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## CONFIDENTIAL MEMORANDUM

File #14318.1

Date: August 20, 2018

To: Mr. Wayne Griffin, Senior Appraiser  
Bureau of Appraisal  
Florida Department of Environmental Protection  
3900 Commonwealth Boulevard, MS 110  
Tallahassee, Florida 32399-3000

From: William H. Benson, MAI, CCIM  
Independent Review Appraiser

Subject: 3401 South Congress Avenue  
Boynton Beach, FL 33426  
Boynton Beach – Miami Exchange  
B/A File # 18-7871; County: Palm Beach & Miami-Dade

### WORK UNDER REVIEW

I have completed a technical field review of the two appraisals completed for the above referenced project. The appraisals were completed by Mr. Harry C. Newstreet, MAI, of Harry C. Newstreet & Associates, Boca Raton, Florida, and Mr. Joseph Hatzell, MAI, MRICS, of Joseph J. Blake and Associates, Inc., Miami, Florida. Mr. Newstreet reported a market value of the fee simple estate of the subject, under the hypothetical condition that there are no deed restrictions in place, of \$8,430,000 and the fee simple interest of the subject, subject to the existing deed restriction, is \$8,090,000. Mr. Newstreet's appraisal had an effective date of June 27, 2018, with a report date of August 15, 2018. Mr. Hatzell reported a market value of the fee simple estate of the subject, assuming the covenant restricting the subject's use has been removed, of \$8,400,000 and the "as is" market value of the fee simple estate of the subject, assuming the covenant restricting the subject's use is in place, is \$7,400,000. Mr. Hatzell's appraisal had an effective date of June 22, 2018, and a report date of August 17, 2018.

The property is currently subject to a covenant that states: the 'property shall be used by the Grantee, its successors and assigns, as a non-profit educational and/or public broadcasting or communications system or systems or facility.' The scope of the work required by FDEP was to appraise the subject under two scenarios. The first scenario assumes the covenant is not in place and an office use is permitted pursuant to a release of restrictions, and a rezoning to allow an appropriate alternate use.

William H. Benson, MAI, CCIM, President

The second scenario assumes the covenant is in place and the building is used as an educational facility. The first scenario assumes the hypothetical condition that the covenant is removed, the restrictions have been released and rezoning has taken place. These appraisals are not based on any other hypothetical conditions.

INTENDED USE/

INTENDED USER OF REVIEW: The intended users of this appraisal assignment are the Florida Department of Environmental Protection, Board of Trustees of the Internal Improvement Trust Fund (TITF) of the State of Florida and the Florida Department of Education.

EFFECTIVE DATE OF REVIEW: August 20, 2018

DATE OF REVIEW REPORT: August 20, 2018

**DEFINITION OF MARKET VALUE<sup>1</sup>**

The appraisals provided estimates of market value.

Market value is defined as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to 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 under the following conditions:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in United States 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.

<sup>1</sup> (Source: Supplemental Appraisal Standards for the Board of Trustees, Division of State Lands, Bureau of Appraisal Florida Department of Environmental Protection, March 2, 2016)

### **SCOPE OF REVIEW**

The scope of the review involved a thorough desk review in which the appraisal was evaluated for compliance with USPAP as of 2018/2019. The scope of review included inspecting the subject property and the significant comparable sales. This review complies with the Uniform Standards of Professional Appraisal Practice, Standard Rule #3. Please be advised that the review process is limited by the fact that I did not personally verify the sales data used nor did I conduct my own independent research to identify comparable sales, etc. The review is limited to analysis of the information provided and to assure substantial compliance with the Uniform Standards of Professional Appraisal Practice and the Supplemental Appraisal Standards for the Board of Trustees, Division of State Lands, Bureau of Appraisal, Florida Department of Environmental Protection, March 2, 2016. This review should not be construed or represented as an additional independent opinion of value or an additional appraisal.

The following data are obtained from the appraisal reports and some of the descriptive summaries are excerpted.

### **NEIGHBORHOOD ANALYSIS**

The subject is located on the west side of Congress Avenue, south of North Charter Drive. The boundaries of the subject's neighborhood are considered to be South Military Trail to the west, Interstate 95 to the east, Woolbright to the north and West Atlantic Avenue to the south.

