

APPRAISAL REPORT

**VACANT MULTI-FAMILY PARCEL
WEST SIDE DR. MLK JR. AVENUE NORTH OF WOODLAWN STREET
CLEARWATER, FLORIDA**

DATE OF VALUATION

JULY 27, 2022

PREPARED FOR

**MS. SUZANNE KRAMER
CITY OF CLEARWATER
REAL ESTATE SERVICES COORDINATOR
CLEARWATER, FLORIDA 33756
E-MAIL: SUZANNE.KRAMER@MYCLEARWATER.COM**

PREPARED BY

**JAMES M. MILLSPAUGH, MAI
JAMES MILLSPAUGH & ASSOCIATES, INC.
110 TURNER STREET
CLEARWATER, FL 33756-5211**

JAMES MILLSPAUGH & ASSOCIATES, INC.

REAL ESTATE APPRAISERS & CONSULTANTS

LICENSED REAL ESTATE BROKER

**110 TURNER STREET, CLEARWATER, FLORIDA 33756-5211 PHONE: (727) 461- 2648 FAX: 442-8922
E-MAIL: jim@millspaugh-appraisals.com | WEBSITE: www.millspaugh-appraisals.com**

August 11, 2022

Ms. Suzanne Kramer
City Of Clearwater
Real Estate Services Coordinator
Clearwater, Florida 33756
E-Mail: suzanne.kramer@myclearwater.com

RE: Appraisal Services
Vacant Multi-Family Parcel
West Side Dr. MLK Jr. Avenue North of Woodlawn Street
Clearwater, Florida

Dear Ms. Kramer:

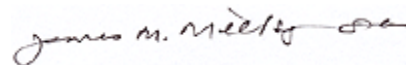
At your request, I have made an appraisal report of the current market value of the fee simple estate of the above referenced real property only. The property and methods utilized in arriving at the final value estimate are fully described in the attached report, which contains 17 pages and Addenda.

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

I have made a careful and detailed analysis of the subject property and after analyzing the market data researched for this report, I estimate that the current market value of the referenced real property only as of July 27, 2022, was:

**FIVE HUNDRED TWENTY-FIVE THOUSAND DOLLARS
(\$525,000)**

Respectfully submitted,
JAMES MILLSPAUGH & ASSOCIATES, INC.



James M. Millspaugh, MAI
JMM:sg

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

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EXISTING CONDITIONS
VACANT MULTI-FAMILY PARCEL
WEST SIDE DR. MLK JR. AVENUE NORTH OF WOODLAWN STREET
CLEARWATER, FLORIDA

DATE OF PHOTOGRAPHS: JULY 27, 2022



SITE VIEW LOOKING WEST FROM DR. MLK JR. AVENUE



DR. MLK JR. AVENUE STREET SCENE LOOKING SOUTH TOWARD SUBJECT ON
RIGHT

IDENTIFICATION OF THE PROPERTY:

The subject fronts the west side of Dr. MLK Jr. Avenue roughly 350' north of Woodlawn Street near the southern Clearwater boundary. It is legally described in brief by the Pinellas County Property Appraiser as Metes and Bounds #32/13 located in the NW/4 of the SW/4 of Section 22, Township 29 South, Range 15 East.

CENSUS TRACT LOCATION/ZIP CODE: #258 /33756

FLOOD ZONE LOCATION:

Pinellas County, Florida
Map No. 12103C0108J
Date Revised: August 24, 2021

The subject and adjacent sites are located in a zone X, which is not a special flood hazard area described as having a .2% Annual Chance Flood Hazard Area of 1% Annual Chance flood with average depth less than 1' or with drainage area of less than 1 square mile.

ENVIRONMENTAL AUDIT DATA:

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

OBJECTIVE AND INTENDED USE/USERS OF THE APPRAISAL:

The objective of the appraisal report is to estimate the current market value of the fee simple estate of the subject vacant site as of July 27, 2022 (date of inspection and photographs). It is my understanding that the intended use of the report is to provide guidance to the City of Clearwater in their attempt to sell the site in the open market and that the intended users are city representatives and no others. I previously appraised this property in September 2017.

