



City of Flagler Beach

AGENDA ITEM # 7

Item Summary and Recommendation

SUBJECT:

Alternative Use Committee providing update to Commission and Asking for:
(1) Direction regarding negotiating purchase of the 2.94 Parcel at 3600 South Central Avenue; and (2) Further information to be provided by interested entities (in transforming property back to a golf course and a managing operation) as requested in private/public notice.

BACKGROUND:

During the April 23, 2015 Regular Commission Meeting, the Commission directed the committee to do three things: (1) return property to golf course; (2) determine the appropriate purchase value of the 2.94 acre parcel; (3) pursue current/additional interested entities in entering into possible public/private partnership with the City. This evening's presentation is an update toward that direction.

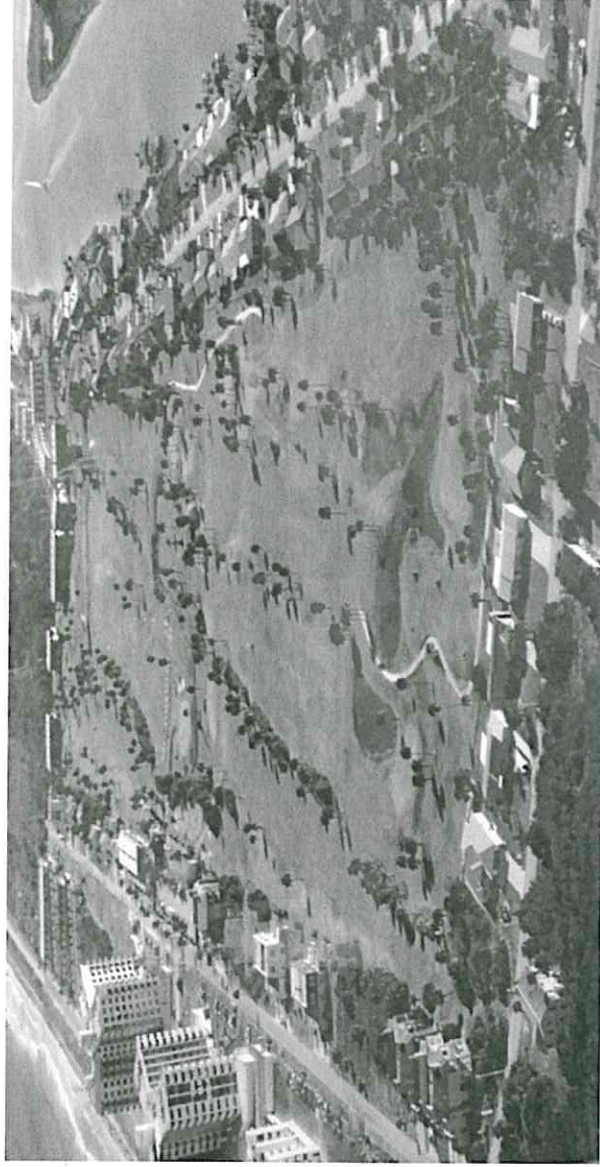
ATTACHMENTS:

Presentation Material; Cooksey & Associates Appraisal; Flagler County Property Appraiser's Values.

SUBMITTED BY:

Michael Flank, Chairman Alternative Use Committee.

3600 South Central
Alternative Use Committee
Update
July 9, 2015



Previous Direction from Commission

1. Return Property as Golf Course.
2. Determine an Appropriate Value for the 2.94 Acre Parcel.
3. Pursue Current/Additional Interested Entities –
Public Private Partnership.

In Determining Appropriate Value, the Committee . . .

- Obtained Professional Appraisal by Cooksey and Associates of Ormond Beach.
- Researched the Flagler County Property Appraisers – “Just Market Value.”

Our Committee's Recommendation

1. Offer to purchase should be a "blend" of the two (2) values for 2.94 acres; Professional Appraisal and County Property Appraisal Values.
2. Request Commission to appoint individuals to present/negotiate the recommended purchase offer with present owners.

In Addition, the Committee

- o Request Commission's Direction as How they want to proceed in "hearing from" the interested entities.
- o Interested entities would provide information conforming to private/public notice.

REAL ESTATE APPRAISAL REPORT

Of

2.94 acre portion of the former Ocean Palm Golf Course



**3600 S Central Ave
Flagler Beach, Florida 32136**

**As of
June 10, 2015**

**Prepared For
Mr. Bruce Campbell
City Manager
City of Flagler Beach
PO Box 70
Flagler Beach, FL 32136
Client File: None**

**Prepared by
COOKSEY & ASSOCIATES, INC.**

**T. James Cooksey, MAI, CCIM
State-Certified General Real Estate Appraiser
RZ343**

File Number: 8038

 **COOKSEY & ASSOCIATES, INC.**
Real Estate Appraisers, Consultants

1230 No. U.S. Highway 1
Suite 28
Ormond Beach, FL. 32174
386.252.1293 phone

 **COOKSEY & ASSOCIATES, INC.**
Real Estate Appraisers, Consultants
info@cookseyassociates.com
Est. 1992

33 East Robinson Street
Suite 107
Orlando, FL. 32801
386.254.6992 facsimile

June 15, 2015

Mr. Bruce Campbell
City Manager
City of Flagler Beach
PO Box 70
Flagler Beach, FL 32136

Re: Appraisal Report, Real Estate Valuation
Former Condominium Site
3600 S Central Ave
Flagler Beach, Florida 32136

File Number: 8038

Dear Mr. Campbell:

At your request, I have appraised a real property interest for the above real estate. My objective was to form one or more opinions about the market value for a 100% ownership interest in the subject property's fee simple estate assuming no liens or encumbrances other than normal covenants and restrictions of record. The property may be briefly described as follows:

Please reference page 2 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis and valuation methodology.

Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 7). In particular, please note the value opinion is based on the hypothetical condition that the property could be rezoned to MDR, medium density. The existing zoning is Recreation and the Future Land Use is High Density Residential.

After careful consideration of all factors pertaining to and influencing value, the data and analysis thereof firmly supports the following final value opinion(s) for the subject as of June 10, 2015, is:

\$235,000.00

Two Hundred Thirty Five Thousand Dollars

Respectfully submitted,
Cooksey & Associates, Inc.



T. James Cooksey, MAI, CCIM
State-Certified General Real Estate Appraiser
RZ343

TABLE OF CONTENTS

Summary of Important Facts and Conclusions	1
Noteworthy Issues:	1
Overview.....	2
Scope of Work.....	2
Definitions.....	6
Limiting Conditions and Assumptions	7
Disclosures	9
Professional Standards	9
Competency	9
Area Data.....	10
Flagler County Area Analysis	10
Surrounding Market Area	14
Neighborhood Boundaries.....	14
Demographic Profile.....	15
Life Cycle Stage	15
Subject Property	16
Legal Description.....	16
Current Ownership & Sale History	16
Site Description	17
Subject Photographs	19
Assessment and Taxes	20
Zoning.....	21
Analysis & Conclusions	22
Highest and Best Use.....	22
As Vacant	22
Sales Comparison Approach.....	23
Exposure Time	33
Certification Statement.....	34
Addenda	35
Client Engagement Letter.....	35
Qualifications of Appraiser	37

Summary of Important Facts and Conclusions

Property Type	Land	
Real Estate Appraised	3600 S Central Ave Flagler Beach, Florida 32136	
Property Rights Appraised	Fee Simple	
Client	Mr. Bruce Campbell City of Flagler Beach	
Client File Number	None	
Intended Use of Appraisal	Decision making for possible acquisition	
Intended User	Client	
Census Tract	603.02	
MSA	Daytona Beach	
Estimated Exposure Time:	12 months	
Land Size	2.94 ± acres	128,154 ± square feet
Flood Hazard	AE	
Zoning Classification	Recreation,	
Highest and Best Use	As Though Vacant	Medium Density Residential
Effective Value Date	June 10, 2015	
Report Preparation Date	June 15, 2015	
Value Indications	Land Value	\$235,000
Final Value Conclusion(s)	As Is	
Value Conclusion(s)	\$235,000.00	

Noteworthy Issues:

The value opinion is based on the hypothetical condition that the property could be rezoned to MDR, medium density. The existing zoning is Recreation and the Future Land Use is High Density Residential.

Overview

Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). The elements to be considered are summarized below in addition to the typical client expectations and typical appraisal work by peers for similar assignments.

Assignment Elements

The problem to be solved is to estimate the 'as is' market value of the subject property. This purpose necessitates identification of seven assignment elements listed below.

- | | | |
|----|--|---|
| 1. | The Client <i>(the person who engaged the appraisal and an intended user)</i> | Mr. Bruce Campbell
City of Flagler Beach |
| 2. | Other Intended Users | None |
| 3. | Intended Use of Report <i>(To aid)</i> | Decision making for possible acquisition |
| 4. | Standard / Definition of Value Used to Form the Value Opinion | Market Value |
| 5. | Key Dates | |
| | Effective Value Date
<i>(point in time the value applies)</i> | June 10, 2015 |
| | Report Preparation Date
<i>(date the report was prepared)</i> | June 15, 2015 |
| | Date Property Appraised was Observed by One or More Appraisers Signing this Report | June 10, 2015 |
| 6. | Assignment Conditions | |
| | Extraordinary Assumptions | None |
| | Hypothetical Conditions | It is assumed that multi-family zoning approval within the existing MDR zoning classification could be obtained. The subject is zoned Recreation at the present time. , |
| | Expected Public or Private On-Site or Off-Site Improvements Affecting Value | The surrounding property has been acquired by the City for recreational – public use. |
| | Assemblage of Estates or Component Parts Affecting Value | None |
| | Information Not Available, If Any | None |

Relevant Characteristics

The 7th assignment element is relevant characteristics about the property appraised. These characteristics are typically categorized as physical, legal, and economic.

Details about the physical attributes of the property appraised are presented later in the Subject section of this report. Some relevant characteristics considered are listed below. Atypical issues are detailed elsewhere herein.

Unless specifically stated otherwise, the estate appraised (listed below) assumes no adverse leases, liens or encumbrances other than normal covenants and restrictions of record.

7a. Physical

Existing Property Use	Recreational - vacant
Property Use Reflected in One or More Value Opinions	Future multi-family
Sources of Information About the Property Appraised	Inspection, Public Records, Information provided by the client, etc.

