

APPRAISAL REPORT

CITY OF CORAL GABLES PUBLIC SAFETY BUILDING SITE

LOCATED AT:

**2801 SALZEDO STREET
CORAL GABLES, FLORIDA**

PREPARED FOR:

**CITY OF CORAL GABLES
ECONOMIC DEVELOPMENT DEPARTMENT
2121 PONCE DE LEON BLVD., SUITE 720
CORAL GABLES, FLORIDA 33134**

AS OF:

JANUARY 2, 2017

PREPARED BY:

**QUINLIVAN APPRAISAL, P.A.
7300 NORTH KENDALL DRIVE - SUITE 530
MIAMI, FLORIDA 33156**

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Thomas F. Magenheimer, MAI
State Certified General Appraiser
RZ 553

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January 9, 2017

Leonard Roberts, CPA
Economic Development Assistant Director
City of Coral Gables
2121 Ponce de Leon Blvd., Suite 720
Coral Gables, Florida 33134

Dear Mr. Roberts:

In accordance with your request and authorization, I have prepared this Appraisal Report covering the following described properties:

The Coral Gables Public Safety Building site, a 63,000 square foot site, located at 2801 Salzedo Street, Coral Gables, Florida.

The purpose of this Appraisal is to estimate the Market Value of the described property, as of January 2, 2017, being one of the dates of personal inspection.

The narrative Appraisal Report that follows sets forth the identification of the properties, the assumptions and limiting conditions, pertinent facts about the area and the subject properties, comparable data, the results of the investigations and analyses, and the reasoning leading to the conclusions set forth. This appraisal is not based on any hypothetical conditions or extraordinary assumptions.

The report was prepared in accordance with the requirements and in compliance with the most current Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation.

The existing improvements on the property are not considered the highest and best use of the site. The building has significant structural damage from water penetration. The estimated land value and restoration cost would exceed the value of the property as built, indicating that the existing improvements are not the highest and best use of the site.

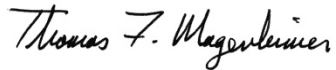
Mr. Leonard Roberts
City of Coral Gables
January 9, 2017
Page 2

Based on the inspection of the properties and the investigation and analyses undertaken, I have formed the opinion that, as of January 2, 2017, the subject property had a Market Value of:

TWENTY MILLION FOUR HUNDRED SEVENTY-FIVE THOUSAND DOLLARS

\$20,475,000

Respectfully submitted,



Thomas F. Magenheimer, MAI
State-Certified General Appraiser
Certification Number: RZ0000553

TFM/jb
(17-001)

TABLE OF CONTENTS

	<u>PAGE</u>
COVER PAGE	
TRANSMITTAL LETTER	
TABLE OF CONTENTS	
<i>CERTIFICATION OF VALUE</i>	1
SUMMARY OF SALIENT FACTS AND CONCLUSIONS.....	3
<i>INTRODUCTION</i>	10
INTRODUCTION	11
IDENTIFICATION OF THE PROPERTY	11
LOCATION.....	11
PURPOSE AND DATE OF APPRAISAL	11
INTENDED USE AND USER OF APPRAISAL.....	11
LEGAL DESCRIPTIONS	11
PROPERTY RIGHTS APPRAISED	11
DEFINITION OF MARKET VALUE.....	12
ASSESSMENT AND TAXES – 2016.....	13
OWNER OF RECORD AND ADDRESS	13
THREE-YEAR HISTORY OF TITLE	13
ESTIMATED EXPOSURE TIME	14
ESTIMATED MARKETING PERIOD	14
<i>SCOPE OF THE APPRAISAL</i>	15
<i>LOCATION ANALYSIS</i>	17
COUNTY DATA.....	18
NEIGHBORHOOD DATA	27
<i>SITE DATA</i>	30
<i>ZONING</i>	34
<i>HIGHEST AND BEST USE</i>	37
<i>THE APPRAISAL PROCESS</i>	41
<i>LAND VALUE ANALYSIS</i>	43
<i>ADDENDA</i>	61
ASSUMPTIONS AND LIMITING CONDITIONS	
QUALIFICATIONS	
CLIENT LIST	

CERTIFICATION OF VALUE

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

- (A) The statements of fact contained in the report are true and correct.
- (B) The reported analyses, opinions and conclusions are limited only by the assumptions and limiting conditions set forth, and are my personal, unbiased professional analyses, opinions and conclusions.
- (C) I have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
- (D) I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- (E) My engagement in this assignment is not contingent upon developing or reporting predetermined results.
- (F) The appraiser's compensation for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. Furthermore, the appraisal assignment is not based on a requested minimum valuation, a specific valuation or the approval of a loan.
- (G) The appraiser's analyses, opinions and conclusions are developed, and this report is prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, and the requirements of the State of Florida for state-certified appraisers.
- (H) Use of this report is subject to the requirements of the State of Florida relating to review by the Real Estate Appraisal Subcommittee of the Florida Real Estate Commission.
- (I) Thomas F. Magenheimer has made a personal inspection of the property that is the subject of this report.
- (J) No one provided significant professional assistance to the person signing this report.

- (K) The reported analyses, opinions, and conclusions are developed, and this report is prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- (L) The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- (M) The undersigned has not performed appraisal services on the subject properties during the past three years.

As of the date of this report, Thomas F. Magenheimer has completed the requirements under the continuing education program for designated members of The Appraisal Institute.

Thomas F. Magenheimer

THOMAS F. MAGENHEIMER, MAI
STATE-CERTIFIED REAL ESTATE APPRAISER
CERTIFICATION NUMBER: RZ0000553

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Purpose of Appraisal	Market Value
Property Rights Appraised	Fee Simple
Location	2801 Salzedo Street Coral Gables, Florida
Land Size	63,000 Square Feet
Improvements	Five-story public safety building built in 1973
Zoning	C, Commercial District & CBD, Central Business Overlay District (City of Coral Gables)
Highest and Best Use:	Redevelopment with commercial use. The existing improvements are not considered the highest and best use of the site.
Land Value Indication:	\$20,475,000
Final Indication of Value:	\$20,475,000
Date of Inspection	January 2, 2017
Date of Value Estimate	January 2, 2017
Date of Report	January 9, 2017



LOOKING NORTHEASTERLY AT SUBJECT FROM SALZEDO STREET



LOOKING SOUTHEASTERLY AT SUBJECT FROM SALZEDO STREET



LOOKING NORTHEASTERLY AT SUBJECT FROM PALERMO AVENUE



LOOKING NORTHWESTERLY AT SUBJECT FROM PALERMO AVENUE



LOOKING SOUTHEASTERLY AT SUBJECT FROM SEVILLA AVENUE



LOOKING SOUTHWESTERLY AT SUBJECT FROM SEVILLA AVENUE



LOOKING NORTHERLY ON SALZEDO STREET – SUBJECT TO RIGHT



LOOKING SOUTHERLY ON SALZEDO STREET – SUBJECT TO LEFT



LOOKING EASTERLY ON PALERMO AVENUE – SUBJECT TO LEFT



LOOKING WESTERLY ON PALERMO AVENUE – SUBJECT TO RIGHT



LOOKING EASTERLY ON SEVILLA AVENUE – SUBJECT TO RIGHT



LOOKING WESTERLY ON SEVILLA AVENUE – SUBJECT TO LEFT

INTRODUCTION

INTRODUCTION

IDENTIFICATION OF THE PROPERTY

A 63,000 square foot land site under the City of Coral Gables Public Safety Building.

LOCATION

2801 Salzedo Street
Coral Gables, Florida

PURPOSE AND DATE OF APPRAISAL

The purpose of this Appraisal is to estimate the Market Value of the property as a vacant as of market conditions prevalent on January 2, 2017, being one of the dates of personal inspection.

INTENDED USE AND USER OF APPRAISAL

The intended use of this appraisal is to establish the market value of the property to aid in a potential sale of the property. The intended user is the City of Coral Gables.

LEGAL DESCRIPTIONS

Lots 1-11 and Lots 27-38 inclusive, including the 20-foot alley lying between, Block 18, **CORAL GABLES CRAFTS SECTION**, according to the Plat thereof as recorded in Plat Book 10, at Page 40 of the Public Records of Miami-Dade County, Florida.

PROPERTY RIGHTS APPRAISED

The property is appraised in fee simple: a fee without limitations to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power and taxation, as well as utility easements of record.

DEFINITION OF MARKET VALUE

Market Value means 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 this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (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 interest;
- (3) a reasonable time is allowed for exposure to 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 a normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: Interagency Appraisal and Evaluation Guidelines, December 10, 2010, Federal Register, Volume 75, No. 237, Page 77472

ASSESSMENT AND TAXES – 2016

The subject property is assessed under the jurisdiction of the City of Coral Gables, Florida.

The assessment for the property is established each year as of January 1st by the Miami-Dade County Property Appraiser's Office at 100% of "Just Value." Just Value has been equated to Market Value less closing costs. While the State of Florida requires real estate to be assessed at 100% of Just Value, in reality the ratio of the assessed value to sales price is generally below 100%.

Folio Number: 03-4117-005-5110

Assessed Value:	Land	\$ 10,080,000
	Improvements	<u>\$ 13,234,622</u>
	Total	\$ 23,314,622

Millage Rate: \$19.0946 per \$1,000

Tax Amount: \$0.00 Since the property is owned by a municipality, no taxes are levied.

OWNER OF RECORD AND ADDRESS

City of Coral Gables
City Hall
405 Biltmore Way
Coral Gables, FL 33134

THREE-YEAR HISTORY OF TITLE

According to a search of the Public Records of Miami-Dade County, there have been no sale transfers of the properties during the past three years.

ESTIMATED EXPOSURE TIME

Exposure time is defined as the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.

The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort.

In estimating a reasonable exposure time for the subject properties, the following steps have been taken:

Discussion with buyers, sellers, brokers and/or a review of multiple listings of vacant land in the area related to historic marketing periods.