EXPOSURE PERIOD ESTIMATE:

This is the past period of time required to have sold the subject at my value estimate on the appraisal date. This area has attracted growing interest for its real estate products primarily from small developers proposing workforce type and moderately priced housing. As such, for this relatively small municipal-owned parcel, a realistic exposure period would have been from 3 to 6 months.

STATEMENT OF OWNERSHIP AND RECENT SALES HISTORY:

The property is currently owned by the city of Clearwater that acquired title in December 1995 at a recorded price of \$84,000 (recorded O.R. Book 9191, Page 1286). There have been no subsequent recorded transfers of the property that would impact the current market value.

SCOPE OF THE APPRAISAL:

The extent of my research effort for the sale of similar zoned land has focused on the proximate Clearwater market while I am familiar with and have considered sales from the North Pinellas district. Specifically, I have researched the data banks maintained by the Pinellas Clerk's and Property Appraiser's offices, the local MLS and my newspaper clipping files composed of local general subscription and business magazines. I have thoroughly inspected the district, viewed the comparable sales data and confirmed the transactions with a related party. The report will include a Land Sales Comparison Analysis, which is the only reliable methodology for valuing vacant land.

DEFINITION OF MARKET VALUE:

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

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;

(3) A reasonable time is allowed for exposure in the open market;

(4) Payment is made in terms of cash in 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.

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

STANDARD CONTINGENT AND LIMITING CONDITIONS:

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

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

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

The Appraiser(s) assume(s) there are no hidden or unapparent conditions of the property, subsoil, or structure which would affect the value estimate. Unless otherwise noted, the Appraiser(s) has not commissioned termite or structural inspection reports on any improvements or subsoil tests on the land.

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

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

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

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

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

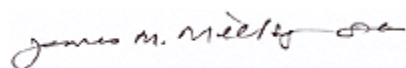
The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The Appraiser(s) has (have) not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance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

CERTIFICATION

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

1. As of the date of this report, I, James M. Millspaugh, have completed the requirements under the continuing education program of the Appraisal Institute.
2. I have personally inspected the subject property and have considered all factors affecting the value thereof, and to the best of my knowledge and belief, the statements of fact contained in this appraisal report, upon which the analyses, opinions and conclusions expressed herein are based, are true and correct, subject to all attached Contingent and Limiting Conditions.
3. I have no present or contemplated future interest in the real estate that is the subject of this appraisal report.
4. I have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved.
5. My fee for this appraisal report is in no way contingent upon my findings. The undersigned further certifies that employment for this appraisal assignment was not based on a requested minimum valuation or an approval of a loan.
6. This appraisal report sets forth all of the limiting conditions (imposed by the terms of my assignment or by the undersigned) affecting the analyses, opinions, and conclusions contained in this report.
7. This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Uniform Standards of Professional Practice (USPAP) of the Appraisal Institute and the Appraisal Foundation and may be subject to peer review. Further, I have met USPAP's competency provision and am capable of completing this appraisal assignment.
8. No one other than the undersigned prepared the analyses, conclusions and opinions concerning the real estate that are set forth in this appraisal report.
9. In my opinion, the estimated current market value of the fee simple estate of the subject real property only as of July 27, 2022, was:

FIVE HUNDRED TWENTY-FIVE THOUSAND DOLLARS
(\$525,000)



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

AREA DESCRIPTION:

This district extends south from Court Street near downtown Clearwater to around Rosary Road in Largo and from just west of Missouri Avenue to the Pinellas Trail. It is characterized by low to moderate priced housing with similar demographics and a high ratio of tenant occupied housing. The subsidized housing complexes located south of Ross Norton Park plus the modern scattered single-family residences and recently-built rental apartment complex on Woodlawn Street west of Dr. MLK, Jr. Avenue here are examples of the most promising use trends and also underscore the weak demographics.

While the proximate retail/service space is typically located along Missouri Avenue, Dr. Martin Luther King Jr. Avenue includes several local convenience stores, a seafood/vegetable outlet, Churches and some minor service/storage use across from Ross Norton Park. Farther north of Lakeview also includes scattered office space (some medical) and multi-family housing. There is also multi-family housing (duplexes, triplexes, small apartment buildings) storage and office uses located to the west of the active rail corridor. This pocket of office/storage uses developed during the 1980's in support of the Morton Plant Hospital campus is located about 1/3-mile northwest of the subject. The medical space market here had suffered from the COVID-19 pandemic (2020-2021) during which many medical procedures were postponed and now is experiencing the resulting pent-up demand. While this notable improvement is positive for this district little or no new development of space here is expected during the short-term (0-2) foreseeable future as disruptions and pandemic growth continues to some extent.

