Value Estimate} \\ & & \$33,000 & = & \$11,550,000 \\ \\ \text{Minus Cost to Construct (City of Naples Budget)} & & & - & \underline{\$9,000,000} \\ \text{Indicated residual value to the site (Land Value)} & & & & \mathbf{\$2,550,000} \end{array}$$

When the residual land value from the estimated “Value in-Use” of the proposed 350-space Public Parking Garage “At Completion”, \$2,550,000, is compared with the land value estimate “Subject To” Rezone/Zoning Variance from R3-12 to prior PD, \$6,100,000, site development into the prior PD remains the Highest & Best Use – “As Improved”.

“Value In-Use” – Allocation of Site Value attributable to Proposed 350-space Public Parking Lot

Valuation Premise	Public Parking Lot (Site Value) (350-Spaces)	Site Value Attributable to Future Parking Easement (113 -Spaces)	Site Value Attributable to Unencumbered Spaces (237-Spaces)
“As Proposed” – Value in Use 350-Space Public Parking Garage (City of Naples)	\$2,550,000 \$7,286/Space	\$823,286	\$1,726,714

*Sales Contract effectively adds an additional 14-parking spaces to the existing Parking Easement of 97-Spaces for a total parking easement of 113-spaces

Conclusions:

<u>Item</u>	<u>Estimated Contribution to the Site (Land Value)</u>
“As Is” Market Value Existing Zoning R3-12	(\$1,290,000)
“Value in Use” – Existing 115-space Private Parking Lot	\$4,600,000
“Value in Use” – Proposed 350-space Public Parking Garage	\$2,550,000
Rezone/Zoning Variance to PD (Development Approach)	\$6,100,000

When compared with my indicated land value conclusions, the rezone/zoning variance from the existing R3-12 to the prior PD permitting a proposed 3-story 22-condominium unit development w/156 space 2-level garage (Fourth and Fourth “As Proposed”) is concluded economically feasible; contributes to the site in a positive fashion; and is concluded the Highest & Best Use of the site, “As Improved”. When compared with the final value conclusions incorporating the Direct Sales Comparison Approach to follow at \$6,200,000, This analysis concludes when appraised in its H&B Use, current land sales contract of \$6,000,000 is slightly below current market value.

Direct Sales Comparison Analysis – For further market support to the Development Pro Forma conclusions are competitive sales of vacant/unimproved land which would likely be analyzed by a prospective purchaser evaluating the subject property for acquisition, “As Is” in its H&B Use.

“As is, Fee Simple Estate

Evaluated in its Highest & Best Use “As Is”, estimated market value for the existing 115-space parking lot appraised in its H&B Use is rezone from the current R3-12 to the prior PD for specific development of a luxury 3-story 22-unit condominium with 156-space parking garage. The City of Naples is purchasing (Under sales contract) the existing 115-space parking lot for development of a 4-story public parking garage. In effect, the City is paying the seller the market value of the real property in its H&B Use and not the “**Value in Use**” of the existing parking lot. Keep in mind, a total of 97-parking spaces encumbers the existing parking lot via recorded Parking Easements which much be honored both on the Interim Use “As Is” and upon development into the H&B Use – “As Improved”.

Parking Lot Easement – Publicly Recorded in Perpetuity

- 1) Regency Row 34-dedicated parking spaces
- 2) Colony Court 48-dedicated parking spaces
- 3) Hoffman Commercial Real Estate 15-dedicated parking spaces

A market search of recent land sales with specific criteria was sought:

1. Old Naples Location preferably one (1) block off of 5th. Avenue South (Similar to the subject)
2. Most recent available sales to reflect current market activity
3. Sales zoned for similar Multi Family Residential use which permit a similar end-use as the subject’s H&B Use.

Although there has been a flurry of activity of sales lining 5th. Avenue South, all were improved sales and do not meet my selected search criteria:

COMMERCIAL BUILDINGS SALE



JOURNAL MEDIA GROUP

Sales 1 & 2 above purchased by Hendricks Commercial Properties for \$25.45 Million closing 11/12/2015

Sales 3-9 above purchased by Hoffman Commercial Real Estate for \$74.25 Million closing 10/9/2015

[Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.](#)

That said, after an extensive market search submitted are four (4) bona fide arms-length closed sales along with one (1) listing. All but sale (4) are purchased for either solely residential development or mixed-use residential/commercial development. In such case, the appropriate unit of comparison is the sales price per unit which accounts for the subject's H&B Use: 22-unit luxury condominium w/garage necessary to satisfy the parking easement encumbering the property.

Sale 4 is a straight commercial sale purchased for office/retail and is treated with the appropriate unit of comparison – Sales Price Per S.F.

Units of Comparison

- | |
|---|
| 1) Sales 1, 2, 3, & Listing - Sales Price per unit (Sales Price/# of permitted condo units) |
| 2) Sales Price per square foot (Sales Price/Site Area (S.F.) – Sale 4 |

Submitted on the following pages are a summary of each sale/listing followed by a location map; discussion applicable to adjustments; adjustment grid; and final value reconciliation.

Real Property Sale #1
560 9th. Street South, Naples, FL 34102
Proposed 875 Sixth - 8-Unit Luxury Condominium w/1st. level retail & parking garage

Name/ Address	Gross Acreage/Square Footage	Zoning	Sale Price	Date of Sale OR/BK-PG	Sale Price Units of Comparison
<p>Sale #1 560 9th. Street South, Naples, FL 34102</p> <p>Tax ID# 19011880006</p> <p>Purchased by Golfhunt LLC (David Montross) from 560 9th. Street South LLC (Christopher Shucart)</p> <p>Cash Sale</p>	<p>.33± Acres 14,375 SF</p> <p>Rectangular Corner site fronting the NWC of 9th. Street South and 6th. Avenue South</p> <p>Proposed for a 3-story mixed- use development with 1st. level retail; 2nd. & 3rd. level luxury condominiums; and subsurface level 22-space garage</p>	<p><u>Zoning</u> C2</p> <p>Parking issues scrapped the original plan with the owner/developer now proposing a 3-story 8-Unit luxury condominium over subsurface parking garage</p> <p>(See H&B Use)</p>	<p><u>Sale Price</u> \$3,650,000</p> <p>Seaboard Replat Tier 9 Block 15 part of lot 6 and all of Lots 7-10</p> <p>2016 <u>Assessment</u> \$586,300</p> <p>\$7,230 Taxes 1.2% Pd. 11/30/2016</p>	<p>6/16//2016</p> <p>ORB 5280 – 3513</p>	<p>\$3,650,000</p> <p>\$456,250/Unit</p> <p>Site remains vacant/unimproved with all eight units and retail space currently marketed for pre-sales</p>



Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.



Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

875 | SIXTH

RESIDENCES

SECOND FLOOR

201	2,365	500	\$2,020,000	3/3.5/ Den /Terrace
202	2,459	1,129	\$2,233,000	3/3.5/ Terrace
203	2,313	868	\$2,058,000	3/3.5/ Terrace
204	2,352	114	\$1,925,000	3/3.5/ Terrace/ Den

THIRD FLOOR

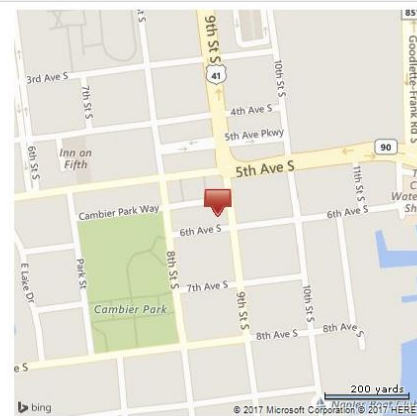
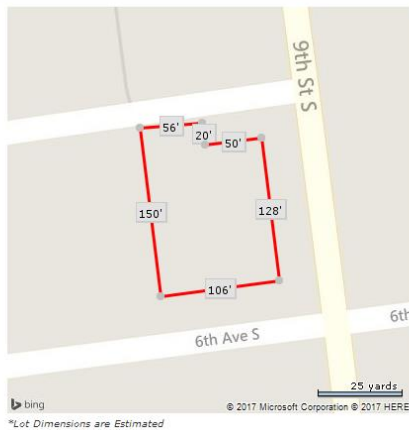
301	2,365	215	\$1,957,000	3/3.5 /Terrace / Den
302	2,459	372	\$2,068,000	3/3.5 /Terrace
303	2,315	452	\$1,967,000	3/3.5/ Terrace
304	2,352	114	\$1,925,000	3/ 3.5/ Terrace / Den

Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

**Real Property Sale #2
472 5th. Avenue South, Naples, FL 34102
Proposed Redevelopment for 3-story retail/8-unit luxury condominium w/parking garage**