7b. Legal

Category of Property Appraised	Real Property
Property Rights Appraised	Fee Simple
Environmental Concerns	No, None known; None assumed

7c. Economic

Effect of Lease(s) on Value	Not Considered
Cost Information	
Type of Reconstruction Cost Used	N/A
Source of Reconstruction Cost Information	N/A

Extent of Services Provided

Number of Final Value Opinions Developed	1
Report Preparation Complies with Requirements Set Forth in USPAP Standard Rule	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(A). This format provides a summary of the appraisal process, subject and market data and valuation analyses.
Format	Summary - Style
Other Client Requirements	None
Extent of Data Research	Adequate
Economic Data Sources	Moody's Analytics, CCIM Site To Do Business; CoStar; National Association of Realtors, MLS, local

Documents Considered

government, Appraisal Institute publications

Data Verification

None

Extent Of Subject Observation by One
or More Appraisers Signing Report

Direct and Third Party

From nearby roadway as well as recent aerial maps.

Other Intended Use Considerations

Client's Prior Engagement
of Appraisal Services

Infrequent

Loan to Value Ratio

Not Disclosed

Atypical Issues

Complex zoning and HBU problem

Assignment Complexity

Moderate complexity

FIRREA Compliance

This appraisal fully complies with the Financial
Institutions Reform, Recovery, and Enforcement Act
(FIRREA), a federal law.

Insurable Value

Not Developed

Miscellaneous Matters

Other Than Signatories, Name(s) of
Person(s) Providing Significant Real
Property Assistance to the
Development of the Value Opinion(s)

John SL Engle, Registered Trainee Appraiser
RI23865, assisted in the creation of this report.

Extent and Type of Real Property
Assistance

Assistance included research and file set up totaling
3 hours.

Scope of Work Agreement

Agreement in Addenda

Appraisal Development

Appraisal development is the extent of research and analyses that produce one or more credible opinions of value for one or more specifically identified intended users and an explicitly stated intended use. In this context, credible is defined as "worthy of belief".

Depending upon the intended use, intended users, and agreements between the appraiser and the client, the appraisal development process may include several, but not necessarily all of the following tasks.

- observation of the property appraised
- research for appropriate market data
- data verification
- consideration of influential market area, physical, economic, and governmental factors
- determination of the subject's highest and best use(s), if appropriate
- development of one or more applicable approaches to value
- reconciliation of value indications
- preparation of this report

In most cases, the core valuation process begins with a highest and best use analysis. This is essential because it establishes a framework for the proper selection of comparables. Cited comparables should have the same highest and best use as the property appraised.

If some property modification like new construction is contemplated, a feasibility analysis may be appropriate. In some cases, feasibility may simply be justified by inferred market evidence like low vacancy or rising rents.

According to USPAP, all approaches that are applicable to the interest being appraised and necessary to produce credible results must be developed. The type of highest and best use; extent of feasibility considered; and the relevance of each major approach are listed below.

Highest and Best Use Highest and best use analyses can be categorized into two different levels of detail - inferred and fundamental. A fundamental analysis forecasts demand from broad demographic and economic data like population and income. Existing supply is inventoried. Then the relationship of supply and demand is weighed to determine net demand. An inferred analysis is based on local trends and patterns from which inferences are made. Sales, listings, marketing intervals, and/or price change for other similar land infer there is adequate demand for the subject parcel at a price level congruous with this data. Inferred analyses emphasize historical data while fundamental analyses are based on future projections.

A(n) inferred analysis was prepared.

Feasibility Analysis
(a more detailed study
separate from highest
& best use)

A Feasibility Analysis was not Prepared.

Cost Approach

A cost approach was not applied as it is not applicable when appraising vacant land such as the subject..

Sales Comparison

A sales approach was applied as it most accurately reflects the actions of buyers and sellers in the competing market and is reasonably well-supported herein.

Income Approach

An income capitalization approach was not applied as land of this type is not typically leased in the subject market.

Applicable and necessary approaches were selected for development after consideration of available market data, intended use, and intended user(s). An approach considered not applicable was omitted because this methodology is not appropriate for the property interest being appraised, or sufficient data to properly develop the approach was not available.

Definitions

Definition of As Is Market Value: As is market value is defined as, "The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal's effective date." (Source: *The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, Chicago, Illinois, 2010*; also *Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77471*)

Per Interagency; Appraisal and Evaluation Guidelines, December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472

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:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 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.

A Fee Simple estate is defined³ as:

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

h flow have been achieved.³

³ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2010).

Limiting Conditions and Assumptions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

1. This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.
2. Real estate values are affected by many changing factors. Therefore, any value opinion expressed herein is considered credible only on the effective value date. Every day that passes thereafter, the degree of credibility wanes as the subject changes physically, the economy changes, or market conditions change.
3. No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.
4. All files, work papers and documents developed in connection with this assignment are the property of Cooksey & Associates, Inc. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.
5. No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.
6. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, nor for any expertise or knowledge required to discover them.
7. If this appraisal values the subject as though construction, repairs, alterations, remodeling, renovation, or rehabilitation will be completed in the future, it is assumed such work will be completed in a timely fashion, using non-defective materials, and proper workmanship. All previously completed work is assumed to substantially conform to plans, specifications, descriptions, or attachments made or referred to herein. It is also assumed all planned, in-progress, or recently completed construction complies with the zoning ordinance, and all applicable building codes. A prospective value opinion has an effective value date that is beyond or in the future and can be effected by unforeseen events.
8. Comments or descriptions about physical condition of the improvements, if any, are based solely on a superficial visual observation. Electric, heating, cooling, plumbing, water supply, sewer or septic, mechanical equipment, and other systems were not tested. No determination was made regarding the operability, capacity, or remaining physical life of any component in, on, or under the real estate appraised. All building components are assumed adequate and in good working order unless stated otherwise. Private water wells and private septic systems are assumed sufficient to comply with federal, state, or local health safety standards. No liability is assumed for the soundness of structural members since structural elements were not tested or studied to determine their structural integrity. The roof cover for all structures is assumed water tight unless otherwise noted. Comments regarding physical condition are included to familiarize the reader with the property. This document is not an engineering or architectural report.