In summary then, the outlook for residential acreage/lots is favorable with no expected negative trend during the next year or so. In fact, affordable workforce housing that attracts public funding/bonuses is likely to continue to be one of the “hot” markets.



SITE DATA:

The site is rectangular with 225' frontage to a 260.4' depth and a total area per the legal description of 58,590 SF (225' X 260.4') or 1.345 acres MOL. It is mostly cleared, grassed and has several scattered trees plus a low area at the southwest corner that on Page 14 of the 1972 Pinellas County Soil Survey appears to be labeled as a wet spot amongst Astor fine sands that are customarily poorly drained. It was reported, however, that inspection by the City engineering department found no wetland conditions.

The land is level, slightly above the roadway crowns and does not appear to have any extraordinary storm drainage problems as most of the area drains into the nearby Lake Bellevue located in the southwest quadrant of Dr. MLK Jr. and Lakeview. The site has all public (water, sanitary sewer and natural gas) and private (telephone, electricity and cable television) utilities available at no off-site costs. Access is off the two-lane Dr. MLK Jr. Avenue that is traffic lighted at Lakeview and Belleair Roads about ½-mile north and south with a 2019 MPO traffic count south of Druid Road at 5848. The main roadways are at 26,500 for Missouri, 35,500 for Court Street and 14,862 for S. Ft. Harrison south of Druid Road.

Surrounding improvements include subsidized housing to the north, west and south and several retail stores and vacant land across Dr. MLK Jr. Avenue with auto service and light industrial uses to the north. There is also a Clearwater police substation located just south near Woodlawn Street. The area has had and continues to have above-average crime activity that has prompted the police substation and represents a negative for the area. On the positive side are the proximate public ball fields and swimming facility at the Ross Norton Park located just north of the subject.

ASSESSMENT AND TAX DATA:

<u>Pinellas County Parcel #</u>	<u>2021 Assessment</u>
22-29-15-00000-320-1300	\$208,250

Based upon the tentative \$20.3216 millage rate the gross taxes in private ownership would be \$2,672.32. Further, the 2022 tentative assessment has been increased to \$357,000.

ZONING AND LAND USE DATA:

The site and adjacent lands are zoned MDR for Medium Density Residential and are classified as RM for Residential Medium on the comprehensive land-use plan to a maximum 15 per acre density. Allowed uses include community gardens, community residential homes (Max 6 residents) and detached dwellings with these level one uses requiring a 5,000 SF lot having setbacks of 25' front, 5' side and 5' rear plus a 30' height. The second level of allowed uses includes attached dwellings (10,000 SF), community homes with maximum 14 residents (5,000 SF), detached housing (3-5,000 SF), schools (40,000 SF) and utility structures with setbacks of 25' front, 0-10' side and 5-25' rear and 30'-40' height. Flexible development concepts include ALF (20,000 SF) attached housing (10,000 SF), congregate care (20,000 SF), non-residential off-street parking plus overnight accommodations, parks and recreation and residential infill with setbacks of 10'-35' front, 0'-20' side and 0'-25' rear plus 30'-50' maximum height. The general zoning intent is for multi-family housing plus a variety of residential treatment facilities and public space.