Development surrounding the subject includes the Hunter's Run County Club, located to the west of the subject, commercial development including light industrial buildings and mini-storage warehouses on the east side of South Congress Avenue and residential development to the north and south. The improvements appear to be well maintained, and were primarily constructed within the last 20 to 30 years.

The subject is located in a neighborhood that has a good reputation, and has good connectivity to the local highway system. The site is well suited for many types of commercial uses. The high concentration of families in the surrounding neighborhood suggests that there would be potential demand for an educational facility on the site. However, proximity to Interstate 95, with interchanges at Woolbright Road and West Atlantic, as well as frontage on South Congress Avenue, makes the subject's neighborhood well suited for many types of corporate users, as well. The factors that have led to the neighborhood's success remain in place and are projected to remain in place for the foreseeable future.

## **SITE DETAILS**

**Address:** 3401 South Congress Avenue, Boynton Beach, Palm Beach County, FL 33426

**Parcel Number:** 08-43-46-06-00-000-1060

**Census Tract:** 12-099-0066.03

**Size:** 270,097 SF or 6.20 acres

**Usable Land:** 270,097 SF or 6.20 acres

**Zoning:** The parcel is zoned "REC," under the jurisdiction of the Boynton Beach.

**Primary Frontage Street:** South Congress Avenue

**Primary Frontage Street Length:** Approximately 475'

**Primary Frontage Comments:** South Congress Avenue contains three lanes in each direction with a center turning lane and a landscaped median.

**Traffic Count:** 32,933 daily

**Average Depth:** 370'

**Street Condition:** Adjacent roadways are paved with asphalt and are in good condition.

**Landscaping:** The subject's landscaping is typical for the area.

**Topography:** The subject's topography is level and at street grade.

**Shape:** The subject is irregular in shape; the portion of the site where the building is constructed is generally rectangular in shape; a second rectangular parcel sits to the southwest of the main parcel.

**Flood Zone:** The site lies within Zone X (unshaded). This information was obtained from the National Flood Insurance Rate Map Number 12099C0977F dated October 5, 2017.

**Encumbrances and Easements:** The property is subject to the following covenant; 'property shall be used by the Grantee, its successors and assigns, as a non-profit educational and/or public broadcasting or communications system or systems or facility.' There are no other known adverse encumbrances or easements.

**Land to Building Ratio:** 8.29

**Comment:** The subject includes a parcel of land to the southwest of the main parcel. This secondary parcel is currently used as the location for satellite dishes used by the broadcast station. The

site also appears to be the area for water retention as it slopes downward toward a creek that runs to the west of the subject. The subject's land to building ratio is higher than some other office buildings and educational facilities in the area. Due to its placement, with no direct access from the street, the appraisers concluded that the secondary parcel is not considered to be excess land. Due the requirement for on-site water retention, and the relatively recent date of construction, the secondary parcel was also not considered to be surplus land since it is unlikely that additional development could occur on it.

**Drainage:**

Drainage is handled on-site in the area surrounding the satellite dishes and the rear of the parking lot. This is the area of the subject that extends west in a flag like manner. The drainage appears adequate,