Name/ Address	Gross Acreage/Square Footage	Zoning	Sale Price/ Legal Description	Date of Sale OR/BK-PG	Sale Price Units of Comparison
<p>Sale #2 472 5th. Avenue South, Naples, FL 34102</p> <p>Tax ID# 11430400007</p> <p>Purchased by AG Naples LLC (Stefano Fritella) from CCK Investments LLC (Virginia Condello)</p> <p>Financed with a 1st. Mortgage in the amount of \$2.5MM from Inter Audi Bank (Conventional)</p>	<p>.22± Acres 9,538 SF</p> <p>Rectangular interior site contiguous to Vergina Restaurant</p> <p>Home to existing La Bazzene Retail which will be razed & removed.</p> <p>Proposed for a 3-story mixed-use development with 1st. level retail; 2nd. & 3rd. level luxury condominiums; and likely subsurface parking garage</p>	<p><u>Zoning</u> C1-A</p> <p>Was originally marketed for first two levels of retail with the 3rd. being condo. Likely plans will mirror sale 1 with 1st. level retail and 2-upper level condominiums (6) total & subsurface parking garage.</p> <p>(See H&B Use)</p>	<p><u>Sale Price</u> \$5,250,000</p> <p>Lot 6, Block A of Lakeview Terrace, PB 2, Page 90 of public records of Collier County, Florida lees the South 15-feet.</p> <p>2016 <u>Assessment</u> \$2,023,354</p> <p>\$20,433 Taxes 1% Pd. In four installments ending 6/29/2016</p>	<p>6/05/2017</p> <p>ORB 5403 – 32</p>	<p>\$5,250,000</p> <p>\$875,000/Unit</p> <p>Site remains improved with 3,520 SF retail building built in 1959. Purchased for site value and redevelopment.</p>

Property Map



Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.



Front View – MVP Realty; Le Bazzene Restaurant; Boutique

Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.



Rear View – 14-parking spaces



Proposed Building Elevation – Redevelopment 1st. level street retail upper condominiums

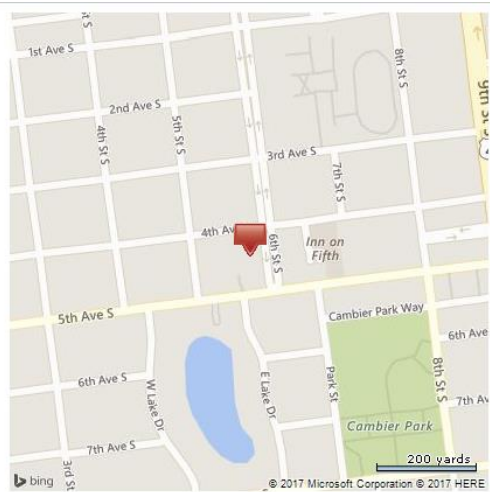
Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

Real Property Sale #3
440-460 6th. Street South, Naples, FI 34102

R3-12 site purchased for 3-cottage development (Poinciana Cottages - Recently Completed)

Name/ Address	Gross Acreage/Square Footage	Zoning	Sale Price/ Legal Description	Date of Sale OR/BK-PG	Sale Price Units of Comparison
<p>Sale #3 440-460 6th. Street South, Naples, FI 34102</p> <p>Tax ID# prior to subdivision 14032520007 14032560009</p> <p>Purchased by 6th. Street, LLC (Mary Catherine White) from Jane Rogers (Jane Rogers Revocable Living Trust)</p> <p>Cash Sale</p> <p>Construction Loan in 8/2014 from CNL Bank \$6,000,000</p>	<p>.42± Acres 18,29538 SF</p> <p>Rectangular site with ingress/egress available from both 6th. Street and rear service alley (Parking Garages).</p> <p>Just steps to 5th. Avenue South).</p>	<p><u>Zoning</u> R3-12</p> <p>The site was zoned for 5-units with the purchaser elected to build 3-detached cottages price from \$3.9MM (Sale Pending)</p> <p>Finished units are 3- story 3,113 ± SF detached villas with detached 2-car garage</p>	<p><u>Sale Price</u> \$3,000,000</p> <p>Lots 9, 10, 11, 12, and 13 Block 16 Tier 6, Plan of Naples PB 1 PG 8 Collier County Florida.</p> <p>2016 <u>Assessment</u> \$2,484,000</p> <p>\$25,443 Taxes 1% Pd. In full on 2/16/2017</p>	<p>4/25/2014</p> <p>ORB 5030 PG 1259 & 2369</p>	<p>\$3,000,000</p> <p>\$600,000/Unit Permitted</p> <p>\$1,000,000/Unit Actual</p> <p>Site subsequently subdivided into 3- zeo lot line lots identified as Poinciana Cottages Lots 1-3</p>

Typical subdivided Lot



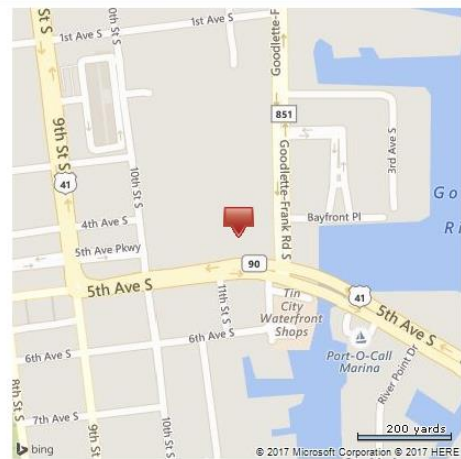
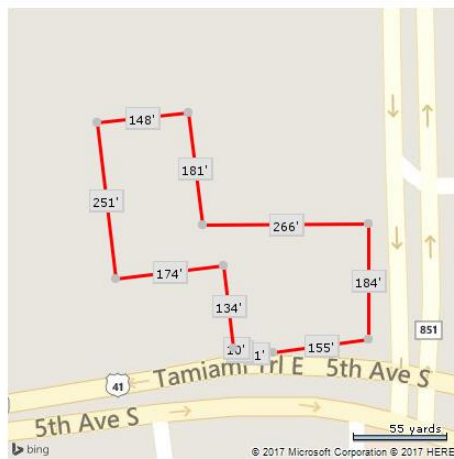
Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.



Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

Real Property Sale #4
1195 5th. Avenue South, Naples, FL 34102
Former FGCU Site permitted for Office/Retail Intensive use
(NWC of 5th. Avenue South & Goodlette Frank Road)

Name/ Address	Gross Acreage/Square Footage	Zoning	Sale Price/ Legal Description	Date of Sale OR/BK-PG	Sale Price Units of Comparison
<p>Sale #4 1195 5th. Avenue South, Naples, FL 34102</p> <p>Tax ID# 20762400106</p> <p>Purchased by (WSR Naples Square Commercial, LLC (Ronto Group – Anthony Solomon) from FGCU Financing Corp. (Steve Magiera). Street, LLC</p> <p>Cash Sale</p>	<p>1.96± Acres 85,378 SF</p> <p>Irregular shaped site with frontage on the NWC of 5th. Avenue South & Goodlette Frank Road.</p>	<p><u>Zoning</u> PD</p> <p>The site is deed restricted from (FGCU Deed) for specific development of 50,000 square feet of retail commercial or office space.</p> <p>High profile site but not considered part of Old Naples Shopping District – Yet.</p>	<p><u>Sale Price</u> \$5,000,000</p> <p>Lengthy Legal Tax ID# 20762400106</p> <p>2016 <u>Assessment</u> \$2,561,328</p> <p>\$0 Taxes (Exempt) will be added on 2017.</p>	<p>12/01/2016</p> <p>ORB 5340 PG 728</p>	<p>\$5,000,000</p> <p>\$59/SF</p> <p>Site purchased vacant/unimproved with partial pavement remains from prior vertical improvements.</p>



Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

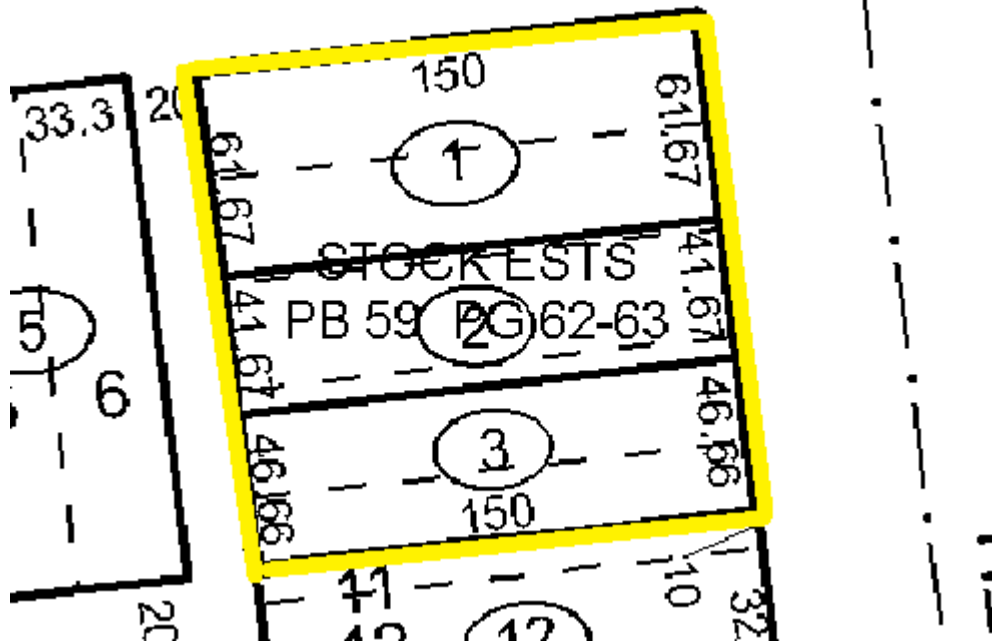


Looking South towards 5th. Avenue South (Regions Bank in Background)

Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

Real Property Listing #1
584 1st. Avenue South, Naples, FL 34102
Stock Development Site zoned R3-12
(SWC of 1st. Avenue South & 6th. Street South

Name/ Address	Gross Acreage/Square Footage	Zoning	Sale Price/ Legal Description	Date of Listing Source	Sale Price Units of Comparison
<p>Listing #1 584 1st. Avenue South, Naples, FL 34102</p> <p>Tax ID# 14033680001</p> <p>Property subsequently subdivided into 3-zero lot lines. Property is owned by Estate Homes by Stock LLC (Brian Stock) and listed with Stock Realty (Michael Husted on 10/09/2016</p>	<p>.52± Acres 22,500 SF</p> <p>Rectangular corner site (SWC of 1st. Avenue South & 6th. Street South)</p>	<p><u>Zoning</u> R3-12</p> <p>The site is currently being developed by the owner – subdivided into 3-lots. It is permitted for 6 units per R3-12 zoning.</p> <p>Located approximately 3-blocks north of the subject property</p>	<p><u>Asking Sale Price</u> \$4,650,000</p> <p>Lengthy Legal Tax ID# 20762400106</p> <p>2016 <u>Assessment</u> \$3,105,000</p> <p>\$32,125 paid in full</p>	<p>10/09/2016</p> <p>268 Days on Market</p> <p>MLS#2160631 88</p>	<p>\$4,650,000</p> <p>\$775,000/Unit Permitted</p> <p>\$1,550,000/Unit Actual</p> <p>Appears the developer will spec one lot and if successful will pull site off market.</p>



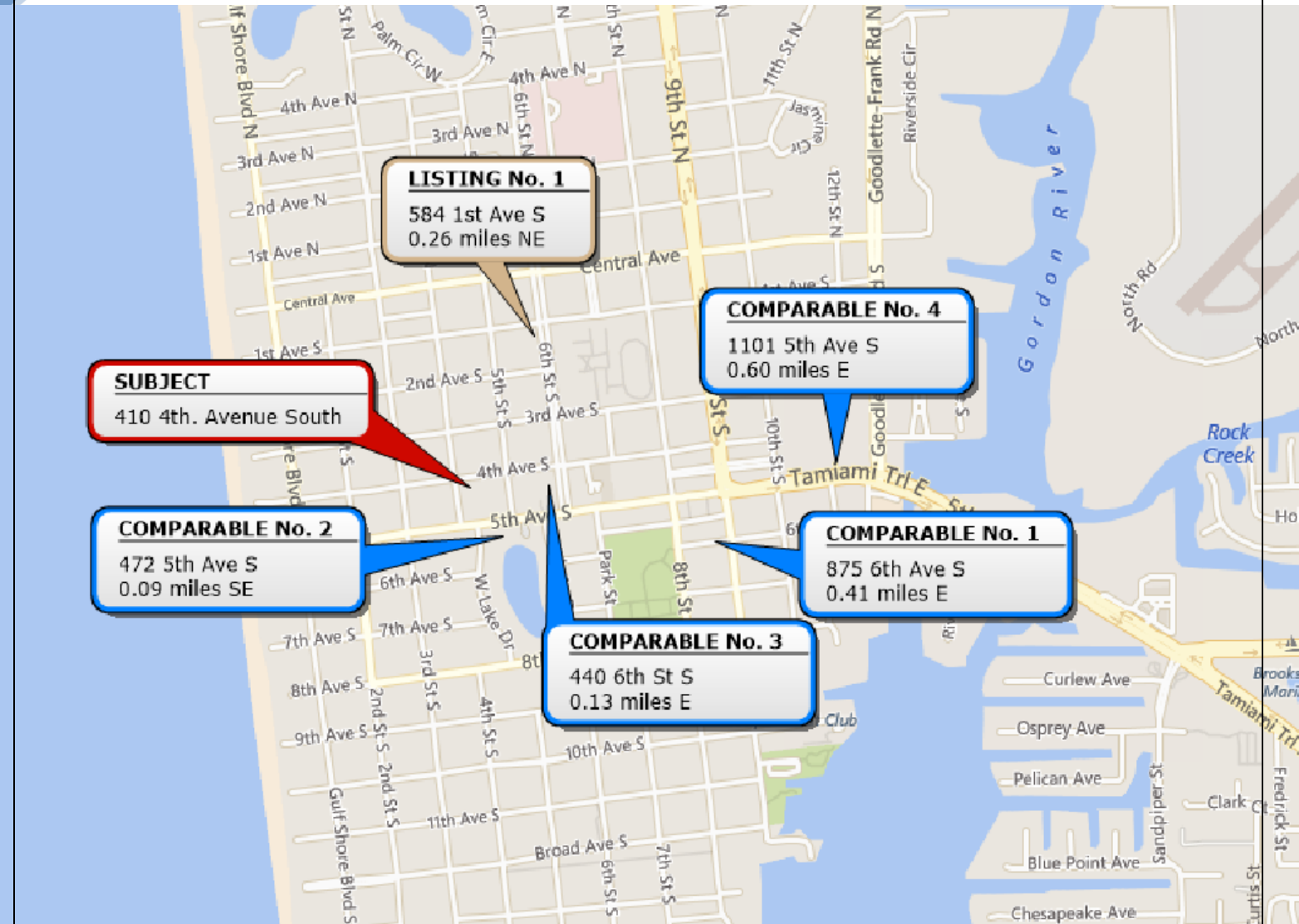
Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.



Looking SW from 6th. Street South

Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

Land Sales Location Map



Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

Adjustments

The adjustments required are excessive but necessary to provide a credible appraisal for the intended use, "As Is" Highest & Best Use – Rezone from R3-12 to Prior PD. Adjustments applicable to the sales when compared with the subject are summarized as follows:

Condition of Sale – All arm's length – no concessions noted. Listing #1 was listed on the market in October 2016 and is appeared priced well above market value, consequently, the owner is developing one of the subdivided lots. An adjustment of (-45%) is deemed appropriate to sell the property zoned for 6-units.

Market Conditions – With the exception of Sale 3 which closed in April 2014, all sales are considered current closing between December 2016 and June 2016 warranting no adjustment for time.

4th. & 4th. - Neighborhood Appreciation Rates

TIME PERIOD	TOTAL APPRECIATION	AVG. ANNUAL RATE	COMPARED TO METRO*	COMPARED TO AMERICA*
3 Year Forecast: 2017 Q2 - 2020 Q2	18.12% ↑	5.71% ↑	8	8
Latest Quarter: 2016 Q4 - 2017 Q1 ⚡	2.40% ↑	9.97% ↑	6	10
Last 12 Months: 2016 Q1 - 2017 Q1	7.61% ↑	7.61% ↑	9	8
Last 2 Years: 2015 Q1 - 2017 Q1 ⚡	19.91% ↑	9.50% ↑	7	9
Last 5 Years: 2012 Q1 - 2017 Q1 ⚡	89.71% ↑	13.66% ↑	10	10

Source: Neighborhood Scout

Based on the chart (residential intensive) I have elected to adjust Sale 3 +25% or approximately 8.3% annually since it closed in April 2014.

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Location

The existing subject parking lot is located just ½ block north of 5th. Avenue South or walking distance to the shopping; restaurants; and beach.



One of the nation's most exclusive addresses, 5th. Avenue South Stretches from Tamiami Trail (US-41) to the Gulf of Mexico in Old Naples, and is home to upscale fashion and jewelry, spas, one-of-a-kind gifts, artwork, home décor, financial and legal professionals; fine dining, and entertainment. 5th. Avenue South is everything that discerning residents and visitors have come to expect of Naples and is found on the Avenue.



Looking West towards the Gulf on 5th. And 4th. Street South

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The main center of activity on 5th. Avenue South is currently the Sugden Performing Arts Building and Plaza which is adjacent to the Inn of 5th. Separated by Ocean Prime & Yabba Island Grill.



The subject is only ½ block from 5th. And a short walk to this area. This adjustment is highly subjective but is warranted based on the highest price condominium sale to-date located across from this plaza:



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680 5th Ave S #2, Naples, FL 34102-6626, Collier County

Property Detail

Comparables

Market Trends

Neighbors

Neighborhood Profile

Assessor Map

Flood Map



N/A	5,570	N/A	\$7,000,000
Beds	Bldg Sq Ft	Lot Sq Ft	Sale Price
N/A	2012	N/A	05/28/2015
Baths	Yr Built	Type	Sale Date

Sales 2, 3, 4, and the listing are adjusted for location as follows:

Subject	Proximity from 5 th . Avenue South	Sales#	Proximity from 5 th . Avenue South	Estimated Adjustment
4 th Avenue South – 4 th . Street South	½ Block North	1	½ Block South	0%
		2	On 5 th . Avenue South	-35%
		3	¼ Block North	-10%
		4	5 th . & Goodlette	+55%
		Listing	4-blocks North	+15%

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Ingress/Egress – The subject is a premium corner site which highly visible frontage on both 4th. Avenue South (300' of frontage on the south side) and 4th. Street South (150' on the east side).