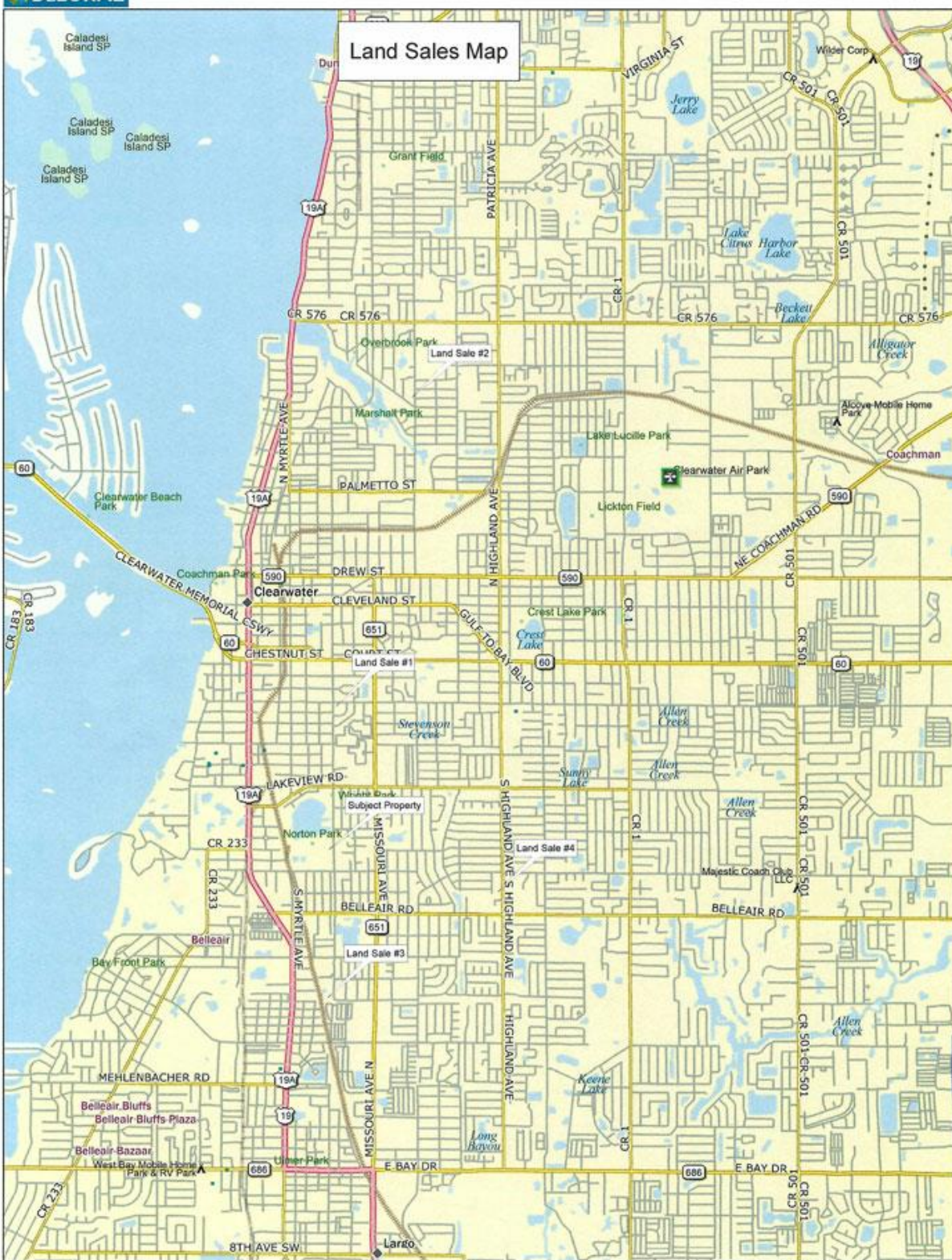
HIGHEST AND BEST USE: (Defined in the Addenda)

After a thorough inspection of the subject, surrounding use trends and the existing zoning/land use regulations, it is clear that some form of multi-family housing represents this concept. Most of the adjacent properties are subsidized housing in one to two story buildings plus another 80 unit complex was recently built on an 8-acre MOL parcel fronting Woodlawn Street just west of Dr. MLK Jr. Avenue. Single-family has been extensively developed here during the past decade or so on scattered lots, but the dominant trend for the larger parcels has been for multi-family by a variety of public agencies that would likely have demand for expansion. The zoning would allow a maximum of 20 units (1.345 acres @ 15 units per acre) while single-family use would likely allow 5-6 small lots after developing a central roadway and storm retention. Further, city density bonuses for affordable housing could increase added density.

The most likely proposal would include moderately sized/valued townhomes that with an approximate 15 PA density would include smaller (2-3 bedrooms plus 1 car garage) in the 1,250-1,500 SF size range. The apparent low spot would not likely result in lost units or extraordinary development costs.