Based on the above sources, exposure time is estimated to have been twelve months for the subject property.

ESTIMATED MARKETING PERIOD

The estimated value of the subject is predicated upon a normal marketing period. A normal marketing period is generally defined as the most probable amount of time necessary to expose and actively market a property on the open market to achieve a sale. Implicit in this definition are the following assumptions:

- (A) The property will be actively exposed and aggressively marketed to potential purchasers through marketing channels commonly used by sellers and buyers of similar type properties.
- (B) The property will be offered at a price reflecting the most probable markup over market value used by sellers of similar type properties.
- (C) A sale will be consummated under the terms and conditions of the definition of Market Value required by the regulation.

In order to estimate the marketability of this property, the sales activity in this market area was reviewed over the past three years, multiple listings were reviewed and real estate brokers who operate in this area were interviewed.

Based on the above sources, the subject property could be sold within a twelve month time period.

SCOPE OF THE APPRAISAL

SCOPE OF THE APPRAISAL

The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered and analysis is applied, all based upon the following problem-identifying factors stated elsewhere in this report.

This appraisal of the subjects has been presented in the form of an Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2 (a) of the Uniform Standards of Professional Appraisal Practice.

A search for commercial land sales in Coral Gables and competitive areas was conducted. The initial sales period researched was from January of 2013 through the date of valuation. Several other sales were considered, but were not included because there was too wide a difference in physical factors, location and time.

Data related to the subject property was derived from various sources including but not limited to the Miami-Dade County Property Appraiser's Office, Miami-Dade County Clerk's Office, FEMA flood zone maps, a title commitment, and tax roll information provided by the Miami-Dade County Property Appraiser's Office.

Comparable sale sources include the Miami-Dade County Property Appraiser's Office, the Miami-Dade County Clerk of the Courts, Board of Realtors' Multiple Listing Services, and LoopNet. Sales prices are typically confirmed with a party to the transaction, i.e., buyer, seller, real estate agent or attorney to the transaction.

LOCATION ANALYSIS

COUNTY DATA

Miami-Dade County - Location and Size

Miami-Dade County, which comprises the metropolitan area of Miami, is situated on the southeast tip of the state of Florida. It is bordered on the east by the Atlantic Ocean, on the west by Monroe and Collier Counties, on the north by Broward County, and on the south by Monroe County (the Florida Keys).

Miami-Dade County, the largest county in area and population in the state of Florida, covers an area of 2,054 square miles with an altitude ranging from sea level to 25 feet. Water covers 354 square miles of the County.

Although the County is relatively large, approximately half of the total area is comprised of the Everglades, which is a natural area that will not be developed. Therefore, only the eastern section of Miami-Dade County encompasses the area which is currently developed or available for future development.

Miami-Dade County's location, its southern latitude and proximity to the Gulf Stream provide for mild winters and pleasant summers.

Population

The state of Florida has increased rapidly in population from 9,740,000 in 1980 to 12,937,926 in 1990 and 15,982,378 in 2000. The 2010 population of Florida was 18,801,310, an increase of 17.6% over the 2000 population.

Miami-Dade County's population increased from 1,626,000 in 1980 to 1,937,094 in 1990, reflecting an average annual compounded growth rate of 1.77%, compared with 2.88% for the state of Florida. By 2000, Miami-Dade County's population increased to approximately 2,253,362. The population grew to 2,496,435 by the Year 2010, an increase of 10.8% over the 2000 population. By the Year 2014 the population increased to 2,604,265, an increase of 4.3% over the 2010 population.

Miami-Dade County's population growth during the last four decades has been dramatic especially in relation to national trends. From 1950 to 1990 the United States population increased by 60% while the population of Miami-Dade County has almost quadrupled from 495,084 to 1,937,000. During this period, the state of Florida was elevated from the 20th most populous state to the 4th in 1990 and continues to be the fourth most populous state.

During the 1960s, the major increase in Miami-Dade County's population was due to the large immigration of Cubans. Today, Cuban and other Spanish speaking people comprise approximately 62% of Miami-Dade County's population. The increase in Hispanic population has had favorable effects on the local economy and has helped to create a multi-national cultural environment in the area.

The overall population of Miami-Dade County is well dispersed throughout the entire area, yet has several key areas of concentration. During the 1960s, several sub-areas accounted for approximately 70% of the growth. These areas include Hialeah, northern Miami-Dade County, the Beach area, the Miami River area, the area southwest of Miami International Airport, as well as the Kendall and Cutler Ridge areas. In the first half of the 1970s, population growth continued in an uneven fashion especially in the urban fringes.

Since 1970, approximately three-fourths of the total population growth for the County has occurred in the unincorporated areas. The older centrally located cities such as Miami, Miami Beach and Coral Gables have grown at modest rates from 1970 to 1990. Unincorporated Miami-Dade County has evidenced the most rapid growth which continues to occur in areas in northeast Miami-Dade County (Aventura), as well as the currently expanding southwest area, especially in sections of Flagler Street, S.W. 8th Street, North Kendall Drive and Homestead.

Population trends indicate that most of the population growth in Miami-Dade County between 2010 and 2015 will occur in outlying areas such as North Miami Beach, the Kendall area west of the Florida Turnpike, the S.W. 8th Street area west of the Florida Turnpike, the Hialeah-Miami Lakes area, as well as those areas both east and west of U.S. Highway 1 between Cutler Ridge and Florida City.

Employment Trends

The dominant characteristic of Miami-Dade County is that it is primarily trade and service based. Personal, business and repair services have had a substantial increase in importance in the economic base over the last decade. The major sectors of the economy include services, wholesale and retail trade, transportation, communications, public utilities, government and manufacturing. The most dominant industries which form the County's economic base are construction and tourism.

Tourism is Miami-Dade County's biggest industry with an estimated 13.9 million visitors in 2012 contributing to more than 50 percent of the area's economy. Aviation and related industries are responsible for another large segment of the economy.

The largest employer in Miami-Dade County is the Miami-Dade County School Board, followed by Miami-Dade County, Federal Government, State of Florida, Jackson Health System, American Airlines, University of Miami, Baptist Health Systems of South Florida, AT&T, and Florida Power and Light. Assuming additional importance is the growing prominence of Miami-Dade County as a center for international trade, finance and tourism. The establishment of Miami as the "Gateway of the Americas" should provide the area with a much needed degree of economic diversification. This should enable Miami-Dade County to weather slowdowns in the national economy by an increase of trade through the Port of Miami, growth of international arrivals at the airport, the Free Trade Zone, and the substantial foreign investment in the local economy, particularly in real estate.

October of 2015 and a high of 10.7 percent in March of 2011. The unemployment rate for Miami-Dade County in October of 2016 was 5.6 percent, down from 6.2 percent a year earlier.

TABLE 1

ESTIMATES OF MIAMI-DADE COUNTY TOURIST TRENDS

	INTERNATIONAL	DOMESTIC	TOTAL
2008	6,169,043	6,662,546	12,831,589
2009	5,684,400	6,251,564	11,935,964
2010	6,060,100	6,544,000	12,604,100
2011	6,461,900	6,908,600	13,370,600
2012	6,801,200	7,102,032	13,903,232
2013	7,131,700	7,087,200	14,218,900
2014	7,260,000	7,303,200	14,563,200

Source: Greater Miami Convention and Visitors Bureau, Tourism Facts and Figures

Figures for 2014 indicate 14,563,200 overnight visitors came to Miami-Dade County, a 2.4% increase from 2013. In 2013, the total overnight visitors increased to 14,218,900, an increase of 2.2% over 2012.

TABLE 2

ESTIMATES OF DOMESTIC VISITORS BY REGION

DOMESTIC MARKET	2010	2011	2012	2013	2014
NEW YORK	25.5%	25.3%	25.5%	25.9%	26.0%
CHICAGO	5.9%	5.9%	5.8%	5.9%	5.9%
PHILADELPHIA	5.8%	5.7%	5.7%	5.6%	6.0%
BOSTON	4.3%	4.3%	4.3%	4.3%	4.3%
ATLANTA	3.7%	3.8%	3.9%	3.9%	3.9%
WASHINGTON, DC	2.8%	2.8%	2.8%	2.8%	2.8%
DALLAS	2.6%	2.6%	2.7%	2.7%	2.7%
DETROIT	2.1%	2.1%	2.1%	2.0%	1.9%
LOS ANGELES	1.9%	2.0%	1.9%	2.1%	2.1%
HOUSTON	1.7%	1.8%	1.8%	1.8%	1.8%

Source: Greater Miami Convention and Visitors Bureau, Tourism Facts and Figures

Table 2 indicates that the bulk of domestic visitors to Miami-Dade County originate from the New York (26%), Chicago (5.9%) and Philadelphia (6.0%) market areas. Of the top ten domestic market visitors, the majority (48.2%) are from northeastern market areas.

T A B L E 3

ESTIMATES OF INTERNATIONAL VISITORS BY REGION

REGION	2010	2011	2012	2013	2014
EUROPEAN COUNTRIES	21.6%	20.2%	20.0%	19.2%	19.7%
CARIBBEAN COUNTRIES	11.4%	10.8%	10.5%	10.0%	10.4%
CENTRAL AMERICAN COUNTRIES	8.7%	8.3%	8.0%	7.8%	8.2%
SOUTH AMERICAN COUNTRIES	46.8%	49.2%	50.3%	52.1%	50.4%
CANADA	9.7%	9.7%	9.4%	9.2%	9.5%
OTHER COUNTRIES	1.8%	1.8%	1.8%	1.7%	1.8%
TOTAL	100%	100%	100%	100%	100%

Source: Greater Miami Convention and Visitors Bureau, Tourism Facts and Figures

Table 3 shows that the bulk of international visitors to Miami-Dade County originate from Central and South American Countries (58.6%), followed by European Countries (19.7%) and Caribbean Countries (10.4%). England and Germany accounted for the largest proportion of European visitors.