9. Any estimate for repairs is a non-warranted opinion of the Appraiser
10. Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.
11. Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.
12. It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated.
13. The appraiser(s) are not required to give testimony in Court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) Cooksey & Associates, Inc.'s regular per diem rate plus expenses.
14. Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.
15. Cooksey & Associates, Inc. has not made a determination regarding the subject's American with Disabilities Act of 1990 compliance or non-compliance. Non-compliance could have a negative impact on value, however this has not been considered or analyzed in this appraisal.

Disclosures

Professional Standards

All leading professional appraisal organizations, the U.S. Congress, all state legislatures, and numerous legal jurisdictions recognize the Uniform Standards of Professional Appraisal Practice (USPAP), promulgated by the Appraisal Foundation. Revised biennially to keep it contemporary, these standards set forth ethical practices and proper procedures for a competent appraisal. This appraisal fully complies with all relevant portions of the USPAP version in effect on the date this report was prepared. It also complies with the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), a federal law.

Competency

The person(s) signing this report are licensed to appraise real property in the state the subject is located. They affirm they have the experience, knowledge, and education to value this type property. They have previously appraised similar real estate.

Flagler County Area Analysis



Area Analysis Conclusions

The information on the following pages is sourced from the Moody Analytics 2014 report of the *Flagler/Palm Coast MSA*.

Moody's
ANALYTICS

PALM COAST FL

Database: MSA code: MPLM

ECONOMIC DRIVERS



EMPLOYMENT GROWTH RANK



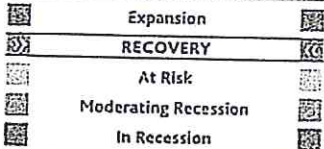
RELATIVE COSTS



VITALITY



BUSINESS CYCLE STATUS



STRENGTHS & WEAKNESSES

STRENGTHS

- Proximity to the beach provides an advantage over inland metro areas in attracting retirees
- Affordable housing increases in-migration
- Leisure/hospitality growth spills over to retail.

WEAKNESSES

- Distressed properties are slow to clear the market because of state process.
- Highest unemployment rate in the state
- Quickly aging labor force

FORECAST RISKS

SHORT TERM LONG TERM

RISK EXPOSURE 2014-2019 4 1st quintile

UPSIDE

- Faster rate of clearing foreclosures allows construction to ramp up hiring.
- Affordable housing encourages faster in-migration.

DOWNSIDE

- Prolonged above-average unemployment rate further undermines labor market tightening
- In-migration, the metro area's most important driver, fails to reach prior levels and weighs on population growth

MOODY'S RATING

NR

Recent Performance. Palm Coast's recovery has lost momentum since mid-2014. After a strong first half of the year, a number of industries, especially education/healthcare and construction, have been shedding jobs. Fortunately, consumer services, including leisure/hospitality and retail trade, are making up for much of this weakness. The net effect of the poor private sector performance has forced employment growth below the state and national averages on a year-ago basis and kept average hourly earnings depressed. The unemployment rate, hovering at about 8%, is more than 2 percentage points higher than the state and national averages.

Healthcare. PLM3 (ledging healthcare industry will rebound in coming quarters to make up for the massive loss of momentum in August. Florida Hospital-Flagler, the metro area's largest employer, will need to expand to meet the increasing demand for its services given the metro area's rapidly growing population. In particular, the steady in-migration of residents aged 65 and older, who are the most likely cohort to require health services, will provide consistent support to the industry over the long term.

Furthermore, since healthcare is less prevalent in PLM than in the state or nation, there is room for the industry to expand comfortably. Argent Properties has been buying senior centers throughout the metro area as part of its plans to expand into more markets. The high wages paid to healthcare workers, relative to the metro area's consumer services industries, as well as the low per capita income in PLM, mean that healthcare will be a primary driver of higher wage growth.

Consumption. As one of the few private sector industries unaffected by the midyear downturn, consumer-driven services will be a reliable source of near-term strength. Thanks to PLM's proximity to the beach and favorable climate, tourists will consistently be attracted to the metro area, which will translate into strong demand for consumer-related

services. The outlook will be further bolstered by robust population growth trends. Leisure/hospitality has been outperforming that in the state and nation in year-ago terms throughout the year, and this is expected to continue into 2015. Although retail trade has not been as strong, the industry has consistently outperformed that of the nation and has been on par with Florida's.

Real estate. Housing will improve in coming quarters but will not be the major driver that it was in the early 2000s. After a severe downturn during the Great Recession, the housing recovery in PLM has been slow. Foreclosures are more prevalent in the metro area than they are nationally or in Florida, but they have steadily receded throughout 2014. Of course, state judicial processes mean that the remaining foreclosure inventories will be slow to unwind.