LAND VALUE ESTIMATE:

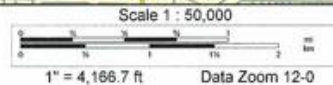
This method values the site by comparison to the best available comparable data that had the same or similar highest and best use. The sales are described here on separate detail sheets and then analyzed and adjusted below in relation to the subject. Unless otherwise noted, these sites sold for cash or terms equivalent and did not require adjustment for cash equivalency. The most common unit of comparison for this type of vacant land is the price per maximum allowed unit.



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LAND SALE #1

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

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

Date of Sale: October 2019

Sales Price: \$850,000

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

Price PSF: \$12.09

Price Per Unit: \$17,708

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

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

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

Zoning: HDR, High Density Residential, Clearwater

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

LAND SALE #2

Location: 1718 N. Betty Lane, Clearwater

Legal Description: Metes and Bounds Parcel #43/04 located in the SE/4 of the SE/4 of Section 3, Township 29 South, Range 15 East

Date of Sale: August, 2021

Sale Price: \$750,000

Size: 563' x 190' MOL; 2.15 Acres MOL

Price PSF: \$8.01

Price Per Unit: \$37,500

Grantor: J.K. Baxter, et al./Habitat for Humanity of Pinellas County, Florida

Recording Data: O.R. Book, 21661 Page 0551

Sale Confirmed With: J. Miller, Broker

Zoning: R-4, Duplex Pinellas County with Residential Urban and General Commercial Land Use

Comments: This site had formerly been used for auto salvage functions for decades and was purchased here for some form of residential use after demolition and site remediation performed by public sources. While having partial land use for some commercial concept the City objected to the mixed-use and favored 20± townhomes while the buyer preferred to develop 12± single-family residences that is the dominant use trend.

LAND SALE #3

Location: 1756 S. Dr. Martin Luther King Junior, Avenue, at NW corner of Jasper Street, Largo

Legal Description: Metes and Bounds parcel #23/03, located in the SE/4 of the E/2 of the NW/4 of Section 27, Township 29 South, Range 15 East.

Date of Sale: October, 2021

Sale Price: \$2,000,000

Size: 6.82 acres MOL including roughly 1.85 Acres wetlands or 4.97 acres usable

Price PSF: \$9.24 Usable

Price Per Unit: \$39,216

Grantor/Grantee: J. Bates, Trustee/Habitat for Humanity of Pinellas County, Inc.

Recording Data: O.R. Book 21782, Page 1445

Sale Confirmed With: K. Rush, Grantee Rep.

Zoning: R.U. – Residential Urban Land Use, Largo

Comments: This site has 583' of main road frontage that surrounds an existing residential estate (95' x 125') owned by others. The site fronts an active railroad corridor to the west with the southwest section being in natural wetlands. It was purchased by an active residential developer for a 51-unit townhome complex. Surrounding uses comprise moderately priced older residences, church/school complex, low-rise villas of modest value and older residences beyond the railroad corridor to the west.

LAND SALE #4

Location: West side of Highland Avenue approximately 350' south of Nursery Road, Clearwater

Legal Description: Lots 1-13, the S. 20' of 14 plus Lots 53-56, Block B, Scotia Heights Subdivision, Plat Book 19, Page 10 Less the E 7' of Lots 1-7, plus E 20' of vacated Braund Street and N 30' of vacated Scott Street.

Date of Sale: February, 2022

Sales Price: \$1,150,000

Size: 375' x 140' plus 130' x 157 MOL: 75,511 SF

Price PSF: \$15.22

Price per Unit: \$52,273

Grantor/Grantee: Odin Enterprises, Inc./Highlands West Coast, LLC.

Recording Data: O.R. Book 21926, Page 1783

Sale Confirmed With: F. Agio, Broker

Zoning: MDR, Medium Density Residential, R/OG, Residential/Office General Land Use, Clearwater

Comments: This site is located directly across from a popular Publix shopping center amongst mixed office/single family residential uses. It had sold multiple times during the past 5 years to speculators with the previous sale in July 2017 for \$275,000. This sale was site planned for 22 townhome units to an out of county developer for 1,850 SF units. The site also requires offset utility extensions.