With the exception of Sale 4, all sales/listing are high profile sites featuring corner or real alley ingress/egress and warrant no adjustments. Sale 4, although a corner site requires interior access from 3rd Avenue South on the west side of Goodlette Road. An adjustment of +30% is applied for inferior ingress/egress.

Parcel Size

This adjustment is specific to Sale 4 which is evaluating the unit of comparison on parcel size or sales price per square foot **and Not** Sale Price/Unit. The other sales/listing is using the sales price/unit with applicable adjustments addressed below in unit density/acre. With sales price and parcel size being inversely related, smaller parcels sell for higher prices/sf, an adjustment for Sale 4 (1.96 acres) is applied with compared with the subject (1.03 Acres). An adjustment of +50% is deemed appropriate for this sale which is nearly twice as large as the subject.

Unit Density/Acre

When the subject property is compared with the submitted sales, a major adjustment is Unit Density/Acre. Typically, the higher the site density the more valuable the site (overall) to a prospective developer in its Highest & Best Use. Within the Old Naples, specifically Downtown 5th. Avenue District, this is not necessarily the case, in fact the fewer the permitted residential units per acre - the higher the land costs

[Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.](#)

per unit.

Unit Density/Acre

Permitted Units ÷ parcel size (Acres)
Subject - 22 Unit / 1.03 Acres = 21 Units/Acre

Specific to adjusting the sales, the sale price/per unit is also inversely related with density – I.E. although the site (whole) is more valuable, the price per permitted unit is decreased with a higher density. For example, the subject's three story 22-unit site (Per Rezone) should have a lower price per unit than Sale 3 and listing: each permitted for 12 units/acre as opposed to the subject's 21 units/acre. Based on the subject sales, unit/density adjustments are considered applicable and applied to Sale 3 and the listing accordingly:

Item	Permitted Units	Parcel Size (Acres)	Unit Density/Acre	Estimated Adjustment
Subject	22	1.03	21	-
Sale 1	8	.33	24	5%
Sale 2	6	.22	27	10%
Sale 3	5	.42	12	-50%
Sale 4	NA	NA	NA	NA
Listing 1	6	.52	12	-50%

1st. Floor Retail Intensive – Sales 1 & 2 are each have 1st. level retail use and upper level luxury condominiums. This mixed-use certainly increases the value of each site when compared with the subject's residential only use. Adjustments to each sale are estimated as follows:

Sale #	Permitted for 1 st . Level Retail	Estimated Adjustment
Subject	No	
Sale #1	Yes	-40%
Sale #2	Yes	-40%
Sale #3	No	0%
Sale #4	NA	NA
Listing 1	No	0%

Site Characteristics

All of the submitted sales were vacant or scraped except Sale 2 – improved with a 1-story retail store constructed in 1959. An adjustment of -5% is applied to account for vacating existing tenancy; razing and removal existing improvements for mixed-use development as proposed.

Submitted on the following page is the adjustment grid.

LAND SALES ANALYSIS

*SUBJECT PROPERTY - "As Is" 115-space parking lot
Appraised in its H&B Use - "Subject To" Zoning Variance from R3-12 to PD
Located at the SEC of 4th. Avenue South and 4th. Street South, Naples, fl 34102*

	SUBJECT	SALE 1	Sale 2	SALE 3	SALE 4	Listing`
ADDRESS/LOCATION	4th. Ave. S & 4th. St. S 410 4th. Avenue South Naples, FL 34102	875 Sixth Residences 560 9th. Street South Naples, FL 34102	Redevelopment 472 5th. Avenue South Naples, FL 34102	Poinciana Cottages 440 - 460 6th. Street South Naples, FL 34102	Naples Square 1195 5th Avenue South Naples, FL 34102	Stock Estates 584 1st. Avenue South Naples, FL 34102
Tax ID NUMBERS	14026920008 14026880009 14026840007	19011880006	11430400007	14032520007 14032560009	20762400106	19870000027 19870000043 19870000069
LOCATION	Old Naples	Old Naples	Old Naples	Old Naples	Commercial	Rectangular
Property Dimensions	Rectangular	Rectangular	Rectangular	Rectangular	Irregular	Rectangular
SIZE -Gross Acres	1.03	0.33	0.22	0.42	1.96	0.52
SIZE-SQ FT	45,000	14,375	9,538	18,295	85,378	22,500
ZONING	R3-12 (Subject to Variance)	C2	C1-A	R3-12	PD	R3-12
DEVELOPABLE Units	22	8	6	5	NA	6
INGRESS/EGRESS	SEC 4th. Ave/4th. St.	NWC 9th./6th Ave S	5th. Avenue South	6th. Street South	NWC 5th. Ave/Goodlette	SWC 1st Ave/6th St
UNIT DENSITY/ACRE	21	24	27	12	NA	12
GARAGE PARKING SPACES	156	22	15	6	NA	22
DATE OF SALE	Jun-17	Jun-16	Jun-17	Apr-14	Dec-16	Listed 10/09/16
SALES PRICE	\$6,000,000	\$3,650,000	\$5,250,000	\$3,000,000	\$5,000,000	\$4,650,000
ORB	Sales Contract	5280 - 3513	5403 - 32	5030 1259 - 2369	5340 - 728	Stock Development
SALES PRICE/SF	\$133.33	\$253.91	\$550	\$163.98	\$59	\$207
SALES PRICE/UNIT	\$272,727	\$456,250	\$875,000	\$600,000	NA	\$775,000
Prox. from 5th. Ave. District	1/2 Block North	1/2 Block South	5th. Avenue South	1/2 Block North	3 Blocks East	5-Blocks North
PRIMARY ADJUSTMENT:						
PROPERTY RIGHTS	Fee Simple	0%	0%	0%	0%	0%
FINANCING	Conventional	0%	0%	0%	0%	0%
CONDITIONS OF SALE	Arms-Length	0%	0%	0%	0%	0%
IMPROVEMENTS	Vacant/Unimproved	0%	0%	0%	0%	0%
MARKET CONDITIONS	Time Adjustment	0.0%	0.0%	25.0%	0.0%	-45%
NET ADJUSTED SALES PRICE		\$3,650,000	\$5,250,000	\$3,750,000	\$5,000,000	\$2,557,500
NET PRIMARY ADJUSTMEN	0%	0%	0%	0%	0%	0%
ADJUSTED SALES PRICE	\$6,000,000	\$3,650,000	\$5,250,000	\$3,750,000	\$5,000,000	\$2,557,500
ADJUSTED PRICE/SF	\$133	\$254	\$550	\$205	\$59	\$113.67
ADJUSTED PRICE PER/UNIT	\$272,727	\$456,250.00	NA	\$750,000.00	NA	\$426,250.00
PHYSICAL ADJUSTMENT:						
LOCATION	Old Naples	0%	-35%	-10%	55%	15%
INGRESS/EGRESS	SEC 4th. Ave/4th. St.	0%	0%	0%	30%	0%
PARCEL SIZE - ACRES	1.03	0%	0%	0%	50%	0%
UTILITIES	Public Water/Sewer	0%	0%	0%	0%	0%
DEVELOPABLE UNITS	22	0%	0%	0%	0%	0%
UNIT DENSITY/ACRE	21	5%	10%	-50%	0%	-50%
PERMITTED 1st. Level Com	No	-40%	-40%	0%	0%	0%
SITE IMPROVEMENTS	EXISTING PARKING LOT	0%	-5%	0%	0%	0%
NET PHYSICAL ADJUSTMENT		-35%	-70%	-60%	135%	-35%
ADJUSTED SITE VALUE		\$2,372,500	\$1,575,000	\$1,500,000	\$11,750,000	\$1,662,375
ADJUSTED VALUE/SF		NA	NA	NA	\$137.62	NA
INDICATED VALUE PER UNIT		\$296,562.50	\$262,500.00	\$300,000.00	NA	\$277,062.50
STATISTICS:						
AVERAGE PRICE/UNIT	\$284,031.25	PARCEL SIZE (SF)	Multiplied	ESTIMATED LAND VALUE/SF		
\$ STANDARD DEVIATION/UNI	\$17,551.75	45,000	x	\$138.00	=	\$6,210,000
MEDIAN PRICE/UNIT	\$286,812.50					
MINIMUM PRICE/UNIT	\$262,500.00	DEVELOPABLE UNITS	x	ESTIMATED LAND VALUE/UNIT		
MAXIMUM PRICE/UNIT	\$300,000.00	22		\$284,000.00	=	\$6,248,000
MID-POINT PRICE/UNIT	\$281,250.00					

Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

Reconciliation

The adjustments are extensive yet deemed necessary to appraise the subject's existing 115-space parking lot in its Highest & Best Use and provide a market supported final value estimate which I am comfortable in opining, "As Is" – Fee Simple Estate. The adjusted value range is weighted primarily on the adjusted sales price per unit and secondary support from the sales price/SF.