In 2014 there were a total of 4.939 million passengers passing through the Port of Miami. During 2014, the number of Port of Miami passengers increased 21.1% from 2013. The passenger count for 2015 is expected to increase to nearly 5.0 million with the introduction of three new ships to the port. Through June of 2015 approximately 11,051,259 passengers arrived through Miami International Airport. The passengers arriving at the airport increased 6.2% from the same period the previous year. The arrivals at the airport are fairly evenly distributed between international and domestic passengers. Through June 2015, domestic arrivals totaled 5,732,473 and international arrivals totaled 5,318,786.

There are approximately 50,901 motel and hotel rooms in 392 lodging facilities in Greater Miami and the Beaches. The area had an occupancy rate of 80.8 percent in 2015, down 0.2% from 2014. The airport area had the highest occupancy rate as of June 2015 at around 90.2%.

Average room rate for hotel rooms in Miami-Dade County was \$217.62 in 2015, up from \$202.20 in 2014. Therefore, the average hotel room rates in 2015 indicate an increase of 7.6% over the 2014 rate.

The first in a series of new luxury properties opened in February 2004 when the 380-room Ritz Carlton opened in Miami Beach. In May of 2005, the 210-room Le Meridian opened in Sunny Isles Beach. Three other new hotels with a total of 271 rooms opened in Miami Beach during 2005. In 2014, new hotel openings included the Courtyard Cadillac Miami Beach Hotel (93-rooms) in Miami Beach, EB Hotel Miami (133-rooms) in Miami Springs, and the Grand Beach Hotel (268-rooms) in Surfside. New hotels expected to open in 2015 include Aloft South Beach (235-rooms) in Miami Beach, East Hotel (263-rooms) in the Brickell Financial District, The Feena Hotel (169-rooms) in Miami Beach, the Nautilus (251-rooms) in Miami Beach, and Langford (126-rooms) in downtown Miami.

Miami-Dade Financial Resources

Over the course of the last decade, Greater Miami has evolved into a major international financial center. Domestic and international businesses find convenient access to a full array of services provided by locally-based state and national commercial banks, savings and loan associations, foreign banks, non-depository credit institutions, securities and commodities brokers and insurance companies.

Greater Miami has the largest concentration of domestic and international banks south of New York City. With more than 90 percent of the state's foreign banks operating offices in Miami, this market dominates international banking in Florida.

Overall, about 150 domestic banks, foreign banks and Edge Act banks operate in Greater Miami. The greatest concentration is located along Brickell Avenue in downtown Miami.

Transportation

Miami-Dade County has an extensive expressway system with access to all points in the County. However, due to the rapidly increasing population, some of the expressways, especially Interstate 95, are becoming overburdened. In 1985 Miami-Dade County completed a 20.5 mile elevated rapid transit system. This system originally extended southward from downtown Miami to Dadeland, paralleling U.S. Highway 1 and northwesterly from downtown Miami to Hialeah. In 1999, the system was extended about a mile from Hialeah to the Palmetto Expressway at NW 74th Street. An expansion to the Miami International Airport opened in 2013. In conjunction with this system, there is a Downtown People Mover Automated Transit system which encircles the central business district of Miami and extends south to the Brickell area and north to the Omni area.

Miami-Dade County is served by the CSX and Florida East Coast Railroads for freight and Amtrak Rail, Greyhound and Trailways Interstate bus lines for passenger service.

Miami International Airport, one of the nation's largest and busiest, had 307,503 aircraft arrivals and departures through September 2015, an increase of 2.14% over the previous year. The airport is currently undergoing a \$5.4 billion expansion. A South Terminal has recently been completed and a North Terminal completed in 2013 and a fourth runway has been constructed.

Miami has become a port of embarkation for airlines and ships bound for Central and South American Countries. The Port of Miami, besides being the largest passenger port in the nation, is also important as a cargo center with a 2014 annual tonnage of approximately 7.7 million, down 3.5% from 7.981 million in 2013. The port's traditional customer base has been Europe, China, Latin America and the Caribbean, accounting for 65% of the port's total volume.

Miami's comprehensive transportation system and its strategic location have enabled it to become an important international transportation center, providing commercial access to Latin America and the Caribbean.

Government

Miami-Dade County is comprised of unincorporated areas, as well as 36 municipalities, the largest of which is the city of Miami.

Miami-Dade County is governed under a modified two-tier metropolitan government. The purpose of this type government was to establish one governing body for the county, and to establish one supply of services such as fire, police, etc. for the county. The upper tier is the County, which provides broad "regional" or county functions, such as metropolitan planning, welfare, health and transit services. The thirty-six municipalities represent the lower tier of government, providing a varying array of services within their jurisdictional boundaries. The County also maintains lower tier functions, such as the provision of municipal-type services, including police and fire, to the unincorporated areas and certain municipalities on a negotiated basis.

The County operates under the Commission-Manager form of government. Legislative and policy-making authority is vested in the elected thirteen-member Board of County Commissioners; the Commission appointed County Manager is the chief administrator. Miami-Dade County has operated under the metropolitan form of government since 1957, when the Home Rule Charter was passed by the local electorate. Prior to Home Rule, the County had to rely on the State Legislature for the enactment of its laws.

County government had not been able to respond to the tremendous demand for municipal services in this rapidly urbanizing area, which is larger than the State of Rhode Island or Delaware. The need to combine services duplicated by the County and numerous cities was also clearly evident. The Charter permitted the limited County government to reorganize into a general purpose "municipal-type" government capable of performing the full range of public functions into an area wide operation.

Real Estate

The Miami-Dade County Office Market contains approximately 100.8 million square feet of office space. Approximately 31.0% of this space is located in the Miami central business district and adjacent Brickell Avenue, 25% in the Airport West area, and 15% in Coral Gables. The vacancy rate of office buildings in Miami-Dade County declined during the third quarter of 2016 to about 9.9%, down from 12.8% in 2015. During 2016, 1,685,607 square feet of office space is under construction in Miami-Dade County. Office rental rates in new buildings typically range from \$23.41 to \$43.63 per square foot. The low end of the range is for office space in the suburban markets. The upper end of the range is for first class office space in Downtown Miami, Brickell Avenue, Coconut Grove and Coral Gables.

The Greater Miami Industrial Market consists of approximately 235.51 million square feet of industrial space in 8,883 buildings.

The approximate percentage location of this space is as follows:

MARKET AREA	% OF TOTAL MARKET SPACE
AIRPORT WEST	29.6%
HIALEAH	25.6%
MEDLEY	16.7%
MIAMI LAKES	3.3%
NORTHEAST DADE	4.8%
NORTHCENTRAL DADE	14.9%
SOUTH DADE	5.1%
TOTAL	100%

The county's vacancy rate for the overall Miami-Dade County industrial market as of the third quarter of 2016 was 3.9%. The county's overall vacancy rate has fallen from a high of 4.7% in 2015. Airport West, the largest industrial area, had a vacancy rate of 4.1% as at the third quarter of 2016. Industrial rental rates generally average \$9.41 per square foot in the third quarter of 2016, up from an average of \$8.77 per square foot in 2014. New industrial space under constructed in the third quarter of 2016 totaled 4,359,300 square feet, which is more than all of 2014 and 2015 combined.

Miami-Dade's single-family home sales decreased 10.8% in September of 2016 in comparison with September of 2016 according to the Miami Association of Realtors. A total of 1,066 homes were reported sold in September of 2016. In September of 2016, the median sales price for single-family units was \$314,500, up 9.6% from the previous year.

Existing condo sales showed an decrease of 18.3% in September of 2016 from September of 2015 according to the Miami Association of Realtors. A total of 1,064 condo units were reported sold in September of 2015. The median sales price for condos increased to \$219,000 or an increase of 9.2% during the same period.

Marcus & Millichap Apartment Research Market Report shows a vacancy rate of 2.5% for rental apartment buildings in the Third Quarter of 2016, 70 basis points lower than in 2015. The vacancy rate had been declining steadily since 2006 due to the reduction of inventory caused by the large amount of condominium conversions. Since 2007 many ownership housing units, including both condominiums and single family houses, were placed into the rental market by developers and individual owners. Apartment rents in Miami-Dade County indicated an increase of 3.9% during 2016. New apartment construction during 2015 was nearly 2,450 units. New apartment construction during 2016 is expected to increase to 7,200 units.

The Miami-Dade County retail market contains approximately 127.51 million square feet in 10,191 buildings. The major retail markets in Miami-Dade County include Hialeah, Coral Gables/South Miami-Dade, Aventura and Kendall. Rental rates typically range from \$16.18 to \$64.49 per square foot with rates in the \$80.00 to \$120 per square foot on South Beach. The overall Miami-Dade County vacancy rate for the third quarter of 2016 was approximately 2.9%, which is marginally down from 3.1% in the third quarter of 2015. As of the third quarter of 2016, 2,454,946 square feet of retail space was under construction.

Conclusions

In the future, one of the principal growth areas for Miami-Dade County is expected to be the international sector. Miami-Dade County, because of its geographic location and excellent transportation facilities, is well-suited to attract both business individuals and tourists from Latin America. It is already one of the principal shopping markets for Central and South Americans visiting the United States and one of the principal export points for goods and services destined for Latin America.

The existence of major financial institutions, retail outlets, corporations and other business entities, coupled with its geographic location, transportation systems and planned international trade centers give Miami-Dade County an excellent opportunity for continued growth as an international center.

During the next 12 months all segments of the commercial real estate market should continue to experience decreasing vacancy rates and increasing rental rates. With decreasing inventories for both single family residences and condominium apartment units, sales activity is expected to rise during the next 12 months.

LOCATION MAP



NEIGHBORHOOD DATA

The subject property is located within the city of Coral Gables. The subject property may be further identified as being located on the east side of Salzedo Street, between and Sevilla and Palermo Avenues, one block east of LeJeune Road and one block west of Ponce de Leon Boulevard.