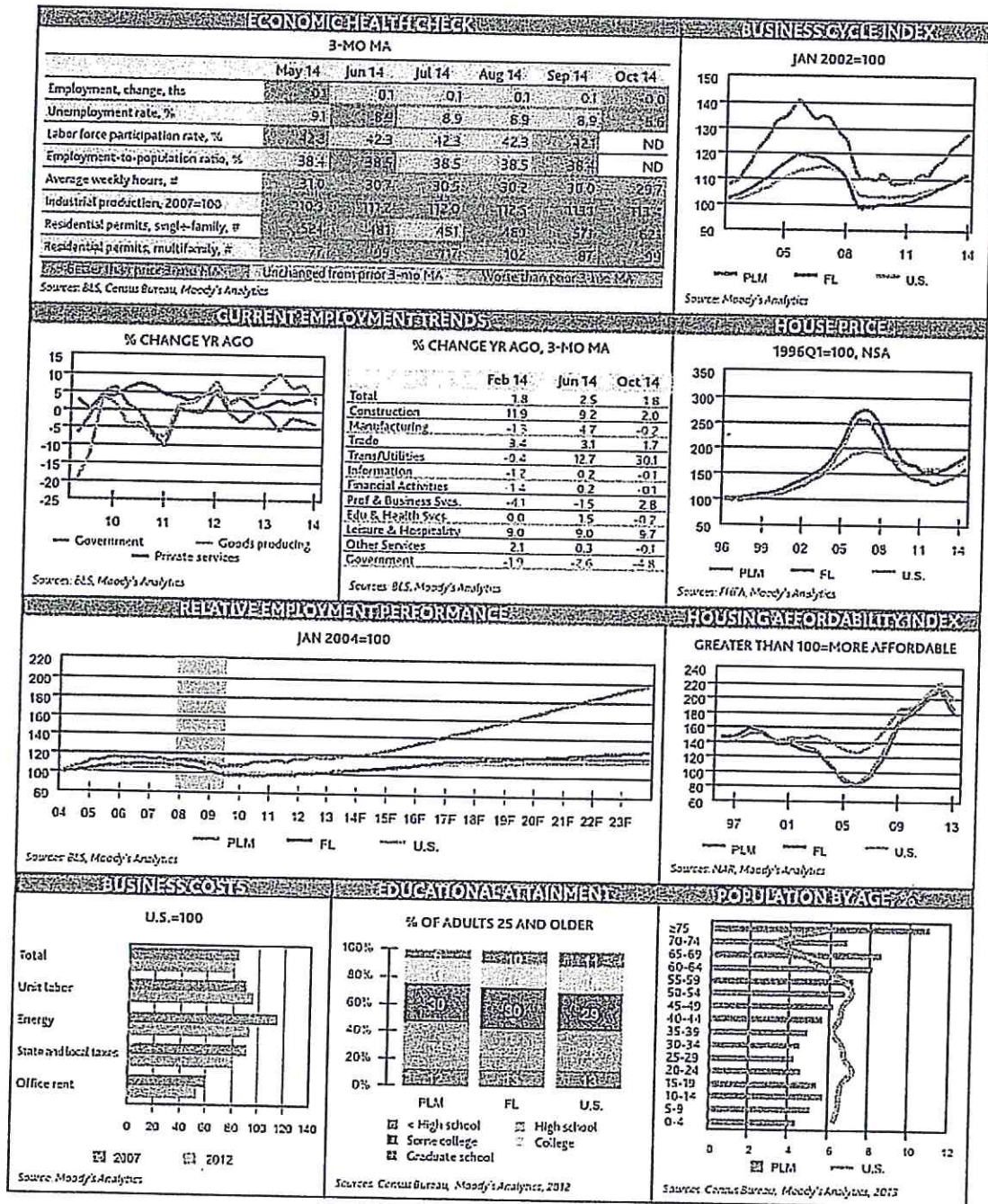
Still, single-family permits have rebounded slightly in recent months. Therefore, although the large backlog of foreclosed properties is dragging on the outlook, it will not completely stifle housing demand in the near term. Favorable migration patterns, particularly strong population gains and stable house price appreciation, will contribute to greater housing construction. Additionally, as the national housing recovery picks up, household balance sheets should improve, allowing more residents to relocate to the metro area. All told, the increase in residential construction will boost construction payrolls and wage growth in the metro area.