Unit of Comparison – Permitted Multi Family Units

<u>Unit of Comparison – Permitted Multi Family Units</u>	<u>Indicated Price/Unit</u>
Average Sales Price/Unit	\$284,031
Median Sales Price/Unit	\$286,813
Mid-Point Sales Price/Unit	\$281,250

With greatest weight given to the average sales price/unit, my final value estimate is well supported at \$284,000/Unit based on total permitted units (22) computed below at \$6,250,000 as follows:

4th. Avenue South & 4th. Street South, Naples, FL 34102
Specific to Existing 115-space parking lot (inclusive of Parking Easement)

<u>Permitted Units (Rezone to PD)</u>	<u>Estimated</u>		<u>Indicated Value</u>
22 Units	<u>Value per Unit</u>	=	
	\$284,000	=	\$6,248,000
"As Is" – Fee Simple Estate			\$6,250,000 R

DIRECT SALES COMPARISON APPROACH - FINAL VALUE ESTIMATE**EXISTING 1.03± ACRE 115-SPACE PARKING LOT****"SUBJECT TO REZONE" FROM R3-12 TO PD ORDINANCE 14-13467****410-40-60 4TH. AVENUE SOUTH, NAPLES, FL 34102****Tax ID# 14026920008: #14026880009: & ID# 14026840007****SIX-MILLION-TWO-HUNDRED-FIFTY-THOUSAND-DOLLARS****\$ 6,250,000**

RECONCILIATION - FINAL VALUE CONCLUSIONS

<u>Market Value, "As Is," Fee Simple Estate</u>	
DEVELOPMENT APPROACH (H&B USE)	\$ 6,100,000
DIRECT SALES COMPARISON APPROACH	\$ 6,250,000

Both value approaches are relevant and provide strong market support for the subject's estimated market value "As Is". – Fee Simple Estate appraised in its Highest & Best Use – "Subject to" rezone/zoning variance from current R3-12 to prior PD Ordinance 14-13467. In evaluating the real property for prospective acquisition for investment on the date of appraisal, July 8, 2017, equal weight is given to both value approaches which provide economic feasibility to development of the site into a luxury 3-story 22-unit condominium with 156-space garage – Highest & Best Use of the site, "As Improved". The final site value estimate is concluded as follows:

FEE SIMPLE ESTATE – SITE VALUE

EXISTING 1.03± ACRE 115-SPACE PARKING LOT

"SUBJECT TO ZONING VARIANCE" FROM R3-12 TO PD ORDINANCE 14-13467

(22-MULTI FAMILY UNITS W/156-SPACE PARKING GARAGE)

410-40-60 4TH. AVENUE SOUTH, NAPLES, FL 34102

Tax ID# 14026920008; #14026880009; & ID# 14026840007

SIX-MILLION-TWO-HUNDRED-THOUSAND-DOLLARS

\$ 6,200,000

"Value In-Use" – Existing 115-space private Parking Lot

Valuation Premise	Private Parking Lot (115-Spaces)	Value Attributable to Parking Easement (97-Spaces)	Value Attributable to Unencumbered Spaces (18-Spaces)
"As Is" – Value in Use 115-Space Parking Lot deemed an "Interim Use" until developed into its Highest & Best Use	\$4,600,000	\$3,880,000	\$720,000

Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

CERTIFICATION OF VALUE

I, the undersigned, do hereby certify that at the request of Roger Reinke, Assistant City Manager, City Manager, City of Naples, 735 8th. Street South, Naples, FL 34102, I have personally inspected, collected and analyzed data, and appraised the “Market Value” in Fee Simple Estate of the existing 115-space asphalt paved parking lot identified as Parcels 1, 2, & 3 Block 16 Tier 5, Plan of Naples, Plat Book 1, Page 8, of the public records of Collier County, Florida located at 410; 440; and 460 4th. Avenue South, Naples, FL 34102. In addition, I evaluated the real property in its Highest & Best Use which, which as concluded, is currently zoned R3-12 and is “Subject to” a zoning variance to prior PD (Ordinance 08-11903) for future development of an upscale 22-unit multi story condominium with 2-story 156-unit parking garage. I, the undersigned, do further certify that to the best of my knowledge and belief the statements of fact contained in this report are true and correct.

My analysis included a complete appraisal utilizing the Direct Sales Comparison Approach applicable to estimating the “**Market Value**” in fee simple estate of the existing 115-space parking lot. Additionally, for your benefit, I provided a **Development Approach** applicable to estimating the land value based on its Highest & Best Use (Rezone R3-12 to prior PD zoning for a proposed upscale 22-unit multi story residential condominium with attached 156-space parking garage - Highest & Best Use). The PD expired in February 2017 and based on prior extension, a zoning variance to permit the prior PD to be permitted in my opinion would be granted and although deemed an Extraordinary Assumption appears likely. The development approach required many assumptions (includes development restrictions applicable to the parking easement in place – 97-spaces designated to off-site buildings & condominiums) yet is applicable to the Highest & Best use analysis and incorporated in each value approach. In conclusion, the “**Market Value**” is the applicable estimate for your potential acquisition and thus provides a credible appraisal for the City of Naples in evaluating the existing real property improved with a 115-space parking lot for potential acquisition and future development of a 4-story public parking garage. Based on the data, analysis, conclusions; and subject to the limiting conditions attached, it is my opinion that the MARKET VALUE, as defined by USPAP, of the “**Market Value**” in Fee Simple Estate effective July 8, 2017 is estimated as follows:

FEE SIMPLE ESTATE – SITE VALUE
EXISTING 1.03± ACRE 115-SPACE PARKING LOT
“SUBJECT TO REZONE FROM R3-12 TO PRIOR PD
(22-MULTI FAMILY UNITS W/156-SPACE PARKING GARAGE)
410-40-60 4TH. AVENUE SOUTH, NAPLES, FL 34102
Tax ID# 14026920008; #14026880009; & ID# 14026840007

SIX-MILLION-TWO-HUNDRED-THOUSAND-DOLLARS
\$ 6,200,000

Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

The final value estimate is conditioned on an **EXTRAORDINARY ASSUMPTION** that the real property, "As Is" 115-space parking lot will be rezoned via a zoning variance from the existing R3-12 zoning to the prior PD (Ordinance 14-13467 which expired in February 2017). With a prior zoning extension granted in 2015, it appears likely a zoning variance would be approved specific to the prior PD – which is the concluded Highest & Best Use of the site, "As Improved".

EXTRAORDINARY ASSUMPTION – an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. **Source: USPAP 2016-2017 edition**

"Value In-Use" – Existing 115-space private Parking Lot

Valuation Premise	Private Parking Lot (115-Spaces)	Value Attributable to Parking Easement (97-Spaces)	Value Attributable to Unencumbered Spaces (18-Spaces)
"As Is" – Value in Use 115-Space Parking Lot deemed an "Interim Use" until developed into its Highest & Best Use	\$4,600,000	\$3,880,000	\$720,000

CERTIFICATION:

The undersigned appraiser certifies that to the best of my knowledge and belief,

- all conclusions and opinions set forth in this report is the sole opinion of the signing appraiser unless otherwise specified.
- the reported appraisal analyses, opinions, and conclusions are limited only by the reported assumptions and contingent and limiting conditions, and reflect the personal, unbiased professional analyses, opinions, and conclusions of the appraiser.
- My compensation for conducting this assignment is in no manner contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved.
- the appraisal analyses, opinions, and conclusions were developed, and this appraisal report has been prepared in conformity with the requirements of the Code of Professional Ethics and the 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.
- no one provided significant professional assistance to the persons signing, except as noted, within this report.
- reliance was placed, zoning, flood plain, parcel size, and other legal and descriptive information supplied by the appropriate authorities and noted in this report.
- the statement of fact contained in this report are true and correct.
- my value conclusion as well as other opinions expressed herein are not based on a requested minimum value, a specific value, or approval of a loan. NOR have I engaged in any brokerage services involving the real property. I DID APPRAISE THE REAL PROPERTY FOR THE CITY OF NAPLES ON MAY 21, 2013.

The Appraisal Institute conducts a program of continuing education for its designated members. MAIs who meet the minimum standards of this program are awarded periodic educational certification. As of the date of this report, Kevin J. Lindheim, MAI, SRA has completed the requirements of the continuing education program of the Appraisal Institute.