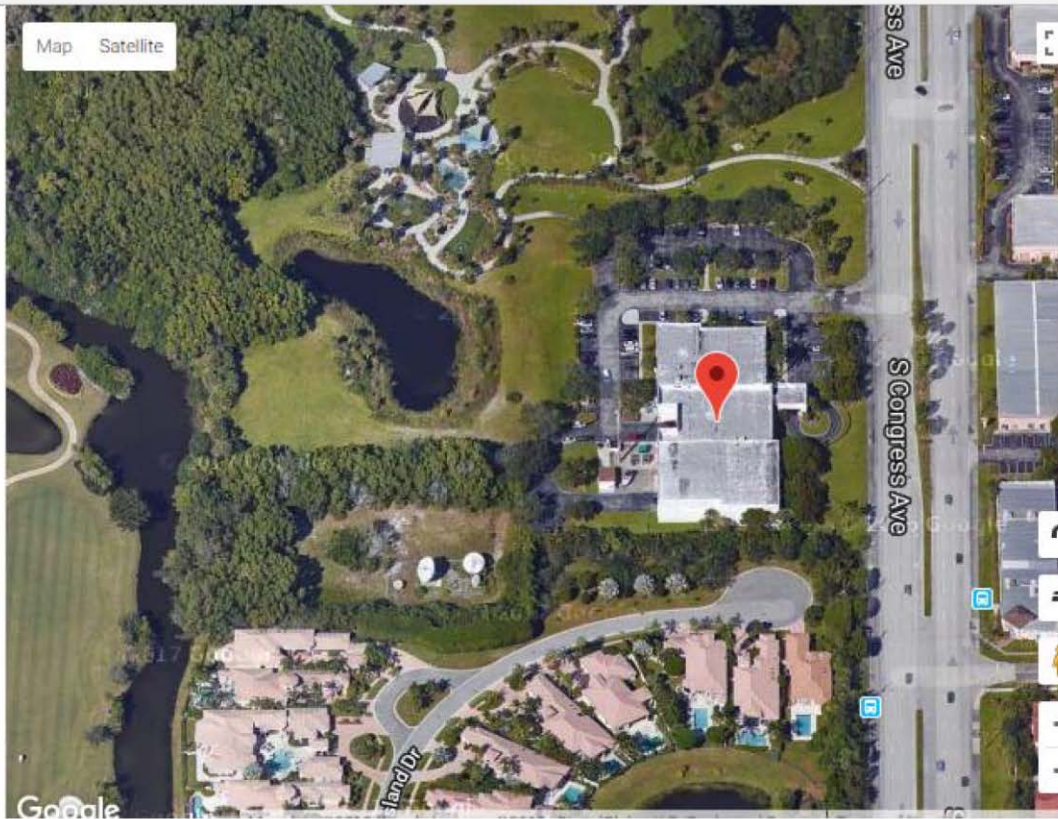
**Soil and Subsoil:**

No soil boring tests or engineering reports were available. The site appears to be stable and well compacted and suitable for development.

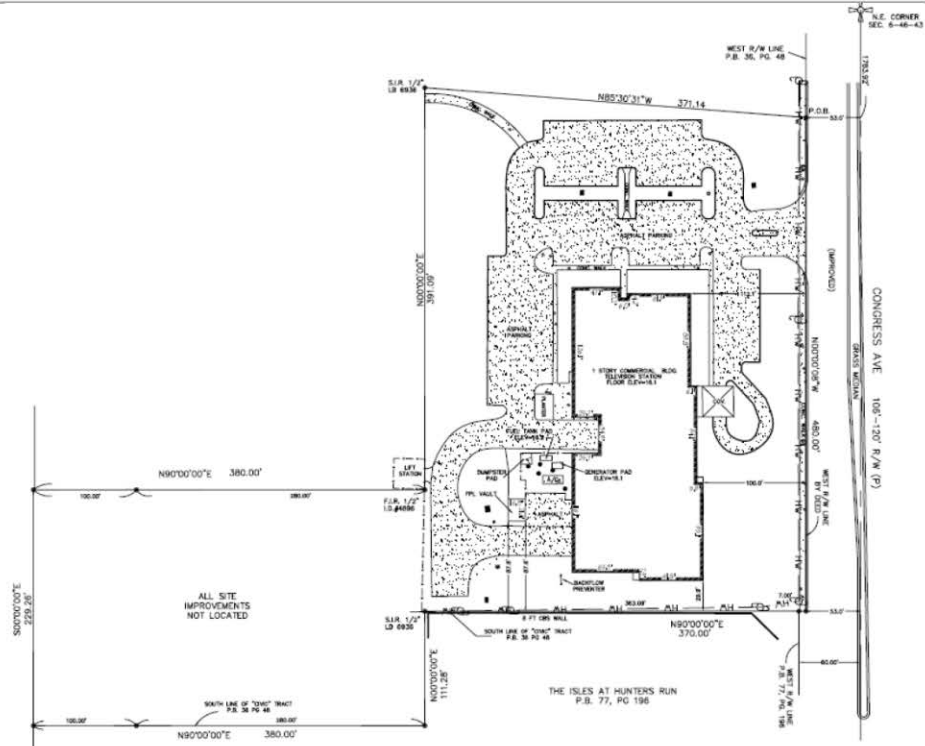
**Conclusion:**

The subject benefits from a good location in Palm Beach County and is situated on a well-traveled road. The subject's size and shape would allow for a wide variety of development.