The boundaries of the subject neighborhood are considered S.W. 8th Street (Tamiami Trail) to the north, S.W. 40th Street (Bird Road) to the south, S.W. 37th Avenue (Douglas Road) to the east and S.W. 42nd Avenue (LeJeune Road) to the west.

The Central Business District of Coral Gables is located in the center of the subject neighborhood with Alhambra Plaza as the primary east/west traffic artery and Ponce de Leon Boulevard as the primary north/south traffic artery. The boundaries of the Central Business District of Coral Gables are Navarre Avenue to the north, Catalonia Avenue to the south and Douglas Road and LeJeune Road as the east and west boundaries, respectively. The subject property is located within the northern portion of the central business district.

Southwest 8th Street (Tamiami Trail) is a major four-lane, east/west traffic artery, considered the primary northern boundary of the City of Coral Gables. A variety of commercial properties are located on S.W. 8th Street.

Miracle Mile (Coral Way) is the primary retail shopping area in Coral Gables. Miracle Mile runs a four block distance from Douglas Road to LeJeune Road. Coral Way extends westerly from S.W. 12th Avenue through Coral Gables to S.W. 147th Avenue.

LeJeune Road is a major four-lane, north/south artery through the City of Coral Gables. A variety of commercial properties front on LeJeune Road. These properties include retail stores, restaurants, banks and office buildings.

Douglas Road is a major north/south traffic artery, extending south to Coconut Grove and north to the Miami International Airport area. A variety of commercial, single-family and multi-family residential properties front along Douglas Road in this area. Douglas Road forms the east boundary of the City of Coral Gables.

Ponce de Leon Boulevard is a primary four-lane, north/ south traffic artery through the City of Coral Gables. A variety of commercial properties front on Ponce de Leon Boulevard. These properties include retail stores, restaurants, banks and office buildings. The accessibility and location on Ponce de Leon Boulevard are very attractive and desirable.

Coral Gables is a city of approximately fourteen square miles of land area, immediately adjoining and lying to the west and south of Miami. The current population is estimated to be 43,000.

The city of Coral Gables was founded in 1921 and the first buildings were constructed in 1922. Most of the original buildings in Coral Gables were designed in a Mediterranean architectural style. Many of these buildings, such as the City Hall, the Biltmore Hotel and the Colonnade Building, are considered to have historical significance.

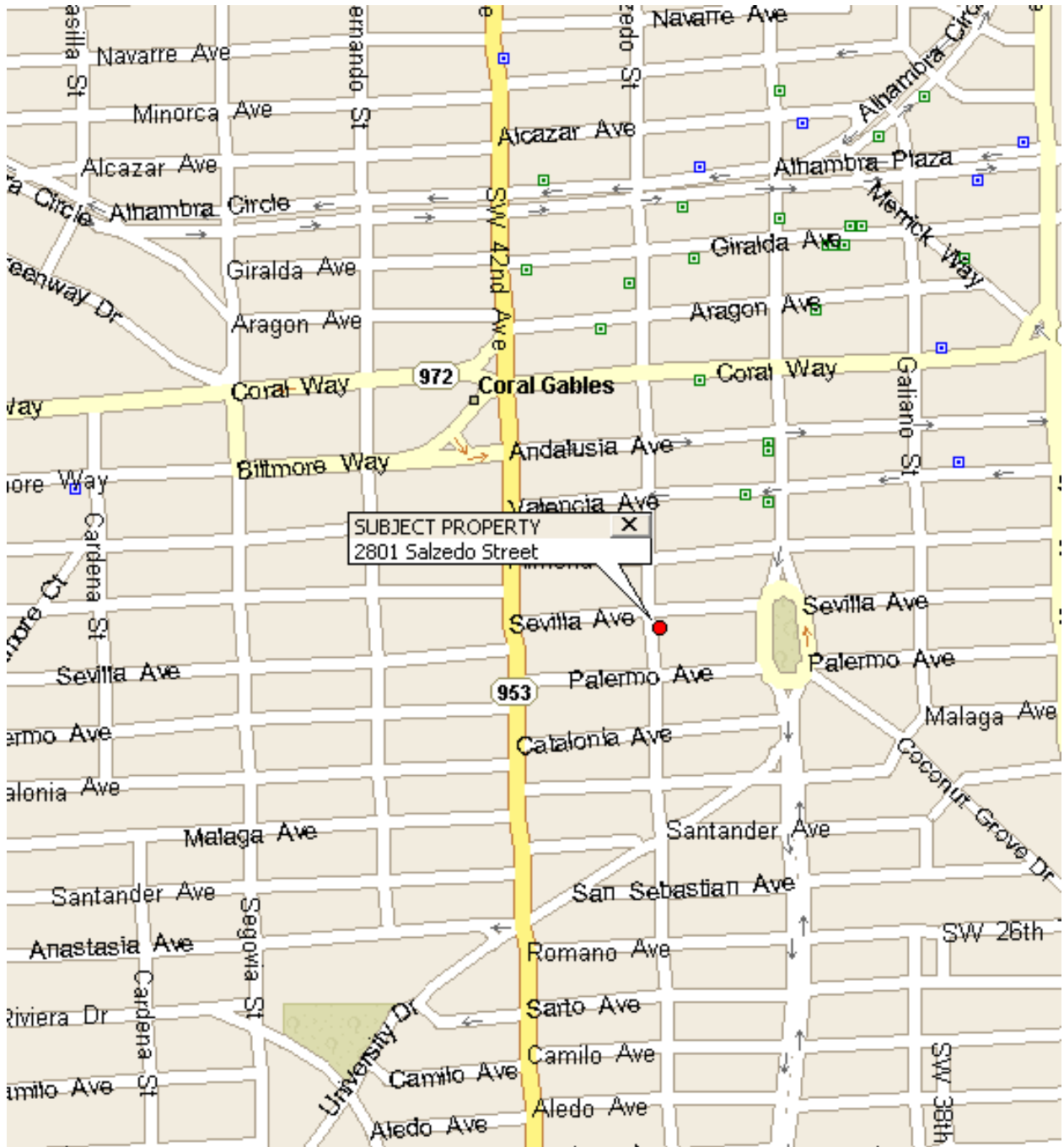
Highly restricted as to construction materials and methods and as to architecture, use and building value, Coral Gables attracts a high class of residents, winter visitors, retired persons from other states, and business and professional people of the Greater Miami area. These controls and standards are a significant reason why property values in Coral Gables are stabilized at a higher level than any other Miami-Dade County city. The waterfront subdivisions of Coral Gables, such as Gables Estates, Old Cutler Bay and Cocoplum, are considered to be some of the most desirable residential neighborhoods in the Greater Miami area.

Coral Gables is outstanding as to high concentration of employment in the professions, finance, insurance, and real estate as managers, proprietors or officials, or in skilled technical jobs. Multinational companies such as Texaco, Del Monte Fruits, Alcoa Inter-America, Esso Inter-America, Phillip Morris Latin America, and Hilton International have located their South American and Caribbean Basin headquarters in Coral Gables. The high standard of living in Coral Gables and the easy access to South America from the Miami International Airport are the primary factors that these multinational companies located in Coral Gables.

The Business District of Coral Gables makes readily available commodities and services of every kind. Independent commercial surveys show the retail and service establishments of the Coral Gables Business Section serve a trading area population of more than 200,000 people. Most necessary business services are available within walking distance of the major office buildings located in the core area of the Business District of Coral Gables.

The subject neighborhood as defined, is heavily developed with commercial and residential properties. Property uses within the subject neighborhood are of a very diverse nature but, nevertheless, compliment one another in a highly synergistic manner.

NEIGHBORHOOD MAP



SITE DATA

SITE DATA

Dimensions and Shape:

The site is irregular in shape.

The site fronts for 280.0 feet on the north right-of-way line of Palermo Avenue. The west property line thence extends northerly for 220.03 feet on the east right-of-way line of Salzedo Street. The north property line thence extends easterly for 275.0 feet on the south right-of-way line of Sevilla Avenue. The east property line thence extends southerly for 120.06 feet, thence extends easterly for 5.0 feet, and thence extends southerly for 100.6 feet.

Source: Survey by the Coral Gables Public Works Department.

Area:

63,000 square feet or 1.45 acre

Topography and Drainage:

The sites are level and approximately at street grade.

Flood Zone:

Map No. 12086C0457 L

"X" Areas determined to be outside of the 0.2% annual chance flood plain.

Soil and Subsoil:

The immediate area of the subject sites appears to have no unusual soil or subsoil conditions. Unusual conditions would be brought out by test borings.