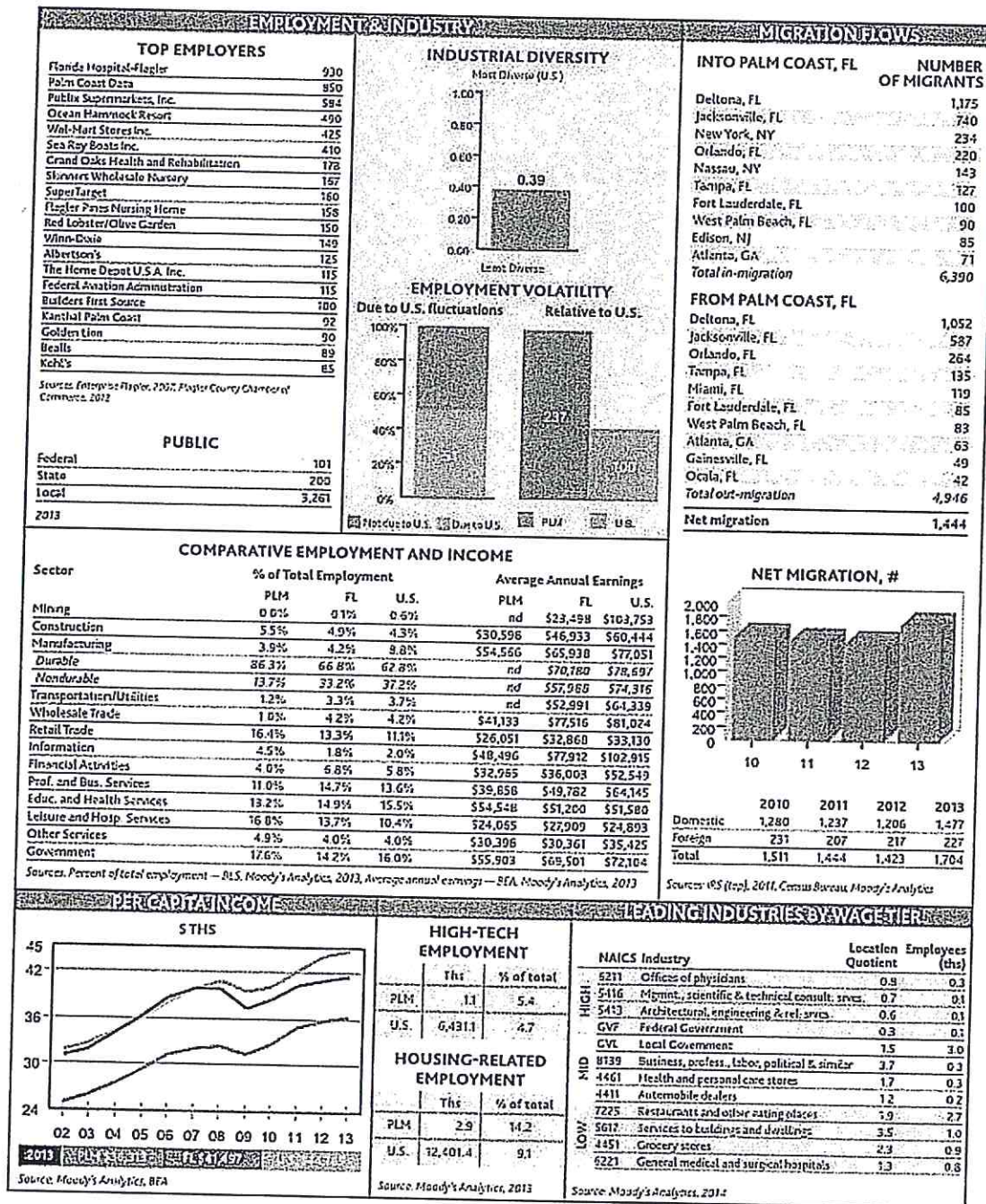
Palm Coast's recovery will pick up steam next year as healthcare, consumer services and construction drive the local economy. Foreclosures will drag on the housing market, but this should abate by mid-2015 as the number of distressed properties diminishes. Longer term, affordable housing, local amenities and strong in-migration will support above-average gains in healthcare and other services.

John Weiss
November 20141-866-275-3266
help@economy.com

2008	2009	2010	2011	2012	2013	INDICATORS	2014	2015	2016	2017	2018	2019
1.9	1.8	1.8	1.8	1.8	1.8	Gross metro product (C09\$ bil)	1.9	2.0	2.2	2.4	2.6	2.9
-3.5	-5.7	-0.2	-2.7	2.5	-0.6	% change	3.1	7.2	9.3	9.7	9.7	9.9
19.0	18.4	18.8	19.3	19.9	20.2	Total employment (th)	20.8	21.9	23.3	24.7	26.1	27.5
-1.6	-3.2	2.6	2.6	3.0	1.7	% change	2.6	5.6	6.2	6.0	5.6	5.3
9.6	14.5	15.1	13.6	12.0	10.2	Unemployment rate (%)	8.8	7.4	6.1	5.3	4.9	4.8
-1.7	-2.3	6.9	7.9	3.6	3.3	Personal income growth (%)	6.9	8.1	9.6	10.3	9.4	8.5
47.8	46.1	46.8	45.8	45.7	46.1	Median household income (\$ th)	46.3	48.0	49.8	51.9	53.8	55.4
93.5	94.7	95.1	97.3	98.4	100.0	Population (th)	102.7	106.3	110.4	115.4	121.2	127.5
3.3	1.2	1.4	1.3	1.1	1.5	% change	2.8	3.3	4.0	4.5	5.0	5.3
3.1	1.2	1.5	1.4	1.4	1.7	Net migration (th)	3.0	3.7	4.6	5.4	6.1	6.8
255	168	172	152	243	439	Single-family permits (#)	670	1,560	2,330	2,590	2,643	2,711
393	0	106	0	0	114	Multifamily permits (#)	94	108	122	109	103	108
165.9	135.2	124.1	120.6	123.0	142.7	Existing-home price (\$ th)	158.9	178.7	195.5	211.1	221.7	235.2