AERIAL PHOTOGRAPH



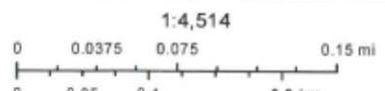
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May 18, 2017



## DESCRIPTION OF IMPROVEMENTS

<b>Description:</b>	Briefly described, the subject consists of a good quality, one-story office building that is 100% occupied by WXEL, a local public television station. The building contains 33,704 SF of building area as is reported by the Palm Beach County Property Appraiser's office. The building consists of a reception area facing Congress Avenue, office areas, two studio areas with 18-20 foot walls, restrooms and breakrooms.
<b>Building Name:</b>	WXEL Television Station
<b>Building Description:</b>	Office Buildings
<b>Building Class:</b>	C
<b>Condition:</b>	Good
<b>Year Built:</b>	1989
<b>Gross Building Area:</b>	33,704 SF
<b>Net Rentable Area:</b>	33,704 SF
<b>Design and Functional Utility:</b>	The overall layout of the improvements on the parcel is considered to be good.
<b>Lobby Description:</b>	The subject has a lobby area that faces Congress Avenue. The lobby is finished with tile floors, and has a volume ceiling. A covered roof area extends out from the lobby, over the driveway to allow for covered drop-off/pick-up.

## CONSTRUCTION DETAILS

<b>Construction Type:</b>	Concrete Block with Stucco
<b>Exterior Walls/Finish:</b>	Stucco
<b>Windows:</b>	Aluminum-framed plate glass
<b>Roof Type:</b>	Flat
<b>Roof Cover:</b>	Roll-down, or mop-down roofing material
<b>Ceiling Cover:</b>	Acoustic ceiling panels in office and tech. areas; open ceiling in studio areas
<b>Interior Lighting:</b>	Fluorescent fixtures
<b>Restrooms:</b>	There are separate men's and women's restrooms. The restrooms have tiled floors, tiled or painted walls and contain fixtures that are commercial quality.
<b>HVAC:</b>	Package Units



**PARKING DETAILS**

**Parking Spaces:** 95  
**Parking Ratio:** 1 space/355 sf  
**Parking Description:** The subject's parking is located to the east, north and west of the building. There is a loading area on the west side of the building.





**SUMMARY:**

The subject is currently used by a public radio station. The subject would also be well suited for many office users as well as many types of educational facilities, such as elementary, middle or high schools.

**ZONING**

**Zoning Code:**

REC

**Zoning Description:**

Recreational

**Comments:**

The City of Boynton Beach Planning Department indicated that should the deed restriction remain in place and the property owner seek a change in use from the existing broadcast facility, then the most likely change in zoning would be to the Public Usage District. The purpose of the PU zoning district is to implement the public and private governmental/institutional (PPGI) future land use map. According to the Boynton Beach Planning Department, if the deed restriction were lifted, then the most likely rezoning that the city staff would support is to the most restrictive commercial district, C-1, Office and Professional Commercial District. The purpose of the C-1 zoning district is to implement the office commercial (OC) future land use map (FLUM) classification of the Comprehensive Plan.

Based on a review of the subject in relation to the REC zoning district, it appears the subject is a legal and non-conforming use of the site.

## **TAXES**

The following table summarizes the subject's assessment and taxes:

<b>Parcel ID:</b>	08-43-46-06-00-000-1060
<b>Assessment Year:</b>	2017
<b>Tax Authority Land Value:</b>	\$1,500,000
<b>Tax Authority Improvements Value:</b>	\$3,550,731
<b>Total Market Value:</b>	\$5,050,731
<b>Total Assessed Value:</b>	\$5,050,731
<b>Taxes and Special Assessments:</b>	\$123,506
<b>Total Taxes:</b>	\$118,566

## **HIGHEST AND BEST USE – WITHOUT DEED RESTRICTIONS**

The appraisers considered all relevant issues associated with estimating highest and best use as if unencumbered by the deed restrictions. The appraiser concluded that the highest and best use, as if unencumbered, was for professional office use with anticipation that the City would permit rezoning to C-1. It is my opinion that the conclusion of highest and best use is sound.

## **HIGHEST AND BEST USE - ENCUMBERED**

The "Deed Restriction" essentially limits this property to nonprofit educational and/or public broadcasting facilities. The property can't be used in the "for profit" private sector and can't be sold for private sector development without a release of the deed restriction. The appraisers concluded that use as an educational facility was the most likely use with clear market demand and was the highest and best use as encumbered by the deed restrictions. The analyses were appropriate.