Utilities:

Water:	City of Coral Gables
Sewer:	City of Coral Gables
Electricity:	Florida Power & Light Company
Telephone:	AT & T

Street Improvements:

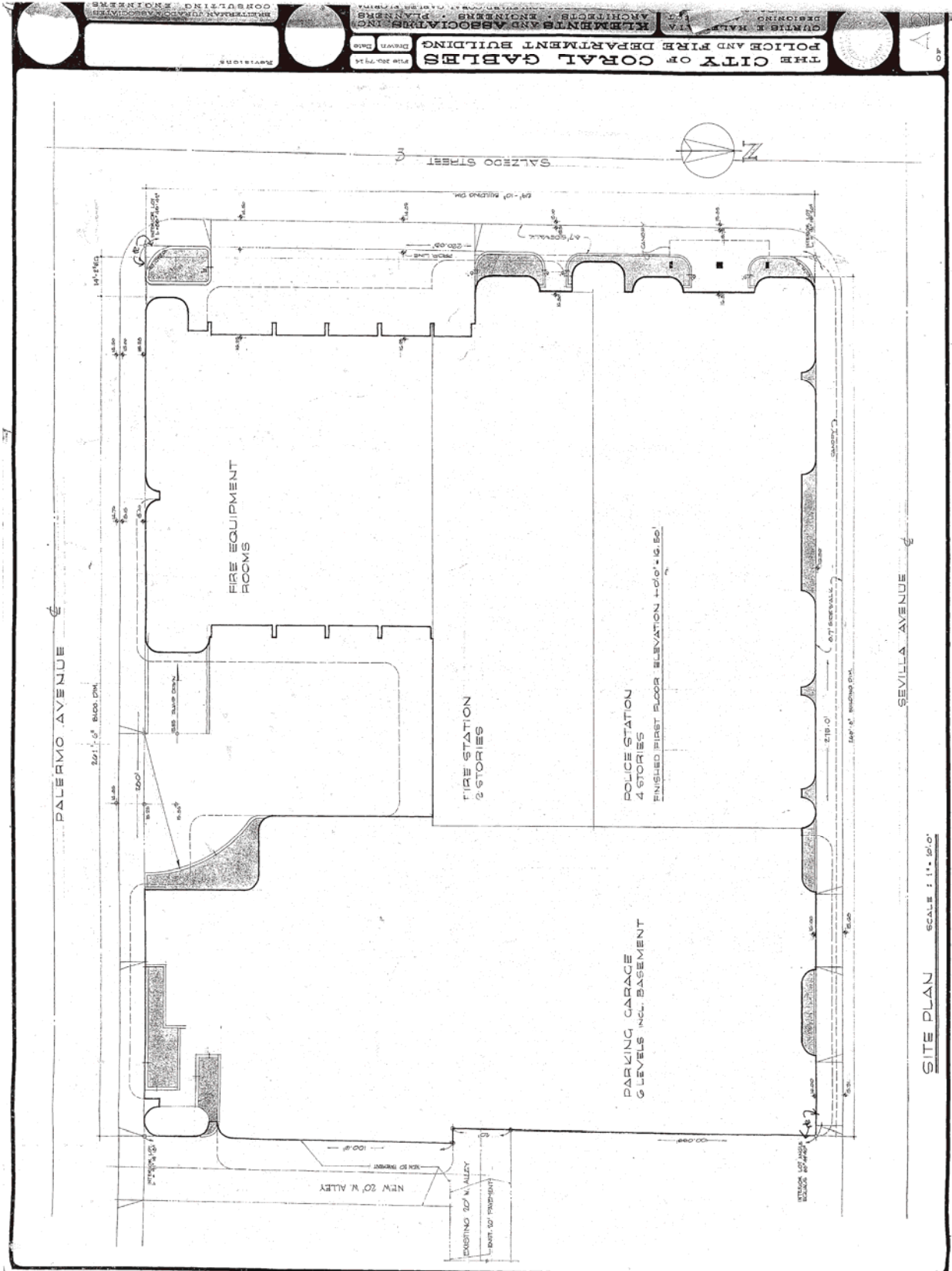
Salzedo Street is asphalt paved with a dedicated width of 60 feet. Salzedo Street has one north bound lane and one south bound lane.

Palermo Avenue is asphalt paved with a dedicated width of 60 feet. Palermo Avenue has one eastbound lane and one westbound lane.

Sevilla Avenue is asphalt paved with a dedicated width of 60 feet. Sevilla Avenue has one eastbound lane and one westbound lane.

There are sidewalks, curbs, gutters, street lighting and metered parking along Salzedo Street, Palermo Avenue and Sevilla Avenue.

SITE SKETCH



ZONING

ZONING

Under Ordinance of the City of Coral Gables, Florida.

Classification: C **COMMERCIAL DISTRICT**

The purpose of the Commercial District is to provide convenient access to higher intensity good and services throughout the City in conjunction with providing economic stability without adversely impacting the integrity of residential neighborhoods, diminishing the scenic quality of the City or negatively impacting the safe and efficient movement of people and things within the City.

Permitted Uses include alcoholic beverage sales, animal grooming, assisted living facilities, auto service stations, camps, community center, congregare care, day care, drive through facilities, funeral home, government uses, indoor recreation, medical clinic, municipal facilities, nighttime uses, nursing homes, offices, overnight accommodations, parking garages, parking lots, public transportation facility, restaurants, fast food restaurants, retail sales, swimming pools, temporary uses, broadcast studios, utility facilities, vehicle sales, vehicle services, and veterinary offices. Conditional uses include helistop, marina facilities, mixed use buildings, outdoor recreation, and private yacht basin.

Performance Standards

Minimum Lot Size:	2,500 square feet for buildings less than 45 feet in height
	20,000 square feet for buildings greater than 45 feet and with a minimum of 200 feet of street frontage
Minimum Lot Width:	25 feet
Minimum Lot Depth:	100 feet
Setbacks:	
Front:	i. Up to fifteen (15) feet in height: None.
	ii. The portion of a building above fifteen (15) feet shall be set back ten (10) feet from the property line at the lower of: a) a cornice line above fifteen (15) feet; b) the top of a parking pedestal; or c) forty (40) feet.

Interior Side:	Up to forty-five (45) feet in height — zero (0) feet, greater than forty-five (45) feet in height — fifteen (15) feet plus one (1) foot of additional setback for each three (3) feet of height above forty-five (45) feet.
Side Street:	15 feet
Rear:	i. Abutting street or alley: none ii. Not abutting street: ten feet
Canal or Waterway:	35 feet
Maximum Floor Area Ratio:	3.0 times lot area; 3.5 with design bonus; 4.375 with T.D.R.s
Maximum Building Height:	Pursuant to Land Use Designation
Required Parking:	
Alcohol Beverage Sales:	One space per 250 square feet of floor area
Auto Service Stations:	One space per 250 square feet of floor area
Community Center:	One space per 250 square feet of floor area
Day Care:	One space per 100 square feet of floor area
Funeral Home:	One space per four seats, plus one space per 40 square feet of floor area
Indoor Recreation:	One space per five seats, plus one space per 300 square feet of floor area
Offices:	One space per 300 square feet of floor area
Retail Sales:	One space per 250 square feet of floor area
Restaurant:	12 spaces per 1,000 square feet of floor area
Veterinary Offices:	One space per 250 square feet of floor area

LAND USE PLAN DESIGNATION

High-Rise Intensity Commercial Use (150 feet, 3.0 Base F.A.R.)

HIGHEST AND BEST USE

HIGHEST AND BEST USE

Fundamental to the concept of value is the theory of highest and best use. Land is valued as if vacant and available for its highest and best use.

The Appraisal Institute in *The Dictionary of Real Estate Appraisal, Fourth Edition*, defines highest and best use as follows:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and results in the highest value.

Land has limited value unless there is a present or anticipated use for it; the amount of value depends on the nature of the land's anticipated use, according to the concept of surplus productivity. Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination, is generally regarded as the highest and best use of the land as though vacant.

The highest and best use of a property as improved refers to the optimal use that could be made of the property including all existing structures. The implication is that the existing improvement should be renovated or retained as so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

In estimating the highest and best use there are essentially four stages of analysis:

1. **Possible Use**. What uses of the site being appraised are physically possible?
2. **Permissible Use (Legal)** What uses are permitted by Zoning and Deed Restriction, if any?
3. **Feasible Use**. Which possible and permissible uses will produce a net return to the owner of the site?
4. **Maximally Productive**. Among feasible uses, which use will produce the highest net return to the owner of the site?

The highest and best use of the land (or site), if vacant and available for use, may be different from the highest and best use of the improved property. This is true when the improvements are not an appropriate use, but make a contribution to the total property value in excess of the value of the site.

The following four point test is required in estimating the Highest and Best Use. The use must be legal. The use must be probable, not speculative or conjectural. There must be a profitable demand for such use and it must return to the land the highest net return for the longest period of time.

These tests have been applied to the subject property. In arriving at the estimate of Highest and Best Use, the subject sites are analyzed as vacant and available for development.

Possible Use

The subject site has 275 feet of frontage on Sevilla Avenue, 220 feet of frontage on Salzedo Street, and 280 feet of frontage on Palermo Avenue. Sevilla Avenue, Salzedo Street, and Palermo Avenue are secondary streets in the central business district of Coral Gables. Therefore, the site has adequate exposure and adequate access.

The subject site is slightly irregular in shape, with sufficient street frontage and depth for adequate functional utility. All necessary utility services are available along existing street right-of-ways. The site is filled to street grade and does not appear to have any drainage or subsoil deficiencies.

The site is 63,000 square feet in size which equates to 1.45 acres. The size of the site would not limit the use of the site for moderate scale use,

The physical characteristics of the subject site would not restrict any moderate scale use.

Permissible Use

Permissible or legal uses are those uses which are permitted by zoning or deed restrictions. There are presently no known private deed restrictions of record.

The subject site is zoned for commercial use. The zoning of the site permits offices, banks, apartments, gas stations, hotels, restaurants, and stores.

According to the zoning regulations, the maximum density of the site is based on a floor area ratio of 3.0 times the lot area. The density can be increased to 3.5 times the lot area for design bonuses. The density can be increased to 4.375 times the lot area with the application of transferrable development rights. The maximum building height is 150 feet.

Feasible Use/Maximally Productive Use

The physical characteristics and zoning of the subject properties permit a wide range of potential uses. The possible and permissible uses of the subject sites include stores offices, restaurants, banks, and industrial uses. Most of the properties with frontage on secondary streets in the central business district of Coral Gables are improved with office or retail buildings. Most of the older buildings are low-rise with one- or two-stories. Many of the newer buildings are multiple story office buildings or mixed use buildings with ground level retail and either office or apartment uses on the upper floors.

Conclusion (As if Vacant)

The physical characteristics and zoning of the subject property permit a wide range of potential uses. The possible and permissible uses of the subject site include offices, stores, restaurants, hotels, apartments, and service stations.

The site is functional in shape and has sufficient size for a moderate to large scale use. The site is level and at a grade suitable for development and has access to utility services. The site is a double corner location with three street frontages. The physical characteristics of the site would not limit its use.