Kevin J. Lindheim, MAI, SRA
State Cert. Gen. R.E. Appraiser RZ1017

ASSUMPTIONS AND LIMITING CONDITIONS

1. This is an Appraisal Report specific for the use of the City of Naples in evaluating the subject real property for potential acquisition. This Appraisal is prepared and intended to comply with the reporting requirements set forth under Standard Rules 1 & 2 of the Uniform Standards of Professional Appraisal Practice 2016-2017 for an Appraisal Report. As such, it includes full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in the report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of the report.
2. No responsibility is assumed for the legal description or for matters legal in character nor is any opinion as to the title rendered. Title to the property is assumed to be good and marketable unless otherwise stated.
3. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated – Parking Easement is considered and incorporated in the final value estimate. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
5. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
6. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined and considered in the appraisal report.
10. It is assumed that all required licenses, certificates of occupancy, consent, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
11. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
12. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified

ASSUMPTIONS - continued

- to detect such substances. The presence of substances such as asbestos, formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumptions that there are no such materials on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
13. The value conclusion reached in this report assumes no unforeseen future development restrictions on a site-specific, city, county, or statewide basis, either via the implementation of building permit quotas or moratoriums.
 14. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
 15. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with the proper written qualification and only in its entirety.
 16. The appraiser herein by reason of this appraisal is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
 17. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the author(s), particularly as to the valuation conclusions, the identity of the appraiser(s) or firm with which he is connected, or any reference to the Appraisal Institute, or to the MAI designation.
 18. The appraiser reserves the right to review and revise the valuation report, as may be required by the consideration of additional data or more reliable data that may become available.
 19. The appraiser has utilized the Collier County Property Appraiser's Office & information furnished by the client and owner to determine land size and terms of sales for comparable sales (Improved) included in this report. Although this information is considered reliable, the appraiser does not warrant its accuracy.
 20. Within the scope of this appraisal, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of asbestos, urea formaldehyde foam insulation, and/or existence of potential toxic waste, which may or may not be present on the property, **has not been considered**. The appraiser is not qualified to detect such substances and as such is recommended that the client retain an expert in this field if so desired. Per submitted plans & specifications, the building "As Proposed" does not have asbestos insulation.
 21. Effective January 26, 1992, The Americans with Disabilities Act (ADA) became effective. Unless noted, existing or proposed improvements appear to be in compliance with ADA requirements.

SPECIAL ASSUMPTIONS & LIMITING CONDITIONS

- The final value estimate is conditioned on an **EXTRAORDINARY ASSUMPTION** that the real property, "As Is" 115-space parking lot will be rezoned via a zoning variance from the existing R3-12 zoning to the prior PD (Ordinance 14-13467 which expired in February 2017). With a prior zoning extension granted in 2015, it appears likely a zoning variance would be approved specific to the prior PD – which is the concluded Highest & Best Use of the site, "As Improved".

EXTRAORDINARY ASSUMPTION – *an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.* **Source: USPAP 2016-2017 edition**

- An environmental Phase 1 site assessment was furnished. The site serves as an existing 115-stripped parking lot (Asphalt Paved) and no external issues were observed. The Phase I environmental survey dated December 17, 2014 Partner Project No. 14-131460.6 indicates the site is clean and is relied upon.
- An updated property survey was not provided. The furnished survey (enclosed) which I was provided was dated March 12, 2015 and unsigned by John P. Maloney, Professional Surveyor. The gross parcel size of 1.03±-acres (300' x 150') was taken from the furnished survey and is relied upon for gross site. No opinion regarding potential encroachments, easements, or other adverse site conditions is rendered without an updated property survey.
- All sales were arms-length with none purchased for its Value in Use. The parking lot sale which was used in the H&B Use analysis use acquisition by the City of Naples. The other submitted sales and listings were purchased for future redevelopment into their respective Highest & Best Uses. The appropriate units of comparison are the sales price Unit and Sales Price per S.F.
- This appraisal provides a credible report with the final value estimate and conclusions strongly supported in the marketplace. It is my understanding that this report will be utilized by both the City of Naples (buyer) and will become public record in negotiations specific to site acquisition by The City of Naples. The scope of this report is specific and is limited to the intended users.
- As a benefit to the client (City of Naples), I also evaluated the real property in its Highest & Best Use, "As Improved". To do this, I utilized a land development approach which is specific to the prior PUD ordinance (14-13467) involved many assumptions. Because the actual development of an upscale 22-unit multi story residential condominium with attached 154-unit parking garage, with numerous development restrictions relative to the parking garage, could vary substantially as planned. With the H&B Use "Subject to" zoning variance - this land development approach estimate is utilized in the Highest & Best Use analysis and reported as a final value estimate.

Addenda

PD Expired February 9, 2017 E-Mail provided by client
Expired Land Ordinance 14-13467& Legal Description (1st. & 2nd. Pages)
Warranty Deed
Engagement Purchase Order
Flood Map
Appraiser Qualifications

4th & 4th Planned Development Zoning

Roger Reinke to you [show details](#)

2014-13467 Expired PD.pdf (2.7 MB)

Sec. 58_810. Time Limitation...docx (25 KB)

The PD expired February 9, 2017.

Comments about current zoning:

The zoning on this property had been Planned development. In February of this year the PD expired and the underlying zoning reverts back to R3-12. The property is also in the Fifth Avenue South Special Overlay district and the CRA. The Overlay district states "Location of parking garages and civic buildings. Locations designated on the regulating plan for parking garages or civic buildings shall be as designated in the following Exhibit A". So, a designation on a site makes it a permitted use.

City Code 46-32 (d) now requires a property to be 5 acres, absent a variance.

Standards for consideration of change in zoning. Except where the proposal for the rezoning of property involves an extension of an existing district boundary, no change in the zoning classification of land shall be considered which involves less than five acres of land, except for the "C"

Conservation zone district, in which the subject property is not required to have street frontage, and the "PS" Public Service zone district, in which the subject property may have a minimum lot of 30,000 square feet and a minimum lot width of 150 feet.

City Code (58-810) about PD zoning.

**Agenda Item 16
Meeting of 5/21/14**

ORDINANCE 14-13467

AN ORDINANCE DETERMINING REZONE PETITION 14-R3, TO REZONE APPROXIMATELY 1.02 ACRES FROM PD, PLANNED DEVELOPMENT TO A NEW PD, PLANNED DEVELOPMENT AMENDING IN ITS ENTIRETY THE EXISTING PLANNED DEVELOPMENT ORDINANCE FOR A 22 UNIT RESIDENTIAL BUILDING WITH A 161 SPACE MAXIMUM PARKING GARAGE TO EXTEND THE COMMENCEMENT DATE FOR CONSTRUCTION, TO ADD A PROVISION FOR TEMPORARY OFF-SITE PARKING DURING CONSTRUCTION, AND TO CLARIFY THE LIMITATIONS OF AMENDMENTS TO THE APPROVED PLANNED DEVELOPMENT, FOR PROPERTY OWNED BY NAPLES FIFTH AVENUE FOURTH AND FOURTH, LLC AND LOCATED AT 440 4TH AVENUE SOUTH, 460 4TH AVENUE SOUTH AND 410 4TH AVENUE SOUTH, MORE FULLY DESCRIBED HEREIN; PROVIDING A SEVERABILITY CLAUSE, AND A REPEALER PROVISION; REPEALING ORDINANCE NUMBER 08-11903; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Naples Fifth Avenue Fourth and Fourth, L.L.C., is the owner of the property at the southeast corner of 4th Avenue South and 4th Street South; and

WHEREAS, John M. Passidomo, Esq., Cheffy Passidomo P.A., has been authorized by the owner as agent for this petition; and

WHEREAS, following an advertised public hearing, the Planning Advisory Board at its meeting of April 9, 2014, considered the public input, staff recommendations and criteria in the Code and has recommended by a vote of 5 to 0 that Rezone Petition 14-R3 be approved; and

WHEREAS, after considering the recommendation of the Planning Advisory Board and City staff, following a public hearing on the subject, and providing the petitioner, staff and the public an opportunity to present testimony and evidence, the City Council has determined that the petition should be granted;

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NAPLES, FLORIDA:

Section 1. That Rezone Petition 14-R3 is hereby approved to rezone approximately 1.02 acres zoned PD, Planned Development to a new PD, Planned Development amending in its entirety the Planned Development ordinance and Document for a 22 unit residential building with a 161 space maximum parking garage to add a provision extending the commencement date for construction; to include a provision for temporary off-site parking during construction; and to clarify the limitations for amendments to the new Planned Development, for property owned by Naples Fifth Avenue Fourth and Fourth LLC and located at 440 4th Avenue South, 460 4th Avenue South, 410 4th Avenue South, more fully described as follows:

Parcel 1:

The East 100 feet of the West 200 feet of the North 150 feet of Block 16, Tier 5, PLAN OF NAPLES, according to the plat thereof as recorded in Plat Book 1, page 8, of the Public Records of Collier County, Florida.

Ordinance 14-13467

Page 2

Parcel 2:

The West 100 feet of the east 200 feet of the north 150 feet of Block 16, Tier 5, PLAN OF NAPLES, according to the plat thereof as recorded in Plat Book 1, page 8, of the Public Records of Collier County, Florida.

Parcel 3:

The West 100 feet of the North 150 feet of Block 16, Tier 5, PLAN OF NAPLES, according to the plat thereof as recorded in Plat Book 1, page 8, of the Public Records of Collier County, Florida.