**VALUATION**

Mr. Newstreet utilized the following sales to estimate the value of the subject.

**Comparable Improved Sales Summary Table – Without the Deed Restriction**

**NEWSTREET SALES**

	Sale 1	Sale 2	Sale 3	Sale 4
<b>Address</b>	1750 Clint Moore Rd. Boca Raton	5500 Village Blvd. W. Palm Beach	1 Harvard Cr. W. Palm Beach	2600/2600A Quantum Blvd. Boynton Beach
<b>Year Built</b>	1996	1989	1988	1990/2007
<b>Building Size</b>	50,671 SF	37,276 SF	44,746 SF	21,732 SF
<b>Sale Price</b>	\$12,999,000	\$7,500,000	\$10,700,000	\$4,300,000
<b>Sale Date</b>	6/15/18	5/31/18	8/29/16	12/16/15
<b>Unadjusted \$/SF</b>	\$256.54	\$201.20	\$239.13	\$197.87

Mr. Newstreet concluded that the highest and best use without the deed restrictions was an office building. Mr. Newstreet recited four comparable sales which were utilized for the valuation analysis, without deed restrictions. Mr. Newstreet considered all relevant value influences including location, access, physical characteristics and conversion costs associated with converting the subject property from the television studio to an office. Mr. Newstreet also considered value influences such as property rights conveyed, differences in financing, conditions of sale and changes of market conditions since the date of sale. After considering all relevant value influences, Mr. Newstreet concluded that the subject property was most similar to Sales 1 and 3. He considered Sale 3 to be slightly inferior, Sales 2 and 4 considered overall inferior. Based on this analysis, Mr. Newstreet concluded at a value of \$250/SF, which is well within the range of sales recited. It is my opinion that the value estimate is reasonably well supported and appropriate.

Value without deed restrictions (33,704 SF x \$250)    \$8,430,000 (RD)

**Comparable Improved Sales Summary Table – With the Deed Restriction**

**NEWSTREET SALES**

	Sale 5	Sale 6	Sale 7	Sale 8
<b>Address</b>	11401 NW 56 <sup>th</sup> Dr. Coral Springs	8151 Okeechobee Blvd. W. Palm Beach	125 S. Pennock Ln. Jupiter	13300 SW 120 St. Miami
<b>Year Built</b>	2004	2014	1986	1980
<b>Building Size</b>	13,603 SF	63,732 SF	17,826 SF	22,722 SF
<b>Sale Price</b>	\$3,250,000	\$11,750,000	\$5,300,000	\$6,700,000
<b>Sale Date</b>	11/3/16	10/30/14	5/25/18	12/17/14
<b>Unadjusted \$/SF</b>	\$238.92	\$184.37	\$297.32	\$294.87

In the valuation of the subject property with deed restrictions, Mr. Newstreet also recited four comparable sales. These sales were representative of the highest and best use conclusion with deed restrictions and all appear to be reasonably comparable. Mr. Newstreet concluded that comparable sale 5 was most similar to the subject property, which sold at \$238.92/SF. He considered sale 6 to be inferior to the subject at \$184.37/SF and comparable sale 7 and 8 superior, overall in the range of \$295 to \$297/SF. Mr. Newstreet concluded at a value of \$240/SF without the deed restrictions in place. These analyses resulted in the following conclusions of value:

Value with deed restrictions (33,704 SF x \$240)      \$8,090,000 (RD)

Mr. Hatzell utilized the following sales to estimate the value of the subject.

**Improved Sales Adjustment Grid (Price/SF) – Without the Deed Restriction**

**HATZELL SALES**

	<b>Comp 1</b>	<b>Comp 2</b>	<b>Comp 3</b>	<b>Comp 4</b>	<b>Comp 5</b>
<b>Address</b>	10151 Enterprise Boynton Beach	5661-5667 Coral Pompano Beach	2201 NW Corporate Boca Raton	1750 Clint Moore Boca Raton	1800 NW Corporate Boca Raton
<b>Date</b>	1/5/17	12/27/17	3/20/18	6/20/18	5/2/18
<b>Price</b>	\$14,800,000	\$2,025,000	\$6,800,000	\$13,000,000	\$6,300,000
<b>NRA</b>	50,684	12,850	27,422	50,000	28,080
<b>Price Per SF</b>	\$292	\$158	\$248	\$260	\$224

Mr. Hatzell gave consideration to all relevant value influences including quality of water frontage, location, access, size, upland percentage, zoning and availability of utilities.