MOODY'S ANALYTICS / Prévis-U.S. Metro / South / November 2014

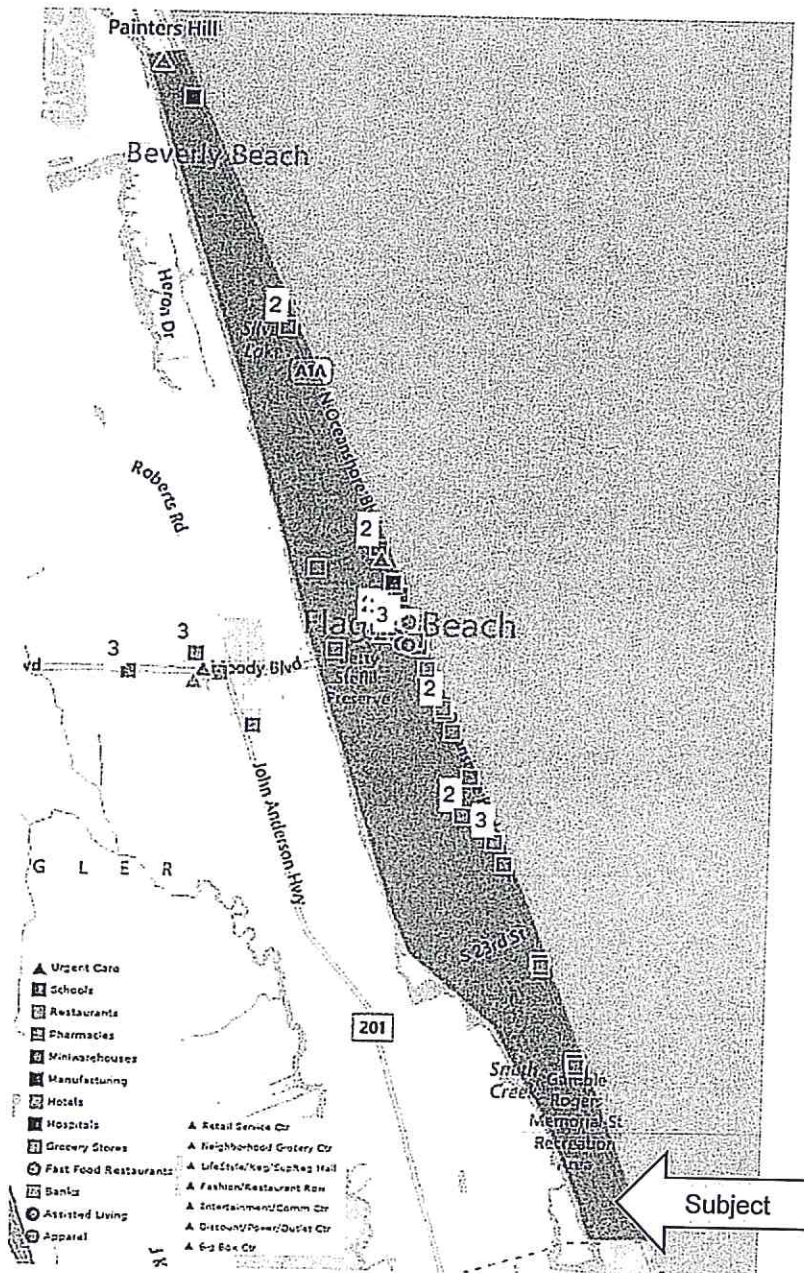




MOODY'S ANALYTICS / PRECIS® U.S. METRO / South / November 2014

Surrounding Market Area

This is the area that most directly influences the subject's real estate market. Typically a property's surrounding market area is a smaller geographic area than the region analyzed in the preceding section. A map of the surrounding area is shown below:



Neighborhood Boundaries

North:	Painters Hill	East:	Atlantic Ocean
South:	Flagler/Volusia County Line	West:	Intracoastal Waterway

Demographic Profile

Summary	Census 2010	2013	2018
Population	4,133	4,180	4,378
Households	2,200	2,224	2,321
Families	1,195	1,199	1,238
Average Household Size	1.88	1.88	1.89
Owner Occupied Housing Units	1,626	1,593	1,688
Renter Occupied Housing Units	574	632	633
Median Age	58.1	60.0	62.2
Trends: 2013 - 2018 Annual Rate	Area	State	National
Population	0.93%	0.99%	0.71%
Households	0.85%	0.98%	0.74%
Families	0.64%	0.87%	0.63%
Owner HHS	1.17%	1.32%	0.94%
Median Household Income	3.30%	3.47%	3.03%
Households by Income		2013	2018
<\$15,000		Number Percent	Number Percent
\$15,000 - \$24,999		173 7.8%	162 7.0%
\$25,000 - \$34,999		246 11.1%	171 7.4%
\$35,000 - \$49,999		327 14.7%	274 11.8%
\$50,000 - \$74,999		399 17.9%	369 15.9%
\$75,000 - \$99,999		487 21.9%	500 21.5%
\$100,000 - \$149,999		261 11.7%	372 16.0%
\$150,000 - \$199,999		137 6.2%	204 8.8%
\$200,000+		122 5.5%	171 7.4%
		73 3.3%	98 4.2%
Median Household Income		\$48,346	\$56,868
Average Household Income		\$67,793	\$81,818
Per Capita Income		\$36,123	\$43,435
Population by Age	Census 2010	2013	2018
	Number Percent	Number Percent	Number Percent
0 - 4	77 1.9%	71 1.7%	72 1.6%
5 - 9	96 2.3%	86 2.1%	85 1.9%
10 - 14	120 2.9%	114 2.7%	110 2.5%
15 - 19	144 3.5%	122 2.9%	116 2.6%
20 - 24	101 2.4%	103 2.5%	87 2.0%
25 - 34	226 5.5%	242 5.8%	239 5.5%
35 - 44	345 8.3%	289 6.9%	289 6.6%
45 - 54	660 16.0%	602 14.4%	529 12.1%
55 - 64	925 22.4%	977 23.4%	981 22.4%
65 - 74	749 18.1%	866 20.7%	1,111 25.4%
75 - 84	522 12.6%	519 12.4%	560 12.8%
85+	167 4.0%	189 4.5%	201 4.6%