The site is located in the central business district of Coral Gables. The surrounding commercial district is fully developed with few vacant sites available for development. Surrounding properties in the district are improved with low-rise office, retail and restaurant buildings and high-rise office, apartment and hotel buildings. The site is located five blocks north of Miracle Mile, the retail center of Coral Gables.

Based on the zoning, physical characteristics, and surrounding uses, the highest and best use of the site is estimated to be for moderate scale office or mixed retail and office use.

Highest and Best Use as Improved

The site is presently improved with the Public Safety Building for the City of Coral Gables. The building houses the police department, a fire station, human resources department, parking department, and gables TV. The building also has a parking garage for 294 cars. The building is five-stories in height with a parking basement. The gross building area is 100,790 square feet according to the restoration cost estimate. Based on the public records, the improvements were constructed in 1973.

According to an assessment of the building prepared in November 2014 by the architectural and engineering firm of Ferguson, Glasgow, Schuster, Soto, Inc., the building has significant structural damage from water penetration. Reportedly, the emergency operations center in the building could not be operated during a recent hurricane for the fear of the building collapsing. The fire trucks cannot park in the garage of the fire house since the floor structure is unsound. As part of the assessment, restoration cost estimates were prepared by Stonehenge Construction. The cost to restore the building back to serviceable condition was \$17,278,800. The value of the land site of the property as vacant is estimated later in this report at \$20,475,000. Adding the restoration cost to the land value indicates a total investment of approximately \$37,755,000 or \$374.59 per square foot of building area. The most recent sale of a major office building in Coral Gables was 2121 Ponce de Leon Boulevard in June of 2016 at a price equivalent to almost \$349.00 per square foot. The principle of substitution states that the value of a property tends to be influenced by the price of acquiring an equally desirable substitute property. Therefore, a prudent owner would probably not invest the money to restore an existing building when the cost of acquiring a substitute would be less.

Furthermore, the existing improvements are an under utilization of the site based on current zoning. The current zoning would allow a 13-story building with a maximum size of 189,000 square feet based on the base floor area ratio. Therefore, a larger building would be the maximally productive use of the site.

Based on the above analysis, the existing improvements are not considered the highest and best use of the site.

THE APPRAISAL PROCESS

THE APPRAISAL PROCESS

The value of a site can be estimated by various methods which include Direct Sales Comparison, Allocation, Extraction, Development Approach, Land Residual or Ground Rent Capitalization. However, the Direct Sales Comparison Approach is the most preferred and utilized technique when sales of comparable sites are available. The other methodologies are indirect techniques which are generally used when an area is primarily built-up and sales of comparable sites are scarce.

The Direct Sales Comparison Method of valuing the subject sites is relied on due to the availability of recent land sales.

In the Direct Sales Comparison Method, sales of similar recently sold sites with a similar highest and best use as the subject site are analyzed, compared and adjusted by time, property characteristics and location to indicate the Market Value of the subject site as though unimproved. The reliability of this approach is dependent upon the availability of comparable sales data, the verification of the sales data, the degree of comparability and the absence of non-typical conditions affecting the sale.

A search for sales of sites in the general location of the subject sites is conducted. Comparable locations to the subject are considered to be the subject neighborhood. The sales analyzed are zoned for commercial use.

Data related to the subject properties is derived from various sources including but not limited to the Miami-Dade County Property Appraiser's Office, Miami-Dade County plats, FEMA flood zone maps, Land Development Regulations of the City of Coral Gables and tax roll information provided by the Miami-Dade County Property Appraiser's Office

Comparable sale sources include the Miami-Dade County Property Appraiser's Office, the Miami-Dade County Clerk of the Court's Office, Board of Realtors' Multiple Listing Service, Tri-County Clipping Service and Loopnet. Sale prices are typically confirmed with a party to the transaction, i.e. buyer, seller, real estate agent or attorney to the transaction.

LAND VALUE ANALYSIS

LAND VALUE

A land value estimate is concluded by comparing the subject sites to comparable land sales. Generally, the comparable land sales are adjusted by time, property rights, financing, condition of sale, physical characteristics and location to indicate the Market Value of the subject site as though unimproved. This process is known as the Direct Sales Comparison Method.

The Direct Sales Comparison Method is a process of analyzing sales of similar recently sold land parcels in order to derive an indication of the most probable sale price of the property being appraised. The reliability of this approach is dependent upon the availability of comparable sales data, the verification of the sales data, the degree of comparability and the absence of non-typical conditions affecting the sale.

Various analytical techniques may be used to identify and measure adjustments. The techniques of comparative analysis can be grouped into two categories: quantitative and qualitative.

When quantitative analytical techniques are applied, mathematical processes are used to identify which elements of comparison require adjustment and to measure the amount of these adjustments.

The primary quantitative techniques, *Paired Data Analysis*, is a process in which two or more market sales are compared to derive an indication of the size of the adjustment for a single characteristic. Ideally, the sales being compared will be identical in all respects except for the element being measured.

Although paired data analysis is a theoretically sound method, it is sometimes impractical because only a narrow sampling of sufficiently similar properties may be available and it is difficult to quantify the adjustments attributable to all the variables.

The primary qualitative techniques, *Relative Comparison Analysis*, is the study of the relationship indicated by market data without recourse to quantification. This technique is utilized because it reflects the imperfect nature of real estate markets. To apply the technique, the appraiser analyzes comparable sales to determine whether the comparables' characteristics are inferior, superior, or equal to those of the subject property.

In this appraisal report, both the qualitative and quantitative techniques are utilized.

A search is made of the real estate market for all land sales within the subject or competitive locations. While many sales are reviewed, the sales contained herein are considered most comparable to the subject properties as to all major factors of comparison.

In comparing the sales to the subjects, consideration is given to factors of time, location, property characteristics, and terms and conditions of the sale. The sales are analyzed on a price paid per square foot of land area.

Sale 1 is located on the corner of South Dixie Highway and Yurmuri Street, approximately three miles southwest of the subject property. This 59,559 square foot site sold in April of 2015 for \$16,500,000 or \$277.04 per square foot of land area. The site was improved at the date of sale with a two-story retail and office building constructed in 1955 as a movie theater and shopping center. The building was converted to retail and offices in 2001. The site is proposed to be redeveloped with a mixed use project. The site is zoned "C", Commercial District. The maximum base building height is 50 feet and the maximum base F.A.R. is 3.0. The site is a corner location with three street frontages.

Sale 2 is located on Ponce de Leon Boulevard, approximately $\frac{3}{4}$ of a mile southeast of the subject property. This 7,500 square foot site sold in August of 2015 for \$2,330,000 or \$310.67 square foot of land area. The site was improved at the date of sale with a low-rise office/retail building. The building was demolished and the site will be redeveloped. The site is zoned "C", Commercial District. The maximum base building height is 70 feet and the maximum base F.A.R. is 3.0. The site is a middle block location.

Sale 3 located on the corner of Ponce de Leon Boulevard and Menores Avenue, approximately $\frac{3}{4}$ of a mile northeast of the subject property. This 11,564 square foot site sold in October of 2015 for \$3,000,000 or \$259.43 per square foot of land area. The site is zoned "C", Commercial District. The maximum base building height is 150 feet along the Ponce de Leon Boulevard frontage and 70 feet for the lots fronting on the side streets. The maximum base F.A.R. is 3.0. The site is a corner location with two street frontages. The site was improved at the date of sale with a one-story retail building that will be demolished and the site will be redeveloped.

Sale 4 is located on the corner of South Dixie Highway and Caballero Boulevard, approximately $2\frac{1}{2}$ miles southwest of the subject property. This 115,870 square foot site sold in March of 2016 for \$44,000,000 or \$379.74 per square foot of land area. The site was improved at the date of sale with a hotel constructed in 1962. The site is proposed to be redeveloped with a mixed use project with apartments and a hotel known as Paseo de la Riviera. The site is zoned "C", Commercial District. The maximum base building height is 50 feet and the maximum base F.A.R. is 3.0. The site is a corner location with two street frontages.

Sale 5 is located on the corner of South Dixie Highway and Ponce de Leon Boulevard, approximately $1\frac{1}{4}$ miles south of the subject property. This 188,157 square foot site sold in October of 2016 for \$60,250,000 or \$320.21 per square foot of land area. The site was improved at the date of sale with a parking lot that was formerly part of an auto dealership. The site is proposed to be redeveloped with a mixed use project with apartments, retail and a hotel known as Gables Station. The site is zoned "I", Industrial District. The site is a corner location with three street frontages.

A detail profile of each sale, a photograph of each sale, a location map, a summary of the sales, and a value conclusion follows herein.

LAND SALE 1

DATE: April 8, 2015

PRICE: \$16,500,000

TYPE INSTRUMENT: Special Warranty Deed

RECORDATION: O. R. Book 29578, Page 168

FOLIO NUMBER: 03-4130-010-0010

GRANTOR: Riviera Plaza, LLC

GRANTEE: Riviera Plaza Holdings, LP.

LEGAL: Tracts "A" and "B", **REPLAT OF A PORTION OF BLOCK 199 CORAL GABLES RIVIERA SECTION PART 14**, Plat Book 53, Page 97 of Miami-Dade County, Florida.

LOCATION: 1542 South Dixie Highway
Coral Gables, Florida

SITE DESCRIPTION:

Dimensions: 180.5 feet x 300 feet
Size: 59,559 Square Feet
1.37 Acres

Zoning: C, Commercial District
Current Use: Stores and offices

UNIT PRICE: \$277.04 per Square Foot

FINANCING: Conventional first mortgage of \$9,000,000 from BankUnited.

REMARKS: The site is improved with a 55,161 square foot mixed use office and retail building. The buyer plans to redevelop the site.



SALE 1

LAND SALE 2

DATE: August 13, 2015

PRICE: \$2,330,000

TYPE INSTRUMENT: Warranty Deed

RECORDATION: O. R. Book 29746/3747, Page 3747

FOLIO NUMBER: 03-4120-017-1120

GRANTOR: Sandiaz Investments, Inc.

