

APPRAISAL REPORT

Property Type:

COMMERCIAL OFFICE/WAREHOUSE/LIGHT MANUFACTURING FACILITY

Located At:

3420 NORTHSIDE DRIVE
KEY WEST, FLORIDA 33040

Prepared For:

MS. MARILYN WILBARGER
CITY OF KEY WEST
201 WILLIAM STREET
KEY WEST, FL 33040

“As Is” Valuation Date:

DECEMBER 6, 2018

Prepared By:

Mr. James E. Wilson, MRICS, President
State-certified general real estate appraiser
RZ 2164

APPRAISAL COMPANY OF KEY WEST
3144 Northside Drive, Suite 201
Key West, Florida 33040

OUR FILE NO.: 236-18



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January 2, 2019

Ms. Marilyn Wilbarger, Senior Property Manager
City of Key West
201 William Street
Key West, Florida 33040
Email: mwilbarger@cityofkeywest-fl.gov

RE: Appraisal Report:
Key West Citizen Property
3420 Northside Drive
Key West, Monroe County, Florida 33040
Our File No.: 236-18

Dear Ms. Wilbarger;

I personally examined and appraised the above subject property for the purpose of reporting my opinion of the "As Is" Market Value of the Fee Simple Interest of the subject property, based on a walk through and site visit, as of December 6, 2018. I advise the reader to review the Scope of Work section within this report.

The subject site consists of an irregular pie-shaped interior site containing 73,750 square feet or 1.693 acres of upland area, plus 10,531 square feet of environmentally sensitive area, resulting in a total site area of 1.935 acres. The site has 296.12 feet of frontage along the southerly side of Northside Drive and extends 427.59 feet in depth along the easterly boundary line. Upland site area was referenced from the Monroe County Property Appraiser's records, while the gross site size and dimensions were taken from a survey prepared by Avirom & Associates, Inc., Surveying & Mapping, dated December 20, 2018, which was provided after the site visit.

The subject site is improved with a one-story CBS or CMU building with an EIFS exterior wall coating system. The subject building was constructed for the Key West Citizen Newspaper in 1988. It contains 6,372 square feet of finished office space, plus 5,375 square feet of rear light manufacturing (printing press) and warehouse area. The overall gross building area of the subject is 11,747 square feet. The subject's dimensions are based on measurements made on-site, plus the previously mentioned survey.

The City of Key West is interested in purchasing the subject property for office/workshop/warehouse space, plus extensive outdoor storage and parking. The property would be prime for conversion for

Ms. Marilyn Wilbarger, Senior Property Manager

January 2, 2019

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governmental use. I have not included any equipment or trade fixtures associated with the Key West Citizen. Per Ms. Wilbarger, the seller will remove the printing presses and equipment. I have assumed that the structural integrity of the building will not be compromised by the removal of such equipment and the buyer will not bear any costs. Furthermore, soy ink was utilized for printing. I assumed that the subject does not have any environmental concerns. I was not privy to any environmental site assessment reports. Therefore, any potential clean-up nor mitigation costs were considered in the attached report.

This report contains the results of my investigation and analysis made in order to furnish an estimate of the "*As Is*" Market Value of the Fee Simple Interest of the property described herein. The Key West Citizen business was sold and the purchaser now leases the front office space of the building until the end of August 2019. The tenant is actively searching for smaller office space. The buyer will honor the remainder of the lease. The lease is below market; however, with less than nine months remaining, the impact or rent loss to the buyer is not significant. The property is an owner-user type facility. Thus, a Leased Fee analysis was not deemed to be applicable in the case at hand. The Fee Simple value is included herein. The Fee Simple Interest is the unencumbered value of the subject property; basically, market rents and terms are considered with no regard to existing leases and terms. Market Value is defined as the most probable price in cash (or its equivalency) for which the appraised property will sell in a competitive market under all conditions requisite to a fair sale. Market value assumes a normal or reasonable time for exposure on the open market.