- Section 2.** That the Planned Development Document, contained in Attachment 1 to the ordinance, a copy of which is attached hereto and incorporated herein by this reference, for Fourth and Fourth Multi-Family Residential Building and Structured Parking Facility submitted March 10, 2014, and prepared by Cheffy Passidomo substantially in accordance with the architect's plans and elevation sheets A-1, A-4 through A-10 inclusive, and A-13, dated November 28, 2007, and sheets PD-1, A-2, A-3, A-11 and A-12 dated December 21, 2007, and prepared by Humphrey Rosal Architects, A.I.A., P.A. and General Site Plan and Landscape Overlays prepared by Q. Grady Minor and Associates, P.A., on November 30, 2007, consisting of 3 pages, attached as an Exhibit to the Planned Development Document, is hereby approved,
- Section 3.** That the Zoning Atlas of the City of Naples shall be amended to reflect said rezoning.
- Section 4.** That if any word, phrase, clause, subsection or section of this ordinance is for any reason held unconstitutional or invalid, the invalidity thereof shall not affect the validity of any remaining portions of this ordinance. However, if any word, phrase, clause, subsection or section is determined to be an unreasonable condition affecting the overall development plan contained herein, it shall not be severed.
- Section 5.** That all sections or parts of sections of the Code of Ordinances, all ordinances or parts of ordinances, and all resolutions or parts of resolutions in conflict herewith, be and the same are hereby repealed to the extent of such conflict. Ordinance No. 08-11903 is hereby repealed.
- Section 6.** That this legislation constitutes a development order and development permit under general law. Therefore, the following apply:
- (a) Disclaimer: Issuance of a development permit by the City does not create any right to obtain a permit from a State or Federal agency and does not create any liability on the part of the City for issuance of the permit if the applicant fails to obtain requisite approvals or fulfill the obligations imposed by a State or Federal agency or undertakes actions that result in a violation of State and Federal law.
 - (b) Permit Condition: All other applicable State or Federal permits, if any, must be obtained before commencement of the project.
- Section 7.** This ordinance shall take effect immediately upon adoption at second reading.

INSTR 5182064 OR 5203 PG 1616 RECORDED 10/9/2015 5:24 PM PAGES 5
 DWIGHT E. BROCK, CLERK OF THE CIRCUIT COURT, COLLIER COUNTY FLORIDA
 DOC# 70 \$26,250.00 REC \$44.00
 CONS \$3,750,000.00

This instrument prepared by:
 Stronck & Stroock & Lavan LLP
 200 South Biscayne Boulevard, Suite 3100
 Miami, Florida 33131
 Attention: Ronald A. Kriss, Esq.

Record and Return to:
 Coleman, Yovanovich & Koester, P.A.
 4001 Tamiami Trail North, Suite 300
 Naples, FL 34103
 Attention: Craig Grider

Parcel Numbers: 14026880009, 14026840007 and 14026920008

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED made this day of 9 October, 2015, between **NAPLES FIFTH AVENUE 305 LLC**, a Florida limited liability company (as successor by merger to Naples Fifth Avenue 4th and 4th LLC) (the "Grantor"), whose address is 2550 S. Bayshore Drive, Suite 204A, Miami, Florida 33133, and **410 FOURTH AVENUE SOUTH HOLDINGS, LLC**, a Delaware limited liability company (the "Grantee"), whose address is c/o Edgewood Real Estate Investment II, LLC, 8000 Maryland Avenue, Suite 925, St. Louis, MO 63105.

WITNESSETH:

THAT the Grantor, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other valuable considerations, the receipt whereof is hereby acknowledged, hereby grants, bargains, sells, aliens, remises, releases, conveys and confirms unto Grantee, all that certain land situate in Collier County, Florida, and more particularly described on Exhibit A attached hereto and made a part hereof (the "Property").

THIS conveyance is subject to the following:

1. Real property taxes and assessments for the year 2015, and subsequent years if not yet due and payable.
2. All of the matters set forth in Exhibit B attached hereto and made a part hereof, but this shall not serve to reimpose same.

TOGETHER with all the tenements hereditaments and appurtenances thereto belonging or in anywise appertaining and together with all rights and easements of record.

TO HAVE AND TO HOLD, the same unto Grantee, its successors and assigns, in fee simple forever.

MIA 31304015

OR 5203 PG 1617

AND Grantor hereby covenants with Grantee that Grantor is lawfully seized of the Property in fee simple; that Grantor has good right and lawful authority to sell and convey the Property; and that Grantor does hereby specially warrant the title to the Property and will defend the same against the lawful claims of all persons claiming by, through or under Grantor, but against none others.

[Signature Page Follows]



MIA 31304015

Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

OR 5203 PG 1618

IN WITNESS WHEREOF, the Grantor has caused this Special Warranty Deed to be executed in its name by its proper officer thereunto duly authorized, the day and year first above written.

Signed, sealed and delivered in the presence of:

Lizette Haef
Print Name: Lizette Haef

NAPLES FIFTH AVENUE 305 LLC, a Florida limited liability company

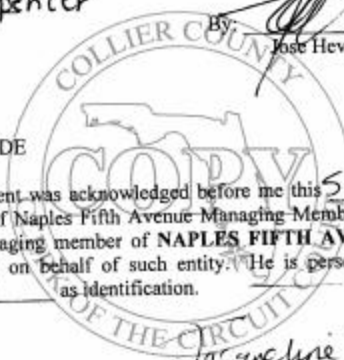
By: Naples Fifth Avenue Managing Member LLC, a Delaware limited liability company, its managing member

James Carpenter
Print Name: James Carpenter

Jose Hevia
By: Jose Hevia, President

STATE OF FLORIDA
COUNTY OF MIAMI-DADE

The foregoing instrument was acknowledged before me this 5th day of October, 2015, by Jose Hevia, as President of Naples Fifth Avenue Managing Member LLC, a Delaware limited liability company, as managing member of NAPLES FIFTH AVENUE 305 LLC a Florida limited liability company, on behalf of such entity. He is personally known to me or has produced _____ as identification.



Jacqueline V. Mitchell
Print Name: JACQUELINE V. MITCHELL
NOTARY PUBLIC State of Florida

My Commission Expires:



MIA 31304015

OR 5203 PG 1619

EXHIBIT "A"
LEGAL DESCRIPTION

Description of the Parking Lot

PARKING LOT

PARCEL 1:

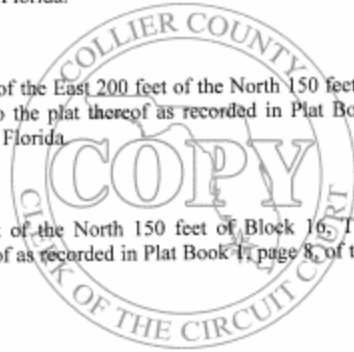
The East 100 feet of the West 200 feet of the North 150 feet of Block 16, Tier 5, PLAN OF NAPLES, according to the plat thereof as recorded in Plat Book 1, page 8, of the Public Records of Collier County, Florida.

PARCEL 2:

The West 100 feet of the East 200 feet of the North 150 feet of Block 16, Tier 5, PLAN OF NAPLES, according to the plat thereof as recorded in Plat Book 1, page 8, of the Public Records of Collier County, Florida.

PARCEL 3:

The West 100 feet of the North 150 feet of Block 16, Tier 5, PLAN OF NAPLES, according to the plat thereof as recorded in Plat Book 1, page 8, of the Public Records of Collier County, Florida.



MIA 31304015

Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

*** OR 5203 PG 1620 ***

EXHIBIT "B"

PERMITTED EXCEPTIONS

(Parking Lot)

1. Taxes and assessments for the year 2015 and subsequent years, which are not yet due and payable.
2. Restrictions, covenants, conditions, easements and other matters as contained on the Plat of Plan of Naples, recorded in Plat Book 1, Page 8, of the Public Records of Collier County, Florida.
3. Resolution No. 1035 providing for construction of sanitary sewer improvements in Sanitary Sewer District No. 3 recorded in Official Records Book 165, Page 148.
4. Ordinance No. 75-20, filed May 19, 1975 in Official Records Book 619, page 1177 regulating the installation of any water distribution system and waste water collection system within a public right-of-way or easement.
5. Ordinance No. 75-21, filed May 19, 1975 in Official Records Book 619, page 1182.
6. Ordinance No. 75-24, filed May 19, 1975 in Official Records Book 619, page 1191 regulating and restricting the creation, construction, alteration, etc., of buildings locations, etc.
7. Ordinance No. 94-7205 concerning Community Development Area Funding recorded in Official Records Book 1961, Page 1832.
8. Parking Lot Easement recorded in Official Records Book 2423, Page 35.
9. Resolution No. 10-12801 establishing a special assessment district to be known as the Fifth Avenue South Business Improvement District recorded in Official Records Book 4641, Page 990.
10. Terms, conditions, and provisions of Resolution 14-13492 for Fifth Avenue South Business Improvement District, recorded in Official Records Book 5071, Page 284.
11. Parking Easement recorded in Official Records Book 5148, Page 2523.
12. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land.

NOTE: All recording references refer to the public records of Collier County, Florida, unless otherwise noted.