GRANTEE: 4041 Ponce de Leon Blvd., LLC

LEGAL: Lots 10-12, Block5, **REVISED PLAT OF CORAL GABLES INDUSTRIAL SECTION**, Plat Book 28, Page 22 of Miami-Dade County, Florida.

LOCATION: 4041 Ponce de Leon Boulevard
Coral Gables, Florida

SITE DESCRIPTION:

Dimensions: 75 feet x 100 feet
Size: 7,500 Square Feet
0.17 Acres

Zoning: C, Commercial District
Current Use: Vacant

UNIT PRICE: \$310.67 per square foot of land area

FINANCING: Cash.

REMARKS: The site was formerly improved with a two-story retail/office building.



SALE 2

LAND SALE 3

DATE: October 7, 2015

PRICE: \$3,000,000

TYPE INSTRUMENT: Warranty Deed

RECORDATION: O. R. Book 29818, Page 2420

FOLIO NUMBER: 03-4108-009-3640

GRANTOR: Carol Properties, LLC

GRANTEE: 1516 Ponce, LLC

LEGAL: Lots 10 & 11, Block 36, **REVISED PLAT OF CORAL GABLES DOUGLAS SECTION**, Plat Book 25, Page 69 of Miami-Dade County, Florida.

LOCATION: 1516 Ponce de Leon Boulevard
Coral Gables, Florida

SITE DESCRIPTION:

Dimensions: 105 feet x 110 feet
Size: 11,564 Square Feet
0.27 Acres

Zoning: C, Commercial District
Current Use: Retail building

UNIT PRICE: \$259.43 per square foot of land area

FINANCING: Cash.

REMARKS: The building has been vacated and the site will be redeveloped.



SALE 3

LAND SALE 4

DATE: March 31, 2016

PRICE: \$44,000,000

TYPE INSTRUMENT: Special Warranty Deed

RECORDATION: O. R. Book 30021, Page 3287

FOLIO NUMBER: 03-4130-004-0021

GRANTOR: Coral Park Inn, LLC

GRANTEE: 1350 S Dixie, LLC

LEGAL: The southwesterly 360 feet of Tract "A", **REPLAT OF PART OF CORAL GABLES RIVIERA SECTION PART 8**, Plat Book 46, Page 100 of Miami-Dade County, Florida.

LOCATION: 1350 South Dixie Highway
Coral Gables, Florida

SITE DESCRIPTION:

Dimensions: Irregular
Size: 115,870 Square Feet
2.66 Acres

Zoning: C, Commercial District
Current Use: Motel

UNIT PRICE: \$379.74 per square foot of land area

FINANCING: Conventional first mortgage from TotalBank of \$21,500,000.

REMARKS: The buyer plans to redevelop the site with Paseo de la Riviera, a mixed use project with 224 apartment units and a 252 room motel.



SALE 4

LAND SALE 5

DATE: October 25, 2016

PRICE: \$60,250,000

TYPE INSTRUMENT: Special Warranty Deed

RECORDATION: O. R. Book 30282, Page 2922

FOLIO NUMBERS: 03-4120-027-0010
03-4120-027-0020
03-4120-026-0010

GRANTOR: Gables Station, LLC

GRANTEE: NP International USA, LLC

LEGAL: Tracts "A" & "B", **REPLAT OF BLOCK 5 OF THE COMBINED AND SUPPLEMENTAL MAP OF MACFARLANE HOMESTEAD PLAT AND ST. ALBAN'S PARK**, Plat Book 44, Page 22 of Miami-Dade County, Florida.

LOCATION: 251 South Dixie Highway
Coral Gables, Florida

SITE DESCRIPTION:

Dimensions: Irregular
Size: 188,157 Square Feet
4.32 Acres

Zoning: I, Industrial District
Current Use: Parking lot

UNIT PRICE: \$320.21 per square foot of land area

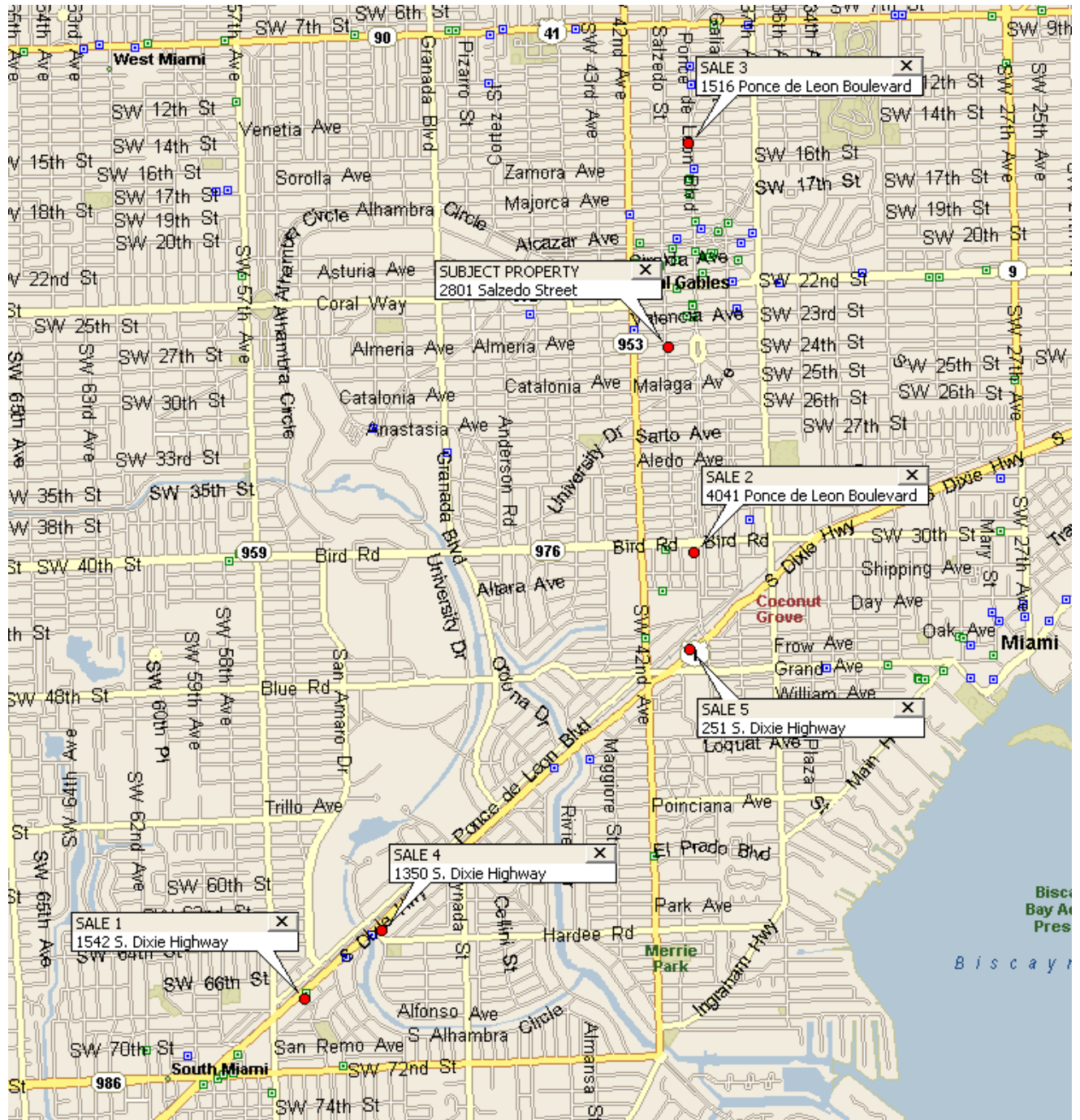
FINANCING: Conventional first mortgage from Bank of the Ozarks of \$27,500,000.

REMARKS: The buyer plans to redevelop the site with Gables Station, a mixed use project with 554 apartment units, 168 hotel rooms and 87,900 square feet of retail.



SALE 5

LAND SALES MAP



SUMMARY OF LAND SALES

CHARACTERISTICS	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4	SALE 5
DATE OF SALE		4/8/15	8/13/15	10/7/15	3/21/16	10/25/16
SALE PRICE		\$16,500,000	\$2,330,000	\$3,000,000	\$44,000,000	\$60,250,000
O.R. BOOK/PAGE		29578/168	29746/3747	29818/2420	30021/3287	30282/2922
ADDRESS	2801 Salzedo St	1542 S. Dixie Hwy.	4041 Ponce de Leon Blvd.	1516 Ponce de Leon Blvd.	1350 S. Dixie Hwy.	251 S. Dixie Hwy.
LOCATION		3 Miles SW	¾ Miles SE	¾ Miles NE	2½ Miles SW	1¼ Miles South
LAND SIZE (SF)	63,000	59,559	7,500	11,564	115,870	188,157
LAND SIZE (ACRES)	1.45	1.37	0.17	0.27	2.66	4.32
ZONING	C	C	C	C	C	I
USE AT SALE	Public Safety Building	Stores & Offices	Vacant	Stores	Hotel	Parking Lot
PRICE PAID/SF		\$277.09	\$310.67	\$259.43	\$379.74	\$320.21
ADJUSTMENTS						
PROPERTY RIGHTS		=	=	=	=	=
FINANCING		=	=	=	=	=
MARKET CONDITIONS		++	+	=	=	=
CONDITIONS OF SALE		=	=	=	=	=
LOCATION		=	+	++	=	=
ACCESS/EXPOSURE		-	=	=	-	-
LAND SIZE		=	-	-	=	+
ZONING		=	=	=	=	=
TOTAL ADJUSTMENTS		+	=	+	-	=

ANALYSIS OF SALES

The land sales range in unit price from \$259.43 to \$379.74 per square foot of land area. The sales range in time from April of 2015 to October of 2016.