Mr. Hatzell considered five comparable sales in the analysis of the subject property, as if unencumbered by the deed restrictions. The sales selected were all generally comparable to the subject property, as if unencumbered by the deed restrictions.

In the valuation without deed restrictions, Mr. Hatzell utilized five comparable sales, which were all office buildings located within the market area. Mr. Hatzell considered all relevant value influences including differences in location, age of building, quality of building, condition and land-to-building ratio. Mr. Hatzell evaluated all the sales as compared to the subject property for office uses and concluded that Sale 1 was superior due to the medical buildout, considered comparable 3 and 4 generally similar to the subject in terms of age, quality and condition. Mr. Hatzell concluded that the most similar comparables were Sales 3 and 4, which ranged from \$248/SF to \$260/SF. Based on these comparables, Mr. Hatzell concluded at a value of \$250/SF. The analysis was thorough and very well supported.

Market value without deed restriction (33,704 SF x \$250)      \$8,400,000 (RD)

**Improved Sales Adjustment Grid (Price/SF) – With Deed Restriction**

**HATZELL SALES**

	<b>Comp 1</b>	<b>Comp 2</b>	<b>Comp 3</b>	<b>Comp 4</b>	<b>Comp 5</b>
<b>Address</b>	125 S. Pennock Lane Jupiter	2400-2410 Metrocentre West Palm Beach	1250 SW 160 <sup>th</sup> Ave. Sunrise	6301 S. Flamingo Rd. Cooper City	2800 N. Palm Ave. Hollywood
<b>Date</b>	5/17/18	8/4/17	1/23/17	8/10/16	11/24/15
<b>Price</b>	\$5,300,000	\$15,750,000	\$2,300,000	\$20,047,900	\$15,500,000
<b>NRA</b>	17,826	92,700	11,794	82,485	70,005
<b>Price Per SF</b>	\$297	\$170	\$195	\$243	\$221

In the analysis of the subject property with the deed restrictions in place, Mr. Hatzell provided five comparable sales which were similar to the subject property. Similarly, he considered all relevant value influences. All of the sales considered were school buildings which would be an appropriate use for the subject property as is as an alternative use to the public broadcasting facility. The sales ranged in value from \$170/SF to \$297/SF. Mr. Hatzell reconciled the range to \$200 to \$240/SF, concluded at a value of \$220/SF. The analysis was thorough and appropriate.

Market Value with deed restrictions (33,704 SF x \$220)      \$7,400,000 (RD)

Mr. Hatzell also provided comprehensive income approach analyses for the subject property with and without the deed restrictions in place. The income approaches were very well written and supportive of the valuation from the sales comparison approach. However, Mr. Hatzell did not weight the income approach in the final analysis and as such, it will not be discussed here in further detail.

**CONCLUSIONS**

It is my opinion that the appraisals were in substantial compliance with the Uniform Standards of Professional Appraisal Practice approved and adopted by the Appraisal Standards Board of the Appraisal Foundation. The appraisals were also completed in substantial compliance with the Supplemental Appraisal Standards for the Board of Trustees, Division of State Lands, Bureau of Appraisal, Florida Department of Environmental Protection (March 2, 2016).

## CERTIFICATION

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

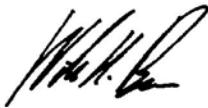
- The facts and data reported by the review appraiser and used in the review process are true and correct.
- The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report, and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of the work under review within the three year period immediately preceding acceptance of this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this review.
- My compensation for completing this assignment is not contingent upon the development or reporting of predetermined assignment results or assignment results that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal review.
- My analyses, opinions, and conclusions were developed and this review report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have not made a personal inspection of the subject of the work under review.
- No one provided significant professional assistance to the person signing this certification.

The appraisal reviewed is in substantial compliance with the Uniform Standards of

Professional Appraisal Practice. The appraisal is also completed in substantial compliance the Supplemental Appraisal Standards for the Board of Trustees, Division of State Lands, Bureau of Appraisal, Florida Department of Environmental Protection (March 2, 2016).

- The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I, William H. Benson, have completed the continuing education program for Designated Members of the Appraisal Institute.

REVIEWED BY:



Date: August 20, 2018

William H. Benson, MAI, CCIM  
State-Certified General Appraiser #0001027