Engagement City of Naples Purchase Order



B I L L T O

Mayor & Council
City of Naples
735 8th Street South
Naples FL 34102

V E N D O R

FLORIDA VALUATION & CONSULTANTS INC
1479 RAIL HEAD BOULEVARD
NAPLES FL 34110

S H I P T O

Community Redevelopment
City of Naples
735 8th Street South
Naples FL 34102

Purchase Order

Fiscal Year 2017 Page 1 of 1

THIS NUMBER MUST APPEAR ON ALL INVOICES, PACKAGES AND SHIPPING PAPERS.
Purchase Order # **1700896-00**

Delivery must be made within doors of specified destination.

Vendor Phone Number (239)593-6571		Vendor Fax Number 239-593-6852		Requisition Number 9270		Delivery Reference	
Date Ordered 07/03/2017	Vendor Number 11568	Date Required	Freight Method/Terms			Department/Location Mayor & Council	
Item#	Description/Part No.	Qty	UCM	Unit Price	Extended Price		
1	PROP APPRAISAL 410-460 4TH AVE The Above Purchase Order Number Must Appear On All Correspondence - Packing Sheets And Bills Of Lading Appraisals Consulting	1.0	EACH	[REDACTED]	[REDACTED]		

By *A. Hill*
City Manager

VENDOR COPY

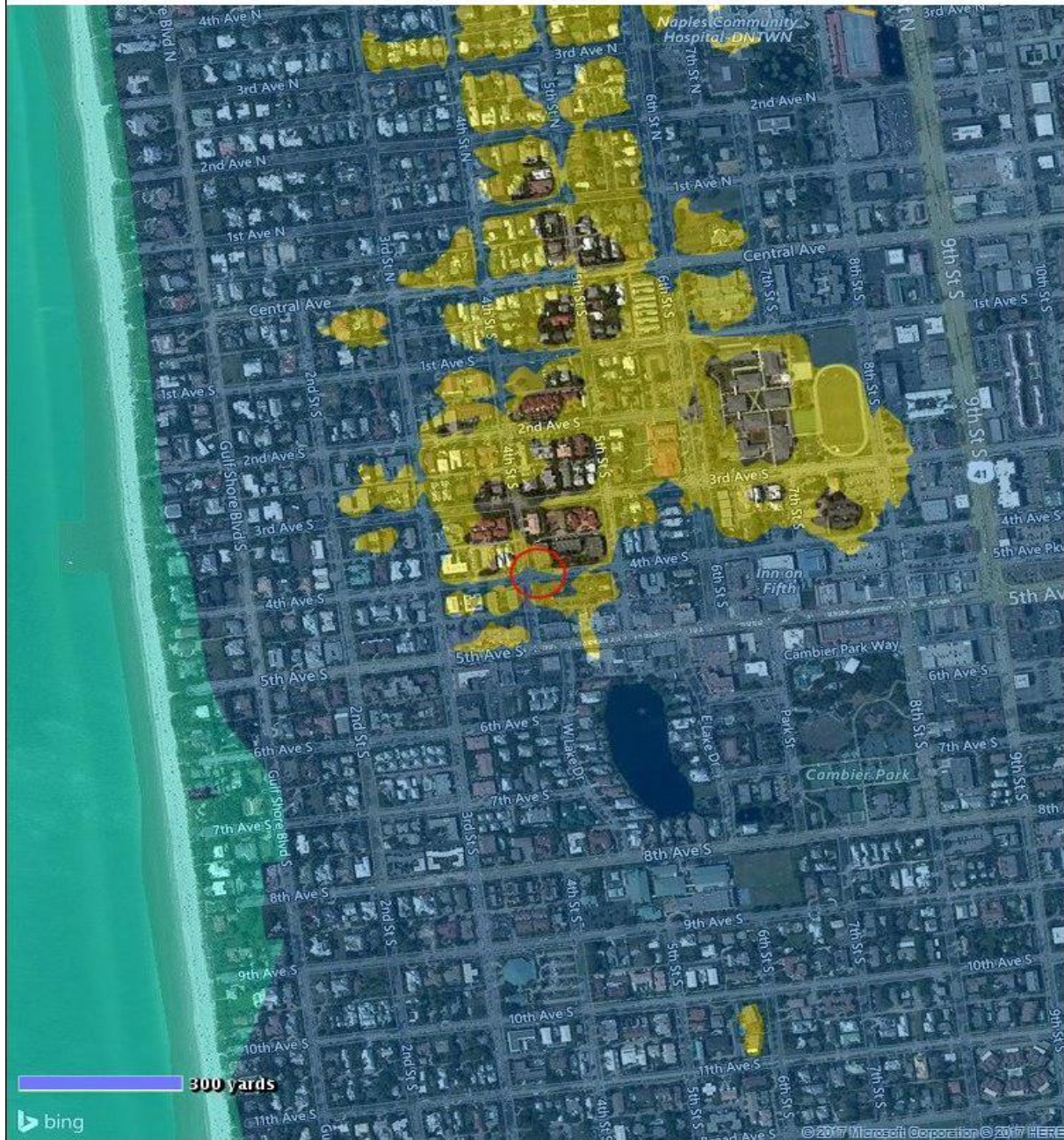
PO Total [REDACTED]

Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

Flood Map – 12021C0393H May 16, 2012 - Zone AE (Flood Hazard Area)

InterFlood by a la mode

Prepared for: Florida Valuation & Consultants, Inc.
 405 4th. Avenue South
 Naples, FL 34102



MAP DATA

FEMA Special Flood Hazard Area: **Yes**
 Map Number: **12021C0393H**
 Zone: **AE**
 Map Date: **May 16, 2012**
 FIPS: **12021**

MAP LEGEND

- Areas inundated by 500-year flooding
- Areas inundated by 100-year flooding
- Velocity Hazard
- Protected Areas
- Floodway
- Subject Area

Powered by CoreLogic®

Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.

Kevin J. Lindheim, MAI, SRA

1498 Rail Head Blvd ■ Naples, FL 34110 ■ Phone: 239-593-6571 ■ Email: kjlnaples@aol.com

Senior Commercial Real Estate Appraiser /Expert Witness/ Valuation Analyst

Highly motivated & dedicated MAI with over twenty years of experience in complex real estate valuation & consulting. Strong background in client development with specific disciplines in commercial real estate valuation; business valuation; economic feasibility analysis; project cost analysis; highest & best use site analysis; IRS, Estate, and property tax valuations; Pro Forma five and ten-year discounted cash flow analysis; Lease vs. Purchase contract analysis; and litigation (Qualified Expert Witness 20th. Florida Circuit Court). Expert in financial model development; appraisal functions, systems and business models; cost-reduction, automation and tax strategies. Over the years I have built lasting business relationships which continue to expand my vast network of professional contacts.

Education/Designations/Licenses

University of Louisiana, Lafayette, Louisiana
Bachelor of Science in Accounting, 5/1982

Tulane University, New Orleans, Louisiana (1984-1987)
Post Graduate Real Estate Studies

Appraisal Institute, Chicago, Illinois
Designated MAI Member October 1993
Designated SRA Member November 1988

Florida State-Certified General Real Estate Appraiser #RZ 1017
Florida Licensed Real Estate Broker #510522

Experience

FLORIDA VALUATION & CONSULTANTS, INC. — NAPLES, FL

Principal/Owner, 4/1992 to Present

Full-service commercial/residential real estate appraisal & consulting firm servicing Southwest Florida. Incorporated in the State of Florida in 1992, the firm grew from one to nine licensed appraisers with full support personnel. The current economic downturn has altered the Florida appraisal & consultant landscape which also affected the firm. We are constantly adapting and developing cost & tax saving strategies for our clients and accept the challenge of finding new ways to strengthen their overall financial performance.

Key Clients:

FDIC Financial Institutions including First Citizens Bank; Bank of America; Wells Fargo; SunTrust; Regions; and First Integrity Bank.

Major Developers/Builders including WCI; Bonita Bay; Taylor Woodrow; Centex; Pulte Homes; Gates Inc.; Kraft Construction; DeAngelis - Diamond.

Local, State, and Regional Governmental Agencies including: Southwest Florida Water Management District; Lee County Port Authority; Collier County Development Services; The Conservancy of Southwest

Attorneys and Litigation services including: Henderson, Franklin, Starnes, & Holt; Porter Wright; Roetzel; Woods Weidenmiller Michetti; Parrish & Yarnell, P.A.; Quarles & Brady.

[Improved 115-space parking lot for potential acquisition by City of Naples/Florida Valuation & Consultants, Inc.](#)

RICK SCOTT, GOVERNOR

KEN LAWSON, SECRETARY

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD

LICENSE NUMBER

RZ1017

The CERTIFIED GENERAL APPRAISER
Named below IS CERTIFIED
Under the provisions of Chapter 475 FS.
Expiration date: NOV 30, 2018

LINDHEIM, KEVIN JOHN M
1498 RAIL HEAD BLVD
NAPLES FL 34110



ISSUED: 12/01/2016

DISPLAY AS REQUIRED BY LAW

SEQ # L1612010000697