Property Rights

The fee simple interest is the property right of the subject properties being valued. The comparable sales involved the same type of property rights.

Financing

The sales were all financed with cash or purchase money mortgages. The financing of the sales does not indicate any adjustments of their prices for favorable/below market financing.

Conditions of Sale

All of the sales were arm's-length transactions. An arm's-length transaction is defined as a transaction freely arrived at in the open market unaffected by abnormal pressure or by the absence of normal competitive negotiation as might be true in the case between related parties.

Date of Sale (Market Conditions)

The sales occurred between April of 2015 and October of 2016. An upward trend in price for land sites in the subject market area is evident over this time period. The unit prices of Sales 1 and 2 require upward adjustments for increasing market conditions.

Location

The subject site is located in the central business district of the city of Coral Gables.

The Sale 1, 4 and 5 sites front on South Dixie Highway, south of the central business district of Coral Gables. South Dixie Highway is one of the major commercial traffic arteries in the southern region of Miami-Dade County. The locations of the Sale 1, 4 and 5 sites are considered fairly similar to the location of the subject site.

The Sale 2 site fronts on Ponce de Leon Boulevard, south of the central business district of Coral Gables. The location of the Sale 2 site is considered inferior to the location of the subject site.

The Sale 3 site fronts on Ponce de Leon Boulevard, south of the central business district of Coral Gables. The location of the Sale 3 site is considered inferior to the location of the subject site.

Land Size

The sale sites range in size from 7,500 to 188,157 square feet. The size of the subject site, at 63,000 square feet, is within the range of sizes of the sale properties. However, the sales indicate a difference in unit price based on site size. An analysis of the sales indicates that a sale of a

significantly smaller site reflects a higher price per square foot of land area. Conversely, a sale of a significantly larger site reflects a lower price per square foot. The unit prices of Sales 2 and 3 require downward adjustments for smaller sizes. The unit price of Sale 5 requires an upward adjustment a larger building size.

Zoning

The subject site is zoned for commercial uses. The sale sites are also zoned for commercial uses. The zonings of the sale sites are considered fairly similar to the zoning of the subject site.

Access and Exposure

The subject site is a double corner location with frontage on three secondary streets in the central business district of Coral Gables. The subject site has good access and adequate exposure.

The Sale 2 and 3 sites front on traffic arteries, immediately outside of the central business district of Coral Gables. The accesses and exposures of the Sale 2 and 3 sites are considered fairly similar to the access and exposure of the subject site.

The Sale 1, 4 and 5 sites are corner locations with frontage on South Dixie Highway. The South Dixie Highway is one of the primary commercial traffic arteries in the southern region of Miami-Dade County. The accesses and exposures of the Sale 1, 4 and 5 sites are considered better than the access and exposure of the subject site.

Conclusion

The land sales range in unit price from \$259.43 to \$379.74 per square foot of land area.

The unit price of Sale 1, \$277.09 per square foot, is considered a lower limit of the value for the subject site. The unit price of Sale 1 requires a downward adjustment for better access and exposure, but a larger upward adjustment for increasing market conditions.

The unit price of Sale 2, \$310.69 per square foot, is considered a lower limit of the value for the subject site. The unit price of Sale 2 requires a downward adjustment for a smaller size, but upward adjustments for increasing market conditions and inferior location.

The unit price of Sale 3, \$259.43 per square foot, is considered a lower limit of the value for the subject site. The unit price of Sale 3 requires a downward adjustment smaller site size, but a larger upward adjustment for inferior location.

The unit price of Sale 4, \$379.74 per square foot, is considered an upper limit of the value for the subject site. The unit price of Sale 4 requires a downward adjustment better access and exposure.

The unit price of Sale 5, \$320.21 per square foot, is considered fairly indicative of the value for the subject site. The unit price of Sale 5 requires a downward adjustment for better access and exposure, but an upward adjustment for a larger site size.

Based on the above analysis of the land sales, it is estimated that the subject site as independent site had a market value of \$325.00 per square foot of land area.

63,000 Square Feet x \$325.00 per Square Foot = \$20,475,000

Land Value Indication (Rounded) \$20,475,000

ADDENDA

ASSUMPTIONS AND LIMITING CONDITIONS

This Appraisal Report has been made with the following general assumptions:

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. 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. 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.
6. If no survey has been furnished to the appraisers, all measurements have been confirmed either in the field, in the plat book or by other reliable sources and are presumed to be accurate.
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, unless a study has been provided otherwise, that no hazardous material such as asbestos, urea formaldehyde or other toxic waste exists in the property. The existence of a potentially hazardous material could have a significant effect on the value of the property.
10. In reference to proposed construction, the real estate taxes and other expenses are estimated. These amounts are not guaranteed.

11. It is assumed in the valuation of the subject land site, unless a compliance letter has been furnished to us, that the State of Florida Growth Management Act does not prevent the issuance of a building permit.
12. It is assumed that all required licenses, certificates of occupancy, consents, 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.
13. It is assumed that the utilization of the land and improvements is within the boundaries of property lines of the property described and that there is no encroachment or trespass unless noted in the report.

This Appraisal Report has been made with the following general limiting conditions:

1. The distribution, if any, of the total valuation of 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.
2. 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 appraisers, and in any event, only with proper written qualification and only in its entirety.
3. The appraisers 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.
4. Neither all nor any part of the contents of this report (**especially any conclusions as to value, the identity of the appraisers, or the firm with which the appraisers are connected**) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraisers.

QUALIFICATIONS OF THE APPRAISER

THOMAS F. MAGENHEIMER

Experience:

11/84 - Present

QUINLIVAN APPRAISAL, P.A.
7300 N. Kendall Drive, Suite 530
Miami, Florida

Education:

University of Richmond, Richmond, Virginia
BA - Bachelor of Arts in History (1982)

Professional Affiliations:

Member of the Appraisal Institute (MAI No. 09166)
Real Estate Salesman - State of Florida - Certificate m 0344882
Certified General Appraiser, State of Florida, License m RZ0000553
Member Sigma Alpha Epsilon Fraternity

Qualified as an Expert Witness in the Following Courts:

Miami-Dade County Circuit Court

Other Activities:

Admissions Committee - South Florida-Caribbean Chapter of the Appraisal Institute - (1992 - Present)
Newsletter Editor - South Florida-Caribbean Chapter of the Appraisal Institute - (1991 - 1995)
President - South Florida-Caribbean Chapter of the Appraisal Institute - (1996)
Board of Trustees - Palmer-Trinity School (1989 - 1993)

Quinlivan Appraisal has prepared Appraisal Reports for the following:

Institutions and Corporations:

AT&T
Archdiocese of Miami
Atlantic Security Bank
The Bank of America
Bank United
Barry University
Bessemer Trust Company
California Bank and Trust
Chevron Oil Company
Chase Manhattan Bank
Chemical Bank
Citibank
Citrus Bank
City National Bank of Miami
Coamerica Bank
Coconut Grove Bank
Commerce Bank
Commercial Bank of Florida
Consolidated Bank
County National Bank
Eagle National Bank
Eastern National Bank
Equitable Bank
Espirito Santo Bank
Farm Credit of South Florida
Fidelity Bank
First International Bank
First National Bank of South Miami
Florida International University
First Nationwide Bank
Florida Memorial College
Florida Power and Light Company
Florida Rock Industries
Great Eastern Bank of Florida
Greyhound Lines
HSBC
Hemisphere National Bank
Intercontinental Bank
International Bank of Miami, N.A.

LaSalle National Bank
Marine Midland Bank
McDonalds Corp.
Mellon United National Bank
Metro Bank
Miami-Dade County Community College
Miami-Dade Water and Sewer Authority
Northern Trust Bank of Florida
Ocean Bank
Pacific National Bank
Pan American Bank
Shell Oil Company
South Trust Bank
SunTrust Bank
TotalBank
Trade National Bank
Trust for Public Lands
UniBank
Union Planters National Bank
University of Miami
Wachovia
Wal-Mart
YMCA

Governmental Agencies:

City of Aventura
City of Coral Gables
City of Doral
City of Florida City
City of Hialeah
City of Homestead
City of Miami
City of Miami Parking Authority
City of Miami Beach
City of Miramar
City of North Bay Village
City of North Miami
City of North Miami Beach
City of South Miami
City of Sunny Isles Beach
Miami-Dade County Aviation Department
Miami-Dade County Department of Development & Facilities Management
Miami-Dade County HUD

Miami-Dade County Property Appraisal Adjustment Board
 Miami-Dade County Public Schools
 Miami-Dade County Public Works Department
 Miami-Dade County Transportation Administration
 Miami-Dade Water & Sewer Department
 South Florida Water Management District
 State of Florida, Attorney General's Office
 State of Florida, Department of Community Affairs
 State of Florida, Department of Corrections
 State of Florida, Department of Environmental Protection
 State of Florida, Department of Insurance
 State of Florida, Department of Rehabilitation and Liquidation
 State of Florida, Department of Transportation
 Town of Golden Beach
 United States Army Corps of Engineers
 United States Department of Justice
 United States Department of Commerce
 United States Department of the Interior
 United States General Services Administration
 Village of Islamorada
 Village of Key Biscayne
 Village of Pinecrest

Law Firms:

Akerman Senterfitt
 Greenberg, Traurig
 Daniels, Kashton, Downs and Robertson
 Holland and Knight, LLP
 Shutts & Bowen
 Ruden McClosky, LLP
 Steel, Hector & Davis, LLP
 Weiss, Serota, Helfman, Pastoriza, Guedes, Cole and Boniske, P.A.

Types of Properties Appraised:

Single Family Residences	Vacant Land
Apartment Buildings	Hotel/Motels
Office Buildings	Warehouses
Retail Stores	Nursing Homes
Shopping Centers	Mobile Home Parks
Condominium Apartment Buildings	Schools
Golf Courses	Service Stations
Residential Subdivisions	Marinas
Automobile Dealerships	Wetlands