Demographic Summary

Median Income	Neighborhood	\$48,346	Historical Pop. Growth Rate	0.4%
	County	\$45,578	Forecasted Pop. Growth Rate	0.9%
	State	\$44,894		
Population	Neighborhood	4,180		
	City	4,871		
	County	99,266		

Life Cycle Stage

Stable

Subject Property

Legal Description

A PORTION OF SECTION 29 AND 30, TOWNSHIP 12 SOUTH, RANGE 32 EAST, FLAGLER COUNTY, FLORIDA, DESCRIBED AS FOLLOWS: FROM THE NORTHEAST CORNER OF PALM HAVEN SUBDIVISION, AS RECORDED IN MAP BOOK 27, PAGE 27, OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, BEING ON THE WESTERLY RIGHT-OF-WAY LINE OF SOUTH CENTRAL AVENUE; A 50 FOOT RIGHT-OF-WAY, RUN NORTH 21 DEGREES 48 MINUTES 08 SECONDS WEST ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 130.00 FEET TO THE POINT OF BEGINNING; THENCE DEPARTING SAID RIGHT-OF-WAY LINE, RUN SOUTH 68 DEGREES 11 MINUTES 52 SECONDS WEST, A DISTANCE OF 86.00 FEET; THENCE SOUTH 59 DEGREES 08 MINUTES 59 SECONDS WEST, A DISTANCE OF 109.23 FEET; THENCE SOUTH 02 DEGREES 29 MINUTES 39 SECONDS EAST, A DISTANCE OF 400.00 FEET; THENCE SOUTH 87 DEGREES 30 MINUTES 21 SECONDS WEST, A DISTANCE OF 220.00 FEET; THENCE NORTH 02 DEGREES 29 MINUTES 39 SECONDS WEST, A DISTANCE OF 495.00 FEET; THENCE NORTH 68 DEGREES 11 MINUTES 52 SECONDS EAST, A DISTANCE OF 240.09 FEET; THENCE SOUTH 21 DEGREES 48 MINUTES 08 SECONDS EAST, A DISTANCE OF 105.22 FEET; THENCE NORTH 68 DEGREES 11 MINUTES 52 SECONDS EAST, A DISTANCE OF 130.00 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF SAID SOUTH CENTRAL AVENUE; THENCE SOUTH 21 DEGREES 48 MINUTES 08 SECONDS EAST ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 40.00 FEET TO THE POINT OF BEGINNING.

Current Ownership & Sale History

The current owner of record is Caribbean Condominium Limited Partnership. A search of public records indicates there has been no sale of the subject property in the previous three years.

I am not aware of any current listing or pending contract.

For several decades, the subject parcel and the surrounding golf course parcel were under unity of ownership. The two parcels operated as a golf course for ±40 years starting in the mid 1970's. The subject property was the driving range; the remainder of the property was operated as a nine-hole golf course.

A Development Agreement was agreed upon under threat of litigation by the developer in 1989. In that agreement the golf course parcel would remain designated recreational in the Comprehensive Plan, and be required to operate as a golf course open to the City's residents. If not operated as a golf course, the golf course parcel would be maintained as an open space surrounded by the existing multi-family and single-family residences.

In 1999, the subject and the golf course parcel were sold. Public records indicated \$1,800,000 price for the golf course and \$100,000 for the subject site. It is not known if the prices were arm's length or between related entities.. Several development plans were then submitted from 1999 – 2008, none of which were approved. The last zoning change request was for low intensity residential development allowing 125 single family lots on the entire tract.

The developers filed suit in 2010 claiming the denial of re-zoning amounted to inverse condemnation in that there was no economically beneficial use for the property under the Recreation zoning. The developer's suit was unsuccessful and the appeals court upheld the lower court's ruling. The ruling cited expert testimony that the golf course, though not highly profitable, nonetheless was a viable economic use. Subsequently the developers lost the golf course tract in foreclosure and the City of Flagler Beach bought that property at auction for \$490,000.

Site Description



Current Use of the Property:	Vacant – surrounding golf course has been closed for many years	
Site Size:	Total: 2.94 acres; 128,154 square feet	
Shape:	Slightly Irregular	
Frontage/Access:	The subject has legal though no improved access from Central Avenue. The access point is currently the former parking lot for the golf course. Access to the property within its boundaries will require the construction of a bridge or re-locating the retention pond.	
Topography:	Undulating with a large retention pond near the access point	
Soil Conditions:	No adverse conditions known	
Utilities:	Electricity:	Available
	Sewer:	Available
	Water:	Available
	Natural Gas:	N/A
	Underground Utilities:	No
Site Improvements:	Adequacy:	Adequate
	Portions of the former parking lot are located within the boundaries	