Based on my site visit walk-through and research, it is my opinion that the "*As Is*" Market Value of the Fee Simple Estate of the subject property located at 3420 North Roosevelt Boulevard, Key West, Florida 33040, subject to definitions, assumptions and limiting conditions, as of the effective date of December 6, 2018 is:

FOUR MILLION NINE HUNDRED EIGHTY THOUSAND DOLLARS
(\$4,980,000)

The attached Appraisal Report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an appraisal report, Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), and the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, plus typical appraisal guidelines. The Appraisal Report f/k/a Summary Appraisal Report, may not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

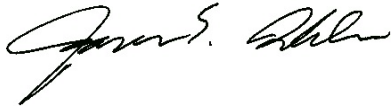
Ms. Marilyn Wilbarger, Senior Property Manager

January 2, 2019

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If you have any questions regarding this appraisal report, please feel free to contact me. Thank you for giving me the opportunity to provide this service for you.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James E. Wilson". The signature is fluid and cursive, with a large initial "J" and "W".

Mr. James E. Wilson, MRICS, President
State-certified general real estate appraiser
RZ 2164

email: jim@fla-keysappraisals.com

Report Attached: C:\Comm-18\236-18\transmittal letter & summary.wpd

SUMMARY OF FACTS AND CONCLUSIONS

Subject Property Address: 3420 Northside Drive
Key West, Monroe County, Florida 33040

Property Type: Commercial Office/Warehouse/Light Manufacturing Facility

Gross Building Area (GBA):

<u>Building Description</u>						
3420 Northside Drive, Key West, FL 33040						
Building ID	Description	Use / Type	Type Construction	GBA Size Sq. Ft.	Balcony/ Porch Sq. Ft.	Year Built
A	Main Building -Front	Office	1-Story CBS/EFIS	6,372	265	1988
A	Main Building -Rear	Warehouse/Workshop	1-Story CBS/EFIS	5,375	400	1988
Gross Building Area:				11,747	665	

Site Size:

<u>Subject Site Size and Description</u>							
<i>Per Monroe County Property Appraiser's Records & Survey</i>							
Address	Parcel Shape	Street Frontage	Street Depth	Upland Size Sq Ft	Environmental Sensitive Sq Ft	Total Site Size Sq Ft	Land Size Acres
3420 Northside Dr., Key West, FL	Irregular (Pie-Shaped)	296.12	427.59	73,750	10,531	84,281	1.693
Total		296.12		73,750	10,531	84,281	1.693

Flood Hazard Zone: Map No.: 12087C1509K, 2/18/05: Flood Zone AE 8' Elevation

Zoning: CG-Commercial General District, City of Key West.

Highest and Best Use:
"As If Vacant" A Commercial Retail/Office/Warehouse Use

"As Improved": Conversion Government Office/Warehouse/ Workshop/ Outdoor Storage Facility

Value Conclusion:

<u>Reconciliation of Values</u>	
3420 Northside Drive, Key West, Florida Key West, Monroe County, Florida 33040	
Fee Simple Interest	
Valuation Method:	Market Value
Cost Approach:	\$4,980,000
Income Approach:	Not Applicable
Sales Comparison Approach:	\$4,980,000
"As Is" Market Value of the Fee Simple Interest, as of December 6, 2018 (Rounded):	\$4,980,000

“As Is” Valuation Date: December 6, 2018

Date of Report: January 2, 2019

Marketing Time: 6 to 18 Months based on a list price within 5 percent of appraised value.

Exposure Time: 6 to 18 Months based on a list price within 5 percent of appraised value.

Extraordinary Assumptions: The City of Key West is interested in purchasing the subject property for office/workshop/warehouse space, plus extensive outdoor storage and parking. The property would be prime for conversion for governmental use. I have not included any equipment or trade fixtures associated with the Key West Citizen. Per Ms. Wilbarger, the seller will remove the printing presses and equipment. I have assumed that the structural integrity of the building will not be compromised by the removal of such equipment and the buyer will not bear any costs. Furthermore, soy ink was utilized for printing. I assumed that the subject does not have any environmental concerns. I was not privy to any environmental site assessment reports. Therefore, any potential clean-up nor mitigation costs were considered in the attached report.

Hypothetical Conditions: None