Land Sales Re-Cap Chart

Sale #	Date Of Sale	Sales Price	Density PA	Size In Acres	Price PSF	Price Per Unit
1	10/19	\$ 850,000	30	1.61	\$12.09	\$17,708
2	8/21	\$ 750,000	9.3	2.15	\$ 8.01	\$37,500
3	10/21	\$2,000,000	10.3	4.97	\$ 9.24	\$39,216
4	2/22	\$1,150,000	12.7	1.73	\$15.22	\$52,273
Subject	--	--	15	1.345	--	--

LAND SALES ANALYSIS AND CONCLUSIONS:

These are the best-known proximate examples of reasonably similar size. Sale #1 is located in the subject market but sold roughly 3 years earlier prior to a major value shift here. As such, the sale requires upward adjustment for the time influence and downward due to the higher density that would likely require a mid-rise building that is far more costly than 2-story townhomes.

Sale #2 has a slightly superior demographic profile than the subject (-) with a large unit size resulting from a lower density. This \$37,500 per unit price then requires some downward adjustment for the subject.

Sale #3 is larger (+) with a superior location (-) that would be developed at a similar site density. As such, the \$39,216 per unit price would likely support the subject at a lower metric.

Sale #4 has a slightly lower density (-) plus a notably superior location (-).

After considering this data, it appears the subject value would fall in the \$25,000-\$27,500 per unit value range.

20 Units @ \$25,000 Per Unit = \$500,000

20 Units @ \$27,500 Per Unit = \$550,000

ROUNDED TO \$525,000

That value, in turn, would support an \$8.96 PSF metric that appears realistic by comparison to the other Land Sales.

Sale #	Price PSF
1	\$12.09
2	\$8.01
3	\$9.24
4	\$15.22
Subject	\$8.96

ADDENDA

QUALIFICATIONS OF THE APPRAISER
JAMES M. MILLSPAUGH, MAI

APPRAISAL EXPERIENCE:

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

APPRAISAL PLANT DATA:

In addition to maintaining its location near the main Pinellas County Courthouse complex for easy access to governmental offices and the official public records maintained in the Clerk's office for in-depth background research, the firm maintains Marshall Valuation Service Cost Data, online real estate transactions from RealQuest as provided by CoreLogic and MLS sales data provided by MFR.MLSMatrix plus national surveys on lodging, food service, offices, industrial parks, mini-storage, shopping center markets, investor return rates and others.

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

APPRAISAL EDUCATION:

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

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

VIII: Single Family Residential Appraisal - 1973

I-B: Capitalization Theory and Techniques - 1974

II: Urban Properties - 1975

IV: Condemnation - 1978

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

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

301: Special Applications of Appraisal Analysis – 1980

JAMES M. MILLSPAUGH, MAI

(Qualifications Continued)

RECENT SEMINARS ATTENDED: Sponsored by The Appraisal Institute

Valuation of Wetlands, 2004.

Commercial Highest and Best Use – Case Studies, 2005.

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

Condominiums, Co-Ops and PUDS, 2007.

Analyzing Distressed Real Estate, 2007.

Appraisal Curriculum Overview, Two-Day General, 2009.

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

Valuation of Detrimental Conditions, 2010.

Analyzing Tenant Credit Risk/Commercial Lease Analysis, 2011.

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

Marketability Studies: Advanced Considerations and Applications, 2013.

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

Critical Thinking in Appraisals, 2014.

Litigation Appraising, 2015.

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

Business Practice and Ethics, 2017.

Parking and its Impact on Florida Properties, 2018.

Solving Land Valuation Puzzles, 2018.

Insurance Appraisals, 2018.

Evaluating Commercial Leases, 2019.

Artificial Intelligence, AVMs and Blockchain, 2019.

Appraising Donated Real Estate Conservation Easements, IRS, 2020.

Florida State Law Update, 2022.

National USPAP Update, 2022.

EDUCATION:

Bachelor of Science in Business Administration, University of Florida
Associates of Arts, St. Petersburg Junior College

PROFESSIONAL AFFILIATIONS AND CERTIFICATION

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

Member: Pinellas Realtors Organization, National Association of Realtors

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

STANDARD DEFINITIONS

HIGHEST AND BEST USE:

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

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

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

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

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

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

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

